# Government 10: Quantitative Political Analysis

Sean Westwood

▶ Randomization is the best available tool for sorting out the difference between causation and correlation.

- Randomization is the best available tool for sorting out the difference between causation and correlation.
- In many cases, randomization is unethical or just not feasible:

- Randomization is the best available tool for sorting out the difference between causation and correlation.
- In many cases, randomization is unethical or just not feasible:
  - ▶ What is the effect of acquiring nuclear weapons on international trade policy?

- Randomization is the best available tool for sorting out the difference between causation and correlation.
- In many cases, randomization is unethical or just not feasible:
  - ▶ What is the effect of acquiring nuclear weapons on international trade policy?
  - How does indiscriminate violence affect insurgency?

- Randomization is the best available tool for sorting out the difference between causation and correlation.
- In many cases, randomization is unethical or just not feasible:
  - ▶ What is the effect of acquiring nuclear weapons on international trade policy?
  - ► How does indiscriminate violence affect insurgency?
  - ► How do economic crises affect support for incumbents?

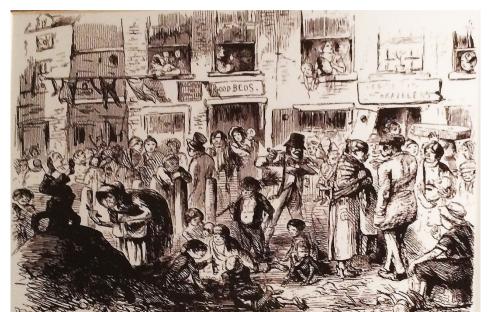
▶ These questions may still be answerable—with less precision

- ▶ These questions may still be answerable—with less precision
- If we observe what happens in the world, and try to draw inferences from it.

- ▶ These questions may still be answerable—with less precision
- If we observe what happens in the world, and try to draw inferences from it. This is known as an observational study

- ▶ These questions may still be answerable—with less precision
- If we observe what happens in the world, and try to draw inferences from it. This is known as an observational study
- An examaple where we cannot randomize!

# 1854 cholera outbreak in London



## 1854 cholera outbreak in London

# CHOLERA!

Published by order of the Sanatory Committee, under the sanction of the Medical Counsel.

## BE TEMPERATE IN EATING & DRINKING!

Avoid Raw Vegetables and Unripe Fruit!

Abstain from COLD WATER, when heated, and above all from Ardent Spirits, and if habit have rendered them indispensable, take much less than usual.

# SLEEP AND CLOTHE WARM S

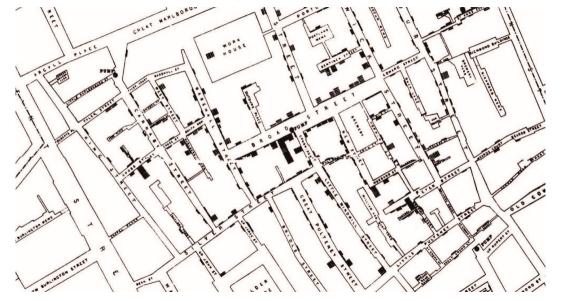
DO NOT SLEEP OR SIT IN A DRAUGHT OF AIR, Avoid getting Wet!

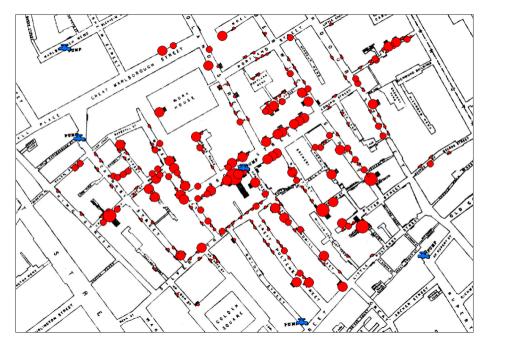
Attend immediately to all disorders of the Bowels.

