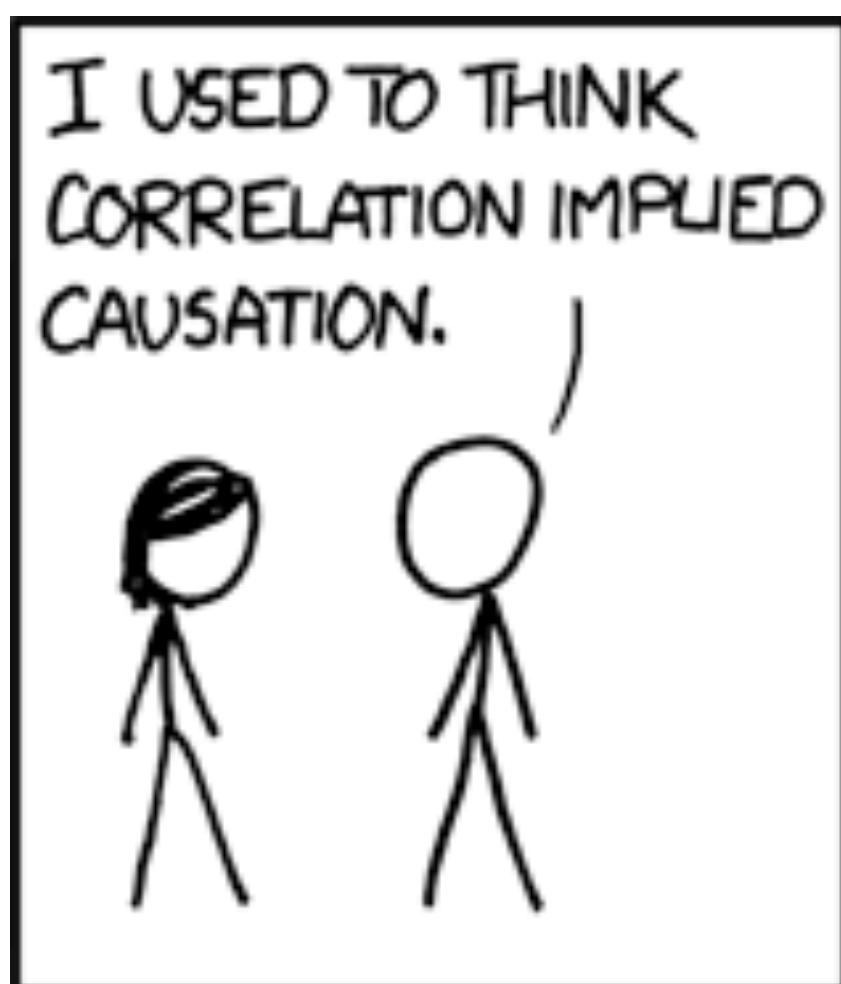


Section #8

Values & Reputation

March 30, 2023



Correlation

What's the problem?

- **Selection bias:** non-random selection into the sample
 - e.g., Are RW parties more likely to start wars, or is it that hawkish publics elect RW leaders?
- **Omitted variable bias:** leaving out crucial variables
 - e.g., Taking statistics courses increases statistical knowledge, but confounders, like instruction quality, are also at play.

Randomized experiments

Why they help

- **Magic of randomization:** balances observed & unobserved confounders
- **Natural experiments:** we can't randomize everything, so we rely on as-if randomization & adjust for observable confounders
- **Natural experiment ideal:** well-defined treatment assignment mechanism, variables, & outcomes

