

Package ‘gsynth’

August 6, 2021

Type Package

Title Generalized Synthetic Control Method

Version 1.2.1

Date 2021-08-06

Author Yiqing Xu, Licheng Liu

Maintainer Yiqing Xu <yiqingxu@stanford.edu>

Description Provides causal inference with interactive fixed-effect models. It imputes counterfactuals for each treated unit using control group information based on a linear interactive fixed effects model that incorporates unit-specific intercepts interacted with time-varying coefficients. This method generalizes the synthetic control method to the case of multiple treated units and variable treatment periods, and improves efficiency and interpretability. This version supports unbalanced panels and implements the matrix completion method.

URL https://yiqingxu.org/packages/gsynth/gsynth_examples.html

NeedsCompilation yes

License MIT + file LICENSE

Imports Rcpp (>= 0.12.3), ggplot2 (>= 2.1.0), GGally (>= 1.0.1),
future (>= 1.21.0), doRNG (>= 1.8.2), doParallel (>= 1.0.10),
foreach (>= 1.4.3), abind (>= 1.4-0), mvtnorm (>= 1.0-6), MASS
(>= 7.3.47), lfe (>= 1.0-0)

SystemRequirements A C++11 compiler.

Depends R (>= 2.10)

LinkingTo Rcpp, RcppArmadillo

RoxygenNote 6.0.1

Repository CRAN

Date/Publication 2021-08-06 07:50:05 UTC

R topics documented:

gsynth-package	2
cumuEff	3

gsynth	4
gsynth-internal	8
interFE	9
plot.gsynth	11
print.gsynth	12
print.interFE	13
simdata	14
turnout	14
Index	15

gsynth-package	<i>Generalized Synthetic Control Method</i>
----------------	---

Description

Implements the generalized synthetic control method based on interactive fixed effect models.

Details

Implements the generalized synthetic control method. It imputes counterfactuals for each treated unit using control group information based on a linear interactive fixed effects model that incorporates unit-specific intercepts interacted with time-varying coefficients.

See [gsynth](#) for details.

Author(s)

Yiqing Xu <yiqingxu@stanford.edu>, Stanford University

Licheng Liu <liulch@mit.edu>, M.I.T.

References

Yiqing Xu. 2017. "Generalized Synthetic Control Method: Causal Inference with Interactive Fixed Effects Models." *Political Analysis*, Vol. 25, Iss. 1, January 2017, pp. 57-76.

For more details, see https://yiqingxu.org/packages/gsynth/gsynth_examples.html.

`cumuEff`*Calculate Cumulative or sub-gr Treatment Effects*

Description

Calculate Cumulative or sub-gr Treatment Effects

Usage

```
cumuEff(x, cumu = TRUE, id = NULL, period = NULL)
```

Arguments

<code>x</code>	a gsynth object.
<code>cumu</code>	a logical flag indicating whether to calculate cumulative effects or not.
<code>id</code>	a string vector specifying a sub-group of treated units that treatment effects are to be averaged on.
<code>period</code>	a two-element numeric vector specifying the range of term during which treatment effects are to be accumulated. If left blank, atts at all post-treatment periods will be calculated.

Value

<code>catt</code>	esimated (cumulative) atts.
<code>est.catt</code>	uncertainty estimates for <code>catt</code> .

Author(s)

Yiqing Xu <yiqingxu@stanfprd.edu>, Stanford University
Licheng Liu <liulch@mit.edu>, M.I.T.

References

Jushan Bai. 2009. "Panel Data Models with Interactive Fixed Effects." *Econometrica* 77:1229–1279.

Yiqing Xu. 2017. "Generalized Synthetic Control Method: Causal Inference with Interactive Fixed Effects Models." *Political Analysis*, Vol. 25, Iss. 1, January 2017, pp. 57-76.

See Also

[gsynth](#)

 gsynth

Generalized Synthetic Control Method

Description

Implements the generalized synthetic control method based on interactive fixed effect models.

