ECON 172 - Section 2: Introduction to R

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1 Welcome to R

R is a programming language and environment for statistical computing and graphics which is free to use and runs on Windows, Unix and MacOS. To do analysis in R, one can either write one's own commands or take advantage of the huge number of pre-existing packages written by R users and freely available.

1.1 Getting Started

1.1.1 Using R on your local machine (optional)

R can be downloaded from https://cran.rstudio.com/. We also recommend downloading RStudio, a user interface which makes R easier to use. It can be downloaded from https://www.rstudio.com/products/rstudio/download/.

If you run R on your local computer, you will need to install any packages you want to use (just one time), then load them into R's library for the current session. After that, it's easy to access any of the commands in the package (which are also generally extensively documented in a sort of user guide for the package).

1.1.2 Using R on your UC Berkeley's Datahub (recommended)

RStudio also runs on the UC Berkeley Datahub, so you don't need to install it locally on your computer. To start RStudio on Datahub, simply go to: https://r.datahub.berkeley.edu/

In our sections (and for the problem sets), we are going to show you this way of using RStudio. However, anything that we show you should also work on your local machine.

1.2 R Code

When we use R, we want to write and save our commands in a script. This will let us reproduce everything we do without having to retype our commands every time we work on a project. To do this, you can write and save a file as a .R file, which typically contains only code and code comments. You can find a separate .R file containing the code used to conduct the analysis below in the folder with the material for this section.

1.3 RMarkdown

What's even nicer about R is a file format called RMarkdown, such as the one you are currently working in. This file type allows you to combine text, mathematical equations (in a format called LaTex), code as well as dynamic output from this code, and automatically compile / output everything into a pdf document. (In RMarkdown language, this process is called "knitting" the document.)

1.4 Setting up the Environment

First, we need to set up the R environment, including installing all the required packages, loading all the required packages. This is done using R-code. The way to let RMarkdown know that the following output is a 'code chunk' is by enclosing the code chunk in triple quotations, as below. The code chunk indicator is followed by curly brackets, and r (indicating this code chunk is in the R language), a name for the code chunk (here "setup"), and some additional parameters. The parameter "results='hide'" and "message=FALSE" lets RMarkdown know that we will not want to include the output of or any messages generated by this code chunk in the pdf document (but the code will still run).

In your code, you can add comments, using # (beginning of the line) and ## (end of the line). These comments are not run as code, but will help your later self (and others reading your code) to understand what you were doing.

```
knitr::opts_chunk$set(echo = TRUE) ## sets global option to include code chunks in-line
#install.packages("haven") ## only run once to install
library(haven) #this library allows you to load datasets in Stata format
#install.packages("tidyverse") ## only run once to install
library(tidyverse)
#install.packages("summarytools") ## only run once to install
library(summarytools)
#install.packages("stargazer") ## only run once to install
library(stargazer) ##This package is great for making tables in .html, .tex and many other formats.
#install.packages("broom") ## only run once to install
library(broom)
```

The code chunk specifies that, by default, code chunks are part of the pdf output. Next, it installs a few packages. You only need to run this installation once. Afterwards, the package will remain installed on your datahub. (Remove the # before the install packages commands to install each package for the first time, then "comment out" these lines using #, as above.) Next, the "library" command lets R know that you will want to use these packages in your code.

1.5 Loading Data

The first step in using R for statistical analysis is to store data in what R calls a "data frame," a matrix whose columns have different modes (like numeric, words, etc.) and each row is a unit of observation (i.e. a person or a country, etc.)

R can load data from many types of files, including .csv and .txt. R has its own type of data file, with a .rds or .Rdata extension, and can also load data from Stata, SPSS, and SAS (other statistics computing programs) with the appropriate commands. The .rds format allows for a single object to be saved at a time, like a single dataset. The .RData format allows for multiple objects to be saved at once. Either one is a great way to save your data in R format.

For this section, we will be using data from Robinson, Acemoglu and Johnson (2001). For your convenience, the following link imports this data directly into your Datahub repository: https://r. datahub.berkeley.edu/hub/user-redirect/git-pull?repo=https%3A%2F%2Fgithub.com%2Fdennistegger% 2FECON172_Fall2019_SectionMaterial&urlpath=rstudio%2F The folder should now appear as "ECON172_Fall2019_SectionMaterial" on your workspace (bottom right).