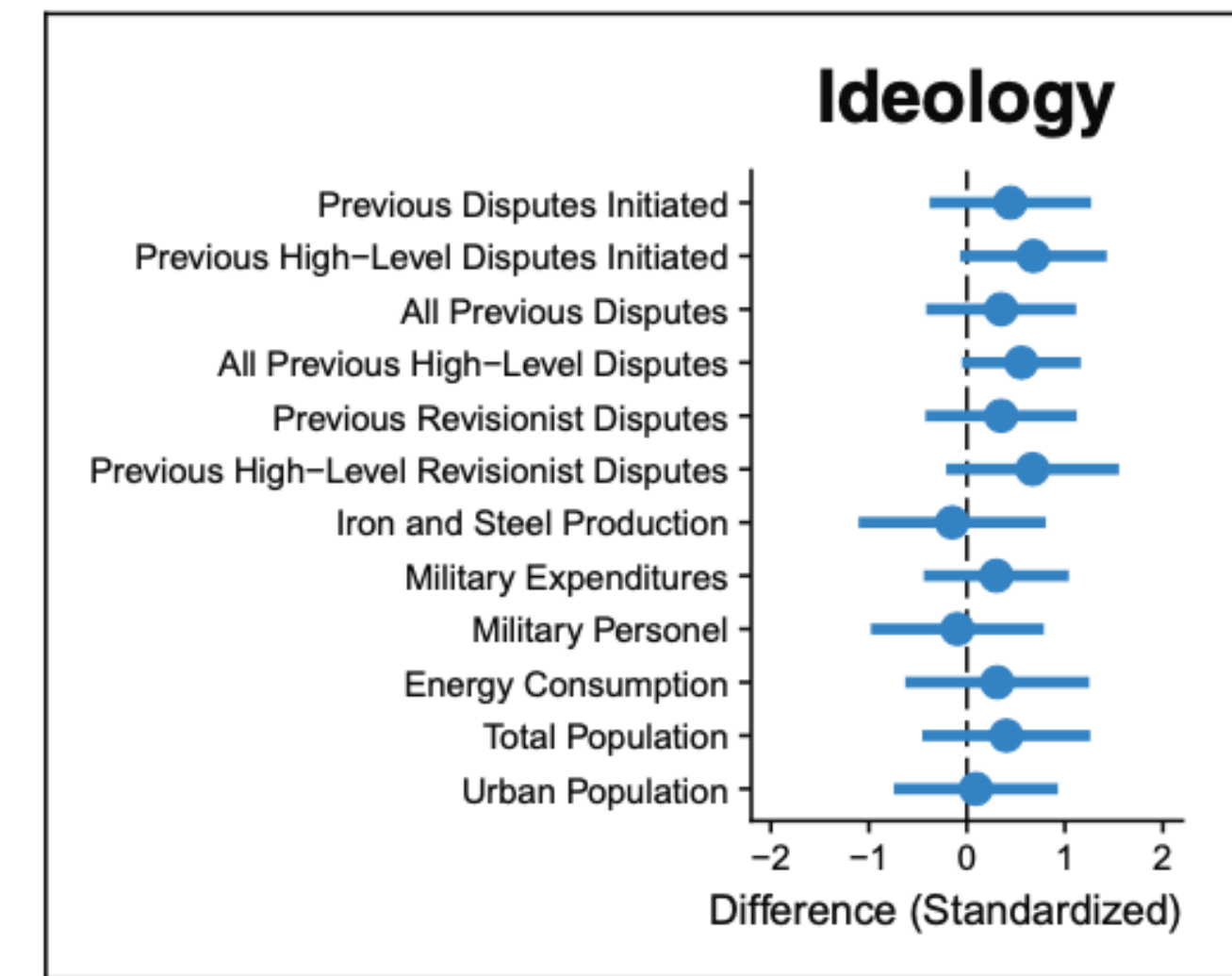


Figure 1. Balance tests.

