

PH 252D

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Entrepreneurship in Uganda

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1 Background

Uganda, like most low-income countries, has a large share of youth who are either unemployed or underemployed. In Uganda, as well as other sub-Saharan African countries, this is a serious challenge: in 2013, youth (aged 15 to 24) in sub-Saharan African countries were twice as likely to be unemployed compared to any other age cohort[1]. Living in economies where employment opportunities are scarce and self-employment is often the only option, youth need the right combination of human, financial, and social capital to improve their welfare. Uganda in particular has as of 2017 a severe underemployment problem, where high-skilled persons work in low-paying jobs, or those who seek full-time employment are only capable of finding part-time employment[5]. Younger people are often the largest demographic segment in low-income countries such as Uganda, which means that, compared to other age cohorts, their well-being has especially important ramifications for the overall state of their countries' economies.

Many governments recognize that their economy would benefit from better-trained entrepreneurs. Uganda and 22 other African countries have mainstreamed entrepreneurship training in high school through support from the International Labor Organization (ILO). Other countries are developing short training programs in entrepreneurship, while yet other countries are expanding university level entrepreneurship training. However, the curricula in all of these programs are based primarily on hard skills and ignore the potential contributions of soft skills to improved economic outcomes.

This proposed research seeks to address a gap in development literature by focussing on which specific business training techniques work. There have been a number of experimental business training evaluation studies including Karlan and Valdivia (2011)[6] and Valdivia (2011)[7] in Peru, Drexler et al. (2014)[4] in the Dominican Republic, Berge et al. (2011)[2] in Tanzania. These studies confirm that business training leads to improvements in knowledge of good business practices. However, these studies examine the impact of training on existing entrepreneurs. In Sri Lanka de Mel, McKenzie, and Woodruff (2012)[3] examine the effects of an ILO business training program on business success of both existing female entrepreneurs and the general population of women. The proposed project wishes to expand on this research.

More specifically, we want to investigate if entrepreneurial training affects labor market outcomes by a) inducing individuals to start businesses sooner after graduation of secondary school and b) increasing revenues and profits for those businesses. We measure business creation and financial performance in a sample of 3,893 Ugandans between 22-30 years old who were eligible to receive a three-week, post-secondary intensive training camp on entrepreneurship skills. We will study economic outcomes of individuals under a non-parametric framework to estimate their treatment-specific counterfactual outcomes. We hope to answer the following questions:

- Does entrepreneurial training (of any kind) increase the likelihood of starting a business after graduation from high school?
- Does entrepreneurial training (of any kind) increase business monthly revenue?
- Does entrepreneurial training (of any kind) increase business monthly profit?

All of the economic outcomes listed above are proxies for the success of entrepreneurial training in improving the welfare of young persons who might otherwise be unemployed or underemployed. For the

purposes of this initial analysis, we will pool both treatment arms (hard-skills and soft-skills) into a single group, thereby ignoring any potential differences between the two types of training.

2 Experimental Design

We interviewed 4,400 individuals at baseline (original sample), and we reached 3,891 during the follow-up study 4 years after (final sample). Our¹ baseline covariates W_0 include basic sociodemographic characteristics such as age, gender, region of residence, and household socio-economic level; several measures of cognitive development, e.g. Raven score; personality constructs (Big 5); and time and risk preferences. Distance from home village to training site was also recorded for all individuals. We observe treatment status A labeled as $A = 0$ for no treatment and $A = 1$ for treatment. At follow-up (final sample), we obtained information about every economic activity undertaken in the period after graduation from high school and time of the follow-up interview (April 2016). Our outcomes² Y are (1) a binary indicator for whether the individual started a business, (2) the logarithm of monthly revenue measured in USD, and (3) the logarithm of monthly profit measured in USD. Note that outcomes (2) and (3) only apply to those individuals who actually started a business.

The target population was youth in Uganda who graduated high school and are in the job market. The sample consisted of students enrolled in the last year of high school in 4 regions of Uganda in 2013. Approximately, 40% of the sample attended schools in the West, 20% in Jinja, 20% in Mbale, and 20% in the North. The study was designed to be nationally representative with both students and teachers assigned to one of three groups (hard skills, soft skills, control) randomly. Students were recruited from 200 secondary schools, which represents a third of the total number of full time secondary schools in Uganda. Students interested in the program were asked to fill out an application form and a baseline survey. In total 8,080 students applied to the program and of those 7,421 complied with eligibility requirements (completeness of key baseline characteristics and no concurrent entrepreneurship or business training).

Power calculations showed that 1,200 students per arm were required, but the sample size was increased to account for attrition. We drew a random sample of 4,400 students out of the eligible pool of 7,421. Treatment was assigned randomly, i.e. using a random number generator. This was for identifiability of results. More specifically, 1,600 students were randomly assigned to hard skills training, 1,600 students were randomly assigned to soft skills, and 1,200 students were randomly assigned to the control group. At each step of the sampling process we stratified by both school and gender to avoid confounding and to ensure a well-balanced design.

A two-arms intervention was implemented: a 3-week intensive entrepreneurship camp with a strong emphasis on (1) soft skills and (2) hard skills. All students had a basic overview entrepreneurship and worked on a business plan during the 3-week course. The intervention was implemented in May 2013. Students in the hard skills program focused on financial decision making, while the soft skills arm focused on abilities such as negotiation and communication. The curricula for the training was designed by the International Labor Organization and the Haas Business School.

