What Do Small and Informal Household Enterprises Want?*

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Abstract

This paper finds that urban informal micro-entrepreneurs in West Africa are highly satisfied with their jobs and largely view self-employment as their best available option in a constrained economic environment, though preferences may shift as structural transformation improves access to quality wage employment. Using original survey data from 1,526 poor individuals across Liberia, Niger, and Senegal, the paper examines the motivations, job satisfaction, aspirations, and constraints of urban household enterprise owners. The results reveal that more than half of owners started their business voluntarily. Around 80% report earning more than they could as wage employees, while also valuing the flexibility and independence associated with self-employment, a perception corroborated by wage earners in the sample. Owners are aspirational—seeking primarily to expand—yet constrained by family responsibilities, business conditions, and shocks that hinder their ability to act on these goals. Looking forward, two-thirds would accept wage employment at earnings parity, suggesting that micro-entrepreneurship reflects current labor market conditions rather than a permanent preference for self-employment. At the same time, one-third would not switch even at earnings parity, consistent with the broader literature on the non-pecuniary returns to entrepreneurship. These findings support complementary policy priorities: near-term programs to help current owners overcome constraints alongside longer-run structural reforms to expand access to productive wage employment.

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1 Introduction

A significant share of people in the developing world work in small, informal enterprises with extremely low productivity and thus low earnings (ILO, 2018). Structural transformation toward larger, formal firms, and the wage jobs therein, is widely seen as a way to improve job quality and livelihoods (Bandiera et al., 2022; Gollin and Kaboski, 2023). However, this process takes time. For instance, the ILO estimates that the share of wage employment in modern firms in Sub-Saharan Africa increased by only three percentage points over 25 years (1995-2020).[1] In the meantime, informal micro-enterprises will be the primary source of jobs in much of the developing world, especially among the poor (Hirvonen et al., 2024; Arévalo-Sánchez et al., 2024).

Policies can help the poorest to start and succeed as informal micro-entrepreneurs (Banerjee et al., 2015; Bandiera et al., 2017), though the success of such policies will depend first and foremost on the willingness and capacity of potential and existing micro-entrepreneurs to take up this kind of work. By engaging directly with owners of micro and often informal household enterprises in three West African countries, we seek to answer five questions: (i) What are individuals' motivations for becoming a microentrepreneur? (ii) How satisfied are they with their jobs? (iii) What business aspirations do they have, what steps have they taken towards achieving them, and what are their key constraints? (iv) How do their job preferences, job satisfaction, and aspirations relate to their business outcomes? And, as a proxy for market conditions created by structural transformation, we ask (v) Would job aspirations be different if formal firm employment were an equally lucrative option?[2]

West Africa is a good place to explore these research questions. It is home to some of the poorest countries in the world (Sinha et al., 2024), and a region where structural transformation has been notably slow (World Bank Group, 2018, 2020, 2025). The region has the highest rate of informality globally, with most informal work taking the form of household enterprises (ILO, 2018; Danquah et al., 2021; Cunningham et al., 2024). Many

[1] World Development Indicators. Modeled ILO Estimates "wage and salaried workers, % of total employment."

[2] We use the term "household enterprise" rather than "informal enterprise" in this paper to allow for the fact that some enterprises that may be informally organized—namely those that have a weak division between home and enterprise finances, location, labor, input, and outputs—may be registered with authorities.

micro-entrepreneurs in this sector face severe disadvantages, including lower profits, fewer assets, fewer growth prospects, and higher risk aversion as compared to modern or formal entrepreneurs (Co et al., 2006; Fox and Sohnesen, 2012; Grimm et al., 2012; Berner et al., 2012; Margolis, 2014; Adoho and Doumbia, 2022).

Our survey data come from a sample of 1,526 poor individuals—both enterprise owners and non-owners—across urban Liberia, Niger, and Senegal. Respondents were interviewed via phone surveys. For our main analysis, we pool the samples across countries and present pooled estimates and estimates disaggregated by respondent gender. Country-specific results are provided in appendices.

We present five main findings. First, we show that 53 percent of household enterprise owners report voluntarily choosing to start their business, while 26 percent say they defaulted into entrepreneurship.[3] The remaining respondents fall into both categories. Economic considerations are cited as the most prominent reason for starting a business: many see entrepreneurship as a more profitable option than wage labor and a means of income diversification. Independence also matters: respondents frequently cite the satisfaction of being their own boss.

Second, we find that household enterprise owners are generally more satisfied with their jobs than wage earners. 80 percent of household enterprise owners report being either satisfied or very satisfied with their job, compared to 65 percent of wage earners. Consistent with this, nearly 70 percent of household enterprise owners consider their current job to be their ideal job, while another 18 percent say they would prefer to run a different kind of business. In contrast, only 30 percent of wage earners view their current job as ideal—and a substantial share (40 percent) identify running a business as their ideal occupation. Finally, 80 percent of all respondents—owners and non-owners—state that they would like their children to become household enterprise owners.

Third, we find that household enterprise owners are aspirational yet constrained. Over 80 percent of household enterprise owners aspire to grow their business by increasing profits,

[3]We classify as "voluntary" those individuals who, for example, started their business to diversify income or because they viewed it as offering higher earnings than other forms of work. In contrast, the "default" category includes those who, for example, report starting a business due to a lack of alternative job opportunities.

boosting sales, or reaching new customers. Only about 5 percent express a desire to formalize their enterprise. Respondents cite a wide variety of business and personal constraints, with the most frequent ones being lack of capital, access to finance, and conflicting family responsibilities. Many also report being exposed to shocks such as rising household expenses, price shocks, and natural disasters. Despite their ambitions, most owners take only modest steps toward achieving their stated aspirations by employing low-cost, short-term strategies.[4] More than half of respondents report having taken no action to pursue their aspirations.

The data suggest that constraints and shocks may indirectly affect entrepreneurial success by shaping aspirations or the ability to act on them. A higher degree of family constraints and business shock exposure are associated with reduced business aspirations. For women, greater exposure to family shocks is negatively associated with having acted to realize business aspirations.

Fourth, we ask if job preferences, job satisfaction, and aspirations shape business outcomes. We show that owners who voluntarily started their business report higher job satisfaction, consider their current job to be ideal, have higher aspirations, and tend to employ more non-family workers. However, after controlling for owner and business characteristics, these associations largely disappear. Voluntarily starting a business continues to significantly correlate with the number of non-family employees. Likewise, owners who voluntarily start their business, report higher job satisfaction, and express higher aspirations are more likely to have registered their businesses. However, these associations, like those with firm size, fade once owner and business characteristics are accounted for.

Fifth, we find that economic considerations strongly shape the preference for household entrepreneurship. Eighty percent of household enterprise owners and wage employees reported that owning a business was more remunerative than working for someone else. However, when asked whether individuals would be willing to take up wage employment if it offered the same income as their current self-employment—a reality not available at this time, but potentially in the future—around two-thirds of household enterprise owners said they would. We interpret this as an expression of short-term constraints in the face of long-

[4]The short-term, low-cost strategies include lowering sales prices and increasing marketing activities. They avoid costly or longer-term commitments that may be difficult to reverse, such as hiring staff or using new technology.

term structural transformation. In other words, once structural transformation boosts the availability of equally paid wage jobs and more workers have the skills to access these jobs, a significant share of people would be willing to move to those jobs. That said, one-third of respondents are not interested in a wage job that pays the same as they are currently earning, suggesting that they value non-pecuniary aspects of self-employment. This is especially observed among micro-entrepreneurs who are satisfied in their current business.

Our results suggest that, given the scarcity of accessible and better-paid wage jobs, micro-entrepreneurs would benefit in the short-run from greater public support to reach their business aspirations. Our descriptive findings—particularly regarding the role of constraints and shocks in shaping aspirations and individuals' ability to act on them—align with a prominent intervention design, namely multi-faceted interventions comprising both social assistance and micro entrepreneurship support elements that address multiple constraints and that are scalable in the face of shocks. The respondents' business aspirations are also shaped by risk, suggesting the need to experiment further with mechanisms to reduce the impact of, or compensate for, business, family, and natural shocks (Guven et al., 2021). Our evidence also suggests that micro-entrepreneurs would like policymakers to simultaneously pursue structural transformation to grow the number of higher paying formal sector jobs.

The paper contributes to several strands of the literature. First, it expands a small body of empirical research on the job preferences and aspirations of poor, informal entrepreneurs in Sub-Saharan Africa. This literature uses various methodologies to study micro-entrepreneurs' preferences. Some papers elicit motivations for self-employment and interpret different responses as reflecting preferences for or against small business ownership (Fox and Sohnesen, 2012, 2013; Choto et al., 2014; Kweka and Fox, 2011). Others rely on qualitative evidence on job satisfaction (Bossuroy et al., 2017; Knox et al., 2019; Mudiriza et al., 2026). A related strand uses revealed preferences to infer occupational preferences, documenting movements out of wage employment and into self-employment when conditions improve (Blattman and Dercon, 2018; Deffebach, 2025; Danquah et al., 2021), while Babangida (2023) show that Nigerian youth aspire equally to self-employment and wage work. Most closely related to our study, Falco et al. (2015) directly compare job satisfaction across entrepreneurs and wage earners in Ghana, showing that satisfaction rises when workers

move into self-employment and falls when transitions occur in the opposite direction. At the same time, while the constraints facing household enterprises are relatively well documented (Bossuroy et al., 2017; Fox and Sohnesen, 2012; Kweka and Fox, 2011; Turkson and Codjoe, 2020), much less is known about how those constraints relate to entrepreneurs' preferences, satisfaction, aspirations, and perceptions of alternative employment opportunities.

Our study advances this literature by providing systematic, large-scale quantitative evidence on how poor urban household enterprise owners perceive self-employment relative to wage work across three West African countries.[5] By jointly examining job preferences, job satisfaction, aspirations, constraints, and willingness to transition into wage employment under alternative market conditions, we provide new evidence on how poor urban entrepreneurs value self-employment relative to wage work. In doing so, the paper builds on Falco et al. (2015) by moving beyond job satisfaction alone to study how entrepreneurial aspirations interact with constraints, shocks, and perceived labor market opportunities.

Second, a large literature emphasizes the role of aspirations in shaping economic behavior, particularly in low-income and constrained environments. Aspirations influence effort, investment, and occupational choices, yet are themselves shaped by economic opportunities and social context (Ray, 2006; Genicot and Ray, 2017). Empirical work shows that aspirations can motivate forward-looking behavior but may also fail to translate into action when constraints bind (Janzen et al., 2017; Dalton et al., 2018). In the context of small and informal enterprises, recent studies document substantial heterogeneity in entrepreneurs' aspirations despite operating in highly constrained environments (Grimm et al., 2012; Knox et al., 2019). In this paper, we contribute to this literature in three ways. First, we introduce novel measurements by eliciting aspirations across multiple dimensions rather than focusing solely on profits. Nevertheless, increasing profits emerges as the most widely held aspiration, empirically validating the narrower focus of much of the existing literature. Second, by linking aspirations to job satisfaction and perceived outside options—measured through a hypothetical equal-pay occupational choice—we show that entrepreneurial aspirations are closely tied to how individuals value self-employment relative to wage work. This highlights that ambitions to grow a business coexist with heterogeneous opportunity costs and valu-

[5]See Dalton et al. (2018) for work on aspirations among Indonesian micro-entrepreneurs.

ations of alternative employment. Third, we document how family constraints and recent shocks are systematically associated with lower aspirations and reduced action toward stated goals, highlighting that aspirations are endogenously shaped by vulnerability and risk rather than reflecting preferences alone.

Finally, we add to the meager literature from Sub-Saharan Africa on whether owners of largely informal household enterprises are queueing for wage jobs (Harris and Todaro, 1970) or are optimizing income relative to constraints (Maloney, 2004; Ulyssea, 2020). Our findings are aligned more closely with the latter view. However, our results also offer the caveat that household enterprise owners are not averse to wage jobs once those opportunities garner improved earnings potential.

The rest of the paper is organized into three sections. Section 2 describes the data and empirical strategy. Section 3 presents the results. Section 4 discusses and concludes.

2 Data and Empirical Strategy

Our focus is on urban residents in West Africa, the poorest region in the continent. We draw our sample from Liberia, Niger and Senegal, which collectively characterize heterogeneity in the region. These countries represent low-and lower-middle income economies; relatively large (Niger) and small (Liberia) territorial sizes; coastal and landlocked borders; South, East and West location in the region; and different agro-ecological zones. Roughly 36 (51) [9] percent of the population in Liberia (Niger) [Senegal] live on less than US$2.15 per day. The urbanization rate stands at 53 (17) [49] percent and an estimated 55 (42) [40] percent of the respective populations own an enterprise.[6]

2.1 Sample and Survey

We draw a random sample from social databases in each country that were designed to identify poor households to receive social programs. In Liberia, respondents were sampled from the Liberia Household Social Registry which includes data from 11 poor urban communities

[6]The data in the paragraph are drawn from the World Development Indicators and Cunningham et al. (2024).

in Monrovia. For Senegal, we use the National Single Registry (Registre National Unique) which contains data on poor households across the country. We randomly select respondents in urban Dakar, Diousbel, Saint-Louis, and Ziguinchor. For Niger, we rely on the Covid response survey by the National Mechanism for Prevention and Management of Food Crises which contains data on households from poor neighborhoods in seven of the eight major urban areas. We randomly select respondents in Niamey, Zinder, and Maradi.

The sampling was designed to ensure representativeness by area, reflect the gender distribution of the underlying database, and over-represent entrepreneurs. Sampling was stratified by the community (in Liberia), the arrondissement (in Niger), and the department (in Senegal), as well as the gender of the household head, selecting a final sample of 501 households in Liberia, 699 households in Niger, and 708 households in Senegal. The randomization was set-up such that 80 percent of the respondents in each country were household enterprise owners, and 20 percent did not own a household enterprise. Table A1 provides an overview of the sample by country.[7]

To ensure mutual clarity about terms, the surveyor shared the following on beginning the interview: "A household enterprise is a business run by individuals who are self-employed. An individual is self-employed when he/she has no obligations (contractually or informally) with an employer."

All survey respondents were between 18 and 65 years old at the time of the survey. Consultants and a data collection firm carried out the survey through phone interviews between November 2021 and January 2022 for Liberia, and between January 2022 and March 2022 in Senegal and Niger.

2.2 Sample Household and Business Characteristics

Sample household characteristics are summarized in Table 1. For household enterprise owners, the pooled sample across all three countries is 48 percent male, ranging from 31 percent in Senegal to 64 percent in Niger.[8] The average age of respondents is about 44 years (ranging

[7]Interviews were conducted with the household head and their spouse in 66 and 25 percent of cases, respectively. Interviews about household enterprise owners were always conducted with the actual household enterprise owner.

[8]The outlier in Senegal is explained by the structure of the underlying registry that oversampled women.

from 39 years in Liberia to 50 years in Senegal). One-third of the sample's business owners completed primary school (14 percent in Senegal to 71 percent in Liberia). Households have an average of 9 members, ranging from 6 members in Liberia to 11 in Senegal. An average of 3 children per household are younger than 14 years old. On average, 94 percent of respondents own a mobile phone or a tablet with little variation across countries.[9] Around 6 percent of respondents own a laptop or computer, ranging from 4 percent in Niger and Senegal to 10 percent in Liberia. Columns 5 and 6 display the same averages for men and women, showing few differences except that men tend to be more educated and are more likely to own a laptop or computer. For non-household enterprise owners, sample household characteristics are largely the same. Fifty-seven percent of non-household enterprise owners are employees. In what follows, we focus only on respondents who are employees when discussing non-household enterprise owners.

Business characteristics differ across countries (Table 2). The average age of our sample's household enterprises is ten years, ranging from six years in Liberia to more than 12 years in Senegal. This is relatively old, as compared to data from other studies.[10] Most of our sample consists of petty traders (60 percent), indicating that these are very small businesses, which is confirmed by looking at the number of family and non-family employees. The businesses surveyed have on average less than one family or non-family employee. Only 17 percent of the businesses in our sample are formally registered with any authority, ranging from 13 percent in Senegal to 27 percent in Liberia. This is roughly in line with regional estimates that place urban informality in Western Africa at 87 percent (ILO, 2018). Nearly 78 percent of the businesses in the sample report revenue greater than USD 50 per month, which is just below the extreme poverty line for a single-member household.[11] An estimated 43 percent of respondents run businesses requiring electricity to produce goods or render services, of

[9]This is significantly higher than national averages, but to be expected given both the rural-urban divide and the fact that the underlying registries may have targeted mobile phone owners or distributed phones as a part of the registration process. The national averages are 64 percent in Liberia, 52 percent in Niger and 83 percent in Senegal as per 2021/22 FINDEX data.