When we load a dataframe in R, we give it a name for reference, such as "mydata" or something more specific, like "colonials". We also need to tell R where to find the data. We can do that by specifying a full file path to its exact location of the data. For the purposes of this section, we'll use the dataset "colonials" which is an example dataset that contains data on property rights index, gdp per capita and other variables for countries that were European colonies in the past.

```
## Load in data in csv form, from the folder just loaded into your directory.
## Important: Paths are always relative to the RMarkdown file location
## Alternatively, specify your working directory using
## knitr::opts_chunk$set(root.dir = "xxx")
colonials <- read.csv("colonials.csv")</pre>
```

Next we can visualize the database we just imported, and take a look at what variables are included. To do so, it's easiest to click directly on the dataset in your Environment pane on the top right in RStudio.

```
## Let's take a look on the dataset.
colonials ## or print first 10 observations
## Let's take a look the variables in this dataset.
```

```
names(colonials) ## just print
colonials_variables <- names(colonials) ## store list, assigned "colonials_variables"
colonials_variables ## take a look at this list</pre>
```

2 Analysis in R

2.1 Summary Statistics

Once a dataframe is loaded in R, it's very easy to run basic summary statistics. Unlike many other statistics programs, R provides fairly minimal output, and it's possible to store the results of a command without ever displaying them. For example, we may be interested in summary statistics for the GDP per capita of countries in the sample, which we can get by typing summary(colonials\$gdppc). This command instructs R to look in the dataframe listed before the \$ symbol (in this case, colonials), and to summarize the variable that follows the \$ symbol (in this case, gdppc). Note, the "results = 'markup'" bit tells RMarkdown to display the output of the code exactly as displayed in the R console.

```
## Let's look at some summary statistics.
## Here is the min, 25%-ile, median, mean, 75%-ile, and max for the variable gdppc
summary(colonials$gdppc) ## just print
##
      Min. 1st Qu.
                    Median
                               Mean 3rd Qu.
                                                Max.
##
       450
              1480
                       2835
                               5445
                                        6968
                                               27330
colonials_sumstats <- summary(colonials_sqdppc) ## store summary, "colonials_variables"
colonials_sumstats ## take a look at this summary
                    Median
##
      Min. 1st Qu.
                               Mean 3rd Qu.
                                                Max.
       450
##
              1480
                               5445
                                        6968
                                               27330
                       2835
```

Or, we may be interested specifically in the **mean** value of GDP per capita for countries in the sample specifically, which we can get by typing mean(colonials\$gdppc). As before, this command instructs R to look in the colonials dataframe and calculate the mean for the variable gdppc. We can store value resulting from this calculation, by using the <- symbol to store the results in a new object called meangdp, which can be by typing meangdp into the console, or used in another command or context later on.

```
## Let's look specifically at mean GDP
mean(colonials$gdppc) ## just print

## [1] 5445.458

meangdp <- mean(colonials$gdppc) ## save as a variable, called "meangdp"
meangdp ## take a look at the value stored in of "meangdp"</pre>
```

[1] 5445.458

Similar commands exist for standard deviation (sd), variance (var), minimum (min), maximum (max), median (med), range (range) and quantile (quantile).

2.2 Regression

Linear regression is also very straightforward to apply in R. The lm command, which comes preloaded, can be used for univariate or multivariate regression:

$$Y_i = \alpha + \beta X_{1,i} + \gamma X_{2,i} + \dots + e_i$$

(Note: The above mathematical expression was written in a typesetting environment called LaTex, and can easily be included in RMarkdown. For examples, see the Script.) Examples of how to run a regression of log GDP per capita on protection against expropriation and latitude are below:

```
## Univariate regression of log gdp per capita on property rights index.
lm(logGDP ~ protection, data=colonials) # display regression results
##
## Call:
## lm(formula = logGDP ~ protection, data = colonials)
## Coefficients:
## (Intercept)
                  protection
        4.6604
##
                      0.5221
## Multivariate, adding absolute latitude.
lm(logGDP ~ protection + lat_abst, data=colonials) # display regression results
##
## Call:
## lm(formula = logGDP ~ protection + lat_abst, data = colonials)
## Coefficients:
                  protection
## (Intercept)
                                  lat_abst
        4.7281
                                    1.5769
##
                      0.4679
## Storing results
\verb|reg1 <-lm(logGDP - protection, data=colonials)| \textit{# display regression results}|
reg2 <- lm(logGDP ~ protection + lat_abst, data=colonials) # display regression results
In the last example, we store the results in the object reg1. If you try this in R, you'll notice the results
don't display on the screen when you store the results, but you can access them by naming the object.
## Now access regresion results by:
```

```
##
## Call:
## lm(formula = logGDP ~ protection, data = colonials)
##
## Residuals:
##
      Min
               1Q Median
                               30
                                      Max
## -1.8715 -0.4644 0.1683 0.4610 1.1413
##
## Coefficients:
##
              Estimate Std. Error t value Pr(>|t|)
## (Intercept) 4.66038
                          0.40851 11.408 < 2e-16 ***
## protection
              0.52211
                          0.06119
                                    8.533 4.72e-12 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 0.7132 on 62 degrees of freedom
## Multiple R-squared: 0.5401, Adjusted R-squared: 0.5327
```