Usage

```
gsynth(formula=NULL, data, Y, D, X = NULL, na.rm = FALSE,
       index, weight = NULL, force = "unit", cl = NULL, r = 0,
       lambda = NULL, nlambdas = 10, CV = TRUE, criterion = "mspe",
       k = 5, EM = FALSE, estimator = "ife",
       se = FALSE, nboots = 200,
       inference = "nonparametric", cov.ar = 1, parallel = TRUE,
       cores = NULL, tol = 0.001, seed = NULL, min.T0 = 5,
       alpha = 0.05, normalize = FALSE)
```

Arguments

formula	an object of class "formula": a symbolic description of the model to be fitted.
data	a data frame (must be with a dichotomous treatment but balanced is not required).
Y	outcome.
D	treatment.
X	time-varying covariates.
na.rm	a logical flag indicating whether to list-wise delete missing data. The algorithm will report an error if missing data exist.
index	a two-element string vector specifying the unit (group) and time indicators. Must be of length 2.
weight	a string specifying the weighting variable(if any) to estimate the weighted average treatment effect. Default is weight = NULL.
force	a string indicating whether unit or time fixed effects will be imposed. Must be one of the following, "none", "unit", "time", or "two-way". The default is "unit".
cl	a string indicator the cluster variable. The default value is NULL. If cl = NULL, bootstrap will be blocked at unit level (only for non-parametric bootstrap).
r	an integer specifying the number of factors. If CV = TRUE, the cross validation procedure will select the optimal number of factors from r to 5.
lambda	a single or sequence of positive numbers specifying the hyper-parameter sequence for matrix completion method. If lambda is a sequence and CV = 1, cross-validation will be performed.
nlambdas	an integer specifying the length of hyper-parameter sequence for matrix completion method. Default is nlambdas = 10.

CV	a logical flag indicating whether cross-validation will be performed to select the optimal number of factors or hyper-parameter in matrix completion algorithm. If <code>r</code> is not specified, the procedure will search through <code>r = 0</code> to 5.
criterion	a string specifying the criteria used for determining the number of factors. Choose from <code>c("mspe", "pc")</code> . "mspe" stands for the mean squared prediction error obtained through the loocv procedure, and "pc" stands for a kind of information criterion. If <code>criterion = "pc"</code> , the number of factors that minimize "pc" will be selected. Default is <code>criterion = "mspe"</code> .
k	a positive integer specifying cross-validation times for matrix completion algorithm. Default is <code>k = 5</code> .
EM	a logical flag indicating whether an Expectation Maximization algorithm will be used (Gobillon and Magnac 2016).
estimator	a string that controls the estimation method, either "ife" (interactive fixed effects) or "mc" (the matrix completion method).
se	a logical flag indicating whether uncertainty estimates will be produced.
nboots	an integer specifying the number of bootstrap runs. Ignored if <code>se = FALSE</code> .
inference	a string specifying which type of inferential method will be used, either "parametric" or "nonparametric". "parametric" is recommended when the number of treated units is small. parametric bootstrap is not valid for matrix completion method. Ignored if <code>estimator = "mc"</code> .
cov.ar	an integer specifying order of the auto regression process that the residuals follow. Used for parametric bootstrap procedure when data is in the form of unbalanced panel. The default value is 1.
parallel	a logical flag indicating whether parallel computing will be used in bootstrapping and/or cross-validation. Ignored if <code>se = FALSE</code> .
cores	an integer indicating the number of cores to be used in parallel computing. If not specified, the algorithm will use the maximum number of logical cores of your computer (warning: this could prevent you from multi-tasking on your computer).
tol	a positive number indicating the tolerance level.
seed	an integer that sets the seed in random number generation. Ignored if <code>se = FALSE</code> and <code>r</code> is specified.
min.T0	an integer specifying the minimum value of pre-treatment periods. Treated units with pre-treatment periods less than that will be removed automatically. This item is important for unbalanced panels. If users want to perform cross validation procedure to select the optimal number of factors from <code>(r.min, r.max)</code> , they should set <code>min.T0</code> larger than <code>(r.max+1)</code> if no individual fixed effects or <code>(r.max+2)</code> otherwise. If there are too few pre-treatment periods among all treated units, a smaller value of <code>r.max</code> is recommended.
alpha	a positive number in the range of 0 and 1 specifying significant levels for uncertainty estimates. The default value is <code>alpha = 0.05</code> .
normalize	a logic flag indicating whether to scale outcome and covariates. Useful for accelerating computing speed when magnitude of data is large. The default is <code>normalize=FALSE</code> .