[10]For example, Grimm et al. (2012) found that survivalist enterprises across seven urban centers in West Africa had been operating for an average age of eight years.

[11] We do not have data on the exact value of revenue, profits, or income. We only know what "revenue band" a business falls into. The revenue bands are: US$0-US$5, US$5-US$25, US$25-US$50, US$50-US$100, US$100-US$150, and greater than US$150.

whom only 59 percent are connected to the electricity grid. Water is needed in 40 percent of surveyed enterprises and 43 percent said that road conditions are important for the successful operation of the business. Columns 5 and 6 of the table show that businesses run by women tend to be 4-years younger, are more likely to be petty traders, are three times less likely to be registered, and employ nine times fewer non-family employees, as compared to male-owned businesses.

In summary, while there are many similarities across respondents from the three countries (respondent age, phone ownership, dominant household enterprise sector, high informality, few employees), there is some heterogeneity. The Liberian sample is more educated and has smaller households than in the other two countries. Their enterprises are half as old as in Niger and Senegal, and about twice as likely to be formal. The Senegalese sample is more female than the other countries.

2.3 Empirical Strategy

We explore five questions, using simple summary statistics and regressions. The summary statistics provide averages on the variables of interest, while the regressions allow us to identify which, if any, individual or enterprise characteristics are more (or less) correlated with the corresponding dependent variable. We run the following OLS regression

$$y_{ijc} = \alpha_c + x^1_{ic}\beta_1 + x^2_{jc}\beta_2 + \epsilon_{ijc} \tag{1}$$

where y_{ijc} is an outcome of individual i with enterprise j in city c, α_c are city fixed effects, and x^1_{ic} and x^2_{jc} are $1 \times k$ and $1 \times p$ vectors of variables of interest and controls. We report robust standard errors.

Unless otherwise noted, the same set of control variables are used across all regressions. Personal characteristics (x^1_{ic}) include the gender and the age in years of the respondent, as well as a dummy indicating whether the respondent completed primary education. Household enterprise characteristics (x^2_{jc}) include the age of the household enterprise in years, a dummy indicating if the business owner is a petty trader, a dummy indicating the registration status of the business, a dummy indicating if the business generates more than US$50 in revenue

per month, and a dummy indicating Covid exposure.

Throughout the paper, we display in the main tables and figures the results for the full sample pooling the three countries, as well as results by gender. We run each regression with and without the control variables. We present disaggregated results by country in the appendix tables and figures. Given the cross-sectional nature of the data, *all results are to be interpreted as correlations and not as causal relationships.*

2.4 Outcome Variables

We are interested in five outcomes: motivation for being an entrepreneur, job satisfaction, aspirations, firm outcomes, and long-run aspirations.

2.4.1 Motivation for Being an Entrepreneur

We first explore whether household enterprise owners voluntarily opt-in to starting their businesses or instead feel somewhat forced to do so.[12] The survey asked individuals "Why did you start a household enterprise, rather than another type of activities/business?" Respondents were given ten possible answers (and allowed multiple responses), which we use to group owners into three categories: opt-in, forced-in, and both. The opt-in category includes the responses: "to diversify income," "flexibility in work hours," "it is a good business opportunity," "I do not like to rely on others," "higher income than in other kinds of work," "being my own boss is more satisfying than working for someone else," "can work from home," and "gives more time with children/family." The "forced-in" category includes the responses: "easier than finding other work" and "no other job was available." The "both"

[12]Distinguishing voluntary from involuntary self-employment is inherently difficult. Surveys typically present respondents with a list of motivations for starting a business, which researchers then classify as either opportunity- or necessity-driven (Fairlie and Fossen, 2019; Maloney et al., 2026). Some motivations are clearly voluntary—such as a desire for independence—while others, such as having lost a prior job, are clearly not. Many cases, however, fall somewhere in between. Dawson and Henley (2012) note that socially embedded motivations, such as continuing a family business, may be voluntary or involuntary depending on individual circumstances. Maloney et al. (2026) further caution against taking stated motivations at face value: a response like "I could not find a better job" may simply reflect skill constraints or other barriers rather than a genuine absence of alternatives—much as an aspiring professional athlete who never makes it may still describe themselves as having had no other choice. Following Dawson and Henley (2012), we classify those who lost a job as forced-in, and those driven by economic opportunity or intrinsic motivation as opt-in.

category includes those individuals who select answers from both the opt-in and the forced-in sets. For conditional estimates, we create a dummy variable that takes a value of 1 if the business owner opted in to start their household enterprise and 0 if they were forced to start their business. Respondents who cite both opt-in and forced-in responses are not included in the regression.

2.4.2 Job Satisfaction

We use responses about subjective work-related well-being. As argued in Falco et al. (2015), subjective measures of job satisfaction are viable proxies for job quality and well-being. These measures are particularly useful when considering the utility of different employment sectors since the factors that affect job satisfaction, and the weights that each respondent assigns to those factors, are mostly unmeasurable and may vary across individuals with different preferences. Subjective indicators allow the individual to identify the factors and weights to arrive at a latent job satisfaction measure.

We rely on two variables to assess subjective well-being. First, we use the responses to a 5-point Likert scale for the question: "All things considered, how satisfied are you with your current job?" For the regressions, we construct a dummy variable where "satisfied" or "very satisfied" take a value of 1 while the other responses take a value of 0. Second, we asked respondents "If you could have any job you wanted, what job would you really like to have?" providing them with six possible answers: "my current job," "running a different business," "work as a professional (doctor etc.)," "working abroad," "work as salary employee in private sector," or "work as salary employee in public sector (wage job)."[13] We create a dummy variable that takes a value of 1 if the respondent's current job is their ideal job to use in the regression analysis.

We run two sets of regressions. First, we estimate differences in job satisfaction between household enterprise owners and employees. Second, we estimate the gap between household enterprise owners and employees in their response to whether the current job is their ideal job.

[13]For respondents who do not own a household enterprise, the difference between the answers "current job" and "work as salary employee in private sector" are that the latter measures the desire for another private sector job.

Since the entrepreneurs in our analysis assess motivations and job satisfaction relative to a counterfactual wage job, it is useful to briefly characterize those jobs. The available evidence for Sub-Saharan Africa suggests that wage employment among the poor offers limited rewards across all dimensions of job quality (Hovhannisyan et al., 2022). Poor wage workers are concentrated in elementary occupations in agriculture, construction, and services (Eaton et al., 2017; Nzira et al., 2025), with earnings insufficient to lift households above the poverty line, little access to social protections, limited job stability, and demanding work conditions (Nordman and Robilliard, 2015). This context may help explain why household enterprise ownership may compare favorably to wage employment in the eyes of our respondents.

2.4.3 Aspirations and Constraints

To measure aspirations of household enterprise owners we again use perception questions, allowing the respondent to include measurable and unmeasurable factors in the response, and assign individual weights to each. Specifically, we asked individuals "What are your plans for the household enterprise next year?" offering ten dimensions of aspirations as response options: (i) no change, (ii) close the business, (iii) hire more workers, (iv) sell to new clients, (v) increase profits/sales, (vi) change location, (vii) register the firm, (viii) improve the quality of the goods/services, (ix) change activity in the same sector, and (x) change sector. Individuals stated whether each of the ten possible answers represents one of their aspirations. We use these categories when presenting descriptives. Second, we zoom in on the most prevalent business aspirations (options iii, iv, v, and viii) and create a continuous variable that counts the number of business aspirations a business owner holds, ranging from 0 to 4.[14] This is a different way of asking individuals about aspirations than previous approaches in the literature, capturing a dichotomous measure of several potential aspirations rather than the standard approach of creating a continuous measure of aspirations on one dimension.[15]

[14]This variable is a continuous measure of business aspirations. Instead of measuring the degree or intensity of an aspiration of an individual (as the measures in the literature do with, for example, profits), it counts the number of dimensions of aspirations an individual holds. The two are not the same.

[15]The more conventional approach usually focuses on only one dimension (namely profits) and asks business owners to state or predict by how much they want to increase profits within, for example, the next year (e.g., Janzen et al., 2017; Dalton et al., 2018). This yields a continuous measure of aspirations. The advantages of our approach are obvious: we can capture ten dimensions of aspirations instead of just

To capture information on why owners do not take steps to realize their aspirations, we consider the main challenges faced by business owners, as well as the shocks they have experienced in the past 6 months. Enterprise owners were asked "What are the main challenges in running the household enterprise?" Responses range over financial (i—ii), inputs and competition (iii—ix) infrastructure (x—xiii), supply side (xiv—xvi), crime and corruption (xvii—xviii), and family (xix—xx) issues: (i) shortage of money, (ii) access to finance or loans, (iii) poor quality of inputs, (iv) input prices, (v) access to equipment, (vi) loss of perishable goods, (vii) high rent, (viii) low sales or competition, (ix) non-paying customers, (x) electricity access, (xi) road conditions or transport, (xii) internet connectivity, (xiii) water access, (xiv) limited own skills, (xv) limited worker skills, (xvi) low availability of workers, (xvii) crime, (xviii) harassment by authorities, (xix) family responsibilities, and (xx) illness or poor health. For the regressions, we construct a variable called "business constraints" that counts how many of the first 18 constraints listed above the respondent identifies, and another variable called "family constraints" that captures whether the respondent mentions constraint (xix), (xx), or both.

We carry out a similar process to identify the shocks faced by the respondent in the 6 months prior to the survey, asking owners "Has your household been negatively affected by the following problem over the past 6 months?" offering 15 responses that can be grouped into three categories. Four family shocks are queried: death/disability of a working household member, illness of an earning household member, job loss of a household income contributor, and increase in household expenses. Three natural shocks are: floods, droughts, and Covid disruption. The remaining eight shocks relate to the business: business failure, theft of money/property, lack of workers for household enterprise, increase in input prices, fall in the selling price of products or services, shortage of inputs, damage of a productive asset, and damage to the operating space. We create three categories of shocks (family, nature, business) for use in the regressions.

We evaluate business owners' aspirations in multiple steps. First, we regress the number

one. We believed this to be important when writing the survey as aspirations contain more layers than just profits. The drawback, however, is just as obvious: we are left with a dichotomous measure of aspirations, while the more conventional approach followed in the literature often relies on continuous measures. These continuous measures allow researchers to measure things like the aspiration gap (e.g., Ray, 2006; Genicot and Ray, 2017), something we cannot do.

of business expansion aspirations on our satisfaction measurements, demographics, and firm characteristics. Second, we consider what steps, if any, business owners take to achieve their stated aspirations. In the absence of panel data (such as in Dalton et al. (2018)), we ask business owners to tell us what steps they have taken in the past 12 months to achieve each of the ten aspirations we ask about. Finally, we assess the role of constraints and shocks in hindering proactivity in realizing aspirations.

2.4.4 Firm Outcomes

We ask if the motivation for starting the business, satisfaction, and aspirations actually matter for business outcomes. We estimate the correlation between those variables and two proxies for firm outcomes: First, the size of the firm as measured by the number of paid employees, and second, whether the firm is registered with authorities, as a proxy for firm formality.[16]

2.4.5 Long-run Aspirations

We end by asking respondents "If offered a wage job that pays the same as you take home now from the household enterprise, would you take it?" For our analysis, we create a variable that equals one if the respondent answers "yes." For the regression, we limit the sample to household enterprise owners and regress the willingness to accept a wage job on respondents' subjective well-being and ideal job.

3 Results

The data confirm that urban poor household enterprise owners largely opted to start their businesses, are predominately satisfied with their job, and view it is as their "ideal job." They aspire to expand their enterprises, yet business, family and nature-related factors constrain them in acting on these aspirations. Their job preferences are shaped by market opportunities, as two-thirds would be open to taking a wage job if it paid as well as owning a

[16]Due to anomalies in the profits variable, we cannot use it as an outcome variable. See footnote 11.

micro-enterprise. However, the fact that one-third would not make the switch suggests that factors other than earnings affect micro-entrepreneurs' preferences.

3.1 Poor Urban Africans Largely Opt into Household Enterprise Ownership

Household enterprise owners overwhelmingly opted to start their business. Table 3 summarizes the motivational responses. The top panel displays the three types of business owners in our data, i.e., individuals who opted in to business ownership, those who were forced in, or both. The other two panels display the ten reasons individuals were presented with: the first eight being opt-in reasons (middle panel) and the last two being forced-in reasons (bottom panel). Overall, 53 percent of our respondents only listed job-related factors that were better addressed through opening a business rather than wage employment. Another 26 percent were enterprise owners only due to forced-in factors, and about 21 percent fall into the "both" category. Women are more likely than men to have started their household enterprise as a last resort, though these women are a minority of all self-employed women.

These results are broadly aligned with the global literature. Maloney (2004) estimates that 43.7 percent of the self-employed opt into enterprise ownership in Sub-Saharan Africa, compared to 62 percent in Latin America and 72 percent in the OECD. Within Sub-Saharan Africa, opt-in rates exceed 50 percent in a number of countries, including the Republic of Congo, Côte d'Ivoire, and South Africa (Fox and Sohnesen, 2012; Karlen et al., 2023; Choto et al., 2014), while in others such as Tanzania and Mozambique, the share falls closer to 30 percent (Fox and Sohnesen, 2012, 2013).

When considering positive factors that led to the opening of the business, economic considerations dominate, with individuals viewing opening a business as a good opportunity (18 percent) that is more profitable than wage labor (24 percent) and allows for income diversification (27 percent). Furthermore, individuals like independence as they indicate that it is more satisfying to be one's own boss (19 percent) and that they do not like to rely on others (17 percent).

These findings are consistent with evidence from other countries. Improved economic

factors were cited as a motivating factor by 22-56 percent of respondents in Africa, Latin America and East Asia (Fox and Sohnesen, 2012; Karlen et al., 2023; Maloney et al., 2026; Pasquier-Doumer et al., 2017), with smaller shares in OECD countries (Hughes, 2013; Dawson and Henley, 2012). Independence was cited by 5-35 percent of respondents across five African countries, with similar results in Latin America (Maloney et al., 2026). The continuation of family tradition was not included in our survey, though it was cited by 5-10 percent of respondents in African country surveys (Fox and Sohnesen, 2012, 2013; Karlen et al., 2023).

Among the two "negative" factors individuals were presented with, 32 percent state that it is easier to open a business than to find wage labor while 19 percent mention that no other work was available. This is a striking finding since it suggests that among poor household enterprise owners, only a minority are there because they are unable to find a wage job.

The high level of opt-in household enterprise ownership is consistent across countries (Table A2). Niger has the largest share of those who opted to start businesses, where only 17 percent of the sample did not give an opt-in reason for firm start-up. Senegal had the most reluctant household enterprise owners, with one-third of the sample only giving forced-in reasons for start-up, mostly due to greater ease in starting a business than in finding another type of work.

The motivation for starting a household enterprise differs little by personal or business characteristics. Table 4 shows that men are 9 percentage points more likely to have opted in to start their business than women. Individuals with at least a primary education are more likely to opt into business ownership than those with less education. The significance of this effect disappears when splitting the sample by gender in Columns 2 and 3, though this may be due to a lack of power as the magnitude of the coefficients is comparable across columns.[17]

3.2 Household Enterprise Owners Are Satisfied in their Jobs

Household enterprise owners are satisfied with their jobs both in absolute and in relative terms in comparison with those who are not owners. Figure 1 Panel (a) shows that 80

[17]The results by country are presented in Table A3.

percent of household enterprise owners are "satisfied" or "very satisfied" with their jobs as compared to 65 percent of employees (Panel (c)).[18] In line with this, Figure 1 Panel (b) shows that almost 70 percent of enterprise owners view their current job as their ideal job, with another 18 percent saying that they would like to run a different business. In contrast, only 30 percent of wage earners consider their current job to be ideal (Panel (d)), and in fact a larger percentage (40 percent) say running a business is their ideal job. To approach the question of preferences from a different perspective, we asked respondents whether they would like their children to become household enterprise owners. Regardless of gender and whether respondents themselves were business owners, more than 80 percent of respondents stated that they would like to see their children become household enterprise owners (Figure 3). We cannot conclude that household enterprise ownership is the optimal job in an unconstrained context, but it does seem better than the alternative, even for those (wage workers) who work in an alternative sector (see section 3.5).

