

Revisiting valid instruments: A Bayesian approach

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In the morning

Generate data

```
n <- 1000
```

```
z <- rnorm(n)
```

```
x <- 1 + 2*z + rnorm(n)
```

True model specified by instrument

```
e <- rnorm(n, 1)
```

```
y <- 3 + 1.5*2*x + e
```

Getting up

- ▶ Turn off alarm
- ▶ Get out of bed

Breakfast