F-statistic: 72.82 on 1 and 62 DF, p-value: 4.724e-12

summary(reg1) # access complete regression results

2.3 Tables

There are many packages in R that let one create very nice tables. We recommend stargazer. Take the last regression we ran, stored as reg1 and say we want to export that to a table to be used in word or latex.

To include the final table in the knitted pdf created by RMarkdown, you can use the following template.

(Note, we want to use results='asis' and header=FALSE, in order for RMarkdown to compile the LaTex table into a pretty format when knitting the pdf):

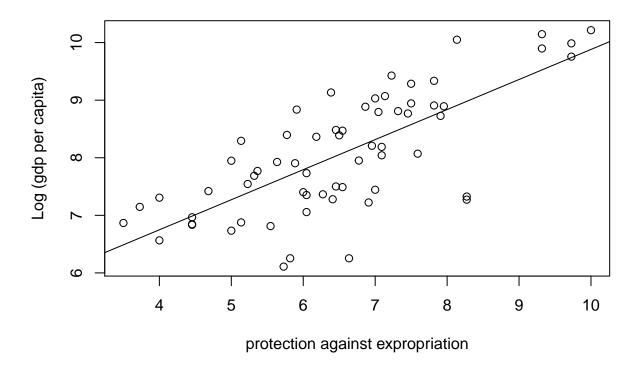
Table 1: Property Rights and Development

	Dependent	t variable:
	logG	DP
	(1)	(2)
protection	0.522***	0.468***
	(0.061)	(0.064)
	t = 8.533	t = 7.292
lat_abst		1.577**
		(0.710)
		t = 2.220
Constant	4.660***	4.728***
	(0.409)	(0.397)
	t = 11.408	t = 11.900
Observations	64	64
Note:	*p<0.1; **p<	0.05; ***p<0.01

The above command combines regression output saved in reg1 and reg2 into one table. Stargazer lets you specify title, alignment of coefficients inside columns and rows, which statistics to report (here, the variable names "v", coefficients "c", significance stars "*", standard errors s" and t-statistics "t"). Moreover, you can tell it to omit statistics such as the log-likelihood "LL", the R2 "rsq", etc. You can also set the table placement in the final pdf (here, table.placement="H" means that the table will be placed directly after the code chunk). Stargazer has extensive documentation (try ??stargazer in R) and can also be used to make great summary statistics tables - try it out!

2.4 Plotting

R also makes it easy to do basic plots. For example, one might want to create a scatterplot from two variables, and graph the regression line - or line of best fit - on the plot. This is easy to do with the plot command, which as a default plots the first variable listed on the horizontal axis, and the second on the vertical axis. Below are two ways of plotting protection against expropriation index and log of GDP per capita, one very simple and one with titles and labels. The second version also includes the abline command to add a regression line to the graph.



Remember that abline adds to the plot the regression line (linear fit line)

3 Resources for further study

- UCLA has a number of excellent resources to help you learn more about how to use R, available at: http://www.ats.ucla.edu/stat/r/.
- You can also find interactive lessons at Try R http://tryr.codeschool.com/ for practice writing code.
- We also recommend the text on the syllabus, Hanck, Christoph, Martin Arnold, Alexander Gerber and Martin Schmelzer. (2018). Introduction to Econometrics with R, https://www.econometrics-with-r.org/.
- You may also find https://www.r-bloggers.com/ to be a useful resource for specific questions.
- Finally, we include two useful resources that summarize useful R commands and common RMarkdown features.

Base R

Cheat Sheet

Getting Help

help.search('weighted mean') Search the help files for a word or phrase. help(package = 'dplyr') Get help of a particular function.