The job satisfaction trends are similar across genders (Figure 2, Panels (a)—(d)). Male and female household enterprise owners have similar views on their ideal job (Panels (e) and (f)), while female employees are nearly 25 percentage points more likely than male employees to prefer running a business (Panels (g) and (h)).

Household enterprise owners across countries are consistent in terms of their satisfaction with their jobs and their idea of an ideal job (Figure A1), but employee responses differ by country (Figure A2). Job satisfaction is particularly high among Nigerien employees (80 percent) as compared to the other two countries, though not as high as the satisfaction of Nigerien household enterprise owners (90 percent). Similarly, a higher proportion (45 percent) of Nigerien employees say that they are working in their ideal job, as compared to Senegalese or Liberians employee, though, again, much less than Nigerien household enterprise owners (nearly 80 percent).

Our regressions confirm the summary statistics. Household enterprise owners are 20 percentage points more likely than employees to say that they are satisfied with their jobs (Table 5). Similarly, household enterprise owners are 40 percentage points more likely than

[18]This falls within the range of job satisfaction among non-agricultural employees in Kenya, Namibia, Tanzania, and Zambia, where 57-87% of respondents are satisfied with their jobs. While they are underpaid and overworked, 62 percent feel they have job stability (Nzira et al., 2025).

employees to view their current employment as ideal (Table 6).[19] These results are robust when controlling for respondent demographics. The gap is higher for women than men. When disaggregating by country, the results hold, though the satisfaction estimates are not statistically significant for Niger (Table A4). This may reflect the very high level of satisfaction among all Nigerien workers, as reflected in the unconditional correlations (see Figure A2). The gap in the ideal job is particularly high in Senegal, as compared to the other countries (Table A5).[20]

These patterns echo findings from elsewhere. In Latin America, large majorities of both the self-employed and wage workers report preferring their current employment type, though the self-employed express particularly strong attachment to their status (Maloney, 2004; Maloney et al., 2026). More broadly, data from the International Social Survey Program suggest that over 70 percent of salaried workers worldwide would prefer to be self-employed, with this share declining with economic development (Maloney et al., 2026). Consistent with this, experimental evidence from developing countries shows that offers of factory wage jobs have low take-up and high quit rates (Breza and Kaur, 2025), and that wage work often serves merely as a fallback when self-employment income falls short (Deffebach, 2025).

Economic and non-economic factors underpin the preference for owning a household enterprise. More than 80 percent of household enterprise owners say that they can make more money by running a business than by being an employee. Among the non-economic factors in the survey, more than 80 percent of respondents appreciate the time flexibility and working conditions that come from running a household enterprise (Panels (a), (c), (e), and (g) of Figure A3). The picture remains unchanged for employees (Panels (b), (d), (f), and (h) of Figure A3). In sum, not only do they overwhelmingly value the non-monetary

[19] We also find that respondents who opted into starting their business are more likely to state that their current job is their ideal job. These results are available upon request.

[20] Because we did not collect earnings data for non household enterprise owners, the estimates in Tables 5 and 6 should be interpreted as unconditional differences in reported satisfaction across employment types, reflecting both pecuniary and non-pecuniary job attributes, i.e., the regressions do not isolate the non-monetary returns to self-employment. To disentangle these pecuniary and non-pecuniary components of job satisfaction, we complement these unconditional comparisons with a hypothetical choice experiment in which respondents are asked whether they would accept a wage job offering earnings equal to those of their current self-employment. This question mirrors the compensating differential logic of a Roy-style occupational choice model by holding earnings constant and allowing individuals to reveal the value they place on non-monetary job attributes. We report these results in section 3.5.

benefits of being self-employed, but they do not have to sacrifice income to achieve them.

3.3 Household Enterprise Owners Aspire to Grow Their Profits, but Not to Formalize

If household enterprise owners do not aspire to close their firms and transition to perceived less profitable wage jobs, what do they aspire to?

Most household enterprises are not stagnant holding patterns for salaried labor. Owners aspire to expand their businesses in terms of profits and practices but not in number of employees, consistent with entrepreneurs of small firms elsewhere (Hurst and Pugsley, 2011; Knox et al., 2019; Dalton et al., 2018). Panel (a) of Figure 4 displays the share of individuals who indicated they had any of the ten aspirations in the survey. Three stand out: increasing profits/sales, selling to new clients, and improving the quality of goods/services, with roughly 60 percent, 40 percent, and 20 percent of the sample, respectively, naming each. The other seven aspirations are of much lower importance, including the aspiration of formalizing a firm through registration (about 5 percent) and the aspiration to hire more workers (only about 10 percent).[21] When grouping the ten aspirations into conceptually similar categories, aspirations related to expanding the business clearly dominate, cited by over 80 percent of respondents (Panel (b)). The other groups, not surprisingly given the results from Panel (a), do not matter much. Men and women express similar aspirations for their businesses (Figure A4).[22] The country disaggregation finds that Niger and Senegal follow the overall trend, while Liberian entrepreneurs are particularly focused on increasing profits/sales and improving the quality of their products (Figure A4).

The conditional estimates show that entrepreneurs who are happier with their business have more aspirations to expand it (Table 7). Individuals who say that they are willing to accept an outside equivalent salaried job have fewer such aspirations (Table 7). This effect

[21] Hurst and Pugsley (2011) identify two reasons that entrepreneurs may not want to expand their workforce. First, many opt to open a small enterprise due to the non-pecuniary benefits of small business ownership. Second, many small businesses operate in industries that are more efficient when they remain small, such as tailors or beauticians. Mexican micro-enterprise owners who selected into their jobs simply replied that they were doing well enough at their current size (Cunningham and Maloney, 2001).

[22] In contrast, Dalton et al. (2018) find that Indonesian women have fewer aspirations to growth their businesses than men, suggesting that gender gaps in aspirations may be country or context specific.

remains highly significant even after controlling for personal and business characteristics. Personal characteristics are not significant predictors of an individual's aspirations. Business characteristics, however, are. Being a petty trader, having businesses with revenues above US$50 per month, and having more non-family employees are associated with having more growth aspirations.[23]

The broad takeaways hold when looking at trends within gender. Columns 4—9 of Table 7 show one main difference from the aggregate trends. The positive correlation between number of non-family employees and business aspirations is driven by men. This is due to the fact that women barely employ non-family employees (see Table 1).

The results are similar when disaggregating by country. Table A6 reruns the regressions for each country. While the results here are less consistent, the willingness to accept an outside offer still exhibits a clear and strong negative correlation with business aspirations in Niger and Senegal. Personal characteristics still do not seem to matter in any of the three countries, and revenue and being a petty trader still has a positive effect in Niger and Senegal.

Although household enterprise owners in our sample aspire to expand their businesses, they only take modest actions to do so. Panels (a), (b), and (c) of Figure 5 display the actions business owners have taken to achieve their stated aspirations for the three most frequently mentioned aspirations. The striking pattern across all three panels is that more than half of surveyed individuals report to have done nothing to achieve their aspirations. The actions that they state as having taken are easier to carry out and are less permanent, such as marketing activities or making special deals, as opposed to hiring new workers or using new technologies.[24] This may reflect constraints to taking more costly and permanent actions.

Household enterprise owners report financial, personal, and market-related challenges that hinder the realization of aspirations. Panel (a) of Figure A5 displays constraints that business owners currently face. Twelve constraints included in the survey affect at least 10

[23]Dalton et al. (2018) also reports that Indonesian micro-entrepreneurs with higher profits, more employees, and more professional business practices have greater aspirations for firm growth

[24]Dalton et al. (2018) finds that 85 percent of Indonesian micro-entrepreneurs set unrealistic expectations, which they revise with experience. The gap that we observe in our sample may reflect a similar excess optimism that does not play out when real costs must be incurred

percent of respondents. The most cited difficulties relate to financing: 80 percent identify a "shortage of money" and 50 percent have trouble with "access to finance and loans."[25] However, the third most frequently cited constraint is personal, with 41 percent of respondents identifying "family responsibilities" as a constraint to the business. Own illness is cited by 25 percent of the sample. A range of barriers to inputs affect 15-30 percent of respondents, including prices, quality, and access. Market-related factors round out the challenges.

Certain constraints may shape aspirations. Regression analysis suggests that owners with family constraints seem to have fewer aspirations to expand their business (Table A7) and, if they are women, are less likely to take action to realize their aspirations (Table A8). Business constraints do not affect expansion aspirations nor the propensity to act on them, with one exception: women who face more business constraints are less likely to attempt to expand (Tables A7 and A8).

Business and natural shocks directly affect the formulation and pursuit of aspirations and may indirectly affect them by shaping constraints. The top five shocks faced by owners were: increases in household expenses (49 percent), being affected by Covid (49 percent), increase in input prices (34 percent), illness of a household member (26 percent), and flood exposure (20 percent) (Figure A5 Panel (b)). Regression analysis shows a positive correlation between the number of family, business or nature shocks and the number of business constraints. Business and family shocks are positively correlated with non-business constraints, pointing to a blurring of household and enterprise risk management.[26] Owners who report having experienced more business shocks in the last 6 months have fewer aspirations to expand their business (Table A7). This correlation is particularly driven by women. Those who experienced natural shocks, in contrast, had a slight tendency to have greater aspirations for firm expansion (Table A7). No category of shocks induced owners to undertake actions to expand their business (Table A8), with women who experienced business shocks being particularly averse to expansion.

[25] A follow-up question finds that the financing is primarily needed for business purposes—to purchase raw materials, improve the business premises, and acquire/maintain equipment—though more than 10 percent identify food consumption.

[26] Regression estimates are available upon request.

3.4 More Satisfied Entrepreneurs Have Larger, but Not Necessarily Formal, Businesses

This section examines whether previously analyzed factors—such as whether owners started their businesses voluntarily, their job satisfaction, perception of their current job as ideal, and their aspirations—influence business outcomes, measured by the number of employees and whether the firm is formally registered.

Table 8 shows that opting in to start an enterprise and identifying household enterprise ownership as the ideal job are positively correlated with a larger business size. Columns 1 and 6 in Table 8 show that a business owner who opted to start the business has 0.37 more non-family employees than those who were forced to start the business. Similarly, entrepreneurs who report that they are in their ideal job employ more paid workers (Columns 3 and 6).

Business and personal characteristics play strong roles in determining business size (Table 8, Columns 5 and 6). Businesses tend to be larger when they are run by men, when the owner is younger, when the firm is older, and when it is formally registered. Being a petty trader is significantly and negatively correlated with business size. The results on the motivation for starting a business, job satisfaction, ideal job, and aspirations from Table 8 are largely driven by businesses owned by men (Table 9). Women do not show strong correlations (Table 10). Furthermore, the coefficient estimates in the sample containing only women is an order of magnitude smaller than in the sample containing only men.[27]

Firm owner's job satisfaction, identification as ideal job, opting into starting the business, or the number of aspirations could not be identified as positively correlated with firm formality once control variables were introduced (Table 11, Column 6). In line with literature findings, the data show that the registration status of the firm depends significantly on personal and business characteristics. If the business owner is male, older, and more educated, the firm is more likely to be registered, while petty traders are less likely to be registered (Table 11, Column 7). These results are driven by male household enterprise owners (Tables 12 and 13).[28]

[27]The aggregate results are largely driven by Liberia and Niger (Tables A9, A10, and A11). In Senegal, nothing but the motivation for starting the household enterprise was identified as statistically significant.

[28]The aggregate results are driven by Liberia and Niger (Tables A12, A13, and A14).

3.5 In the Long Run, Wage Work Can Be an Attractive Option

Despite the very positive views of owning a household enterprise, wage employment remains a valued option. When asked whether household enterprise owners would accept a wage job that paid as much as they earned in self-employment, around two-thirds of household enterprise owners state that they would accept the offer (Table 14). The response is similar across countries (Table A15). This trend is partly driven by those who are unhappily running a household enterprise. Table 14 reports that household enterprise owners who are happy with their jobs are 13 percentage points less likely to accept that outside offer, while those who see their current job as ideal are 27 percentage points less likely to accept an equivalently paid employee position. The results are similar for both men and women. The benefits of job security may play into the decision, as 60 percent of respondents felt that working as an employee offers more job stability (Panel (a) of Figure A6). Non-household enterprise owners also view working as an employee as providing more job stability (Panel (b) of Figure A6).[29]

The broader literature confirms that occupational switching is contingent on substantial wage premiums. Diao et al. (2020) find that most self-employed Tanzanians would not trade their business for a salaried position, with income security being the dominant motivation among the minority who would. In Mexico, Maloney et al. (2026) estimate that micro-entrepreneurs require their earnings to roughly double before wage employment becomes attractive, and Pasquier-Doumer et al. (2017) reach similar conclusions for Vietnam.

It should finally be noted that the unwillingness of some household enterprise owners to accept an equivalently paid wage job may be a reflection of their adaptive preferences rather than their genuine valuation of self-employment's non-pecuniary attributes. Respondents with limited exposure to wage employment may find it difficult to evaluate the hypothetical concretely, and may have internalized low expectations in ways that manifest as stated satisfaction with self-employment (Elster, 1983; Sen, 1999; Appadurai, 2004). The question design mitigates this concern by making the counterfactual earnings-equivalent and imme-

[29] As discussed in footnote 20, this question provides indirect evidence on the role of non-monetary job attributes within a Roy-style selection framework. The fact that roughly two-thirds of respondents report that they would accept such an offer, while one-third would not, suggests that occupational choice reflects both selection on earnings and the valuation of non-monetary job characteristics.

diate, reducing the cognitive distance between the two options.[30] Nevertheless, we cannot fully rule out that some respondents decline the hypothetical wage offer because constrained circumstances have shaped their preferences, rather than due to an authentic taste for entrepreneurship. Hence, the non-pecuniary returns we document should be interpreted as an upper bound on the true valuation of self-employment.

4 Discussion and Conclusion

This paper illustrates that in the short term, urban informal micro-entrepreneurs in West Africa are highly satisfied with their jobs, being their best option in a constrained environment. In the longer term, micro-entrepreneurship may play a lesser—though still important—role once structural transformation improves access to and value of wage employment.

Our results suggest that most surveyed business owners voluntarily started their business, are satisfied with their jobs, and aspire to and have plans to expand their businesses. Most report that they earn more than they could as wage earners, with wage earners confirming the observation. However, a combination of family and business constraints and shocks may hinder their ambitions, ability to act on their goals, and realization of those goals.

That said, two-thirds of micro-enterprise owners said they would accept a wage job if it offered wages on par with their current earnings. This suggests that micro-entrepreneurs are not opposed to wage work, but they prefer self-employment to a wage job at current pay levels. Other barriers—such as lack of skills or information—may prevent them from accessing available wage work. The observation that one-third of household enterprise owners would not take an equally paid wage job aligns with the broader literature citing the value of unobservable factors, such as entrepreneurial spirit and non-pecuniary benefits of being self-employed, so micro-entrepreneurship may persist even as earnings across self-employment and wage employment equalize for poor workers.[31]

[30] We also find no evidence that satisfaction with self-employment is systematically higher among less educated owners—a subgroup likely to have adapted preferences—which is evidence against a strong version of this account. These results are available upon request.

[31] See Maloney (1999, 2003, 2004); Perry et al. (2007) for Latin America and Danquah et al. (2021) for Africa.

Taken together, these findings point toward two distinct but complementary policy priorities.

In the short term, our findings are consistent with the logic of multi-faceted economic inclusion programs that combine entrepreneurship training, financial literacy, seed capital, and social assistance (Banerjee et al., 2015; Bandiera et al., 2017; Blattman et al., 2020). The multi-dimensional nature of the constraints we document—capital, family responsibilities, and shocks—mirrors the design rationale of such programs, which address multiple barriers simultaneously rather than targeting any single constraint. Our contribution to this literature is descriptive: we help characterize the constraint structure that such programs would need to address in the West African urban context, and we identify where in the aspiration-to-action pipeline the gaps are largest. Two patterns in the data are worth highlighting. First, a substantial share of owners combine high aspirations with high exposure to family or business shocks—a profile suggesting that motivation is present but that downside risks prevent action. Whether this group responds more strongly to intervention is an empirical question this paper cannot answer. Second, for women, the data point consistently to household responsibilities as a binding constraint on business investment, highlighting an opportunity for respective programs to focus on.

