Economic Development and Cultural Change - Replication files

The economic effects of international administrations
The cases of Kosovo and East Timor

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Stata files

We use the `Synth` package documented in:

https://web.stanford.edu/~jhain/synthpage.html

The do-file `Driver_Stata.do` contains the code to replicate the basic empirical results. It is set to reproduce the results for Kosovo but can be easily adapted to produce the results for East Timor (or any other country in the data set), and to modify the treatment period.

The do-file installs the `Synth` package, loads the panel data from `DataUW_EDCC.dta` and uses the `synth` command to estimate the Synthetic Control under various setups, such as different donor groups and covariates.

The files `matrix_V.txt` and `matrix_W.txt` are produced as output. The former contains the matrix of weights given to each covariate during the optimization (V); the latter contains the weights given to each country in the estimation of the Synthetic Control (w). See equations (7) and (8) of the paper.

Matlab files

The main function is `SyntheticControl.m` which is an adaptation of the `synth_code.m` function in the `Synth` package website. Type:

```
help SyntheticControl.m
```

for the list of inputs and outputs.

The panel data is contained in the mat file `DataUW_EDCC.mat`. The m-file `Driver_Matlab.m` contains the code to replicate the basic empirical results and sensitivity analyses, such as removing one covariate at a time to reestimate the Synthetic control. It reproduces the results for Kosovo by default but can be easily adapted to produce the results for any other country.

The function `SyntheticControl.m` is able to determine the V matrix. However, we found the Stata routine to be considerably faster. Hence, we also provide the (optional) function `loadV.m` that loads the `matrix_V.txt` previously generated by Stata, as a way to speed out computations.