Teachers were recruited, hired and trained by *Educate!*, a non-profit organization. Teachers were randomly assigned to a training site, a school, and a classroom. Each of the 20 host schools was staffed with 3 teachers: 2 instructors who both taught the regular curriculum, and 1 instructor who taught the business plan curriculum exclusively. Assignment was stratified by language and ability. The sample was balanced³ across all 3 arms of the study (no treatment, soft-skills treatment, and hard skills treatment). 9 of 144 p-values were less than 0.10. Overall about one-third of the study participants are female. On average, those taking part in the study are 20 years old. The characteristics of the teachers were balanced as well.

¹The principal investigators of this study are Paul Gertler and Dana Carney at UC Berkeley.

²Only observed for the final sample.

³See Appendix 2 for a balance table including corresponding p-values.

Our final sample consists of 1,021 controls, 1,448 individuals assigned to *hard* skills, and 1,422 individuals assigned to *soft* skills. These numbers are smaller than the 1,200, 1,600, and 1,600 given above for the original sample, due to attrition manifesting as non-response to the follow-up interview at the end of the recall period. Thankfully, there were no important differences in the observable characteristics of those ($\sim 12\%$) who chose not to respond to the follow-up survey. Women were slightly likely more likely to respond to the follow-up, but not significantly so. Roughly 2/3 of the final sample (both treatment and controls) started a business during the recall period, for which average monthly revenues were 957 USD, and average monthly profits were 501 USD (adjusted for purchasing power parity, PPP).

3 Limitations

Even though assignment to treatment was randomized, compliance with treatment was not perfect (i.e. not every individual assigned to treatment attended the training). More specifically, of everyone assigned to treatment (hard- or soft-skills), only 67.4% participated in the training, so that approximately 30% of those assigned to treatment didn't go to the training at all. On the positive side, of those who did attend the training, they were present for 94% of the sessions on average. As a consequence of the above limitation, for this preliminary analysis we are only reporting intent to treat.

Moreover, we were only able to reach approximately 88% of the original sample in the follow-up interview.

Fortunately, we have baseline covariates of those who were lost to follow-up for the original 4,400 individuals, and we also have baseline covariates for everyone assigned to treatment, not just for those who complied. There were no important differences in the observable characteristics of those ($\sim 12\%$) who chose not to respond to the follow-up survey. Women were slightly likely more likely to respond to the follow-up.

Therefore, estimation of causal effects in this setting entails dealing with at least *two* potential selection problems, because individuals who did not attend the training, or individuals who were lost to follow-up, could differ in observable and unobservable characteristics correlated with the outcomes.

4 Causal Analysis

For each of the three outcomes, the target causal parameter is the Average Treatment Effect, which is the difference in the expected counterfactual if all recruited students had taken the entrepreneurial training and the expected counterfactual if none of the students were assigned to the treatment.

$$\Psi^{\mathcal{F}}(\mathbb{P}_{U,X}) = \mathbb{E}_{U,X}(Y_1) - \mathbb{E}_{U,X}(Y_0)$$

Because of the design of the experiment as an RCT (randomized control trial), we can conclude that A is a function of U_A only, so that there must be an exclusion restriction between W and A . See p. 24 of [8]. A second consequence of our randomizing the intervention node A is that we may assume that U_A is independent of U_Y and of U_W . We can test this assumption for U_A and U_W by using a balance table. There is no way for us to test the independence assumption of U_A and U_Y . This corresponds to believing that there are no unmeasured factors that predict both A and the outcome Y , which is often called the no unmeasured confounders assumption. This independence assumption also means that there is no backdoor path from Y to A . Therefore our causal estimand is identifiable from the statistical estimand. Our structural causal model assumes that the observed data were generated by the following actions:

1. Drawing unobservable $U = (U_A, U_Y, U_W)$ from some probability distribution \mathbb{P}_U ensuring that U_A is independent of U_Y , given W .
2. Generating W as a deterministic function of U_W .

3. Generating A as a deterministic function of W and U_A .
4. Generating Y as a deterministic function of W , A , and U_Y .

The time ordering of the variables is $W \rightarrow A \rightarrow Y$, while for the causal ordering, both W and A precede Y , and neither W nor A precede each other. This model is illustrated in the figure 1. Note that there are no assumptions on functional forms in our model. Nevertheless, because of the randomization of U_A via a random number generator with a specified distribution, our model is technically speaking only semi-parametric, and not completely non-parametric.

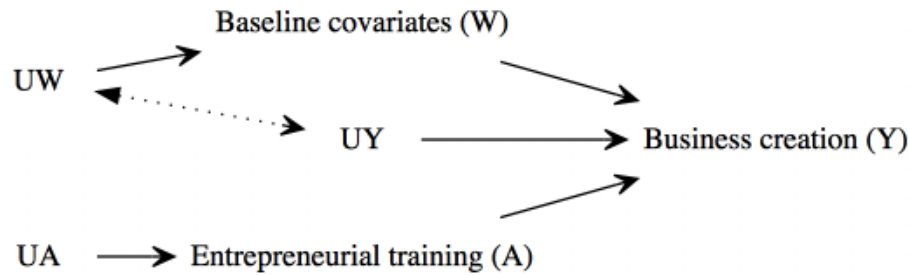


Figure 1: Structural causal model

5 Variables of interest

Variable type	Variable name	Description
Y	Business creation	=1 if respondent started a business after graduation from high school
Y	Log of revenue	Monthly revenue from all self-employment activities
Y	Log of profit	Monthly profit from all self-employment activities
A	Treatment	=1 if participated in entrepreneurial training
W	Sociodemographic characteristics	Gender, age, parent's income source and education level, boarding student, perceived socioeconomic level
W	Cognitive skills	Raven score, math score, GPA, O-level score, previous exposure to entrepreneurship
W	Risk and time preferences	Present-bias and time-inconsistency scores
W	Personality characteristics	Big 5 (extroversion, emotional stability, openness, conscientiousness, agreeableness), leadership, perceived control, anxiety, pro-social behavior, and more.