In the longer term, the finding that two-thirds of owners would accept an equivalent wage job if one were available is a reminder that near-term support for micro-enterprises is a complement to, not a substitute for, structural transformation. The slow pace of formal job creation in West Africa means that household enterprises will remain a primary source of employment for the foreseeable future. But policies that accelerate structural transformation, expand access to quality wage employment, and equip workers with the skills to access those jobs will, over time, reduce the share of workers for whom self-employment is the best available option. The dual policy approach our evidence supports—improving conditions for current enterprise owners while simultaneously investing in the wage employment sector—is not a contradiction but a recognition that the appropriate policy mix will shift as labor markets develop.

Finally, our results highlight several priorities for future research. The cross-sectional nature of our data means we can characterize the aspiration-action gap but cannot track how

it evolves, what interventions close it, or how aspirations respond to changes in the economic environment. Panel data that follow household enterprise owners over time would allow researchers to examine whether and how aspirations adapt to new opportunities, whether the non-pecuniary returns to self-employment persist when formal employment becomes more accessible, and which elements of the constraint structure are most responsive to policy. These are questions that the present paper raises but cannot answer, and that we hope future work will take up.

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6 Tables and Figures

Table 1: Sample Characteristics

	HHE Owners						Non-HHE Owners
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	All	Liberia	Niger	Senegal	Men	Women	All
Male	0.477	0.491	0.636	0.311			0.584
	(0.500)	(0.501)	(0.482)	(0.463)			(0.494)
Age	43.777	38.898	41.323	49.608	43.107	44.365	43.188
	(11.628)	(10.920)	(11.227)	(9.957)	(11.417)	(11.784)	(12.691)
Primary education	0.330	0.708	0.250	0.144	0.395	0.272	0.387
	(0.470)	(0.455)	(0.433)	(0.352)	(0.489)	(0.445)	(0.488)
Household size	9.134	5.957	9.580	10.930	9.105	9.169	7.937
	(4.955)	(2.825)	(4.783)	(5.234)	(5.037)	(4.880)	(4.495)
Number of children below 14	3.473	2.385	4.266	3.452	3.831	3.153	2.939
	(2.463)	(1.637)	(2.597)	(2.518)	(2.658)	(2.225)	(2.213)
Owns a mobile phone or tablet	0.938	0.930	0.955	0.928	0.970	0.910	
	(0.241)	(0.255)	(0.207)	(0.259)	(0.171)	(0.287)	
Owns a laptop or computer	0.058	0.105	0.041	0.040	0.096	0.023	
	(0.233)	(0.307)	(0.199)	(0.197)	(0.295)	(0.149)	
Employed							0.573
							(0.495)
Observations	1526	400	557	569	727	798	382

Notes: The table displays mean sample characteristics and standard deviations (in parentheses) for a variety of characteristics of household enterprise (HHE) and non-household enterprise (non-HHE) owners. These include the gender and age of the respondent in years, a dummy indicating whether the respondent completed primary education, the household size, the number of children below 14 living in the household of the respondent, a dummy indicating whether the respondent owns a mobile phone or a tablet, a dummy indicating laptop or computer ownership, as well as a dummy variable indicating whether the respondent is employed. Columns 1—6 display the results for HHE owners, while Column 7 focuses on non-HHE owners. Column 1 displays the characteristics across the full HHE owner sample, Columns 2—4 split that sample by country, and Columns 5 and 6 split that sample by gender.

Table 2: Household Enterprise Characteristics

	(1) All	(2) Liberia	(3) Niger	(4) Senegal	(5) Men	(6) Women
Age of household enterprise	10.475	6.384	11.242	12.585	12.770	8.387
	(9.533)	(6.366)	(9.479)	(10.517)	(10.468)	(8.048)
Petty trader	0.601	0.640	0.532	0.640	0.419	0.766
	(0.490)	(0.481)	(0.499)	(0.481)	(0.494)	(0.424)
Business registered	0.174	0.273	0.151	0.127	0.270	0.086
	(0.379)	(0.446)	(0.358)	(0.333)	(0.444)	(0.281)
Revenue above 50USD per month	0.778	0.865	0.622	0.843	0.816	0.747
	(0.416)	(0.342)	(0.486)	(0.364)	(0.388)	(0.435)
Number of family employees	0.680	0.885	0.691	0.524	0.674	0.685
	(1.071)	(1.104)	(1.191)	(0.884)	(1.149)	(0.997)
Number of non-family employees	0.482	0.415	0.654	0.362	0.902	0.100
	(1.382)	(1.192)	(1.577)	(1.285)	(1.856)	(0.459)
Business requires electricity	0.433	0.527	0.402	0.397	0.462	0.407
	(0.496)	(0.500)	(0.491)	(0.490)	(0.499)	(0.492)
If electricity required, business connected to grid	0.589	0.550	0.643	0.571	0.592	0.585
	(0.492)	(0.499)	(0.480)	(0.496)	(0.492)	(0.494)
Business requires water	0.389	0.307	0.506	0.332	0.393	0.386
	(0.488)	(0.462)	(0.500)	(0.471)	(0.489)	(0.487)
Road conditions are important for business	0.428	0.560	0.339	0.422	0.487	0.373
	(0.495)	(0.497)	(0.474)	(0.494)	(0.500)	(0.484)
Observations	1526	400	557	569	727	798

Notes: The table displays mean sample characteristics and standard deviations (in parentheses) for a variety of household enterprise characteristics. These include the age of the household enterprise in years, a dummy indicating if the business owner is a petty trader, a dummy indicating the registration status of the business, a dummy indicating if the business generates more than 50USD in revenue per month, the number of family and non-family employees, a dummy indicating whether the business requires electricity to produce goods or render services, a dummy indicating that the household enterprise is connected to the electricity grid (conditional on requiring electricity to run the business), a dummy indicating that the business needs water for its activity aside from typical consumption and hygiene, and a dummy indicating whether road conditions are an important factor for the successful operation of the business. Column 1 displays the characteristics across the full sample, Columns 2—4 split the sample by country, and Columns 5 and 6 split the sample by gender.

Table 3: Motivation for Starting Household Enterprise

	(1) All	(2) Men	(3) Women
Opted in to start business	0.527	0.608	0.453
	(0.499)	(0.489)	(0.498)
Forced to start business	0.264	0.204	0.319
	(0.441)	(0.403)	(0.466)
Both	0.209	0.188	0.228
	(0.407)	(0.391)	(0.420)
To diversify income	0.270	0.319	0.227
	(0.444)	(0.466)	(0.419)
Flexibility in work hours	0.030	0.030	0.030
	(0.172)	(0.172)	(0.171)
It is a good business opportunity	0.177	0.242	0.118
	(0.382)	(0.429)	(0.323)
I do not like to rely on others	0.168	0.155	0.180
	(0.374)	(0.362)	(0.385)
Higher income than in other kinds of work	0.242	0.245	0.239
	(0.428)	(0.430)	(0.427)
Being my own boss is more satisfying than working for someone else	0.189	0.266	0.118
	(0.391)	(0.442)	(0.323)
Can work from home	0.064	0.024	0.101
	(0.245)	(0.152)	(0.301)
Gives more time with children/family	0.060	0.018	0.098
	(0.238)	(0.133)	(0.298)
Easier than finding other work	0.316	0.274	0.354
	(0.465)	(0.446)	(0.478)
No other work was available	0.191	0.145	0.232
	(0.393)	(0.353)	(0.422)
Observations	1517	722	794

Notes: The table describes the motivation of household enterprise owners for starting their business. Column 1 displays the overall means/shares and standard deviations (in parentheses), while Columns 2—3 split the sample by gender. When asked about their motivation for starting the business, owners were presented with ten possible answers, all of which are summarized in the bottom two panels. We take their answers and create three "types" of respondents, shown in the top panel. Individuals who answered "to diversify income", "flexibility in work hours", "it is a good business opportunity", "I do not like to rely on others", "higher income than in other kinds of work", "being my own boss is more satisfying than working for someone else", "can work from home", and "gives more time with children/family" are classified as having "opted in" to business ownership. On the other hand, individuals who answered "easier than finding other work" and "no other job was available" are classified as having been forced to start business. In between, the third type ("both") is an individual who picked answers from both categories. In Senegal, nine individuals do not fit in any of the three categories. The shares displayed here are thus conditional on fitting into one of these three categories.

Table 4: Predictors of Motivation for Starting Household Enterprise

	Owner opted in to start business		
	All	Men	Women
	(1)	(2)	(3)
Personal Characteristics			
Male	0.093***		
	(0.031)		
Primary education	0.066**	0.047	0.066
	(0.033)	(0.045)	(0.049)
Business Characteristics			
Age when HHE owner started HHE	-0.000	-0.001	0.001
	(0.001)	(0.002)	(0.002)
Petty trader	-0.034	-0.025	-0.023
	(0.030)	(0.038)	(0.047)
Mean of outcome	0.666	0.749	0.587
City Fixed Effects	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes
Observations	1128	542	586

Notes: The table displays OLS regressions of a dummy variable that equals to one if the household enterprise owners opted to start their business, where "opt-in" is defined as in Table 3. The variable equals to zero if the business owner had no other choice but to open the household enterprise, where the definition again follows the one adopted in Table 3. All regressions include city fixed effects and report robust standard errors. Personal characteristics include the gender and a dummy indicating whether the respondent completed primary education. Household enterprise characteristics include the age of the household enterprise owner when they started the household enterprise and a dummy indicating if the business owner is a petty trader. When calculating the age of the household enterprise owner when they started the household enterprise we assume that individuals below 16 years of age inherited the business and exclude them from the analysis. Column 1 (2) {3} run regressions using the full (male only) {female only} sample.

Table 5: Job Satisfaction of Household Enterprise Owners and Non-Household Enterprise Owners

	Respondent is satisfied with job					
	All		Men		Women	
	(1)	(2)	(3)	(4)	(5)	(6)
Household Enterprise Owner?						
Yes	0.205***	0.200***	0.178***	0.178***	0.255***	0.251***
	(0.032)	(0.032)	(0.037)	(0.037)	(0.065)	(0.065)
Personal Characteristics						
Male		-0.018				
		(0.019)				
Age		0.001		0.000		0.001
		(0.001)		(0.001)		(0.001)
Primary education		0.007		0.009		0.015
		(0.022)		(0.030)		(0.033)
Mean of outcome	0.834		0.829		0.837	
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1745	1744	890	890	854	854

Notes: The table displays OLS regressions of a dummy variable that equals to one if the respondent is satisfied with their current job. The right-hand side variables include a dummy variable indicating whether the respondent is a household enterprise owner, the gender and the age in years of the respondent, as well as a dummy indicating whether the respondent completed primary education. All regressions include city fixed effects and report robust standard errors. Columns 1—2 (3—4) {5—6} run regressions using the full (male only) {female only} sample.

Table 6: Ideal Job of Household Enterprise Owners and Non-Household Enterprise Owners

	Respondent sees current job as ideal job					
	All		Men		Women	
	(1)	(2)	(3)	(4)	(5)	(6)
Household Enterprise Owner?						
Yes	0.400***	0.400***	0.366***	0.368***	0.503***	0.480***
	(0.033)	(0.034)	(0.041)	(0.041)	(0.058)	(0.059)
Personal Characteristics						
Male		0.015				
		(0.023)				
Age		0.005***		0.004***		0.005***
		(0.001)		(0.001)		(0.001)
Primary education		-0.004		0.004		-0.006
		(0.027)		(0.038)		(0.039)
Mean of outcome	0.695		0.712		0.679	
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1738	1737	886	886	851	851

Notes: The table displays OLS regressions of a dummy variable that equals to one if the respondent indicates that their current job is their ideal job. The right-hand side variables include a dummy variable indicating whether the respondent is a household enterprise owner, the gender and the age in years of the respondent, as well as a dummy indicating whether the respondent completed primary education. All regressions include city fixed effects and report robust standard errors. Columns 1—2 (3—4) {5—6} run regressions using the full (male only) {female only} sample.

Table 7: Predictors of Business Aspirations

	Number of "expand the business" aspirations (0-4)								
	All			Men			Women		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Job Satisfaction									
Satisfied with job	0.371***		0.362***	0.391***		0.373***	0.364***		0.344***
	(0.061)		(0.072)	(0.088)		(0.108)	(0.086)		(0.096)
Outside Option									
Accepts equiv. salaried outside offer	-0.223***		-0.153***	-0.283***		-0.190**	-0.158**		-0.105
	(0.048)		(0.057)	(0.068)		(0.083)	(0.067)		(0.079)
Personal Characteristics									
Male		0.023	0.044						
		(0.062)	(0.060)						
Age		-0.001	-0.002		-0.004	-0.006		0.001	0.000
		(0.003)	(0.003)		(0.004)	(0.004)		(0.004)	(0.004)
Primary education		0.126*	0.105		0.068	0.039		0.166*	0.152*
		(0.068)	(0.067)		(0.108)	(0.108)		(0.087)	(0.086)
Business Characteristics									
Age of household enterprise		-0.007**	-0.007**		-0.011**	-0.010**		-0.002	-0.003
		(0.004)	(0.003)		(0.005)	(0.005)		(0.005)	(0.005)
Petty trader		0.156***	0.167***		0.159*	0.160*		0.143	0.159*
		(0.059)	(0.059)		(0.084)	(0.083)		(0.087)	(0.088)
Revenue above 50USD per month		0.328***	0.290***		0.403***	0.361***		0.286***	0.256***
		(0.064)	(0.063)		(0.098)	(0.096)		(0.086)	(0.086)
Number of non-family employees		0.071***	0.063***		0.074***	0.064***		0.103	0.085
		(0.024)	(0.023)		(0.024)	(0.024)		(0.106)	(0.105)
Affected by Covid		0.080	0.072		0.115	0.104		0.054	0.043
		(0.056)	(0.055)		(0.083)	(0.081)		(0.075)	(0.075)
Mean of outcome		1.359			1.421			1.305	
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1525	1148	1148	727	510	510	797	638	638

Notes: The table displays OLS regressions of the number of "expand the business" aspirations respondents hold, as defined in Figure 4. The right-hand side variables include a dummy indicating whether the respondent is satisfied with their job, another dummy variable indicating if the respondent would accept an equivalently salaried wage job, and personal and business controls. Personal characteristics include the gender and the age in years of the respondent, as well as a dummy indicating whether the respondent completed primary education. Household enterprise characteristics include the age of the household enterprise in years, a dummy indicating if the business owner is a petty trader, a dummy indicating the registration status of the business, a dummy indicating if the business generates more than 50USD in revenue per month, the number of non-family employees, and a dummy indicating Covid exposure. All regressions include city fixed effects and report robust standard errors. Columns 1—3 (4—6) {7—9} run regressions using the full (male only) {female only} sample.

Table 8: Predictors of Non-Family Employees, Full Sample

	Number of non-family employees					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.373***					0.232***
	(0.080)					(0.077)
Job Satisfaction						
Satisfied with job		0.179**				0.117
		(0.074)				(0.090)
Ideal Job						
Current job is ideal job			0.219***			0.169*
			(0.070)			(0.090)
Aspirations						
No of business aspirations				0.150***		0.063
				(0.042)		(0.049)
Personal Characteristics						
Male					0.434***	0.498***
					(0.074)	(0.090)
Age					-0.006*	-0.008*
					(0.003)	(0.004)
Primary education					0.217**	0.165
					(0.090)	(0.111)
Business Characteristics						
Age of household enterprise					0.012**	0.010*
					(0.005)	(0.006)
Petty trader					-0.474***	-0.506***
					(0.079)	(0.095)
Business registered					0.483***	0.517***
					(0.145)	(0.173)
Revenue above 50USD per month					0.159***	0.124
					(0.061)	(0.077)
Affected by Covid					-0.007	-0.007
					(0.074)	(0.089)
Mean of outcome	0.482					
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1200	1526	1522	1525	1148	901

Notes: The table displays OLS regressions of the number of non-family employees on the respondents motivation for starting the household enterprise (see Table 3), the respondent's job satisfaction and ideal job (see Figure 1), the number of "expand the business" aspirations (see Figure 4), as well as a range of personal and business controls. Personal characteristics include the gender and the age in years of the respondent, as well as a dummy indicating whether the respondent completed primary education. Household enterprise characteristics include the age of the household enterprise in years, a dummy indicating if the business owner is a petty trader, a dummy indicating the registration status of the business, a dummy indicating if the business generates more than 50USD in revenue per month, the number of non-family employees, and a dummy indicating Covid exposure. All regressions include city fixed effects and report robust standard errors.

