19.01.2021 Econometrics-I: Lecture 3	
Concept of Ceton's painbus (all else held constant) ** KEY TO ESTABLISHING CAUSAUTY	1
Aside: Doodle Poll.	
Tue: 1:30p - 2:30p Maj vote Foi. 2: 12:30p - 1:30p 3 sg. nifr cant who Fri: 1:30p - 2:3p.)	:0
Fri: 1:36p - 2:3p.) *Always available by email & appointment (6A))

Ceten's paribus (all else held constant) In order to establish a causal relation of X on Y, we implement simulate an experiment wherein X is shocked or changed by a unit and observe the resulting change in Y, while * Exercise all remaining covariates constant

* (including those that were unobserved

but potentially correlated with X) => wage; = Bo + Beduci + Benjer, + Blaining. i = 1,2, --, N=1000 Parameter of interest > B = Drage

Prairing > train; = 1 k B = Drain deduct = 0

(Sex) training > tain; = 1 k B = Drain deduct = 0

deduction; = 0

Wage: Bo + B1 educt B2cop. + Bstrain; Will

+ B, female;

i=1,2,--, N

2 Wage: = B3 & Barrameter of interest.

But Ly By value (estimated from data)

Causation or simply (an association)

Teverything to

Correlation

Joanishs

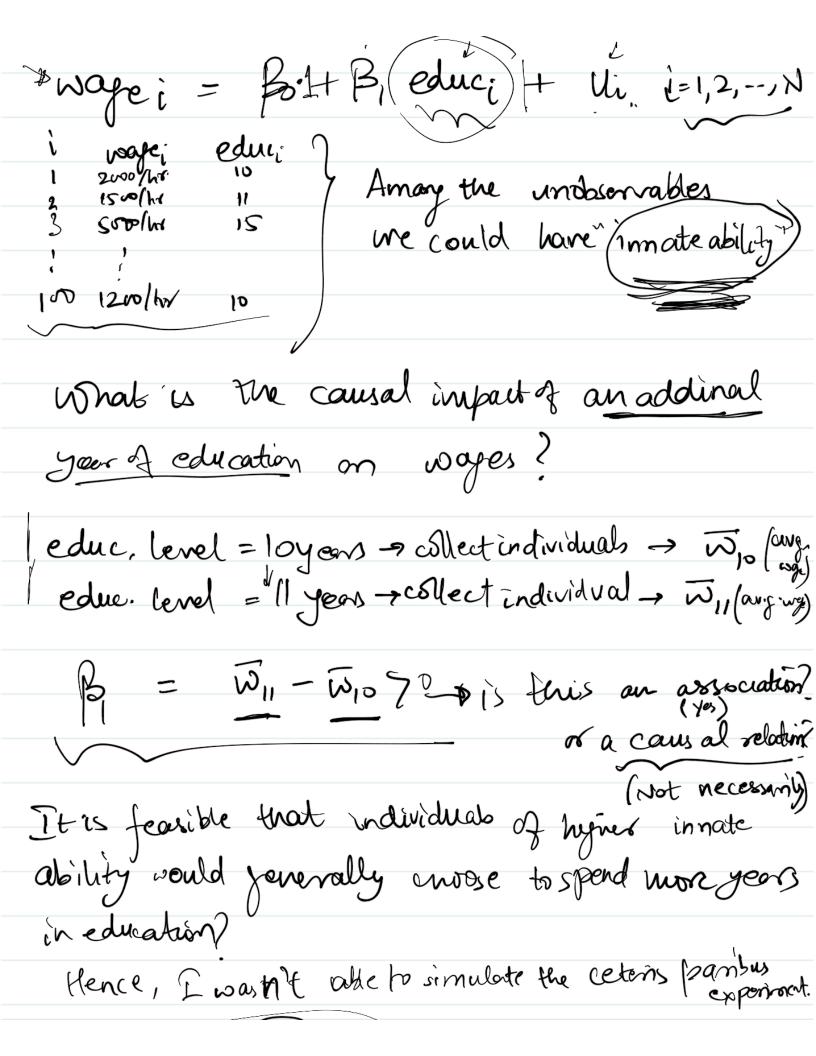
Cetter's pain my To fromer the discussion on Causality we must focus on the unobserved error or U.

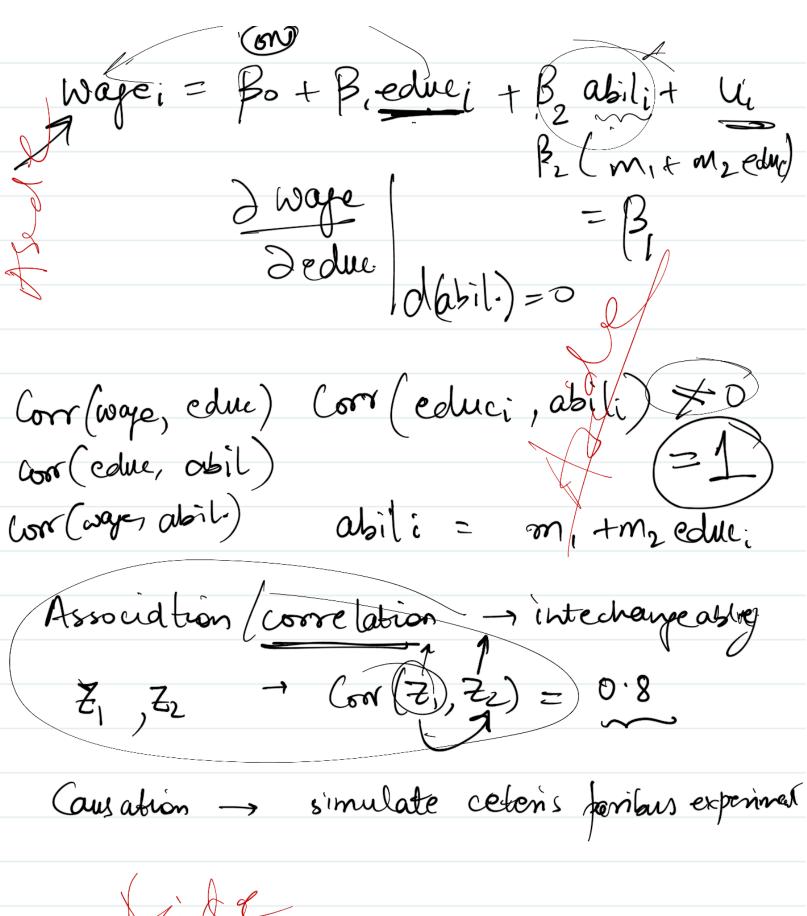
Wi rability

prev. Contributions status

referreds

Thender of femi = 20 otherwise.





Side

Example2. 20 lg/ac - 2/ lg/ae = B + B fertiliter; + U0 (kg/ac) (=1,2,-,10,000) Jield ? (kg | ac) Is there a causal relation between an additional unit of feather on crop productivity? 13 = 2 yield Did I simulate a ceten's panibus exposiment. 2 feat. Ui < soi/qualiby 2 p openant Dyield := Bot B femiliter to Bage in this