

EITM 2023

The Political Economy of Parliaments

David Fortunato
GPS @ UCSD
dfortunato@ucsd.edu

Course Description.

Correlated competing explanations and endogeneity regularly pose threat to inference in applied research. These threats may remain unclear to the consumer and uninvestigated by the researcher due to a lack of clarity in theoretical argument, research design, or estimation strategy, leaving interpretation of findings in doubt. This module explores competing explanations and endogeneity concerns in applied research, discusses basic processes for evaluating the plausibility of these threats, and presents some potential design-based solutions. The course will be a mix of lectures and in-class exercises. Readings will be available in advance.

Part I: Every paper models a choice.

- Specifying choice and chooser
- Process formalization
- Necessary and sufficient conditions

Reading:

Lave and March.

Break-out activity:

Identify chooser, choice, and potential outcomes from recent article.

Part II: Endogenous to what?

- Formal definitions of endogeneity
- Implications for applied research
- Running down empirical threats

Reading:

Fortunato, David, and Matt W. Loftis. "Cabinet durability and fiscal discipline." *American Political Science Review* 112, no. 4 (2018): 939-953.

Cook, Scott J., and David Fortunato. "The politics of police data: State legislative capacity and the transparency of state and substate agencies." *American Political Science Review* 117.1 (2023): 280-295.

Break-out activity:

Identify chooser competing explanation, or endogeneity concern, given chooser, choice, and potential outcomes.

Part III: As-if random covariates.

- Direct estimation
- Indirect/two-stage estimation

Reading:

Ahlquist, John, Mark Copelovitch, and Stefanie Walter. "The political consequences of external economic shocks: evidence from Poland." *American Journal of Political Science* 64.4 (2020): 904-920.

Colantone, Italo, and Piero Stanig. "The trade origins of economic nationalism: Import competition and voting behavior in Western Europe." *American Journal of Political Science* 62.4 (2018): 936-953.

Part IV: What are fixed effects, really?

- The intuition
- The math
- Use and abuse

Reading:

Anzia, Sarah F., and Christopher R. Berry. "The Jackie (and Jill) Robinson effect: why do congresswomen outperform congressmen?" *American Journal of Political Science* 55, no. 3 (2011): 478-493.

Berry, Christopher R., and Anthony Fowler. "Leadership or luck? Randomization inference for leader effects in politics, business, and sports." *Science Advances* 7, no. 4 (2021).

Part V: What about random effects, what are they?

- The intuition
- The math

- Clarification on error correlation to outcome and predictor
- Problems with unit-invariant predictors
- Application to separation problems

Reading:

Bell, Andrew, and Kelvyn Jones. "Explaining fixed effects: Random effects modeling of time-series cross-sectional and panel data." *Political Science Research and Methods* 3.1 (2015): 133-153.

Part VI: Unusual implications

- Directional prediction
- Interval tests
- Non-linear expectations
- Discrimination and classification