Table 9: Predictors of Non-Family Employees, Men Only Sample

	Number of non-family employees					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.487***					0.323*
	(0.150)					(0.166)
Job Satisfaction						
Satisfied with job		0.341**				0.131
		(0.140)				(0.178)
Ideal Job						
Current job is ideal job			0.419***			0.238
			(0.137)			(0.181)
Aspirations						
No of business aspirations				0.278***		0.149
				(0.077)		(0.099)
Personal Characteristics						
Age					-0.010	-0.010
					(0.008)	(0.009)
Primary education					0.373*	0.315
					(0.202)	(0.249)
Business Characteristics						
Age of household enterprise					0.017*	0.012
					(0.009)	(0.010)
Petty trader					-0.727***	-0.739***
					(0.142)	(0.163)
Business registered					0.670***	0.719***
					(0.214)	(0.246)
Revenue above 50USD per month					0.305**	0.164
					(0.140)	(0.167)
Affected by Covid					-0.050	-0.015
					(0.157)	(0.181)
Mean of outcome	0.902					
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	586	727	726	727	510	412

Notes: The table reproduces Table 8, but runs the regressions for men only. More details on the content of the table can be found in Table 8.

Table 10: Predictors of Non-Family Employees, Women Only Sample

	Number of non-family employees					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.013					0.041
	(0.044)					(0.034)
Job Satisfaction						
Satisfied with job		0.062***				0.042
		(0.024)				(0.032)
Ideal Job						
Current job is ideal job			0.007			0.054
			(0.040)			(0.042)
Aspirations						
No of business aspirations				0.003		-0.001
				(0.019)		(0.026)
Personal Characteristics						
Age					-0.003*	-0.005**
					(0.002)	(0.002)
Primary education					0.047	0.012
					(0.043)	(0.049)
Business Characteristics						
Age of household enterprise					0.004	0.002
					(0.002)	(0.003)
Petty trader					-0.146**	-0.146**
					(0.059)	(0.072)
Business registered					0.119	0.154
					(0.086)	(0.110)
Revenue above 50USD per month					0.079*	0.092**
					(0.040)	(0.047)
Affected by Covid					0.019	0.004
					(0.033)	(0.039)
Mean of outcome				0.100		
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	613	798	795	797	638	489

Notes: The table reproduces Table 8, but runs the regressions for women only. More details on the content of the table can be found in Table 8.

Table 11: Predictors of Registration Status of Household Enterprise, Full Sample

	Household enterprise is registered					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.059**					0.003
	(0.023)					(0.025)
Job Satisfaction						
Satisfied with job		0.044*				0.027
		(0.026)				(0.034)
Ideal Job						
Current job is ideal job			0.016			-0.002
			(0.022)			(0.028)
Aspirations						
No of business aspirations				0.027**		0.000
				(0.012)		(0.014)
Personal Characteristics						
Male					0.100***	0.110***
					(0.025)	(0.028)
Age					0.003***	0.004***
					(0.001)	(0.001)
Primary education					0.096***	0.115***
					(0.030)	(0.034)
Business Characteristics						
Age of household enterprise					0.001	0.000
					(0.001)	(0.002)
Petty trader					-0.086***	-0.083***
					(0.025)	(0.029)
Number of non-family employees					0.041***	0.039***
					(0.011)	(0.012)
Revenue above 50USD per month					0.052**	0.047*
					(0.023)	(0.027)
Affected by Covid					0.049**	0.048**
					(0.021)	(0.024)
Mean of outcome				0.174		
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1200	1526	1522	1525	1148	901

Notes: The table copies Table 8, with the only difference that the outcome variable here is a dummy indicating if the business is formally registered. For more details, see Table 8.

Table 12: Predictors of Registration Status of Household Enterprise, Men Only Sample

	Household enterprise is registered					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.056					0.030
	(0.041)					(0.049)
Job Satisfaction						
Satisfied with job		0.113***				0.052
		(0.042)				(0.061)
Ideal Job						
Current job is ideal job			0.049			0.019
			(0.037)			(0.053)
Aspirations						
No of business aspirations				0.029		-0.021
				(0.019)		(0.024)
Personal Characteristics						
Age					0.007***	0.007***
					(0.002)	(0.002)
Primary education					0.130**	0.143**
					(0.052)	(0.060)
Business Characteristics						
Age of household enterprise					0.000	-0.000
					(0.002)	(0.003)
Petty trader					-0.130***	-0.111**
					(0.040)	(0.044)
Number of non-family employees					0.040***	0.039***
					(0.011)	(0.012)
Revenue above 50USD per month					0.094**	0.117**
					(0.046)	(0.050)
Affected by Covid					0.068*	0.068
					(0.039)	(0.044)
Mean of outcome				0.270		
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	586	727	726	727	510	412

Notes: The table reproduces Table 11, but runs the regressions for men only. More details on the content of the table can be found in Table 11.

Table 13: Predictors of Registration Status of Household Enterprise, Women Only Sample

	Household enterprise is registered					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.023					-0.008
	(0.024)					(0.027)
Job Satisfaction						
Satisfied with job		-0.009				0.002
		(0.031)				(0.036)
Ideal Job						
Current job is ideal job			-0.008			-0.017
			(0.023)			(0.028)
Aspirations						
No of business aspirations				0.013		0.018
				(0.013)		(0.017)
Personal Characteristics						
Age					0.000	0.001
					(0.001)	(0.001)
Primary education					0.055	0.073*
					(0.035)	(0.040)
Business Characteristics						
Age of household enterprise					0.002	0.002
					(0.002)	(0.002)
Petty trader					-0.062*	-0.071*
					(0.033)	(0.037)
Number of non-family employees					0.057	0.066
					(0.041)	(0.045)
Revenue above 50USD per month					0.018	-0.013
					(0.024)	(0.031)
Affected by Covid					0.027	0.029
					(0.023)	(0.026)
Mean of outcome				0.086		
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	613	798	795	797	638	489

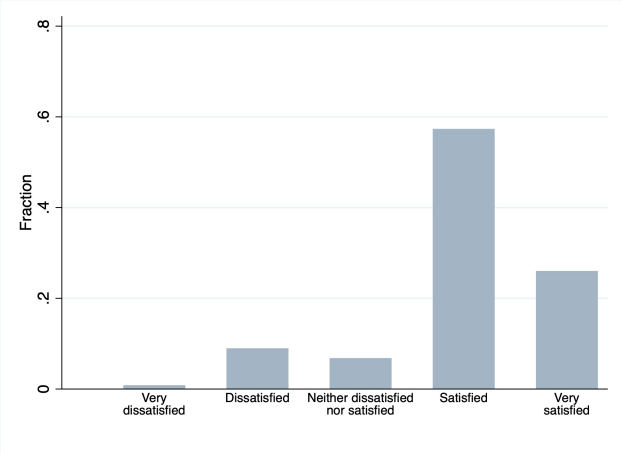
Notes: The table reproduces Table 11, but runs the regressions for women only. More details on the content of the table can be found in Table 11.

Table 14: Predictors of Willingness to Accept Equivalently Salaried Waged Job

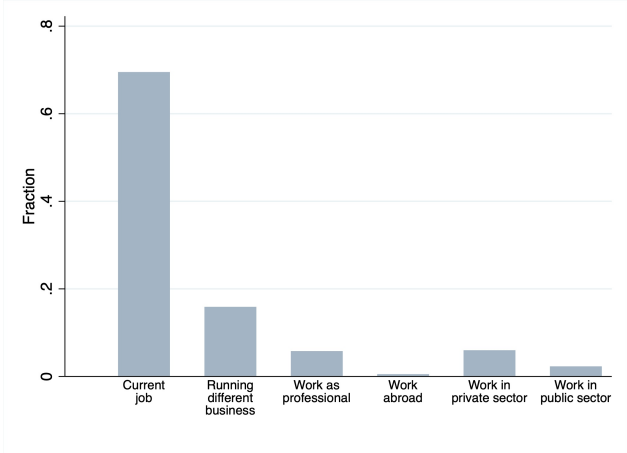
	Owner would accept equivalently salaried wage job								
	All			Men			Women		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Job Satisfaction									
Satisfied with job	-0.136***		-0.073**	-0.124***		-0.097*	-0.142***		-0.059
	(0.031)		(0.035)	(0.044)		(0.052)	(0.043)		(0.048)
Ideal Job									
Current job is ideal job		-0.266***	-0.218***		-0.267***	-0.217***		-0.264***	-0.214***
		(0.023)	(0.028)		(0.035)	(0.044)		(0.032)	(0.037)
Personal Characteristics									
Male			0.010						
			(0.032)						
Age			-0.003**			-0.002			-0.003*
			(0.001)			(0.002)			(0.002)
Primary education			-0.073**			-0.050			-0.098**
			(0.037)			(0.056)			(0.049)
Business Characteristics									
Age of household enterprise			-0.001			0.000			-0.004
			(0.002)			(0.003)			(0.003)
Petty trader			0.059*			0.016			0.107**
			(0.030)			(0.044)			(0.044)
Revenue above 50USD per month			-0.029			0.025			-0.070
			(0.033)			(0.054)			(0.043)
Affected by Covid			-0.006			-0.077*			0.052
			(0.028)			(0.042)			(0.037)
Mean of outcome		0.653			0.640			0.666	
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1525	1521	1145	727	726	509	797	794	636

Notes: The table displays OLS regressions of a dummy variable that equals to one if the household enterprise owner would accept an equivalently salaried waged job, and zero otherwise. The right-hand side variables include a dummy variable indicating whether the household enterprise owner is satisfied or very satisfied with their job, a dummy variable indicating whether the household enterprise owner believes their current job to be their ideal job, as well as a range of personal and business characteristics. Personal characteristics include the gender and the age in years of the respondent, as well as a dummy indicating whether the respondent completed primary education. Household enterprise characteristics include the age of the household enterprise in years, a dummy indicating if the business owner is a petty trader, a dummy indicating the registration status of the business, a dummy indicating if the business generates more than 50USD in revenue per month, the number of non-family employees, and a dummy indicating Covid exposure. All regressions include city fixed effects and report robust standard errors. Columns 1—3 (4—6) {7—9} run regressions using the full (male only) {female only} sample.

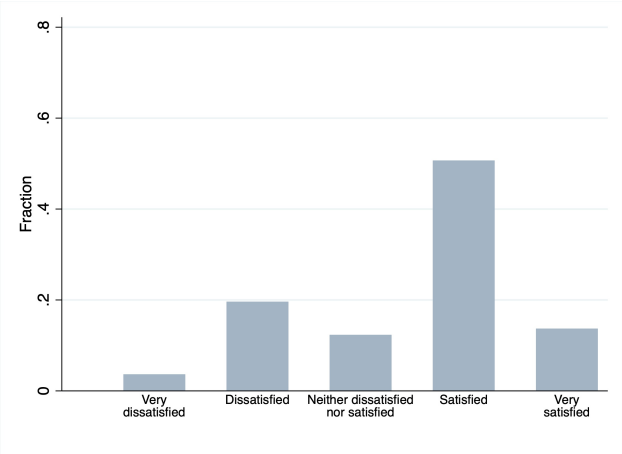
Figure 1: Job Satisfaction and Ideal Job



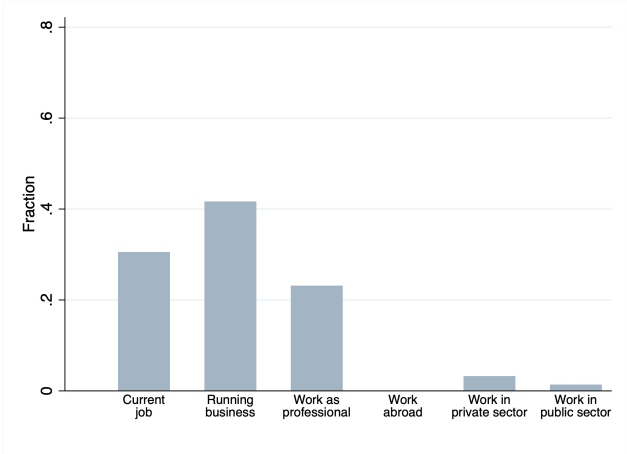
(a) Job Satisfaction, HHE Owners



(b) Ideal Job, HHE Owners



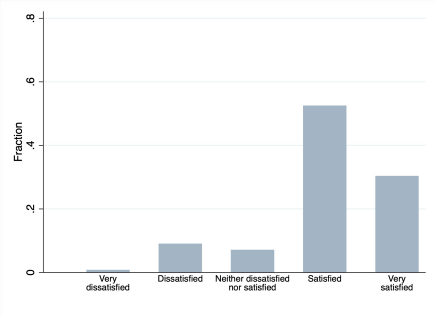
(c) Job Satisfaction, Non-HHE Owners



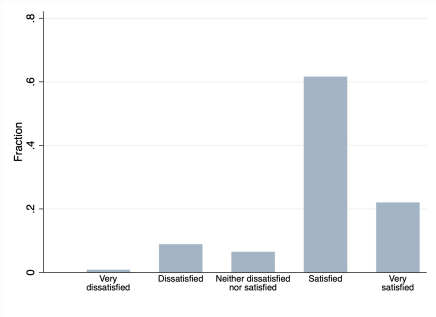
(d) Ideal Job, Non-HHE Owners

Notes: The figure displays respondents' job satisfaction (Panels (a) and (c)) and ideal job (Panels (b) and (d)) for household enterprise owners (Panels (a) and (b)) and non-household enterprise owners (Panels (c) and (d)).

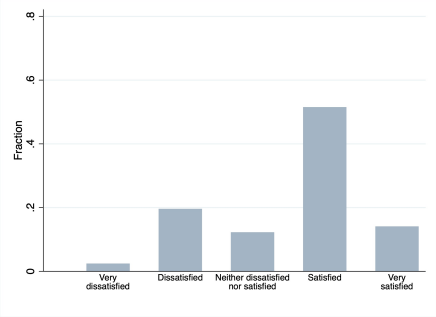
Figure 2: Job Satisfaction and Ideal Job by Gender



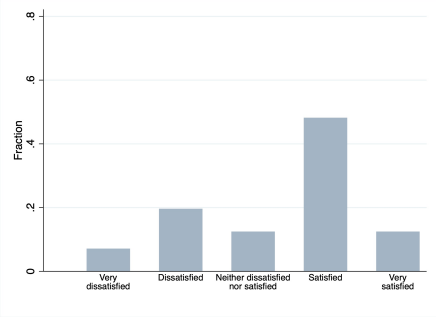
(a) Job Satisfaction, Male HHE Owners



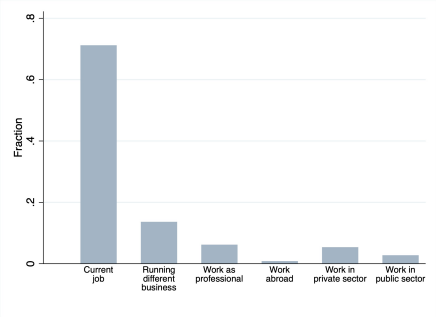
(b) Job Satisfaction, Female HHE Owners



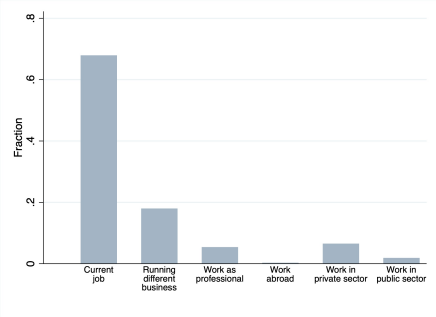
(c) Job Satisfaction, Male Non-HHE Owners



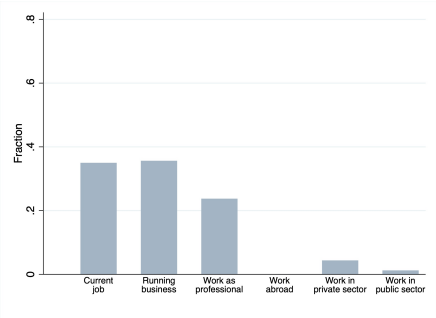
(d) Job Satisfaction, Female Non-HHE Owners