Details

gsynth implements the generalized synthetic control method. It imputes counterfactuals for each treated unit using control group information based on a linear interactive fixed effects model that incorporates unit-specific intercepts interacted with time-varying coefficients. It generalizes the synthetic control method to the case of multiple treated units and variable treatment periods, and improves efficiency and interpretability. It allows the treatment to be correlated with unobserved unit and time heterogeneities under reasonable modeling assumptions. With a built-in cross-validation procedure, it avoids specification searches and thus is easy to implement. Data must be with a dichotomous treatment.

Value

Y.dat	a matrix storing data of the outcome variable.
Y	name of the outcome variable.
D	name of the treatment variable.
X	name of the time-varying control variables.
index	name of the unit and time indicators.
id	a vector of unit IDs.
time	a vector of time periods.
obs.missing	a matrix storing status of each unit at each time point. 0 for missing, 1 for control group units, 2 for treat group units at pre-treatment period, 3 for treat group units at post-treatment period, and 4 for removed treated group units. Useful for unbalanced panel data.
id.tr	a vector of IDs for the treatment units.
id.co	a vector of IDs for the control units.
removed.id	a vector of IDs for units that are removed.
D.tr	a matrix of treatment indicator for the treated unit outcome.
I.tr	a matrix of observation indicator for the treated unit outcome.
Y.tr	data of the treated unit outcome.
Y.ct	predicted counterfactuals for the treated units.
Y.co	data of the control unit outcome.
eff	difference between actual outcome and predicted $Y(0)$.
Y.bar	average values of Y.tr, Y.ct, and Y.co over time.
att	average treatment effect on the treated over time (it is averaged based on the timing of the treatment if it is different for each unit).
att.avg	average treatment effect on the treated.
force	user specified force option.
sameT0	TRUE if the timing of the treatment is the same.
T	the number of time periods.
N	the total number of units.
p	the number of time-varying observables.

Ntr	the number of treated units.
Nco	the number of control units.
T0	a vector that stores the timing of the treatment for balanced panel data.
tr	a vector indicating treatment status for each unit.
pre	a matrix indicating the pre-treatment/non-treatment status.
post	a matrix indicating the post-treatment status.
r.cv	the number of factors included in the model – either supplied by users or automatically chosen via cross-validation.
lambda.cv	the optimal hyper-parameter in matrix completion method chosen via cross-validation.
res.co	residuals of the control group units.
beta	coefficients of time-varying observables from the interactive fixed effect model.
sigma2	the mean squared error of interactive fixed effect model.
IC	the information criterion.
PC	the proposed criterion for determining factor numbers.
est.co	result of the interactive fixed effect model based on the control group data. An interFE object.
eff.cnt	difference between actual outcome and predicted $Y(0)$; rearranged based on the timing of the treatment.
Y.tr.cnt	data of the treated unit outcome, rearranged based on the timing of the treatment.
Y.ct.cnt	data of the predicted $Y(0)$, rearranged based on the timing of the treatment.
MSPE	mean squared prediction error of the cross-validated model.
CV.out	result of the cross-validation procedure.
niter	the number of iterations in the estimation of the interactive fixed effect model.
factor	estimated time-varying factors.
lambda.co	estimated loadings for the control group.
lambda.tr	estimated loadings for the treatment group.
wgt.implied	estimated weights of each of the control group unit for each of the treatment group unit.
mu	estimated ground mean.
xi	estimated time fixed effects.
alpha.tr	estimated unit fixed effects for the treated units.
alpha.co	estimated unit fixed effects for the control units.
validX	a logic value indicating if multicollinearity exists.
inference	a string indicating bootstrap procedure.
est.att	inference for att.
est.att.avg	inference for att.avg.
est.beta	inference for beta.
est.ind	inference for att of each treated unit.
att.avg.boot	bootstrap results for att.avg.
att.boot	bootstrap results for att.
beta.boot	bootstrap results for beta.