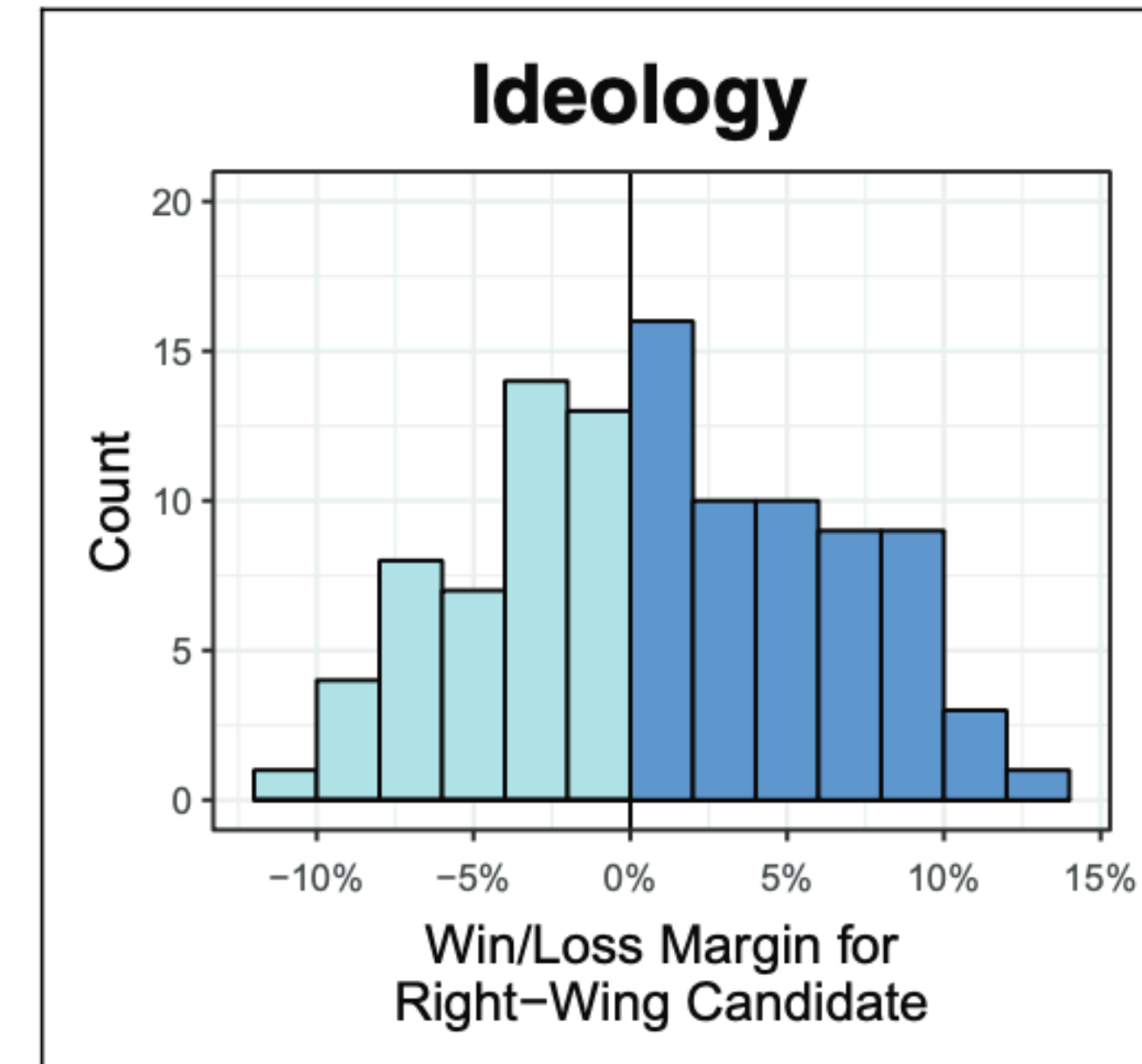


Figure 2. Distribution of the forcing variable.

All the readings!

Methodology	Topic	
	Values	Reputation
	Book review	Jervis, Yarhi-Milo, & Casler 2021
	Case studies	Mercer 1995
	Instrumental variable	Ballard-Rosa et al. 2021
Causal mediation analysis	Kertzner et al. 2014	

The economic origins of authoritarian values (Ballard Rosa et al. 2021)

- What is this paper's main theoretical argument?
- What is the “China shock” & why is it significant?