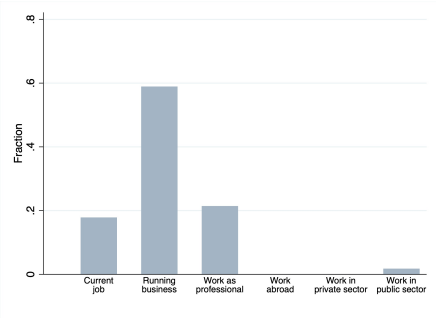
(e) Ideal Job, Male HHE Owners



(f) Ideal Job, Female HHE Owners



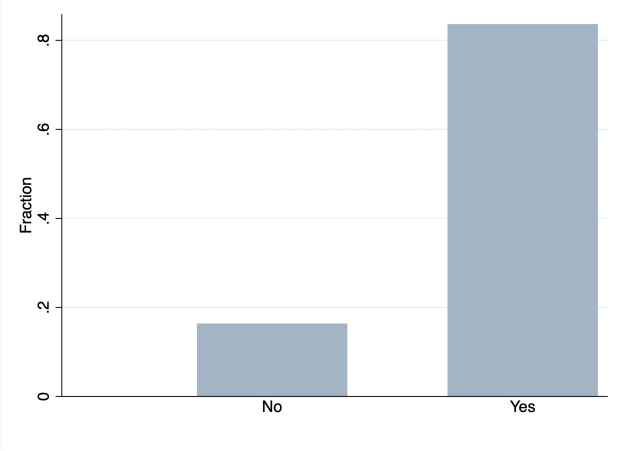
(g) Ideal Job, Male Non-HHE Owners



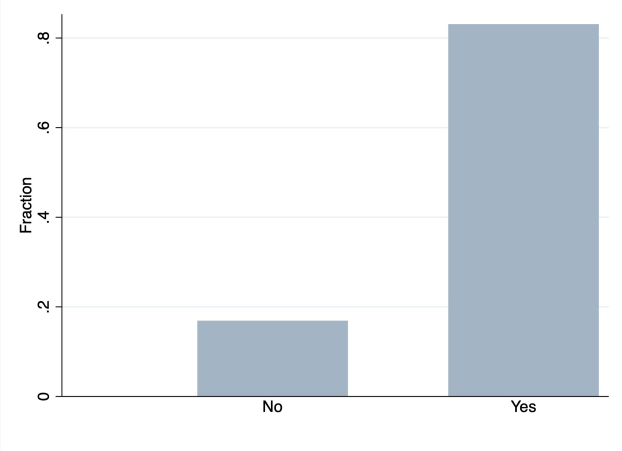
(h) Ideal Job, Female Non-HHE Owners

Notes: The figure displays respondents' job satisfaction (Panels (a), (b), (c), and (d)) and ideal job (Panels (e), (f), (g), and (h)) for household enterprise owners (Panels (a), (b), (e), and (f)) and non-household enterprise owners (Panels (c), (d), (g), and (h)).

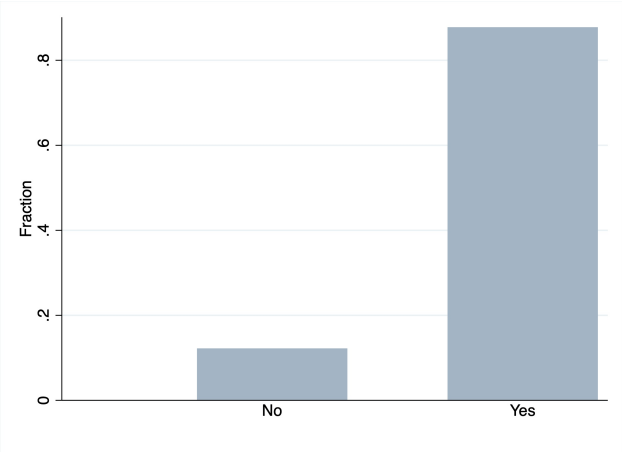
Figure 3: Do you want your children to become HHE owners?



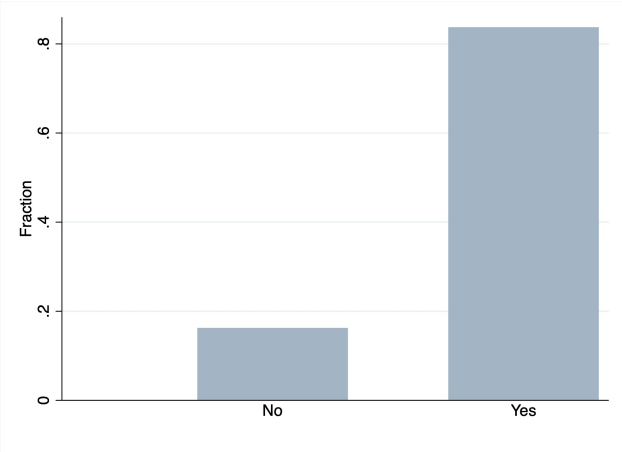
(a) HHE Owners



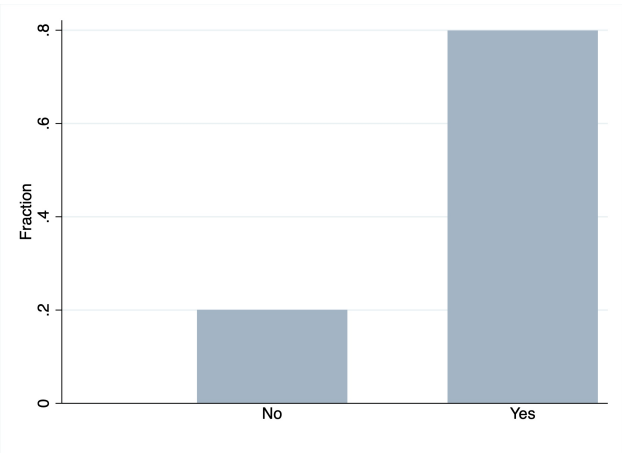
(b) Non-HHE Owners



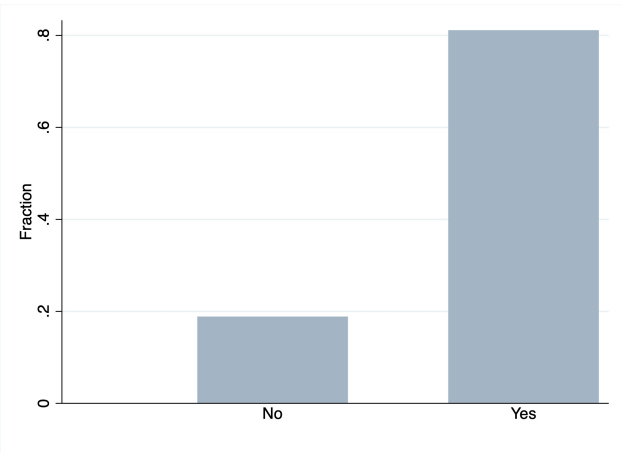
(c) Male HHE Owners



(d) Male Non-HHE Owners



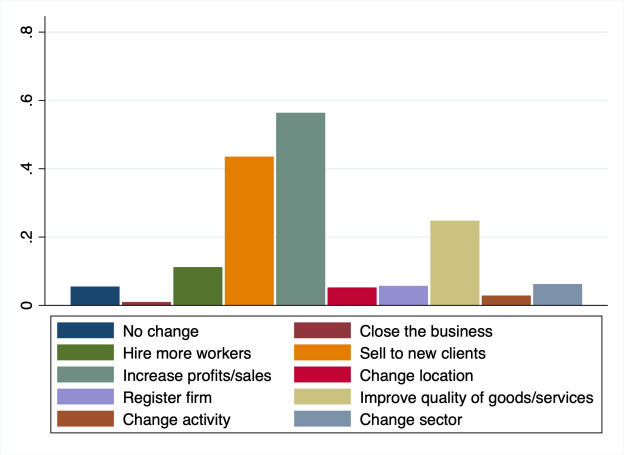
(e) Female HHE Owners



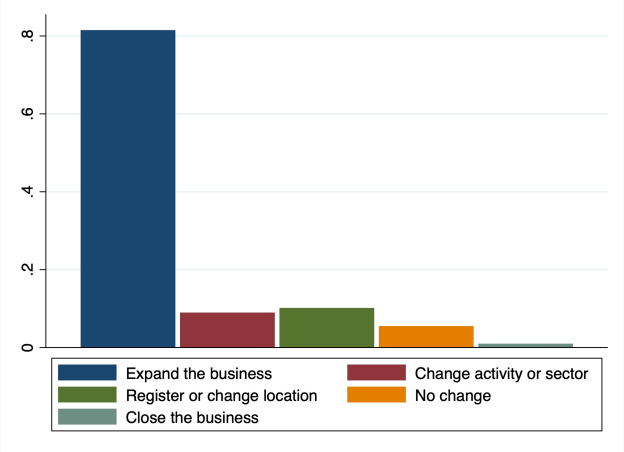
(f) Female Non-HHE Owners

Notes: The figure displays respondents' answer to a question whether they want their children to become household enterprise owners. Panels (a), (c), and (e) displays answers for household enterprise owners and Panels (b), (d), and (f) show answers for non-household enterprise owners. Panels (a) and (b) ((c) and (d)) {(e) and (f)} use the full (male only) {female only} sample.

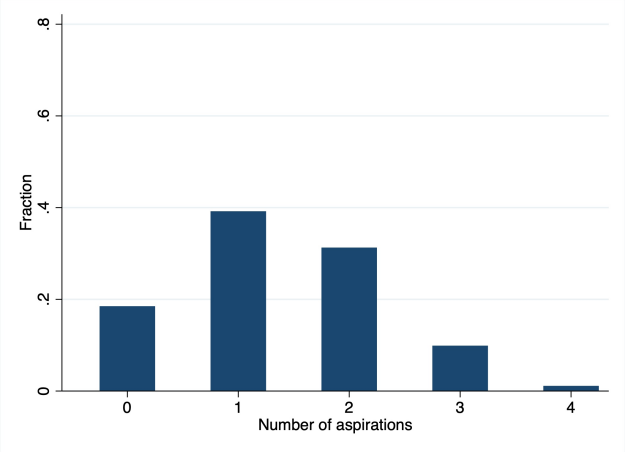
Figure 4: Aspirations



(a) Aspirations



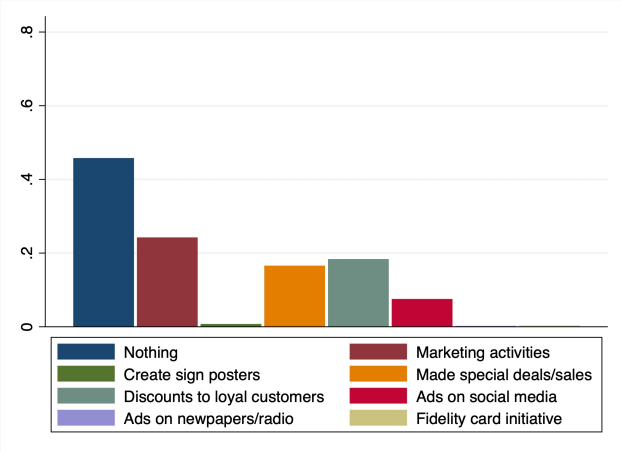
(b) Grouped Aspirations



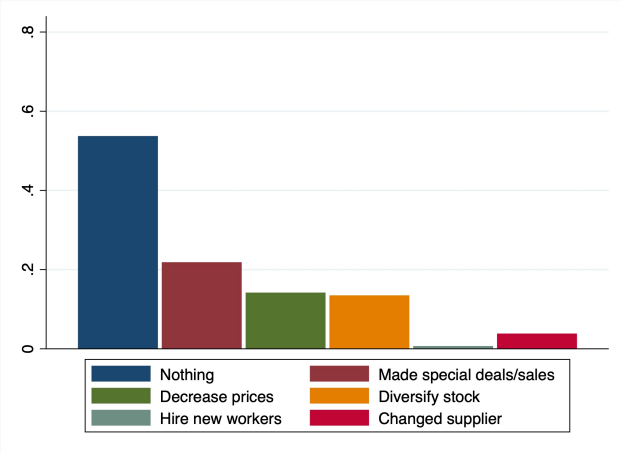
(c) Distribution of Business Aspirations

Notes: The figure displays various aspirations of respondents. First, Panel (a) shows the raw share of respondents whose aspirations is any of the ten possible answers. Second, Panel (b) groups the various aspirations from Panel (a) into five groups. Specifically, "expand the business" contains "hire new workers", "sell to clients", "increase profits/sales", and "improve the quality of goods/services". "Change activity or sector" contains "change activity (within sector)" and "change sector". "Register or change location" contains "register the firm" and "change location". Finally, "No change" contains "no change" and "close the business" contains "close the business". Lastly, Panel (c) displays the distribution of the "expand the business" aspirations.

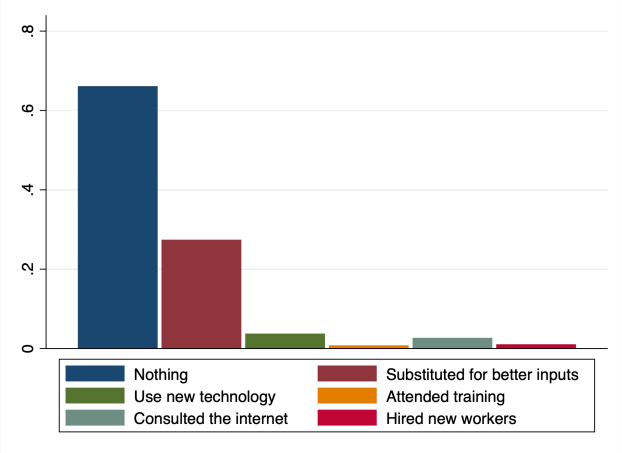
Figure 5: Actions Taken to Reach Aspirations



(a) Sell to New Clients



(b) Increase Profits



(c) Improve the Quality of Goods and Services

Notes: Panels (a), (b), and (c) of the figure display what actions individuals have taken to reach the three most states aspirations: selling to new clients, increasing profits, and improving the quality of goods and services.

A Appendix Tables and Figures

Table A1: Sample Description

Country	# Cities	N	# Women	# HHE Owners	N/# Cities	# Women/# Cities	# HHE Owners/# Cities
Liberia	1	501	242	400	501	242	400
Niger	3	699	241	557	233	80.333	185.667
Senegal	4	708	474	569	177	118.500	142.250

Notes: The table describes the three samples used in the paper.

Table A2: Motivation for Starting Household Enterprise by Country

	Liberia		
	(1)	(2)	(3)
	All	Men	Women
Opted in to start business	0.425	0.474	0.379
	(0.495)	(0.501)	(0.486)
Forced to start business	0.273	0.214	0.325
	(0.446)	(0.411)	(0.470)
Both	0.302	0.311	0.296
	(0.460)	(0.464)	(0.457)
Observations	400	196	203

	Niger		
	(1)	(2)	(3)
	All	Men	Women
Opted in to start business	0.688	0.692	0.680
	(0.464)	(0.462)	(0.468)
Forced to start business	0.169	0.164	0.177
	(0.375)	(0.371)	(0.383)
Both	0.144	0.144	0.143
	(0.351)	(0.352)	(0.351)
Observations	557	354	203

	Senegal		
	(1)	(2)	(3)
	All	Men	Women
Opted in to start business	0.439	0.587	0.374
	(0.497)	(0.494)	(0.484)
Forced to start business	0.354	0.273	0.389
	(0.479)	(0.447)	(0.488)
Both	0.207	0.140	0.237
	(0.406)	(0.348)	(0.426)
Observations	560	172	388

Notes: The table reproduces the top panel in Table 3, but splits the shares by the three countries in our sample: Liberia, Niger, and Senegal. More details on the content of the table can be found in Table 3.