6 Interpretation

7 Future Directions

In future work we would like to investigate the differences in effectiveness, if any, between the hard-skills and soft-skills training. For the purposes of this initial analysis, we pooled both treatment pools into a single group. However, understanding the differences between the two treatment modes would have real policy implications: most existing entrepreneurship training programs only employ hard-skills training. Governments interested in effectively training their entrepreneurs would like to know whether hard-skills training, soft-skills training, or a combination of both, is most likely to improve the economic outcomes of the trainees. This was a question we completely neglected in the present analysis.

Another direction to explore is a more sophisticated analysis of the censoring issues caused by the attrition between the original sample and the final sample. An empirical strategy to deal with this censoring issue is to model assignment to treatment A and attrition Δ as a single intervention node by estimating its joint distribution $f_{A,\Delta}(A, \Delta)$.

A second censoring issue we had was that not all individuals complied with treatment; that is, of those assigned to one of the training courses, not everyone went. In our preliminary analysis here we ignored this issue by only reporting intent to treat.

Fortunately, we have baseline covariates of those who were lost to follow-up for the original 4,400 individuals, and we also have baseline covariates for everyone assigned to treatment, not just for those who complied. By fully utilizing all the available baseline covariates, our aim for future work is to estimate a double robust locally efficient substitution estimator that will be consistent and asymptotically linear if the selection mechanism is consistently estimated or if we can treat assignment to treatment and attrition as independent events (i.e. no differential attrition between treatment and control).

Bibliography

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Appendices

1 Code for Analysis

```
In [1]: # Note: for full reproducibility of results, we should have set the random seed earlier.
        set.seed(518)
        # The values generated are similar to those from the slides, but not the same.

        rm(list=ls())
        getwd()
        options(scipen=10)

        suppressMessages( library(tmlr))
        suppressMessages( library(ggplot2))
                           library(SuperLearner)
        suppressMessages( library(dplyr))
                           library(magrittr)
                           library(foreign)
                           library(ck37r)
        suppressMessages( library(sl3))
        suppressMessages( library(arm))
                           library(lattice)
                           library(caret)
        suppressMessages( library(data.table))
                           library(screening)
        suppressMessages( library(xgboost))
                           library(foreach)
        suppressMessages( library(glmnet))

In [2]: data <- read.dta("Data/SEED_endline_analysis.dta",
                        convert.factors=FALSE, convert.underscore=FALSE)
        data <- data.frame(data)

In [3]: # List to hold the different column names.
        (names=list(
          # Outcomes of interest
          outcome=c("ever_self_employed", "log_tot"),

          # Treatment variable
          treatment="treated",

          # Adjustment covariates
          covars=c("treated", "gender", "age", "q06_dayorboarding",
                  "q25_family_business", "q25a_wk_family_bus", "timeprefs_patience",
```

```

    "riskbehavior", "mathbusiness", "leadership", "perceivedcontrol", "timeprefs_delta",
    "timeprefs_beta", "prosocialbehavior", "anxiety", "selfconfidence",
    "big5extroversion", "big5emostability", "big5openness", "big5conscientious",
    "big5agreeable", "schoolacceptance", "currfamwealthstep", "tenyrwealthstep", "takingriskstep",
    "ravenscore", "father_educ2", "father_educ3", "father_educ4", "father_educ5",
    "father_income2", "father_income3", "mother_income2", "mother_income3",
    "type_house", "q13_olevelscore2", "q13_olevelscore34")
  ))

```

\$outcome

```
'ever_self_employed' 'log_tot'
```

\$treatment

```
'treated'
```

\$covars

```

'treated' 'gender' 'age' 'q06_dayorboarding' 'q25_family_business' 'q25a_wk_family_bus'
'timeprefs_patience' 'riskbehavior' 'mathbusiness' 'leadership' 'perceivedcontrol'
'timeprefs_delta' 'timeprefs_beta' 'prosocialbehavior' 'anxiety' 'selfconfidence' 'big5extroversion'
'big5emostability' 'big5openness' 'big5conscientious' 'big5agreeable' 'schoolacceptance'
'currfamwealthstep' 'tenyrwealthstep' 'takingriskstep' 'ravenscore' 'father_educ2' 'father_educ3'
'father_educ4' 'father_educ5' 'father_income2' 'father_income3' 'mother_income2'
'mother_income3' 'type_house' 'q13_olevelscore2' 'q13_olevelscore34'

```

```
In [4]: # Keep variables of interest
```

```

data <- subset(data, select=c(names$outcome, names$treatment, names$covars))
# Review missing values in id, outcome, treatment, and censoring variables.
# Outcome is the only variable that can have missing values.
colSums(is.na(data[, c(names$outcome, names$censoring, names$treatment)]))

```

```

ever_self_employed  0
log_tot            712
treated            0

```

```
In [5]: # Dimensions of data set
dim(data)
```

```
3891 40
```

```
In [6]: # Summary statistics of data set
summary(data)
```

ever_self_employed	log_tot	treated	treated.1
Min. :0.0000	Min. : 1.028	Min. :0.0000	Min. :0.0000
1st Qu.:0.0000	1st Qu.: 6.580	1st Qu.:0.0000	1st Qu.:0.0000
Median :1.0000	Median : 7.681	Median :1.0000	Median :1.0000
Mean :0.5474	Mean : 7.593	Mean :0.7376	Mean :0.7376
3rd Qu.:1.0000	3rd Qu.: 8.645	3rd Qu.:1.0000	3rd Qu.:1.0000
Max. :1.0000	Max. :11.018	Max. :1.0000	Max. :1.0000
	NA's :712		
gender	age	q06_dayorboarding	q25_family_business
Min. :0.0000	Min. :20.00	Min. :0.0000	Min. :0.0000
1st Qu.:0.0000	1st Qu.:22.00	1st Qu.:0.0000	1st Qu.:0.0000