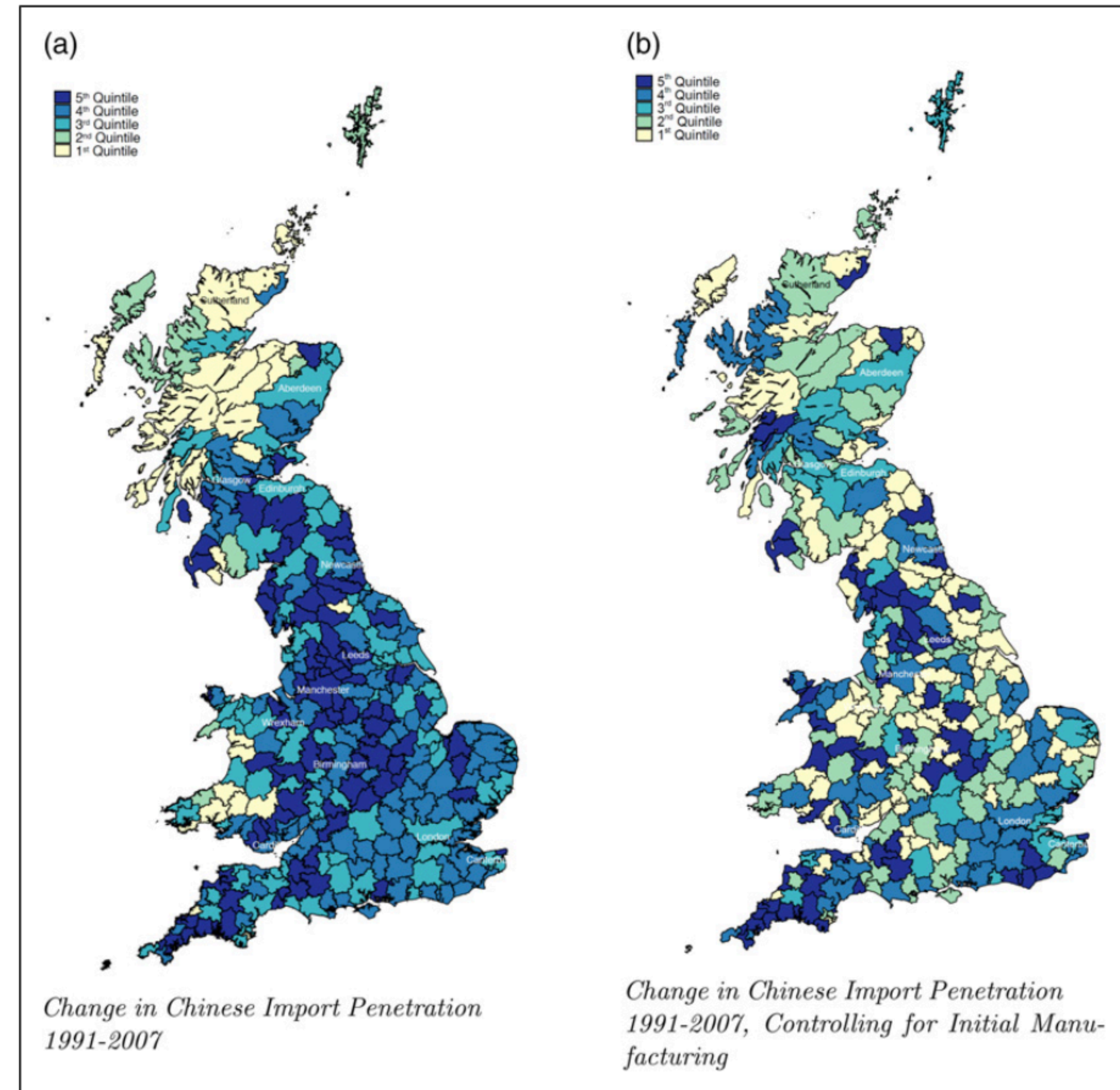


Figure 2. Trade shock exposure across travel to work areas in the United Kingdom.

The economic origins of authoritarian values (Ballard Rosa et al. 2021)

- What do these results indicate?
- Can we interpret the Δ IPW estimates causally?

Table 1. Chinese Import Shocks and Authoritarian Values in Great Britain, OLS Estimates, 1991–2007.

