

Comments

Micro Entrepreneurship Training and Assets Transfers: Short Term Impact on the Poor

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Questions

- Controls are individuals who applied for the program but did not get in? How are individuals selected into treatment?
- What happens with the participants that do not attend 80% of the classes?
- Rate of attrition among groups is different. Do you know if attrition is also related to individual characteristics?
 - This could give you an idea of any bias in your estimates.
 - For ex: T2 has a higher income (signif 7%)
- Why don't you use the traditional dif in dif approach? Using information from both rounds of surveys?

Main Comments

- Mention selection into the program at the beginning of the paper.
- It is important to note that the returns to capital might not be linear. The amount in T2 is different from the T1 amount.
- The effect of T1 could be partly diluted over time, the effect of T2 is captured closer to the intervention.
- If possible, use variation in the roll-out of the program to check the effect of timing.
- If possible, use variation in the cash amount (max 10%) to identify the effect of the in-kind capital transfer.
- Additional to the bounds calculated, and instead of imputing, use matching to make C, T1 and T2 comparable.

Minor comments

- Calculate the cost benefit of the program, given that you mention the amount in cash, but not the cost of training.
- You mention small businesses as profitable... some other literature report they have low productivity.
- Compare this programs with other interventions that have a similar impact.
- Including control variables should not change the results much as this is a randomized experiment.

No differences between T1 and T2, why?

- The effect comes from the first MESP program but not from the **unexpected capital shock** received by T2.
- The results might be due to selection.
- Mention that T2 is capital after training, the T1 transfer is also given after the training?

Possible Channels you might want to look at...

- Could it be networks (during training)
 - Find out if they work together
- The results for income could be capturing that the program reduces the credit constraint. Is it possible that they are reporting income net of debts?
- Find out if kids are going more to school (it might be the case, given that you have a negative but non-significant effect for the outcome *more member from hh are working*)