Median :0.0000	Median :23.00	Median :1.0000	Median :1.0000
Mean :0.3482	Mean :23.51	Mean :0.7396	Mean :0.5193
3rd Qu.:1.0000	3rd Qu.:24.00	3rd Qu.:1.0000	3rd Qu.:1.0000
Max. :1.0000	Max. :38.00	Max. :1.0000	Max. :1.0000
	NA's :147	NA's :13	
q25a_wk_family_bus	timeprefs_patience	riskbehavior	mathbusiness
Min. :0.0000	Min. :0.0000	Min. :-2.538293	Min. :0.0000
1st Qu.:1.0000	1st Qu.:0.0000	1st Qu.: -0.692131	1st Qu.:0.5000
Median :1.0000	Median :0.0000	Median :-0.083936	Median :0.6667
Mean :0.9276	Mean :0.2765	Mean :-0.002497	Mean :0.5990
3rd Qu.:1.0000	3rd Qu.:0.3333	3rd Qu.: 0.656105	3rd Qu.:0.7500
Max. :1.0000	Max. :1.0000	Max. : 2.965215	Max. :1.0000
NA's :1860			
leadership	perceivedcontrol	timeprefs_delta	timeprefs_beta
Min. :1.000	Min. :1.000	Min. :-3.299497	Min. :-3.048114
1st Qu.:3.857	1st Qu.:4.167	1st Qu.: -0.662538	1st Qu.: -0.682101
Median :4.286	Median :4.333	Median : 0.001506	Median :-0.013883
Mean :4.194	Mean :4.337	Mean : 0.001506	Mean : 0.002516
3rd Qu.:4.571	3rd Qu.:4.667	3rd Qu.: 0.643275	3rd Qu.: 0.637755
Max. :5.000	Max. :5.000	Max. : 3.363326	Max. : 3.857732
NA's :23	NA's :14		
prosocialbehavior	anxiety	selfconfidence	big5extroversion
Min. :1.000	Min. :1.000	Min. :1.000	Min. :1.000
1st Qu.:4.000	1st Qu.:1.889	1st Qu.:4.333	1st Qu.:2.000
Median :4.293	Median :2.333	Median :4.667	Median :3.000
Mean :4.293	Mean :2.391	Mean :4.583	Mean :2.733
3rd Qu.:4.714	3rd Qu.:2.875	3rd Qu.:5.000	3rd Qu.:3.500
Max. :5.000	Max. :5.000	Max. :5.000	Max. :5.000
	NA's :28	NA's :37	
big5emostability	big5openness	big5conscientious	big5agreeable
Min. :1.000	Min. :1.000	Min. :1.000	Min. :1.00
1st Qu.:3.500	1st Qu.:3.500	1st Qu.:3.500	1st Qu.:3.00
Median :4.000	Median :4.151	Median :4.000	Median :3.50
Mean :3.865	Mean :4.151	Mean :3.892	Mean :3.62
3rd Qu.:4.500	3rd Qu.:5.000	3rd Qu.:4.500	3rd Qu.:4.00
Max. :5.000	Max. :5.000	Max. :5.000	Max. :5.00
schoolacceptance	currfamwealthstep	tenyrwealthstep	takingriskstep
Min. :1.000	Min. : 1.000	Min. : 1.000	Min. : 1.000
1st Qu.:4.000	1st Qu.: 4.000	1st Qu.: 7.000	1st Qu.: 5.000
Median :4.250	Median : 5.000	Median : 8.000	Median : 7.000
Mean :4.268	Mean : 4.776	Mean : 8.015	Mean : 6.756
3rd Qu.:4.750	3rd Qu.: 6.000	3rd Qu.: 9.000	3rd Qu.: 9.000
Max. :5.000	Max. :10.000	Max. :10.000	Max. :10.000
NA's :91	NA's :83	NA's :81	NA's :88
ravenscore	father_educ2	father_educ3	father_educ4
Min. : 0.000	Min. :0.0000	Min. :0.00	Min. :0.0000
1st Qu.: 4.000	1st Qu.:0.0000	1st Qu.:0.00	1st Qu.:0.0000
Median : 6.000	Median :0.0000	Median :0.00	Median :0.0000
Mean : 5.435	Mean :0.1667	Mean :0.13	Mean :0.1838
3rd Qu.: 7.000	3rd Qu.:0.0000	3rd Qu.:0.00	3rd Qu.:0.0000
Max. :10.000	Max. :1.0000	Max. :1.00	Max. :1.0000
	NA's :28	NA's :28	NA's :28
father_educ5	father_income2	father_income3	mother_income2