Variables	(1) ASC	(2) ASC	(3) ASC
$\ln \Delta$ IPW (1991–2007)	0.082*** (0.025)	0.068*** (0.021)	0.067*** (0.023)
Female		0.027 (0.029)	0.027 (0.028)
Age		0.005*** (0.001)	0.005*** (0.001)
Higher Cert.		−0.106*** (0.039)	−0.106*** (0.039)
University		−0.235*** (0.032)	−0.233*** (0.031)
Married		0.104*** (0.023)	0.103*** (0.024)
% non-UK born			−0.001 (0.001)
Δ % non-UK born			0.002 (0.002)
Observations	1856	1793	1793
R-squared	0.01	0.13	0.13
TTWAs	241	239	239

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

The table reports the results of OLS regressions of the variable ASC on $\ln \Delta$ IPW (1991–2007) and various control variables. The table reports OLS coefficient estimates and robust standard errors clustered by TTWA in parentheses.

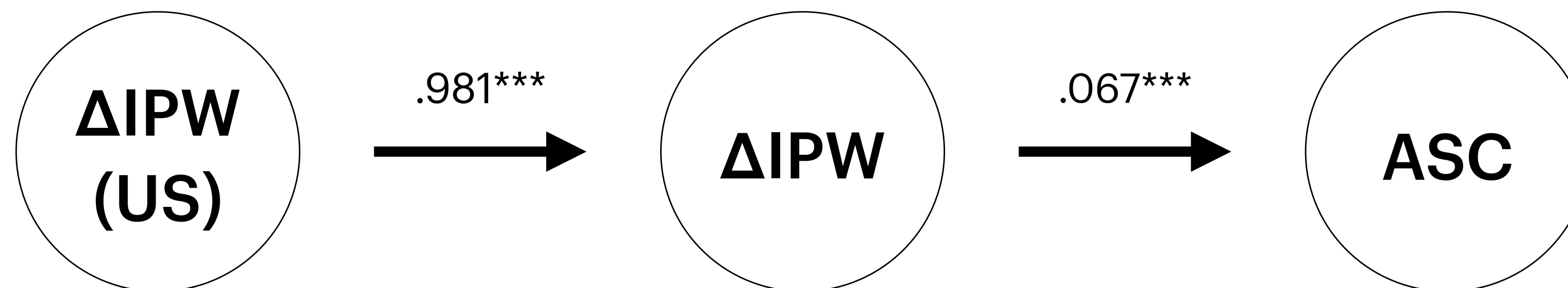
Note: ASC: Aggression-Submission-Conventionalism; TTWA: Travel to Work Area.

Δ IPW (US) as an instrumental variable

A method for addressing *endogeneity*

The “IV” method let’s us capture the effect of Δ IPW by linking to Δ IPW (US).

1. First stage: Δ IPW(US) affects Δ IPW
2. Independence: Δ IPW(US) is randomly assigned
3. Exclusion: Δ IPW(US) only impacts ASC through Δ IPW



Are you persuaded by these assumptions?

Assignment #2

Tips

Writing Element	Necessities	“Weight”
Argument	Identifiable & supported argument about leader’s approach to foreign policy	Cantaloupe
Method	Define & defend methodological approach; include methods appendix	Cantaloupe
Organization	Elements: intro, methods overview , results, discussion, conclusion	Grapefruit
Writing skills	Limited drafting language; formality	Grapefruit
Sources	Cite appropriate outside sources where relevant	Apple

Methods section

What to include

- Define your approach (e.g., opcode, LTA, IC, VBA)
 - Describe the key components but don't overwhelm with all the details
 - Feel free to cite other scholars here
- Explain your speech choices
- Preview limitations and/or preempt criticisms
- In the discussion section, you may consider returning to a discussion of limitations (e.g., "my findings contradict conventional wisdom!")
- Don't forget the methods appendix!

All the readings!

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Reputation & credibility

Jervis, Yarhi-Milo, & Casler 2021

- Tired:
 - Does reputation matter?
- Wired:
 - When does reputation (for resolve) matter?
 - To whom does reputation belong?
 - How can reputation be acquired?