Find help for a package.

str(iris)

Get a summary of an object's structure. class(iris)

Find the class an object belongs to.

Jsing Libraries

Download and install a package from CRAN. install.packages('dplyr')

Load the package into the session, making all Library(dplyr)

dplyr:select

its functions available to use.

Use a particular function from a package.

data(iris)

Elements one and

x[c(1, 5)]

x[-(2:4)]

x[2:4]

By Value

x[x == 10]

Load a built-in dataset into the environment.

Working Directory

getwd()

Find the current working directory (where inputs are found and outputs are sent).

setwd('C://file/path')

Elements in the set 1, 2, 5.

x[x %in% c(1, 2, 5)]

All elements less Elements which are equal to 10.

x[x < 0]

than zero.

Change the current working directory.

Use projects in RStudio to set the working directory to the folder you are working in.

Example while (condition){ Do something while (i < 5){ i <- i + 1 print(i) Programming for (variable in sequence){ Example Do something Repeat elements of a vector Repeat a vector A complex sequence 121212 Vectors Creatin seq(2, 3, by=0.5) rep(1:2, times=3) rep(1:2, each=3) c(2, 4, 6) 5:6

If Statements	<pre>if (condition){ Do something } else { Do something different }</pre>	Fxamp
	<pre>if (condit Do some } else { Do some }</pre>	

Return x reversed. unique(x)

Return x sorted.

sort(x)

table(x)

rev(x)

Vector Function

See unique values.

See counts of values.

Selecting Vector Elements

By Position

Functions

	function_name <- function(var
	Do something
erent	<pre>return(new_variable) }</pre>
ple	Example
	square <- function(x){
	squared <- x*x
	return(squared)

	ting Data	Des
4	Reading and Writ	Ouput
~		Input
	Elements two to four.	All elements except two to four.

print('No') else {

All but the fourth.

x[-4]

The fourth element.

x[4]

Input	Ouput	Description
df <- read.table('file.txt')	write.table(df, 'file.txt')	Read and write a delimited text file.
df <- read.csv('file.csv')	write.csv(df, 'file.csv')	Read and write a comma separated value file. This is a special case of readtable/ write.table.
load('file.RData')	<pre>save(df, file = 'file.Rdata')</pre>	Read and write an R data file, a file type special for R.

ø	ro O	
Are equal	Not equal	
a == b	a != b	
tions		

Element with name 'apple'.

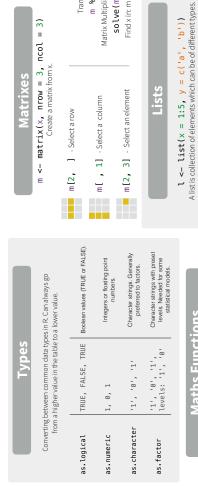
x['apple']

Named Vectors

Learn more at web page or vignette • package version • Updated:3/15

> b Greater than a >= b Greater than 1s.na(a) Is missing captal to equal to

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Mathe Emertion

	Maths Functions	ICLIOIIS	
log(x)	Natural log.	sum(x)	Sum.
exp(x)	Exponential.	mean(x)	Mean.
max(x)	Largest element.	median(x)	Median.
min(x)	Smallest element.	quantile(x)	Percentage quantiles.
round(x, n)	Round to n decimal places.	rank(x)	Rank of element
signif(x, n)	Round to n significant figures.	var(x)	The variance.
cor(x, y)	Correlation.	sd(x)	The standard deviation.

Variable Assignment

> a <- 'apple' [1] 'apple' م ۸

The Environment

List all variables in the environment.	Remove x from the environment.	= ls()) Remove all variables from the environment.
ls()	rm(x)	rm(list =

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Find regular expression matches in x. Also see the **stringr** library. Join elements of a vector together. Join multiple vectors together. paste(x, collapse = ' ') paste(x, y, sep = ' ')grep(pattern, x) Strings

m <- matrix(x, nrow = 3, ncol = 3) Create a matrix from x.

Replace matches in x with a string. Convert to uppercase. gsub(pattern, replace, x) toupper(x)

□ %*% □ t(m) Transpose

Matrix Multiplication solve(m, n) Find x in: $m^* x = n$

m[2, 3] - Select an element

m[, 1] -Selecta column

m[2,] -Selectarow

Convert to lowercase. tolower(x)

Factors

Number of characters in a string.

nchar(x)

Tum a numeric vector into a cut(x, breaks = 4)factor but 'cutting' into Turn a vector into a factor. Can set the levels of the factor and factor(x)the order.