Min. :0.0000	Min. :0.0000	Min. :0.0000	Min. :0.0000
1st Qu.:0.0000	1st Qu.:0.0000	1st Qu.:0.0000	1st Qu.:0.0000
Median :0.0000	Median :0.0000	Median :0.0000	Median :0.0000
Mean :0.4072	Mean :0.2924	Mean :0.0384	Mean :0.1553
3rd Qu.:1.0000	3rd Qu.:1.0000	3rd Qu.:0.0000	3rd Qu.:0.0000
Max. :1.0000	Max. :1.0000	Max. :1.0000	Max. :1.0000
NA's :28	NA's :37	NA's :37	NA's :15
mother_income3	type_house	q13_olevelscore2	q13_olevelscore34
Min. :0.00000	Min. :0.0000	Min. :0.0000	Min. :0.0000
1st Qu.:0.00000	1st Qu.:1.0000	1st Qu.:0.0000	1st Qu.:0.0000
Median :0.00000	Median :1.0000	Median :0.0000	Median :0.0000
Mean :0.03199	Mean :0.8205	Mean :0.4014	Mean :0.4522
3rd Qu.:0.00000	3rd Qu.:1.0000	3rd Qu.:1.0000	3rd Qu.:1.0000
Max. :1.00000	Max. :1.0000	Max. :1.0000	Max. :1.0000
NA's :15	NA's :24	NA's :72	NA's :72

```
In [7]: # Remove observations missing their censoring time.
        skip_vars <- c(names$treatment, names$outcome)
        impute <- ck37r::impute_missing_values(data,
                                                skip_vars=skip_vars)

In [8]: # Review missing data for all covariates.
        # Only the outcome variable should have missing data at this point.
        data <- impute$data

        colSums(is.na(data))
```

```
ever_self_employed 0
log_tot            712
treated            0
treated.1          0
gender             0
age               0
q06_dayorboarding 0
q25_family_business 0
q25a_wk_family_bus 0
timeprefs_patience 0
riskbehavior       0
mathbusiness       0
leadership         0
perceivedcontrol   0
timeprefs_delta    0
timeprefs_beta     0
prosocialbehavior  0
anxiety           0
selfconfidence     0
big5extroversion   0
big5emostability   0
big5openness       0
big5conscientious  0
big5agreeable      0
schoolacceptance   0
currfamwealthstep  0
```

```

tenyrwealthstep 0
takingriskstep 0
ravenscore 0
father_educ2 0
father_educ3 0
father_educ4 0
father_educ5 0
father_income2 0
father_income3 0
mother_income2 0
mother_income3 0
type_house 0
q13_olevelscore2 0
q13_olevelscore34 0
miss_log_tot 0
miss_q06_dayorboarding 0
miss_q25_family_business 0
miss_q25a_wk_family_bus 0
miss_leadership 0
miss_perceivedcontrol 0
miss_anxiety 0
miss_selfconfidence 0
miss_schoolacceptance 0
miss_currfamwealthstep 0
miss_tenyrwealthstep 0
miss_takingriskstep 0
miss_father_educ2 0
miss_father_income2 0
miss_mother_income2 0
miss_type_house 0
miss_q13_olevelscore2 0

```

In [9]: *## Estimation of causal effects*

```

Y1 <- data$ever_self_employed
Y2 <- data$log_tot[!is.na(data$log_tot)]

A1 <- data$treated
A2 <- data$treated[!is.na(data$log_tot)]

all_covars <- data[, colnames(data) %in% names$covars]

W <- all_covars
W1 <- all_covars
W2 <- subset(data, !is.na(data$log_tot))
W2 <- W2[, colnames(data) %in% names$covars]

screen1 <- screening(x=W1, y=Y1, method="holp", family="binomial", num.select=15)$screen
screen2 <- screening(x=W2, y=Y2, method="holp", family="gaussian", num.select=15)$screen
screenA <- screening(x=W, y=A1, method="holp", family="binomial", num.select=15)$screen
screenA2 <- screening(x=W2, y=A2, method="holp", family="binomial", num.select=15)$screen

W1 <- W1[,screen1]
W2 <- W2[,screen2]

```

```
# William: moved this line here to make code work
screenA2 <- screening(x=W2, y=A2, method="holp", family="binomial", num.select=15)$screen
# screenA2 depends on W2, W2 was changed above, so old screenA2 can't be used to subset new W2

WA <- W[,screenA]
WA2 <- W2[,screenA2]
```

In [10]: *# Fit glm model (base model, should have the worst performance)*

```
logit2prob <- function(logit){
  odds <- exp(logit)
  prob <- odds / (1 + odds)
  return(prob)
}

model1 <- glm(formula=Y1 ~ A1, family="binomial")
summary(model1)
```

Call:

```
glm(formula = Y1 ~ A1, family = "binomial")
```

Deviance Residuals:

Min	1Q	Median	3Q	Max
-1.306	-1.306	1.054	1.054	1.224

Coefficients:

	Estimate	Std. Error	z value	Pr(> z)
(Intercept)	-0.10784	0.06268	-1.720	0.0854 .
A1	0.40549	0.07317	5.542	0.00000003 ***

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

(Dispersion parameter for binomial family taken to be 1)

Null deviance: 5359.0 on 3890 degrees of freedom
 Residual deviance: 5328.2 on 3889 degrees of freedom
 AIC: 5332.2

Number of Fisher Scoring iterations: 4

```
In [11]: logit_control <- model1$coefficients[1]
         logit_treated <- model1$coefficients[1] + 1*model1$coefficients[2]

         (b1 <- logit2prob(logit_treated) - logit2prob(logit_control))
```

(Intercept): 0.10080197387954

```
In [12]: model2 <- glm(formula=Y2 ~ A2, family="gaussian")
         summary(model2)
```

Call:

```
glm(formula = Y2 ~ A2, family = "gaussian")
```

Deviance Residuals:

	Min	1Q	Median	3Q	Max
	-6.6009	-1.0053	0.0917	1.0569	3.4584

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	7.49175	0.05073	147.679	<2e-16 ***
A2	0.13687	0.05895	2.322	0.0203 *

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

(Dispersion parameter for gaussian family taken to be 2.123154)

Null deviance: 6756.7 on 3178 degrees of freedom
 Residual deviance: 6745.3 on 3177 degrees of freedom
 AIC: 11419