Table A3: Predictors of Motivation for Starting Household Enterprise by Country

	Owner opted in to start business		
	Liberia	Niger	Senegal
	(1)	(2)	(3)
Personal Characteristics			
Male	0.178***	0.008	0.127**
	(0.064)	(0.041)	(0.063)
Primary education	-0.002	0.083**	0.091
	(0.072)	(0.042)	(0.066)
Business Characteristics			
Age when HHE owner started HHE	0.005*	-0.003	-0.002
	(0.003)	(0.002)	(0.002)
Petty trader	0.004	-0.006	-0.078
	(0.061)	(0.040)	(0.061)
Mean of outcome	0.609	0.803	0.554
City Fixed Effects	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes
Observations	272	429	427

Notes: The table reproduces Table 4, but runs the regressions separately for each country in our sample. More details on the content of the table can be found in Table 4.

Table A4: Job Satisfaction of HHE Owners and Non-HHE Owners by Country

	Respondent is satisfied with job					
	Liberia		Niger		Senegal	
	(1)	(2)	(3)	(4)	(5)	(6)
Household Enterprise Owner?						
Yes	0.292***	0.287***	0.080**	0.084**	0.293***	0.300***
	(0.076)	(0.077)	(0.040)	(0.040)	(0.056)	(0.055)
Personal Characteristics						
Male		0.010				
		(0.049)				
Age		0.002		0.001		-0.001
		(0.002)		(0.001)		(0.001)
Primary education		-0.078		0.038		0.051
		(0.054)		(0.026)		(0.035)
Mean of outcome	0.633		0.917		0.893	
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	444	443	649	649	652	652

Notes: The table reproduces Table 5, but runs the regressions separately for the three countries in our sample. More details on the content of the table can be found in Table 5.

Table A5: Ideal Job of HHE Owners and Non-HHE Owners by Country

	Respondent sees current job as ideal job					
	Liberia		Niger		Senegal	
	(1)	(2)	(3)	(4)	(5)	(6)
Household Enterprise Owner?						
Yes	0.267***	0.253***	0.345***	0.353***	0.529***	0.529***
	(0.074)	(0.074)	(0.055)	(0.055)	(0.047)	(0.048)
Personal Characteristics						
Male		0.003				
		(0.051)				
Age		0.007***		0.005***		0.002
		(0.002)		(0.001)		(0.002)
Primary education		-0.101*		0.035		0.060
		(0.056)		(0.041)		(0.045)
Mean of outcome	0.535		0.788		0.715	
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	437	436	649	649	652	652

Notes: The table reproduces Table 6, but runs the regressions separately for the three countries in our sample. More details on the content of the table can be found in Table 6.

Table A6: Predictors of Business Aspirations by Country

	Number of "expand the business" aspirations (0-4)								
	Liberia			Niger			Senegal		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Job Satisfaction									
Satisfied with job	0.116		0.152	0.488***		0.422***	0.700***		0.660***
	(0.080)		(0.095)	(0.119)		(0.149)	(0.128)		(0.148)
Outside Option									
Accepts equiv. salaried outside offer	-0.085		-0.117	-0.325***		-0.118	-0.190**		-0.177*
	(0.080)		(0.101)	(0.075)		(0.092)	(0.090)		(0.102)
Personal Characteristics									
Male		0.020	0.031		0.036	0.038		0.081	0.110
		(0.098)	(0.098)		(0.096)	(0.094)		(0.130)	(0.124)
Age		0.003	0.003		-0.002	-0.004		-0.003	-0.004
		(0.004)	(0.005)		(0.004)	(0.004)		(0.005)	(0.005)
Primary education		0.091	0.085		0.095	0.066		0.175	0.122
		(0.103)	(0.105)		(0.111)	(0.109)		(0.147)	(0.149)
Business Characteristics									
Age of household enterprise		-0.011	-0.012		-0.010	-0.007		-0.005	-0.006
		(0.007)	(0.007)		(0.006)	(0.006)		(0.005)	(0.005)
Petty trader		0.076	0.097		0.054	0.077		0.370***	0.346***
		(0.109)	(0.110)		(0.090)	(0.091)		(0.116)	(0.113)
Revenue above 50USD per month		-0.009	-0.027		0.357***	0.339***		0.480***	0.381***
		(0.111)	(0.116)		(0.086)	(0.086)		(0.130)	(0.128)
Number of non-family employees		0.093**	0.089**		0.082**	0.074**		0.055	0.043
		(0.045)	(0.045)		(0.036)	(0.036)		(0.040)	(0.039)
Affected by Covid		0.276**	0.273**		0.070	0.073		-0.040	-0.068
		(0.107)	(0.106)		(0.085)	(0.084)		(0.098)	(0.096)
Mean of outcome		0.945			1.552			1.462	
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	400	310	310	556	367	367	569	471	471

Notes: The table reproduces Table 7, but runs the regressions separately for the three countries in our sample. More details on the content of the table can be found in Table 7.

Table A7: Business Aspirations, Constraints, and Shocks

	Number of "expand the business" aspirations (0-4)							
	All				Men		Women	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Constraints								
Number of business constraints (0-18)	0.006		0.002		0.004		0.000	
	(0.008)		(0.010)		(0.013)		(0.015)	
Number of family constraints (0-2)	-0.125***		-0.130***		-0.165***		-0.103*	
	(0.036)		(0.042)		(0.064)		(0.059)	
Shocks								
Number of shocks to business (0-8)		-0.067***		-0.071***		-0.046		-0.095***
		(0.018)		(0.021)		(0.031)		(0.030)
Number of shocks to family (0-4)		-0.003		-0.007		-0.023		0.003
		(0.029)		(0.033)		(0.048)		(0.045)
Exposed to a disaster		0.113**		0.028		-0.065		0.085
		(0.057)		(0.066)		(0.110)		(0.087)
Personal Characteristics								
Male			0.000	0.021				
			(0.062)	(0.062)				
Age			-0.001	-0.001	-0.005	-0.005	0.002	0.000
			(0.003)	(0.003)	(0.004)	(0.004)	(0.004)	(0.004)
Primary education			0.122*	0.136**	0.071	0.075	0.158*	0.172**
			(0.068)	(0.067)	(0.110)	(0.107)	(0.087)	(0.087)
Business Characteristics								
Age of household enterprise			-0.007**	-0.007*	-0.010**	-0.010**	-0.003	-0.002
			(0.004)	(0.003)	(0.005)	(0.005)	(0.005)	(0.005)
Petty trader			0.148**	0.145**	0.154*	0.146*	0.136	0.124
			(0.059)	(0.059)	(0.083)	(0.084)	(0.087)	(0.087)
Revenue above 50USD per month			0.341***	0.344***	0.415***	0.431***	0.298***	0.297***
			(0.065)	(0.064)	(0.098)	(0.098)	(0.086)	(0.086)
Number of non-family employees			0.068***	0.073***	0.071***	0.075***	0.092	0.103
			(0.024)	(0.023)	(0.025)	(0.024)	(0.104)	(0.102)
Affected by Covid			0.092	0.111**	0.127	0.148*	0.065	0.082
			(0.056)	(0.056)	(0.083)	(0.083)	(0.076)	(0.076)
Mean of outcome	1.359				1.421		1.305	
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1525	1525	1148	1148	510	510	638	638

Notes: The table displays OLS regressions of the number of "expand the business" aspirations respondents hold, as defined in Figure 4. The right-hand side are variables counting the number of constraints or shocks the household was exposed to, personal controls, and business controls. Personal characteristics include the gender and the age in years of the respondent, as well as a dummy indicating whether the respondent completed primary education. Household enterprise characteristics include the age of the household enterprise in years, a dummy indicating if the business owner is a petty trader, a dummy indicating the registration status of the business, a dummy indicating if the business generates more than 50USD in revenue per month, the number of non-family employees, and a dummy indicating Covid exposure. All regressions include city fixed effects and report robust standard errors. Columns 1—4 (5—6) {7—8} run regressions using the full (male only) {female only} sample.

Table A8: Actions Taken to Reach Aspirations, Constraints, and Shocks

	Has done nothing to reach aspirations							
	All				Men		Women	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Constraints								
Number of business constraints (0-18)	-0.005		0.007		-0.004		0.023***	
	(0.005)		(0.006)		(0.009)		(0.009)	
Number of family constraints (0-2)	0.076***		0.059**		0.033		0.066*	
	(0.022)		(0.027)		(0.043)		(0.035)	
Shocks								
Number of shocks to business (0-8)		0.002		0.009		-0.022		0.043**
		(0.011)		(0.013)		(0.019)		(0.017)
Number of shocks to family (0-4)		-0.011		0.007		0.034		-0.014
		(0.017)		(0.020)		(0.030)		(0.026)
Exposed to a disaster		0.029		0.067		0.084		0.060
		(0.033)		(0.041)		(0.066)		(0.054)
Personal Characteristics								
Male			0.002	-0.003				
			(0.038)	(0.038)				
Age			-0.002	-0.002	-0.002	-0.003	-0.002	-0.002
			(0.002)	(0.002)	(0.003)	(0.003)	(0.002)	(0.002)
Primary education			-0.046	-0.043	-0.049	-0.043	-0.034	-0.047
			(0.040)	(0.041)	(0.063)	(0.062)	(0.052)	(0.053)
Business Characteristics								
Age of household enterprise			-0.001	-0.001	-0.001	-0.001	-0.000	-0.001
			(0.002)	(0.002)	(0.003)	(0.003)	(0.003)	(0.003)
Petty trader			0.061*	0.057	0.010	0.021	0.116**	0.101*
			(0.037)	(0.037)	(0.053)	(0.053)	(0.054)	(0.054)
Revenue above 50USD per month			-0.092**	-0.090**	-0.041	-0.053	-0.115**	-0.109**
			(0.041)	(0.042)	(0.069)	(0.069)	(0.051)	(0.053)
Number of non-family employees			-0.012	-0.011	-0.008	-0.008	-0.140***	-0.143**
			(0.014)	(0.014)	(0.014)	(0.014)	(0.052)	(0.055)
Affected by Covid			-0.122***	-0.127***	-0.145***	-0.150***	-0.089**	-0.097**
			(0.032)	(0.033)	(0.051)	(0.051)	(0.042)	(0.044)
Mean of outcome	0.637				0.590		0.682	
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1217	1217	893	893	407	407	486	486

Notes: The table displays OLS regressions of a dummy variable indicating if the respondent has done "nothing" to reach their stated aspirations on variables counting the number of constraints or shocks the household was exposed to, personal controls, and business controls. Personal characteristics include the gender and the age in years of the respondent, as well as a dummy indicating whether the respondent completed primary education. Household enterprise characteristics include the age of the household enterprise in years, a dummy indicating if the business owner is a petty trader, a dummy indicating the registration status of the business, a dummy indicating if the business generates more than 50USD in revenue per month, the number of non-family employees, and a dummy indicating Covid exposure. All regressions include city fixed effects and report robust standard errors. Columns 1—4 (5—6) {7—8} run regressions using the full (male only) {female only} sample.

Table A9: Predictors of Non-Family Employees for Liberia

	Number of non-family employees					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.219					0.134
	(0.145)					(0.149)
Job Satisfaction						
Satisfied with job		0.172				0.146
		(0.113)				(0.157)
Ideal Job						
Current job is ideal job			0.255**			0.229
			(0.117)			(0.144)
Aspirations						
No of business aspirations				0.218**		0.075
				(0.090)		(0.119)
Personal Characteristics						
Male					0.382***	0.379***
					(0.093)	(0.124)
Age					0.003	-0.001
					(0.006)	(0.007)
Primary education					0.274***	0.258**
					(0.095)	(0.121)
Business Characteristics						
Age of household enterprise					0.013	0.005
					(0.010)	(0.009)
Petty trader					-0.564***	-0.510***
					(0.144)	(0.179)
Business registered					0.681***	0.828***
					(0.190)	(0.263)
Revenue above 50USD per month					0.257**	0.316**
					(0.105)	(0.132)
Affected by Covid					-0.063	0.015
					(0.158)	(0.200)
Mean of outcome				0.415		
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	279	400	396	400	310	217

Notes: The table reproduces Table 8, but runs the regressions for Liberia only. More details on the content of the table can be found in Table 8.

Table A10: Predictors of Non-Family Employees for Niger

	Number of non-family employees					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.276*					0.049
	(0.151)					(0.150)
Job Satisfaction						
Satisfied with job		0.355***				0.093
		(0.118)				(0.143)
Ideal Job						
Current job is ideal job			0.284**			0.203
			(0.140)			(0.162)
Aspirations						
No of business aspirations				0.271***		0.130*
				(0.088)		(0.078)
Personal Characteristics						
Male					0.159	0.190
					(0.115)	(0.122)
Age					-0.010**	-0.012**
					(0.004)	(0.005)
Primary education					0.359**	0.284
					(0.176)	(0.195)
Business Characteristics						
Age of household enterprise					0.018**	0.016*
					(0.009)	(0.009)
Petty trader					-0.283*	-0.227
					(0.155)	(0.162)
Business registered					0.620*	0.649*
					(0.316)	(0.330)
Revenue above 50USD per month					0.278**	0.204*
					(0.110)	(0.121)
Affected by Covid					-0.089	-0.098
					(0.136)	(0.145)
Mean of outcome				0.654		
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	477	557	557	556	367	317

Notes: The table reproduces Table 8, but runs the regressions for Niger only. More details on the content of the table can be found in Table 8.

Table A11: Predictors of Non-Family Employees for Senegal

	Number of non-family employees					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.533***					0.304***
	(0.124)					(0.108)
Job Satisfaction						
Satisfied with job		0.054				0.158
		(0.146)				(0.147)
Ideal Job						
Current job is ideal job			0.133			0.088
			(0.111)			(0.170)
Aspirations						
No of business aspirations				0.043		0.036
				(0.051)		(0.076)
Personal Characteristics						
Male					0.726***	0.813***
					(0.164)	(0.189)
Age					-0.011*	-0.012
					(0.006)	(0.008)
Primary education					-0.001	-0.107
					(0.187)	(0.229)
Business Characteristics						
Age of household enterprise					0.010	0.008
					(0.007)	(0.008)
Petty trader					-0.513***	-0.708***
					(0.112)	(0.151)
Business registered					0.163	0.170
					(0.255)	(0.294)
Revenue above 50USD per month					-0.005	-0.056
					(0.084)	(0.109)
Affected by Covid					0.101	0.069
					(0.110)	(0.137)
Mean of outcome				0.362		
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	444	569	569	569	471	367

Notes: The table reproduces Table 8, but runs the regressions for Senegal only. More details on the content of the table can be found in Table 8.

Table A12: Predictors of Registration Status of Household Enterprise for Liberia

	Household enterprise is registered					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.131**					0.030
	(0.052)					(0.055)
Job Satisfaction						
Satisfied with job		0.011				-0.016
		(0.046)				(0.058)
Ideal Job						
Current job is ideal job			0.017			0.037
			(0.045)			(0.057)
Aspirations						
No of business aspirations				0.091***		0.042
				(0.031)		(0.040)
Personal Characteristics						
Male					0.183***	0.185***
					(0.050)	(0.064)
Age					0.006**	0.006**
					(0.002)	(0.003)
Primary education					0.040	0.075
					(0.054)	(0.066)
Business Characteristics						
Age of household enterprise					0.003	0.004
					(0.004)	(0.005)
Petty trader					-0.055	-0.046
					(0.051)	(0.058)
Number of non-family employees					0.087***	0.084***
					(0.017)	(0.018)
Revenue above 50USD per month					0.083	0.032
					(0.057)	(0.078)
Affected by Covid					0.096*	0.075
					(0.052)	(0.062)
Mean of outcome				0.273		
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	279	400	396	400	310	217

Notes: The table reproduces Table 11, but runs the regressions for Liberia only. More details on the content of the table can be found in Table 11.

Table A13: Predictors of Registration Status of Household Enterprise for Niger

	Household enterprise is registered					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.059					0.025
	(0.038)					(0.049)
Job Satisfaction						
Satisfied with job		0.093**				0.058
		(0.039)				(0.061)
Ideal Job						
Current job is ideal job			0.026			-0.061
			(0.036)			(0.051)
Aspirations						
No of business aspirations				0.030		-0.024
				(0.021)		(0.027)
Personal Characteristics						
Male					0.108***	0.120***
					(0.032)	(0.035)
Age					0.002	0.004*
					(0.002)	(0.002)
Primary education					0.069	0.084*
					(0.044)	(0.049)
Business Characteristics						
Age of household enterprise					0.001	-0.000
					(0.003)	(0.003)
Petty trader					-0.093**	-0.093**
					(0.038)	(0.041)
Number of non-family employees					0.044**	0.047**
					(0.018)	(0.018)
Revenue above 50USD per month					0.048	0.075**
					(0.033)	(0.037)
Affected by Covid					0.040	0.044
					(0.035)	(0.038)
Mean of outcome	0.151					
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	477	557	557	556	367	317

Notes: The table reproduces Table 11, but runs the regressions for Niger only. More details on the content of the table can be found in Table 11.