#### TAKE NO MEDICINE WITHOUT ADVICE.

Medicine and Medical Advice can be had by the poor, at all hours of the day and night, by applying at the Station House in each Ward.

# John Snow: Observational Study



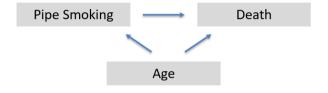


# A Good Observational Study

▶ To increase confidence, we need to rule out **confounders** 

# A Good Observational Study

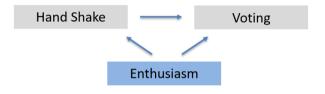
To increase confidence, we need to rule out **confounders** 



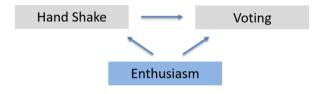


▶ One way to limit the influence of confounders is to narrow the study to focus on similar participants

One way to limit the influence of confounders is to narrow the study to focus on similar participants

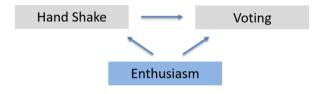


One way to limit the influence of confounders is to narrow the study to focus on similar participants



▶ We can construct a control group that looks similar to the treatment group by gathering data on people who attended rallies but did not shake hands.

One way to limit the influence of confounders is to narrow the study to focus on similar participants



▶ We can construct a control group that looks similar to the treatment group by gathering data on people who attended rallies but did not shake hands.

 $Avg_{Enthusiastic\ Handshake} = Avg_{Enthusiastic\ No\ Handshake}$ 

► Another approach is to leverage time

▶ Another approach is to leverage time

Group 1 Shook Hands 55% Voted

Group 2 Did Not Shake Hands 43% Voted

▶ Another approach is to leverage time

Group 1 Shook Hands 55% Voted

Group 2 Did Not Shake Hands 43% Voted

In order to know the effect of contact for Group 1, we need to know not only the average turnout rate after the handshake, but the average turnout rate before (prior elections)

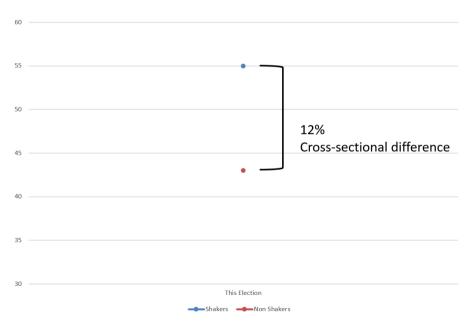
▶ Another approach is to leverage time

Group 1 Shook Hands 55% Voted

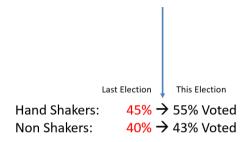
Group 2 Did Not Shake Hands 43% Voted

▶ In order to know the effect of contact for Group 1, we need to know not only the average turnout rate after the handshake, but the average turnout rate before (prior elections)

Effect of Hand Shake =  $Turnout_{After}$  -  $Turnout_{Before}$ 



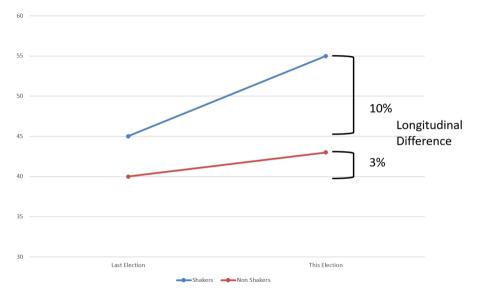
# We want to observe behavior before the handshake