Number of Fisher Scoring iterations: 2

In [13]: *# Define our Super Learner library*

```
g_library <- c("SL.mean",
              "SL.glm",
              "SL.glm.interaction")
```

```
Q_library <- c("SL.mean",
              "SL.glm",
              "SL.glm.interaction",
              "#SL.glmnet",
              "#SL.randomForest",
              "#SL.bartMachine",
              "SL.xgboost")
```

In [14]: #####
G-computation formula
 #####

```
np_boot_gcomp <- function(Y, A, W, nrep, family){

  X <- cbind(A,W)
  print(colnames(X))
  # wrapped in suppressWarnings() to prevent excessive verbosity
  suppressWarnings(
    QbarSL <- SuperLearner(Y=as.numeric(Y),
                          X=X,
                          SL.library=Q_library,
                          family=family)
  )

  results <- rep(NA, nrep)
  n <- NROW(Y)
  #stop("stop")
```

```

for(i in 1:nrep){

  i_boot  <- sample(1:nrow(W), size=n, replace=TRUE)
  W_boot  <- X[i_boot,]
  W1_boot <- W0_boot <- W_boot

  W1_boot$A <- 1
  W0_boot$A <- 0

  #psi_bootstrap <- G_comp(Y = Y_b, A = A_b, W = W_b, family = family)
  # wrapped in suppressWarnings() to prevent excessive verbosity
  suppressWarnings(
    Qbar1W <- predict(QbarSL, newdata=W1_boot, type="response")$pred
  )

  # wrapped in suppressWarnings() to prevent excessive verbosity
  suppressWarnings(
    Qbar0W <- predict(QbarSL, newdata=W0_boot, type="response")$pred
  )

  psi_bootstrap <- (Qbar1W - Qbar0W)
  # wrapped in suppressWarnings() to prevent excess verbosity in output
  suppressWarnings(
    results[i]  <- psi_bootstrap
  )
}
return(results)
}

In [15]: # For business creation
g_comp_boot <- np_boot_gcomp(Y=Y1, A=A1, W=W1, nrep=100, family="binomial")
summary(g_comp_boot)

(b_iptw <- mean(g_comp_boot))

(sd_iptw <- sd( g_comp_boot))

t_stat <- b_iptw/sd_iptw
(p_val <- dt(t_stat, df=n-1, log=FALSE))

quantile(g_comp_boot, probs=c(0.025,0.975))

[1] "A" "gender" "age"
[4] "q06_dayorboarding" "treated" "type_house"
[7] "mother_income2" "father_income3" "father_income2"
[10] "prosocialbehavior" "big5emostability" "currfamwealthstep"
[13] "ravenscore" "big5agreeable" "leadership"
[16] "big5openness"

Min. 1st Qu. Median Mean 3rd Qu. Max.
0.07751 0.09683 0.10461 0.10326 0.11016 0.11403

0.103255428507584

```

0.00775579552103696

2.07434461855019e-23

2.5%	0.0873818847222731
97.5%	0.112134764063077

```
In [16]: # For log of total earnings
tot_g_comp_boot <- np_boot_gcomp(Y=Y2, A=A2, W=W2, nrep=100, family="gaussian")
summary(tot_g_comp_boot)

(b_iptw <- mean(tot_g_comp_boot))

(sd_iptw <- sd( tot_g_comp_boot))

t_stat <- b_iptw/sd_iptw
(p_val <- dt(t_stat, df=n-1, log=FALSE))

quantile(tot_g_comp_boot, probs=c(0.025,0.975))

[1] "A" "gender" "q13_olevelscore34"
[4] "big5emostability" "timeprefs_delta" "treated"
[7] "q25_family_business" "q06_dayorboarding" "q13_olevelscore2"
[10] "age" "tenyrwealthstep" "timeprefs_beta"
[13] "leadership" "father_educ4" "mother_income3"
[16] "anxiety"
```

Min.	1st Qu.	Median	Mean	3rd Qu.	Max.
-0.01737	0.09807	0.13171	0.13350	0.17054	0.24804

0.133499791152873

0.0541475573594245

0.0202236528538269

2.5%	0.0276082188190126
97.5%	0.230772835739166

```
In [17]: #####
# IPTW
#####

iptw <- function(Y, A, X, family){

  n <- NROW(Y)

  # wrapped in suppressWarnings() to prevent excessive verbosity
  suppressWarnings(
    propensity_score <- SuperLearner(Y=A,
                                     X=X,
                                     SL.library=g_library,
                                     family=family)
```

```

    )

    # Obtain predicted probability of treatment
    # wrapped in suppressWarnings() to prevent excessive verbosity
    suppressWarnings(
      pred_g1W <- predict(propensity_score, newX=X, type='response')$pred
    )

    # Probability of not being treated
    pred_g0W <- 1 - pred_g1W

    # Create vector gAW
    gAW <- rep(NA, n)
    gAW[A==1] <- pred_g1W[A==1]
    gAW[A==0] <- pred_g0W[A==0]

    # Create vector with inverse of predicted probability
    wt <- 1/gAW

    # Implement stabilized IPTW estimator (a.k.a. the modified Horvitz-Thompson estimator)
    Psi_hat <- mean(as.numeric(A==1)*wt*Y)/mean(as.numeric(A==1)*wt) -
      mean(as.numeric(A==0)*wt*Y)/mean(as.numeric(A==0)*wt)
    return(Psi_hat)
  }

np_boot <- function(Y, A, X, family, nrep){

  results <- rep(NA, nrep)
  n      <- NROW(Y)
  df      <- cbind(Y,A,X)

  for(i in 1:nrep){

    i_boot      <- sample(1:nrow(df), size=n, replace=TRUE)
    df_bootstrap <- df[i_boot,]

    Y_b <- df_bootstrap[,1]
    A_b <- df_bootstrap[,2]
    W_b <- subset(df_bootstrap, select=-c(1,2))

    psi_bootstrap <- iptw(Y=Y_b, A=A_b, X=W_b, family=family)
    # added call to suppressWarnings() to avoid excess verbosity
    suppressWarnings(
      results[i] <- psi_bootstrap
    )

  }
  return(results)
}

