

# Causality, Structural Modelling and Exogeneity

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September 21, 2006

## Abstract

This paper deals with causality in the social sciences. We first present a conceptual framework where causal analysis is based on a rationale of variation rather than on Humean regularities. We then develop a formal framework for causal analysis by means of structural modelling. Within this framework we approach causality in terms of exogeneity in a structural conditional model based on (i) good model fit, (ii) invariance under a large variety of environmental changes, and (iii) congruence with background knowledge and theory. We also tackle the issue of confounding and show how latent confounders can play havoc with exogeneity. Staying at the level of knowledge, this framework avoids making untestable metaphysical claims about causal relations and yet remains useful for cognitive and action-oriented goals.

*Keywords:* Causality, Confounding, Exogeneity, Latent Variables, Partial Observability, Structural Modelling.

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