Author(s)

Yiqing Xu <yiqingxu@stanford.edu>, Stanford University

Licheng Liu <liulch@mit.edu>, M.I.T.

References

Laurent Gobillon and Thierry Magnac, 2016. "Regional Policy Evaluation: Interactive Fixed Effects and Synthetic Controls." *The Review of Economics and Statistics*, July 2016, Vol. 98, No. 3, pp. 535–551.

Yiqing Xu. 2017. "Generalized Synthetic Control Method: Causal Inference with Interactive Fixed Effects Models." *Political Analysis*, Vol. 25, Iss. 1, January 2017, pp. 57-76.

Athey S, Bayati M, Doudchenko N, et al. Matrix completion methods for causal panel data models[J]. arXiv preprint arXiv:1710.10251, 2017.

For more details, see https://yiqingxu.org/packages/gsynth/gsynth_examples.html.

For more details about the matrix completion method, see <https://github.com/susanathey/MCPanel>.

See Also

[plot.gsynth](#) and [print.gsynth](#)

Examples

```
library(gsynth)
data(gsynth)
out <- gsynth(Y ~ D + X1 + X2, data = simdata, parallel = FALSE,
             index = c("id", "time"), force = "two-way",
             CV = TRUE, r = c(0, 5), se = FALSE)
print(out)
```

gsynth-internal

Internal Gsynth Functions

Description

Internal Gsynth functions

Details

These are not to be called by the user (or in some cases are just waiting for proper documentation to be written :).

interFE *Interactive Fixed Effects Models*

Description

Estimating interactive fixed effect models.

Usage

```
interFE(formula = NULL, data, Y, X, index, r = 0, force = "none",
        se = TRUE, nboots = 500, seed = NULL, tol = 1e-3, normalize = FALSE)
```

Arguments

formula	an object of class "formula": a symbolic description of the model to be fitted.
data	a data frame (must be with a dichotomous treatment but balanced is not required).
Y	outcome.
X	time-varying covariates.
index	a two-element string vector specifying the unit (group) and time indicators. Must be of length 2.
r	an integer specifying the number of factors.
force	a string indicating whether unit or time fixed effects will be imposed. Must be one of the following, "none", "unit", "time", or "two-way". The default is "unit".
se	a logical flag indicating whether uncertainty estimates will be produced via bootstrapping.
nboots	an integer specifying the number of bootstrap runs. Ignored if se = FALSE.
seed	an integer that sets the seed in random number generation. Ignored if se = FALSE and r is specified.
tol	a numeric value that specifies tolerate level.
normalize	a logic flag indicating whether to scale outcome and covariates. Useful for accelerating computing speed when magnitude of data is large. The default is normalize=FALSE.

Details

interFE estimates interactive fixed effect models proposed by Bai (2009).

Value

beta	estimated coefficients.
mu	estimated grand mean.
factor	estimated factors.

lambda	estimated factor loadings.
VNT	a diagonal matrix that consists of the r eigenvalues.
niter	the number of iteration before convergence.
alpha	estimated unit fixed effect (if force is "unit" or "two-way").
xi	estimated time fixed effect (if force is "time" or "two-way").
residuals	residuals of the estimated interactive fixed effect model.
sigma2	mean squared error of the residuals.
IC	the information criterion.
ValidX	a logical flag specifying whether there are valid covariates.
dat.Y	a matrix storing data of the outcome variable.
dat.X	an array storing data of the independent variables.
Y	name of the outcome variable.
X	name of the time-varying control variables.
index	name of the unit and time indicators.
est.table	a table of the estimation results.
est.boot	a matrix storing results from bootstraps.

Author(s)

Yiqing Xu <qiqingxu@stanfprd.edu>, Stanford University
 Licheng Liu <liulch@mit.edu>, M.I.T.

References

Jushan Bai. 2009. "Panel Data Models with Interactive Fixed Effects." *Econometrica* 77:1229–1279.