```

```

In [18]: # IPTW for business creation
(ate_iptw <- iptw(Y=Y1, A=A1, X=WA, family="binomial"))

# added argument 'family = "binomial"'

```



```
# to avoid error 'argument "family" is missing, with no default'
iptw_bootstrap <- np_boot(Y=Y1, A=A1, X=WA, nrep=100, family="binomial")
summary(iptw_bootstrap)

(b_iptw <- mean(iptw_bootstrap))

(sd_iptw <- sd( iptw_bootstrap))

t_stat <- b_iptw/sd_iptw
(p_val <- dt(t_stat, df=n-1, log=FALSE))

quantile(iptw_bootstrap, probs=c(0.025,0.975))
```

0.10080197387954

Min.	1st Qu.	Median	Mean	3rd Qu.	Max.
0.05579	0.09050	0.10286	0.10203	0.11563	0.14312

0.102033773035489

0.018674796478849

0.000000753327084341801

2.5%	0.0684991007238237
97.5%	0.136492148157286

In [19]: # IPTW log total earnings

```
(total_earn_iptw <- iptw(Y=Y2, A=A2, X=WA2, family="gaussian"))

total_iptw_bootstrap <- np_boot(Y=Y2, A=A2, X=WA2, nrep=100, family="gaussian")
summary(total_iptw_bootstrap)

(b_iptw <- mean(total_iptw_bootstrap))

(sd_iptw <- sd( total_iptw_bootstrap))

t_stat <- b_iptw/sd_iptw
(p_val <- dt(t_stat, df=n-1, log=FALSE))

quantile(total_iptw_bootstrap, probs=c(0.025,0.975))
```

0.136872104521482

Min.	1st Qu.	Median	Mean	3rd Qu.	Max.
-0.02517	0.09730	0.13004	0.12764	0.16301	0.22453

0.127635350433552

0.0523966603030267

0.02166695638499

2.5%

0.0269823320969634

97.5%

0.219980771351561

```

In [20]: #####
# TMLE
#####

# Business creation
(tmle <- tmle(Y=as.numeric(Y1),
              A=as.numeric(A1),
              W=W1,
              gform="A~1",
              family="binomial",
              #g.SL.library = g_library,
              Q.SL.library=Q_library,
              fluctuation="logistic") #,
              #V=10)
)

```

Additive Effect

```

Parameter Estimate: 0.10723
Estimated Variance: 0.00029505
p-value: 0.00000000043039
95% Conf Interval: (0.073562, 0.1409)

```

Additive Effect among the Treated

```

Parameter Estimate: 0.10723
Estimated Variance: 0.0002948
p-value: 0.00000000042335
95% Conf Interval: (0.073576, 0.14088)

```

Additive Effect among the Controls

```

Parameter Estimate: 0.10754
Estimated Variance: 0.00029582
p-value: 0.0000000004043
95% Conf Interval: (0.073826, 0.14125)

```

Relative Risk

```

Parameter Estimate: 1.2289
p-value: 0.00000000040952
95% Conf Interval: (1.1473, 1.3164)

```

```

log(RR): 0.20615
variance(log(RR)): 0.0012291

```

Odds Ratio

```

Parameter Estimate: 1.5394
p-value: 0.00000000048845
95% Conf Interval: (1.3438, 1.7635)

```

```

log(OR): 0.43142
variance(log(OR)): 0.0048065

```

```
In [21]: # Log of total earnings
        (tot_tmle <- tmle(Y=as.numeric(Y2),
                        A=as.numeric(A2),
                        W=W2,
                        gform="A~1",
                        family="gaussian",
                        #g.SL.library = g_library,
                        Q.SL.library=Q_library,
                        fluctuation="logistic") #,
        #V=10)
        )
```

Additive Effect

```
Parameter Estimate: 0.14313
Estimated Variance: 0.0030896
p-value: 0.010024
95% Conf Interval: (0.034184, 0.25207)
```

Additive Effect among the Treated

```
Parameter Estimate: 0.14313
Estimated Variance: 0.0030835
p-value: 0.009951
95% Conf Interval: (0.034291, 0.25197)
```

Additive Effect among the Controls

```
Parameter Estimate: 0.14313
Estimated Variance: 0.0031101
p-value: 0.010273
95% Conf Interval: (0.033823, 0.25243)
```

