Voting Together: Network Effects in the Turnout Decisions of Naturalized Citizens

ECON 21130: Project Proposal
Raymond Han
3/1/17

A large body of evidence suggests that social pressure and social learning play an important role in the turnout decision for citizens of democracies. This evidence suggests that understanding the role that network effects play in political mobilization for different groups may provide important insight into the persistent heterogeneity in political participation across groups. In particular, group-based network effects may be especially crucial for naturalized citizens, for whom baseline political participation is often lower than for the rest of the population.

However, identification of network effects using cross-sectional data is complicated by several considerations. First, a suitable proxy for the "strength" of one's network must be found. Group averages are often considered for this purpose, but as Manski (1993) points out, it is impossible to tell whether the group average has a causal effect on the individual outcome or whether an omitted variable (either shared personal or shared neighborhood characteristics) is driving the correlation. Manski refers to this as the "reflection problem". Second, individuals with "strong" networks may differ on unobservable dimensions from those with "weak" networks if network formation is endogenous.

The empirical methodology used in Bertrand, Luttmer, Mullainathan (2000) presents a possible solution to these issues. Using language spoken at home to infer the size of individuals' networks, Bertrand et al. argue that network effects within language groups are an important determinant of welfare usage using two dimensions of variation: (1) within group variation in network size and (2) between group variation in average welfare usage. Network strength is constructed as the *interaction* between network "size" (proxied for using local language group concentration) and network "quality" (proxied for using the average welfare usage of the individual's group). This allows for the inclusion of the lower-order term for network size as a control, allaying concerns about network selection. The coefficient of interest on this measure of network strength is therefore a test for whether network size has a differential effect for members of groups with varying levels of "welfare culture".

My project proposes adapting this strategy to the context of political participation. Focusing my analysis on naturalized citizens allows me to delineate groups using country of origin, across which there is significant heterogeneity in voting rates. I propose constructing a similar measure of "network strength" with the goal of understanding whether ethnic concentration has a differential effect for members of groups with varying levels of political participation. To demonstrate the validity of this strategy, I hope to build on the qualitative discussion of the empirical methodology in Bertrand et al. (2000) by explicitly modeling the voting and network selection decisions in an attempt to further motivate the empirical strategy and foreground the assumptions necessary for identification to hold. In particular, I will generate simulated data according to the model and show that the coefficient of interest captures the action of network effects and can be successfully recovered using the chosen specification. I will consider several endogeneity issues unique to this context. Finally, I also hope to consider the conditions under which identification may fail as well as the appropriate strategies for statistical inference (e.g. what level to cluster standard errors).