

THE EMPIRICISTS ARE COMING, THE
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FORMAL THEORY & CAUSAL INFERENCE

Theorist starts by ignoring any feature of the world that might get in the way of thinking about her question, and then derives carefully qualified all-else-equal predictions

Empiricist must convince her interlocutors that no confounding or neglected heterogeneity renders all-else-equal (on average) claim invalid

Causal inference methods are both of broader and narrower applicability than the name suggests

- ▶ Theoretical all-else-equal claims need not be causal
- ▶ Theoretical interpretability requires “experimental” manipulation that doesn’t contradict equilibrium

THEORY IN AN EMPIRICAL AGE

Understanding the meaning of even well-identified empirical results requires theory

This suggests a broader, and more interesting, array of approaches to theoretical-empirical interaction than just “hypothesis generation”

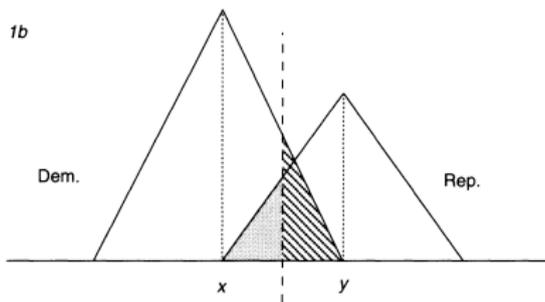
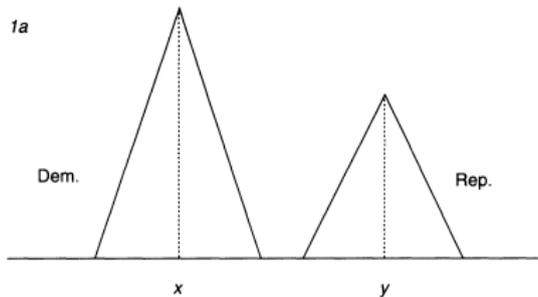
REINTERPRETING

Starting in 1980s, party voting and party unity increase in US Congress

- ▶ Initial interpretation: Increased influence of parties (e.g., Rohde)
- ▶ Reinterpretation: Ideological sorting (Krehbiel)

Increased party voting and party unity, on their own, do not entail conclusion of increased party influence

WHEN CAN YOU LEARN ABOUT PARTY EFFECTS?



RAISING THE BAR

Women win as often as men when they run for office

- ▶ Initial interpretation: Voters don't discriminate (e.g., Lawless & Fox)
- ▶ Reinterpretation: Voters discriminate, so only high quality women run (Anzia & Berry)

Raising the bar on discrimination + selection

- ▶ In diffs-in-diffs, women outperform men in Congress
- ▶ Relationship is stronger in more conservative districts
- ▶ Not true for widows

MODELING THE RESEARCH DESIGN

What are the electoral effects of incumbency, purged of selection on quality?

- ▶ Many papers attempt to answer this question using an election RD
- ▶ Close election shows effect of randomly electing a D rather than R on subsequent D reelection

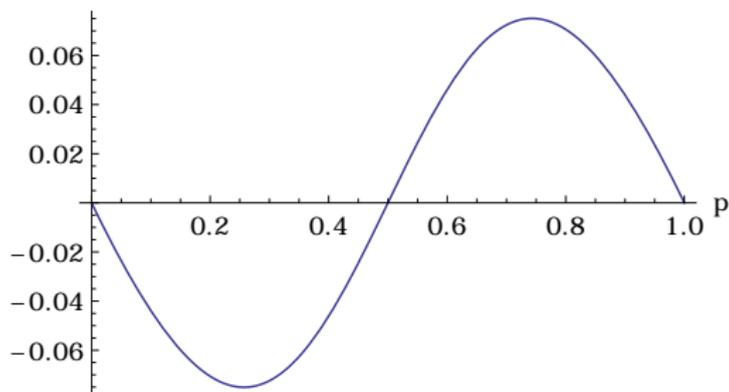
RD achieves quality balance between D and R districts, not between incumbents and challengers (Eggers)

- ▶ Except under knife-edge assumptions, pool of RD incumbents *does not* have the same distribution of abilities as the pool of challengers

MODELING THE ELECTION RD

		Candidate 2	
		High	Low
Candidate 1	High	p^2	$p(1-p)$
	Low	$(1-p)p$	$(1-p)^2$

Incumbency Effect



DISENTANGLING

In cross-country regression, negative correlation between economy and conflict (e.g., Fearon & Laitin)

In cross-country diffs-in-diffs, no relationship between commodity price shocks and conflict (Bazzi & Blattman)

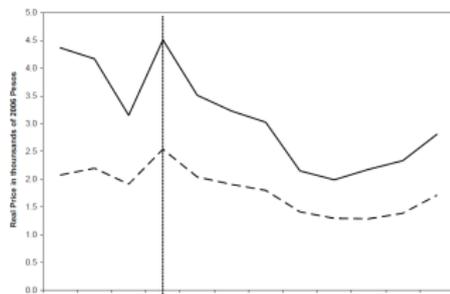
- ▶ Perhaps no causal effect of economy

Different commodities might differentially affect conflict (Dal Bo and Dal Bo)

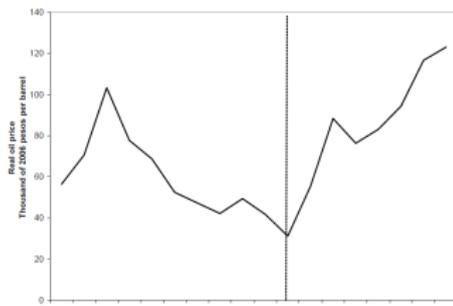
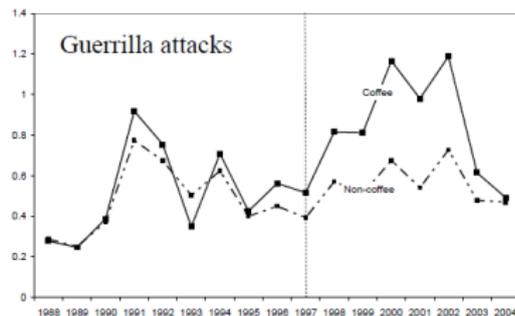
- ▶ Labor intensive → Opportunity costs
- ▶ Capital intensive → Predation

To interpret aggregate effect, need to disentangle two effects

COFFEE AND OIL SHOCKS HAVE OPPOSITE EFFECTS (DUBE & VARGAS)



Source: National Federation of Coffee Growers



Source: International Financial Statistics