2 Balance Table

Covariate	Control: N	Control: Mean	Hard Skills: N	Hard Skills: Mean	Soft Skills: N	Soft Skills: Mean	p-value: Hard vs Control	p-value: Soft vs Control	p-value: Hard vs Soft
Female	1199	0.34	1619	0.36	1596	0.36	0.211	0.222	0.978
Boarding student	1158	0.74	1562	0.73	1535	0.73	0.786	0.536	0.707
Age (years)	1195	20.04	1610	20.00	1586	20.01	0.416	0.541	0.830
Father education: None	1191	0.12	1608	0.12	1585	0.11	0.626	0.454	0.181
Father education: Some primary	1191	0.17	1608	0.15	1585	0.17	0.182	0.911	0.119
Father education: Completed primary	1191	0.12	1608	0.13	1585	0.12	0.332	0.933	0.339
Father education: Some secondary	1191	0.18	1608	0.18	1585	0.19	0.930	0.633	0.673
Father education: Secondary and above	1191	0.41	1608	0.41	1585	0.41	0.969	0.979	0.989
Father source of income: Manual work	1185	0.65	1608	0.69	1582	0.66	0.032	0.649	0.068
Father source of income: Professional work	1185	0.30	1608	0.27	1582	0.30	0.090	0.902	0.049
Father source of income: Unemployed	1185	0.05	1608	0.04	1582	0.04	0.221	0.164	0.852
Mother source of income: Manual work	1194	0.81	1616	0.81	1587	0.81	0.909	0.976	0.876
Mother source of income: Professional work	1194	0.16	1616	0.16	1587	0.15	0.783	0.645	0.425
Mother source of income: Unemployed	1194	0.03	1616	0.03	1587	0.04	0.756	0.384	0.201
Father is alive	1196	0.76	1613	0.74	1589	0.75	0.314	0.604	0.600
Mother is alive	1190	0.89	1617	0.89	1592	0.88	0.932	0.564	0.473
Type of house: Informal structure	1189	0.18	1610	0.18	1586	0.19	0.971	0.575	0.570
Type of house: Fixed structure	1189	0.82	1610	0.82	1586	0.81	0.971	0.575	0.570
Number of rooms at home	1170	4.51	1589	4.60	1560	4.61	0.248	0.195	0.873

Family owns a business	1196	0.53	1616	0.52	1587	0.51	0.666	0.450	0.724
Subjective Family Wealth	1170	4.73	1581	4.77	1562	4.80	0.581	0.364	0.698
Age of work initiation	573	14.55	768	14.57	757	14.55	0.902	0.979	0.917
Months worked in formal employment	460	4.20	598	4.19	595	4.12	0.985	0.648	0.639
Exposed to entrepreneurial class	1175	0.37	1585	0.33	1563	0.33	0.022	0.050	0.728
Currently has a small business or income generating activity (IGA)	1193	0.44	1612	0.42	1589	0.44	0.370	0.798	0.213
Digit Span: % digits correct	1190	0.43	1601	0.41	1586	0.41	0.152	0.117	0.881
Ugandan Certificate of Education: Division 1	1177	0.15	1589	0.14	1568	0.14	0.426	0.481	0.923
Ugandan Certificate of Education: Division 2	1177	0.42	1589	0.39	1568	0.40	0.126	0.436	0.418
Ugandan Certificate of Education: Division 3	1177	0.33	1589	0.35	1568	0.35	0.189	0.402	0.609
Ugandan Certificate of Education: Division 4	1177	0.11	1589	0.12	1568	0.11	0.206	0.473	0.556
Compiled score on Raven's test	1173	5.40	1594	5.46	1566	5.39	0.523	0.862	0.379
Time Preferences: Patience	1157	0.28	1567	0.27	1553	0.28	0.739	0.981	0.699
Willingness to Take Risks	1198	0.00	1618	-0.04	1596	0.04	0.329	0.214	0.016
Math & Business Knowledge	1199	0.60	1619	0.60	1596	0.59	0.959	0.331	0.268
Attitudes toward Enterprise: Leadership	1192	4.17	1609	4.18	1585	4.20	0.438	0.083	0.299
Attitudes toward Enterprise: Perceived Control	1196	4.30	1614	4.34	1590	4.33	0.022	0.074	0.595
Time Preferences: Delta discount rate	1198	-0.01	1618	-0.01	1596	0.02	0.869	0.489	0.353
Time Preferences: Beta time-inconsistency measure	1198	-0.02	1618	-0.01	1596	0.02	0.890	0.280	0.307

N. Ug. Youth Psychosoc. Adj. Scale: Prosocial Behavior	1194	4.26	1609	4.29	1588	4.31	0.161	0.014	0.254
N. Ug. Youth Psychosoc. Adj. Scale: Anxiety & Depression	1192	2.35	1607	2.39	1583	2.42	0.169	0.016	0.261
N. Ug. Youth Psychosoc. Adj. Scale: Self-confidence	1194	4.61	1603	4.56	1574	4.58	0.015	0.252	0.166
Big 5: Extroversion	1175	2.73	1588	2.74	1562	2.70	0.637	0.403	0.157
Big 5: Emotional Stability	1135	3.86	1531	3.88	1497	3.86	0.493	0.934	0.407
Big 5: Openness to Experience	1153	4.16	1549	4.14	1529	4.13	0.620	0.294	0.548
Big 5: Conscientiousness	1144	3.88	1539	3.90	1519	3.88	0.481	0.881	0.356
Big 5: Agreeableness	1150	3.63	1559	3.64	1538	3.61	0.759	0.550	0.327
Teacher/Peer/Friend Acceptance	1174	4.24	1571	4.27	1559	4.27	0.259	0.136	0.694
Future Subjective Personal Wealth	1173	7.95	1580	8.02	1563	7.99	0.283	0.516	0.648
Plans to attend university	1177	0.71	1585	0.70	1571	0.71	0.447	0.851	0.537
Distance from school to Hard skills treatment host school	1199	1.49	1619	1.51	1596	1.50	0.596	0.805	0.759
Distance from school to Hard skills treatment meeting point	1199	1.31	1619	1.33	1596	1.32	0.502	0.687	0.773
Distance from school to Soft skills treatment host school	1199	1.21	1619	1.24	1596	1.23	0.417	0.599	0.758
Distance from school to Soft skills treatment meeting point	1199	1.14	1619	1.17	1596	1.16	0.489	0.660	0.786