Recent Advances in the Field of Trade Theory and Policy Analysis Using Micro-Level Data

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Instrumental variables models in Stata

- Cross section
- Panel data
- References

- Stata has a built in command for instrumental variables regression, *ivregress*

  - *ivregress 2sls depvar indepvar1 indepvar2 (endogvar1 endogvar2 = iv1 iv2 iv3…) …, first options*

- There is a user-developed extension with a number of desirable features, *ivreg2*

  - *ivreg2 depvar indepvar1 indepvar2 (endogvar1 endogvar2 = iv1 iv2 iv3…) …, first options*

- These two commands produce the same output, although the input format is a little different

- *ivreg2* automatically provides additional diagnostic statistics, and is usually preferable

- Specifying the *gmm* option with either command results in more efficient estimates for overidentified models, but no difference for just-identified models

- Always use the *first* and *ffirst* options to check the first stage regression results, and ensure that instruments are not weak

- Always try to overidentify your model (i.e., include at least one more instrument than potentially endogenous variable) and test the exclusion restriction using the Hansen/Sargan test

- Always perform an endogeneity test of endogenous regressors (*endog*(*endogvar*) option)

Panel data

- Stata has built in panel data models using instrumental variables, as well as user-built extensions:
  - *xtivreg, re and fe*
  - *xtivreg2, re and fe*

- The general format, including the use of parentheses for the instruments, is as for *ivregress* and *ivreg2*

- Results using the two commands are identical
- *xtivreg2* contains additional diagnostic statistics (similar to *ivreg2*), and is generally preferable

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_7495