See Also

[print.interFE](#) and [gsynth](#)

Examples

```
library(gsynth)
data(gsynth)
d <- simdata[-(1:150),] # remove the treated units
out <- interFE(Y ~ X1 + X2, data = d, index=c("id","time"),
              r = 2, force = "two-way", nboots = 50)
```

plot.gsynth

*Plotting***Description**

Visualizes estimation results of the generalized synthetic control method.

Usage

```
## S3 method for class 'gsynth'
plot(x, type = "gap", xlim = NULL, ylim = NULL,
      xlab = NULL, ylab = NULL, legendOff = FALSE, raw = "none",
      main = NULL, nfactors = NULL, id = NULL, axis.adjust = FALSE,
      theme.bw = TRUE, shade.post = FALSE, ...)
```

Arguments

x	a gsynth object.
type	a string that specifies the type of the plot. Must be one of the following: "gap" (plotting the average treatment effect on the treated; "raw" (plotting the raw data); "counterfactual", or "ct" for short, (plotting predicted $Y(0)$'s); "factors" (plotting estimated factors); "loadings" (plotting the distribution of estimated factor loadings); "missing" (plotting status of each unit at each time point).
xlim	a two-element numeric vector specifying the range of x-axis. When class of time variable is string, must specify not original value but a counting number e.g. <code>xlim=c(1,30)</code> .
ylim	a two-element numeric vector specifying the range of y-axis.
xlab	a string indicating the label of the x-axis.
ylab	a string indicating the label of the y-axis.
legendOff	a logical flag controlling whether to show the legend.
raw	a string indicating whether or how raw data for the outcome variable will be shown in the "counterfactual" plot. Ignored if type is not "counterfactual". Must be one of the following: "none" (not showing the raw data); "band" (showing the middle 90 percentiles of the raw data); and "all" (showing the raw data as they are).
main	a string that controls the title of the plot. If not supplied, no title will be shown.
nfactors	a positive integer that specifies the number of factors to be shown. The maximum number is 4. Ignored if type is not "factors"
id	a unit identifier of which the predicted counterfactual or the difference between actual and predicted counterfactual is to be shown. It can also be a vector specifying units to be plotted if <code>type=="missing"</code> when data magnitude is large. Ignored if type is none of "missing", "counterfactual", "gap".
axis.adjust	a logical flag indicating whether to adjust labels on x-axis. Useful when class of time variable is string and data magnitude is large.

theme.bw a logical flag indicating whether to use a black/white theme.
shade.post a logical flag controlling whether to shade the post-treatment periods.
... other argv.

Details

plot.gsynth visualizes the raw data used by, or estimation results obtained from, the generalized synthetic control method.

Author(s)

Yiqing Xu <yiqingxu@stanfprd.edu>, Stanford University
Licheng Liu <liulch@mit.edu>, M.I.T.

References

Yiqing Xu. 2017. "Generalized Synthetic Control Method: Causal Inference with Interactive Fixed Effects Models." *Political Analysis*, Vol. 25, Iss. 1, January 2017, pp. 57-76.

See https://yiqingxu.org/packages/gsynth/gsynth_examples.html for more detailed information.

See Also

[gsynth](#) and [print.gsynth](#)

print.gsynth *Print Results*

Description

Print results of the generalized synthetic control method.

Usage

```
## S3 method for class 'gsynth'  
print(x, ...)
```

Arguments

x a [gsynth](#) object.
... other argv.

Author(s)

Yiqing Xu <yiqingxu@stanfprd.edu>, Stanford University
Licheng Liu <liulch@mit.edu>, M.I.T.

References

Yiqing Xu. 2017. "Generalized Synthetic Control Method: Causal Inference with Interactive Fixed Effects Models." *Political Analysis*, Vol. 25, Iss. 1, January 2017, pp. 57-76.

For more details, see https://yiqingxu.org/packages/gsynth/gsynth_examples.html.

See Also

[gsynth](#) and [plot.gsynth](#)

print.interFE

Print Results

Description

Print results of interactive fixed effects estimation.