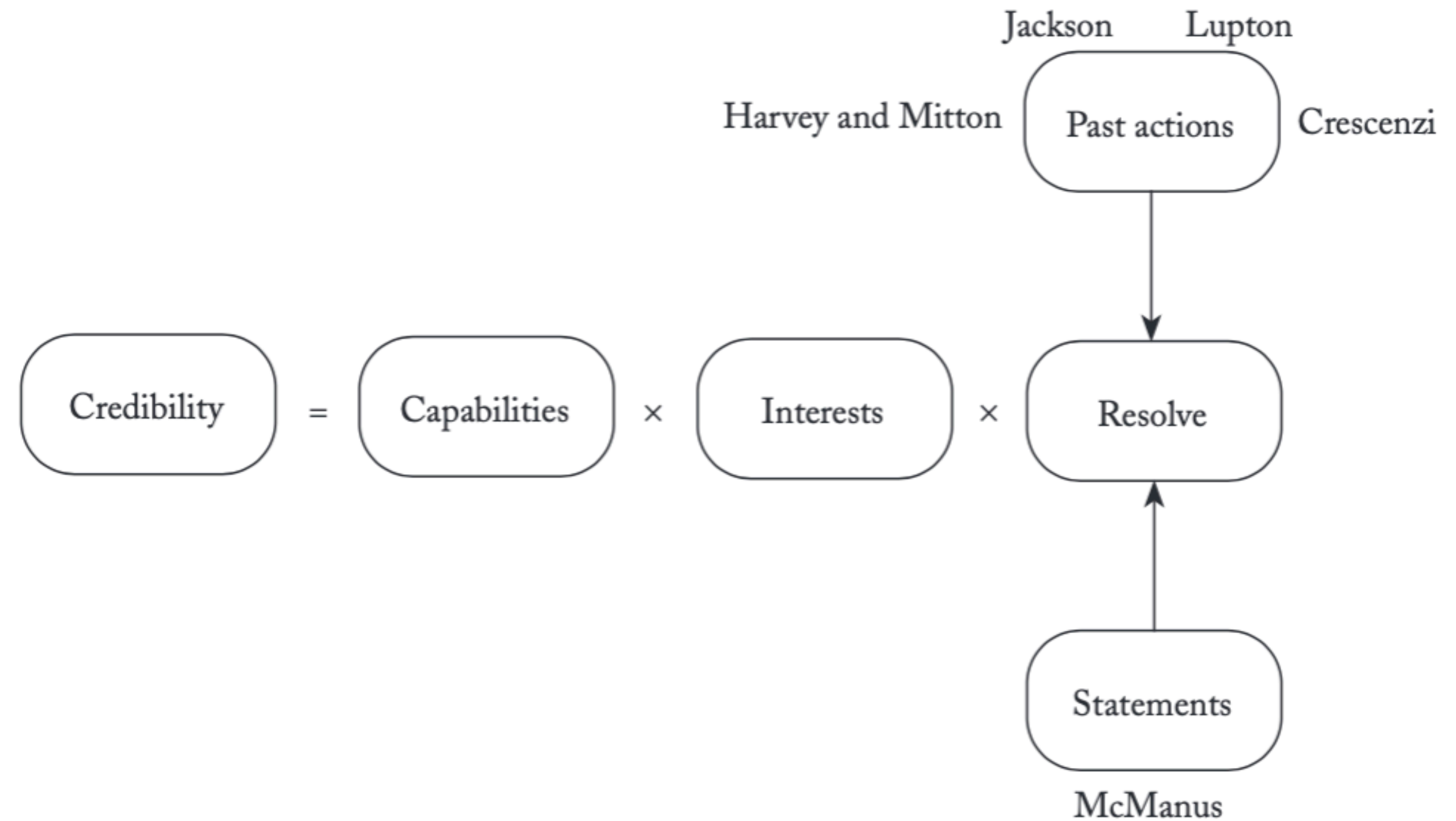


FIGURE 1
DIAGRAMMING NEW CONTRIBUTIONS

“It’s a tricky situation. We went in, but how to get out—our head are splitting from this. Of course we can just pull out fast, without thinking of anything and blame the former leadership who started all this. But we cannot act this way. India is worried, Africa is worried. **They believe that it would be a blow against the reputation of the Soviet Union in the national liberation movement.** They say to us—if you run away from Afghanistan, imperialism will start an offensive.”

Gorbachev on withdrawing from Afghanistan
(Politburo Session, Feb. 23, 1987)

**Does maintaining a reputation for resolve
require hawkish policies?**