

Gov 99r: Lecture 6

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Outline

1 Experiments

2 Regression

3 Case Selection

Experiments

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$$E[Y_0|D = 1] - E[Y_0|D = 0]$$

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Assignment mechanisms: The Cure to All Ills

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The goal is to get at causality by identifying a set of observable outcomes (for the treated) that can stand in for the unobserved potential outcomes (for treated units as if they did not receive treatment)

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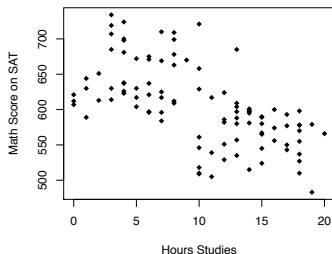
Here regression can be helpful to estimate "causal" effects.

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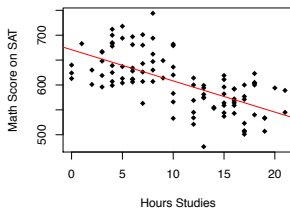
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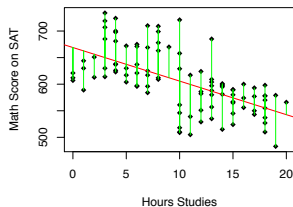
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Satisfying these assumptions fully will get you close to causal language, but for the most part you will be identifying **correlation** not **causation**

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