Statistics

New list with only element

Element named L\$x

New list with only the first

Second element

ofl.

1[1]

element.

×

named y.

l['y']

prop.test Testfora	difference between proportions.	aov Analysis of variance.
<pre>t.test(x, y) Preform a t-test for</pre>	difference between means.	pairwise.t.test Preform a t-test for paired data.
$lm(x \sim y, data=df)$ Linear model.	<pre>glm(x ~ y, data=df) Generalised linear model.</pre>	summary Get more detailed information out a model.

 $\label{eq:def} \begin{array}{ll} \mbox{df } < - \mbox{ data.frame}(x = 1:3, \ y = c(\ ^a', \ ^b', \ ^c')) \\ \mbox{A special case of a list where all elements are the same length.} \end{array}$

Data Frames

Also see the dplyr library. List subsetting

Distributions

df[[2]]

df\$x

Ф Ф

Ч 7 See the full data

frame.

View(df) head(df)

O

m

Matrix subsetting

Understanding a data frame

Oush+ile	Analitie Analitie	duorm	qpois	qbinom	qunif
Cumulative	Distribution	muoud	ppois	pbinom	punif
Density	Function	dnorm	dpois	dbinom	dunif
Random	Variates	rnorm	rpois	rbinom	runif
		Normal	Poison	Binomial	Uniform
	Density Cumulative	Density (Random Density Cumulative Qu. Variates Function Distribution Qu. rnorm dnorm pnorm	Random Density Cumulative Quuralities Function Distribution Quuralities doors phooris	Random Density Cumulative Quarales Function Distribution Quarantee dhorm phorm rpois dpois ppois

Also see the **ggplot2** library. Plotting

cbind - Bind columns.

nrow(df)
Number of rows.

df[, 2]

↑

ncol(df) Number of columns.

df[2,]

rows.

See the first 6

	See the Lubrida
<pre>plot(x, y) Values ofx against y.</pre>	See the
<pre>plot(x) Values of x in order.</pre>	Dates

†

dim(df)
Number of
columns and

rows.

df[2, 2]

You can use the environment panel in RStudio to browse variables in your environment.

rbind - Bind rows.

hist(x)
Histogram of
x.

ate library.

Learn more at web page or vignette • package version • Updated: 3/15





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Your report will rendered as a Shiny app, which means ye must choose an html output format, like html_document, and serve it with an active R Session. Render with rmarkdown::run or click Run Document in RStudio IDE Embed a complete app into your document with shiny:shinyAppDir() Parameterize your documents to reuse with different inputs (e.g., data sets, values, etc.) Call Shiny render functions to embed Call Shiny input functions to embed **Interactive Documents** Turn your report into an interactive Shiny document in 4 steps Add runtime: shiny to the the params argument of render(): parameters in the header as sub-values A First '``{r, echo = FALSE} numericInput("n", "How many cars?", 5) Set values wth Knit with parameters or reactive output. ---output: html_document runtime: shiny renderTable({ head(cars, input\$n) Add parameters Call parameters YAML header. params\$<name> input objects. values in code as Set parameters Call parameter of params M At the click of a button, or the type of a command, you can rerun the code in an R Markdown file to reproduce your work and export the results as a finished report. Synch publish button to accounts at pubs.com, Vse output file that is params - list of params to use Use rmarkdown::render() to render/knit at cmd line. output_options - List of render options (as in YAML) 'asis' - passthrough results 'hide' - do not display results 'hold' - put all results below all code saved alongside.Rmd ```{r include=FALSE} knitr::opts_chunk\$set(echo = TRUE) **Examine build log** in R March Land message - display code messages in document (default = TRUE) tidy - tidy code for display (default = FALSE) shinyapps.io RStudio Connect envir - environment to evaluate code chunks in warning - display code warnings in document (default = TRUE) **S Publish** (optional) to web or server Set with knitr::opts_chunk\$set(), e.g. Reload document Find in document File path to output document encoding - of input file render() input - file to render results (default = 'markup') output_format Global options mportant args: output_file output_dir 3 Knit document to create report A Preview Output Use knit button or render() to knit Publish . 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R Markdown 1 ## Ist Qu.:12.0 ## Median :15.0 ## Mean :15.4 ## 3rd Qu.:19.0 ## Max. :25.0 | ``{r echo=TRUE} | getRversion() R Markdown summary(cars) **Embed code with knitr syntax** e report.Rmd documents. **RStudio** Code chunks * * Workflow Show outline Run current chunk error - Display error messages in doc (TRUE) or stop render when errors occur (FALSE) (default = FALSE) eval - Run code in chunk (default = chunk options within curly braces, after r. Insert with One or more lines surrounded with ```{r} and ```. Place echo - Display code in output document (default = TRUE) code chunk(s) dependson - chunk dependencies for engine - code language used in chunk (default = 'R') Open a new Rmd file at File ▶ New File ▶ R Markdown. 2 Write document Use the wizard that opens to pre-populate the file with a by editing template Run all previous chunks Find and Publish replace library(rmarkdown) |render("report.Rmd", output_file = "report.html") caching (default = NULL) options code '``{r setup, include=FALSE} knitr::opts_chunkSset(echo = TRUE) For more details on using R Markdom see http://rmarkdown.rstudio.com. learn more at rmarkdown.rstudio.com This is an R Markdown document. Markdown is a simple formatting syntax for authoring HTML, PDF, and MS Word documents. preview sults appear as text without code. Set Spell **■** Built with 3.2.3 title: "R Marydown' author: "RStadio" output: html_document: toc: TRUE summary(cars) R Studio ## R Markdown Save collapse - collapse all output into single block (default = FALSE) **comment** - prefix for each line of results (default = '##') cache.path - directory to save cached **cache** - cache results for future knits (default = FALSE) child - file(s) to knit and then include (default = NULL) Open in window Inline code 10 results in (default = "cache/" Built with `r getRversion()` It will use the location of the .Rmd file as the working directory Insert with 'r <code>'. Re ortant chunk optio **Text**Narration formatted with markdown, mixed with: R Markdown will run the render (e.g. pandoc) options written as key:value pairs (YAML). • Begins with ```{r} • ends with ``` Rmd structure At start of file Between lines of ---Chunks of embedded code. Each chunk: code and append the results to the doc. Code chunks YAML Header template