Usage

```
## S3 method for class 'interFE'  
print(x, ...)
```

Arguments

x an [interFE](#) object.
... other argv.

Author(s)

Yiqing Xu <yiqingxu@stanfprd.edu>, Stanford University

Licheng Liu <liulch@mit.edu>, M.I.T.

References

Jushan Bai. 2009. "Panel Data Models with Interactive Fixed Effects." *Econometrica* 77:1229–1279.

See Also

[interFE](#) and [gsynth](#)

simdata	<i>simdata</i>
---------	----------------

Description

A simulated dataset.

Format

dataframe

References

Yiqing Xu. 2017. "Generalized Synthetic Control Method: Causal Inference with Interactive Fixed Effects Models." *Political Analysis*, Vol. 25, Iss. 1, January 2017, pp. 57-76.

For more details, see https://yiqingxu.org/packages/gsynth/gsynth_examples.html.

turnout	<i>turnout</i>
---------	----------------

Description

State-level voter turnout data.

Format

dataframe

References

Melanie Jean Springer. 2014. *How the States Shaped the Nation: American Electoral Institutions and Voter Turnout, 1920-2000*. University of Chicago Press.

Yiqing Xu. 2017. "Generalized Synthetic Control Method: Causal Inference with Interactive Fixed Effects Models." *Political Analysis*, Vol. 25, Iss. 1, January 2017, pp. 57-76.

For more details, see https://yiqingxu.org/packages/gsynth/gsynth_examples.html.

Index

* datasets

simdata, 14

turnout, 14

* ts

gsynth-internal, 8

_gsynth_XXinv (gsynth-internal), 8

_gsynth_Y_demean (gsynth-internal), 8

_gsynth_beta_iter (gsynth-internal), 8

_gsynth_data_ub_adj (gsynth-internal), 8

_gsynth_fe_ad_covar_iter
(gsynth-internal), 8

_gsynth_fe_ad_inter_covar_iter
(gsynth-internal), 8

_gsynth_fe_ad_inter_iter
(gsynth-internal), 8

_gsynth_fe_ad_iter (gsynth-internal), 8

_gsynth_fe_add (gsynth-internal), 8

_gsynth_inter_fe (gsynth-internal), 8

_gsynth_inter_fe_mc (gsynth-internal), 8

_gsynth_inter_fe_ub (gsynth-internal), 8

_gsynth_panel_beta (gsynth-internal), 8

_gsynth_panel_est (gsynth-internal), 8
8

_gsynth_panel_fe (gsynth-internal), 8

beta_iter (gsynth-internal), 8

ct.adjst (gsynth-internal), 8

cumuEff, 3

data_ub_adj (gsynth-internal), 8

fe_ad_covar_iter (gsynth-internal), 8

fe_ad_inter_covar_iter
(gsynth-internal), 8

fe_ad_inter_iter (gsynth-internal), 8

fe_ad_iter (gsynth-internal), 8

fe_add (gsynth-internal), 8

gsynth, 2, 3, 4, 10–13

gsynth-internal, 8

gsynth-package, 2

gsynth.default (gsynth-internal), 8

gsynth.formula (gsynth-internal), 8

initialFit (gsynth-internal), 8

inter_fe (gsynth-internal), 8

inter_fe_mc (gsynth-internal), 8

inter_fe_ub (gsynth-internal), 8

interFE, 7, 9, 13

interFE.default (gsynth-internal), 8

interFE.formula (gsynth-internal), 8

panel_beta (gsynth-internal), 8

panel_est (gsynth-internal), 8

panel_factor (gsynth-internal), 8

panel_fe (gsynth-internal), 8

plot.gsynth, 8, 11, 13

print.gsynth, 8, 12, 12

print.interFE, 10, 13

res.vcov (gsynth-internal), 8

simdata, 14

synth.boot (gsynth-internal), 8

synth.core (gsynth-internal), 8

synth.em (gsynth-internal), 8

synth.mc (gsynth-internal), 8

turnout, 14

XXinv (gsynth-internal), 8

Y_demean (gsynth-internal), 8