# SHARE data

* Keep only wave 8
* Keep only workforce: employed, self-employed, unemployed, sick or disabled.
  + Exclude: refusal, don’t know, retired, homemaker, other
* Longitudinal info possible? Which year was w8 interview finished?  
  Immagine che contiene testo, Carattere, schermata, numero

  Descrizione generata automaticamente



# OxGRT data

* Keep months of January, February, March
* Generated max cumulated and average values for:
  + stringency\_index
  + new\_cases\_per\_million
  + new\_deaths\_per\_million
  + new\_tests\_per\_thousand
* Note: many missing values for some countries
  + Remove Portugal 🡪 no values in SHARE?
  + Remove Czech Republic 🡪 no values in OxGRT

# IV concerns

Solving the issue of granularity in IV strategies + cross-sectional data, approaches:

1. **Control Variables**: Include as many relevant control variables as possible to account for individual characteristics that might be correlated with both your instrument and your outcome variable.
2. **Cluster-Robust Standard Errors**: Given that your instrument varies at the country level, you might consider clustering your standard errors at that level to account for within-country correlation.
3. **Instrument Strength**: Make sure to conduct tests to assess the strength of your instrument. A weak instrument can lead to biased estimates. The rule of thumb is that the F-statistic from the first-stage regression should be well above 10.
4. **Exogeneity Tests**: Conduct tests to ensure the exogeneity of your instrument, such as the Sargan-Hansen test for overidentification if you have more than one instrument.
5. **Local Average Treatment Effect (LATE)**: Be aware that your IV estimates will capture the Local Average Treatment Effect, which may not be generalizable to the entire population. Make sure to discuss this limitation in your interpretation.
6. **Sensitivity Analysis**: Given the limitations, it would be prudent to conduct sensitivity analyses to check the robustness of your findings to different specifications.
7. **Proxy Variables**: If you can't find individual-level instruments, consider using proxy variables that might capture individual-level variations related to your instrument.
8. **Instrument Proliferation**: If you have multiple country-level instruments, you can use them all in a single IV regression to improve the strength of the instruments, but be cautious of overfitting and overidentification.