9

1 4.00 2.00 2 4.00 10.00 3 7.00 4.00 4 7.00 22.00 5 8.00 16.00

dist

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Options not listed above: Roptions, aniopts, autodep, background, cache.comments, cache.lazy, cache.rebuild, cache.vars, dev, dev.ars, dev, dev.ars, options, prigneropts, engine.path, fig.sep, fig.env, fig.ext, fig.keep, fig.bext, fig.sub.cap, interval, out.extra, out.height, out.width, prompt, purl, retlabel, render, size, split, tidy.opts

render("doc.Rmd", [arm c c.2015-01-01"])

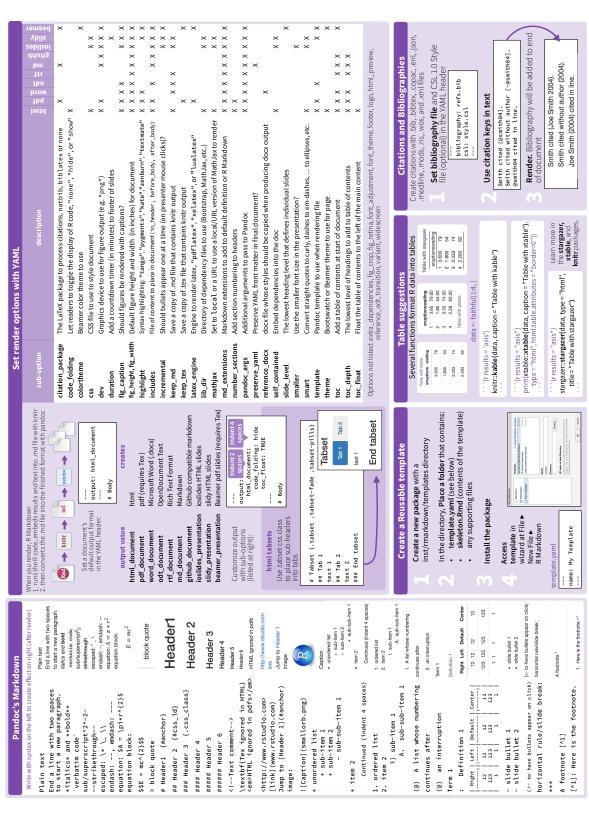
Knit with Parameters

Knit to HTML
Rit to PDF Knit to Word

n: 100 d: !r Sys.Date()

Parameters

Today's date is `r params\$d`



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