# We want to observe behavior before the handshake

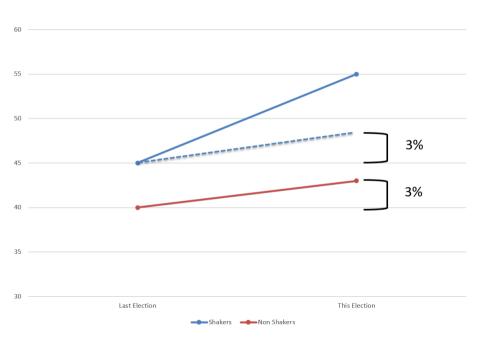


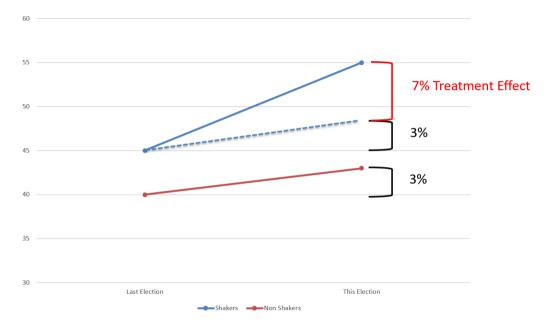
Pre-Treatment Post-Treatment



# What is the effect of a handshake?

	Increase	Voted
Hand shakers:	10% Increase	55%
Non shakers:	3% Increase (Control)	43%





Average Treatment Effect:

Average Treatment Effect:

 $\operatorname{Avg}(Y_{Treatment\:Group}) - \operatorname{Avg}(Y_{Control\:Group})$ 

Average Treatment Effect:

 $\mathsf{Avg}(Y_{Treatment\ Group})$  -  $\mathsf{Avg}(Y_{Control\ Group})$ 

Difference-in-Differences:

 $Avg(Y_{Treatment,Post} - Y_{Treatment,Pre}) - Avg(Y_{Control,Post} - Y_{Control,Pre})$ 

Average Treatment Effect:

 $\mathsf{Avg}(Y_{Treatment\ Group})$  -  $\mathsf{Avg}(Y_{Control\ Group})$ 

Difference-in-Differences:

 $\mathsf{Avg}(Y_{Treatment,Post} - Y_{Treatment,Pre})$  -  $\mathsf{Avg}(Y_{Control,Post} - Y_{Control,Pre})$ 

 $(55\% - 45\%) - (43\% - 40\%) = 7\% \sim Treatment Effect$ 

Average Treatment Effect:

 $\mathsf{Avg}(Y_{Treatment\ Group})$  -  $\mathsf{Avg}(Y_{Control\ Group})$ 

Difference-in-Differences:

$$\operatorname{Avg}(Y_{Treatment,Post} - Y_{Treatment,Pre})$$
 -  $\operatorname{Avg}(Y_{Control,Post} - Y_{Control,Pre})$ 

$$(55\% - 45\%) - (43\% - 40\%) = 7\% \sim Treatment Effect$$

10% - 3%

"Differencing" controls for unobserved **secular time trends** (general tendencies)

"Differencing" controls for unobserved secular time trends (general tendencies)

In this case, something that would make people more or less likely to vote, independent of the handshake:

"Differencing" controls for unobserved secular time trends (general tendencies)

- In this case, something that would make people more or less likely to vote, independent of the handshake:
  - ► The economy

- "Differencing" controls for unobserved secular time trends (general tendencies)
  - In this case, something that would make people more or less likely to vote, independent of the handshake:
    - ► The economy
    - A political scandal

- "Differencing" controls for unobserved **secular time trends** (general tendencies)
  - In this case, something that would make people more or less likely to vote, independent of the handshake:
    - The economy
    - A political scandal
  - ► Key assumption: the treatment and control groups will behave similarly over time.

- "Differencing" controls for unobserved **secular time trends** (general tendencies)
  - In this case, something that would make people more or less likely to vote, independent of the handshake:
    - ► The economy
    - A political scandal
  - ► Key assumption: the treatment and control groups will behave similarly over time.
    - Each group may have a different baseline propensity to vote

- "Differencing" controls for unobserved **secular time trends** (general tendencies)
  - In this case, something that would make people more or less likely to vote, independent of the handshake:
    - ► The economy
    - A political scandal
  - ► Key assumption: the treatment and control groups will behave similarly over time.
    - Each group may have a different baseline propensity to vote
    - ► However, we should observe parallel trends over time