Table A14: Predictors of Registration Status of Household Enterprise for Senegal

	Household enterprise is registered					
	(1)	(2)	(3)	(4)	(5)	(6)
Motivation for Starting Business						
Owner opted in to start business	0.015					-0.023
	(0.032)					(0.034)
Job Satisfaction						
Satisfied with job		0.063*				0.071
		(0.036)				(0.044)
Ideal Job						
Current job is ideal job			0.008			0.006
			(0.031)			(0.041)
Aspirations						
No of business aspirations				0.001		-0.004
				(0.014)		(0.017)
Personal Characteristics						
Male					0.013	0.029
					(0.049)	(0.058)
Age					0.001	0.002
					(0.001)	(0.002)
Primary education					0.158***	0.162**
					(0.059)	(0.069)
Business Characteristics						
Age of household enterprise					0.001	0.001
					(0.002)	(0.002)
Petty trader					-0.120***	-0.125**
					(0.045)	(0.052)
Number of non-family employees					0.011	0.011
					(0.017)	(0.018)
Revenue above 50USD per month					0.025	0.006
					(0.037)	(0.047)
Affected by Covid					0.018	0.023
					(0.029)	(0.034)
Mean of outcome				0.127		
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes
Observations	444	569	569	569	471	367

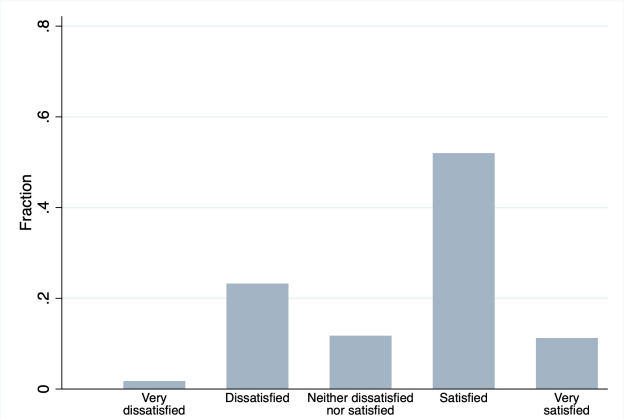
Notes: The table reproduces Table 11, but runs the regressions for Senegal only. More details on the content of the table can be found in Table 11.

Table A15: Predictors of Willingness to Accept Equivalently Salaried Waged Job by Country

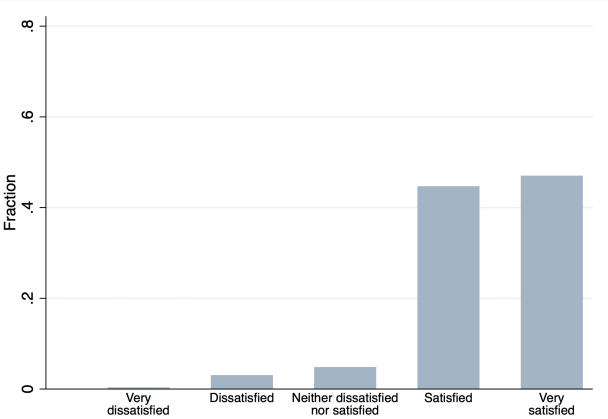
	Owner would accept equivalently salaried wage job								
	Liberia			Niger			Senegal		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Job Satisfaction									
Satisfied with job	-0.018		-0.024	-0.356***		-0.189***	-0.167***		-0.108*
	(0.050)		(0.057)	(0.031)		(0.047)	(0.054)		(0.060)
Ideal Job									
Current job is ideal job		-0.237***	-0.210***		-0.334***	-0.214***		-0.236***	-0.211***
		(0.047)	(0.055)		(0.035)	(0.044)		(0.039)	(0.046)
Personal Characteristics									
Male			0.018						
			(0.058)						
Age			0.000			-0.005**			-0.002
			(0.003)			(0.002)			(0.002)
Primary education			-0.074			-0.075			-0.043
			(0.067)			(0.058)			(0.069)
Business Characteristics									
Age of household enterprise			-0.002			-0.002			-0.001
			(0.005)			(0.003)			(0.002)
Petty trader			0.150**			-0.031			0.067
			(0.059)			(0.048)			(0.048)
Revenue above 50USD per month			0.044			-0.067			-0.022
			(0.083)			(0.047)			(0.057)
Affected by Covid			-0.012			-0.030			0.029
			(0.060)			(0.046)			(0.043)
Mean of outcome		0.635			0.653			0.666	
City Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Robust Standard Errors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	400	396	307	556	556	367	569	569	471

Notes: The table reproduces Table 14, but runs the regressions separately for the three countries in our sample. More details on the content of the table can be found in Table 14.

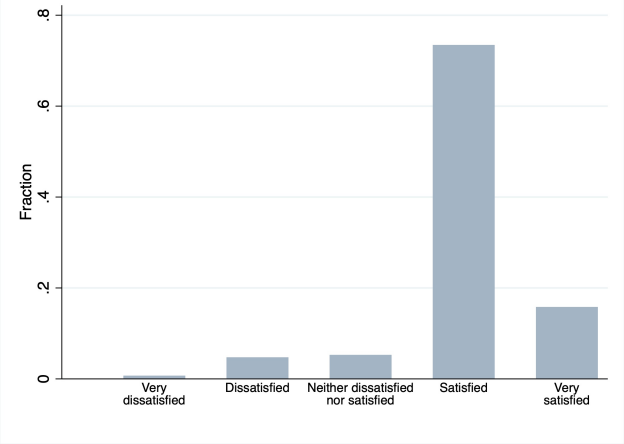
Figure A1: Job Satisfaction and Ideal Job by Country, Household Enterprise Owners



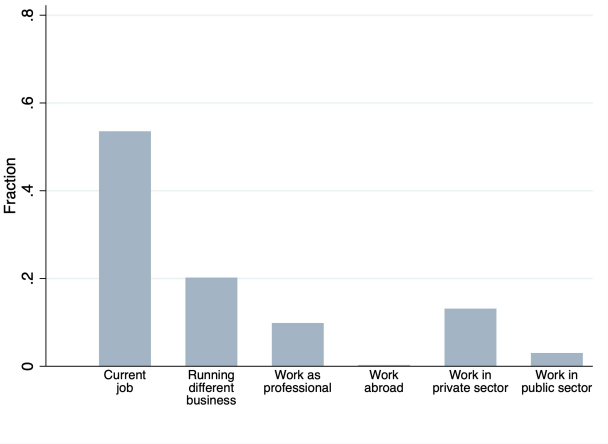
(a) Job Satisfaction, Liberia



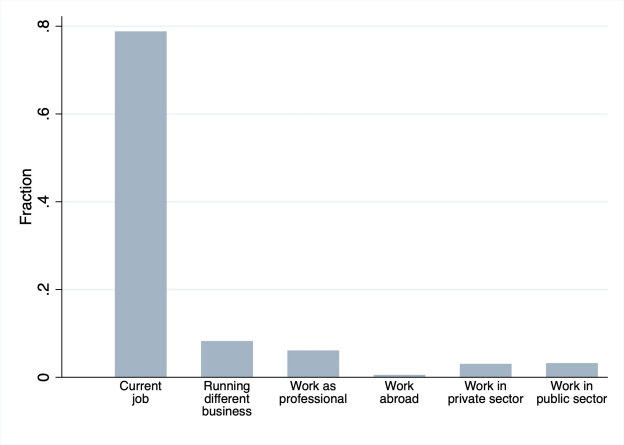
(b) Job Satisfaction, Niger



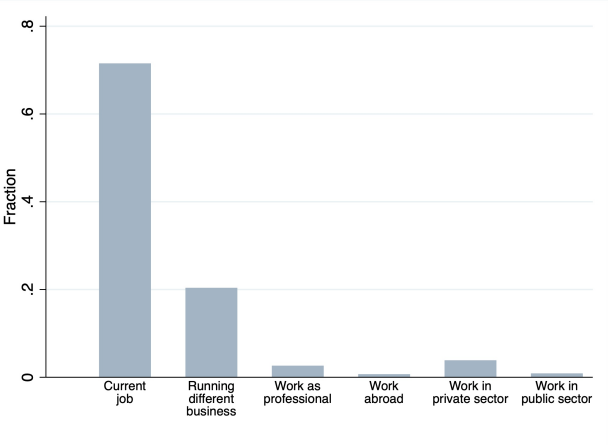
(c) Job Satisfaction, Senegal



(d) Ideal Job, Liberia



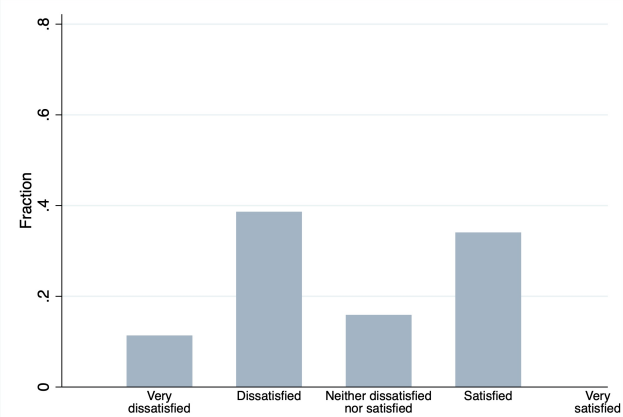
(e) Ideal Job, Niger



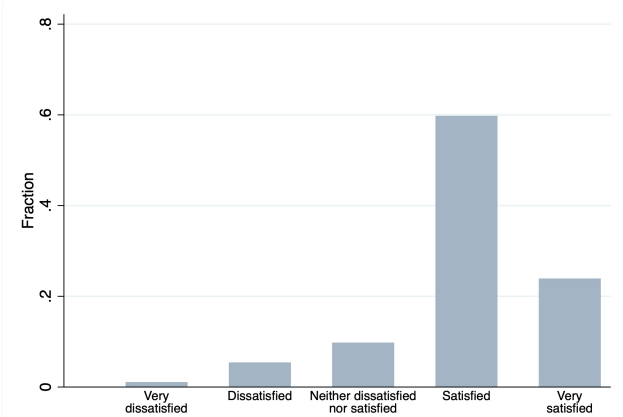
(f) Ideal Job, Senegal

Notes: The figure reproduces Panels (a) and (b) of Figure 1, but splits the panels by the countries in our sample.

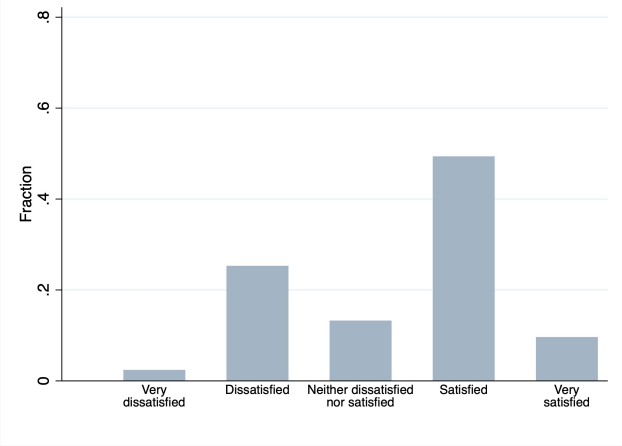
Figure A2: Job Satisfaction and Ideal Job by Country, Non-Household Enterprise Owners



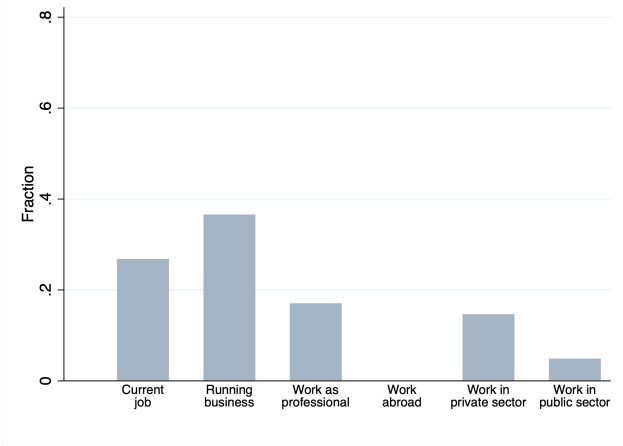
(a) Job Satisfaction, Liberia



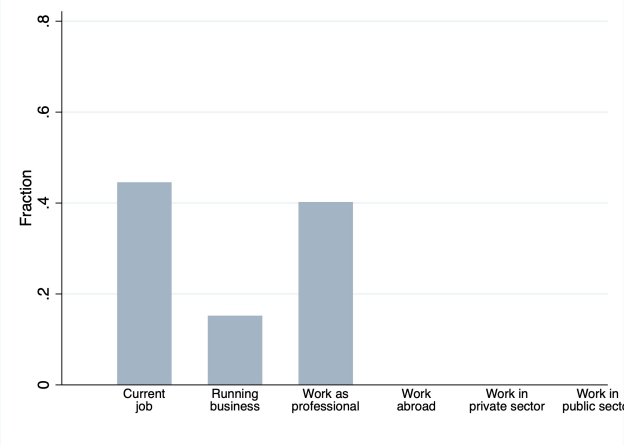
(b) Job Satisfaction, Niger



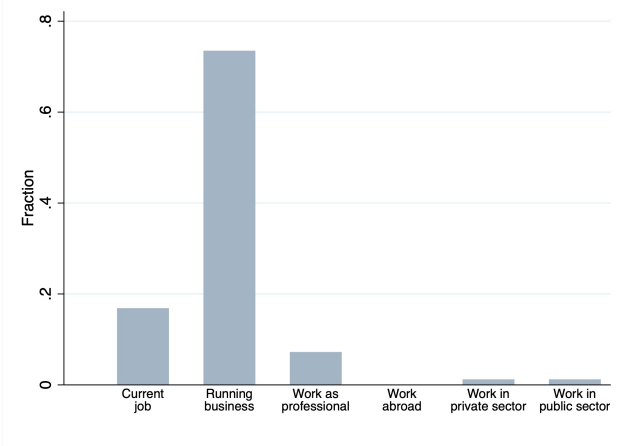
(c) Job Satisfaction, Senegal



(d) Ideal Job, Liberia



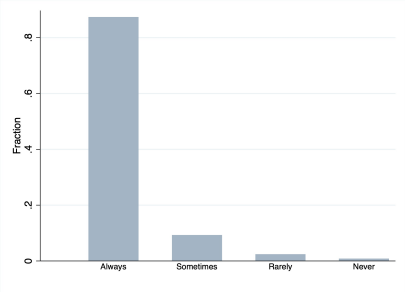
(e) Ideal Job, Niger



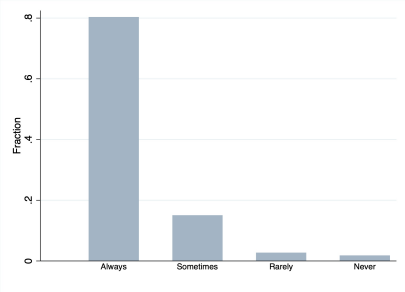
(f) Ideal Job, Senegal

Notes: The figure reproduces Panels (c) and (d) of Figure 1, but splits the panels by the countries in our sample.

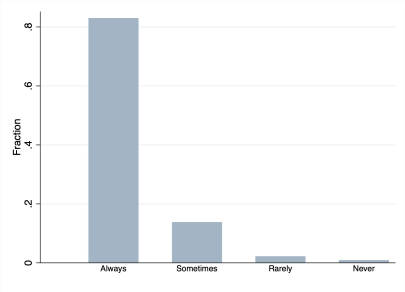
Figure A3: How often is it that...



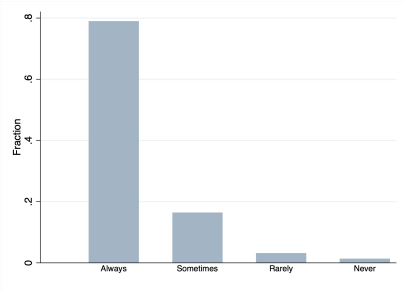
(a) running a business gives you more time flexibility than working for someone else? (HHE)



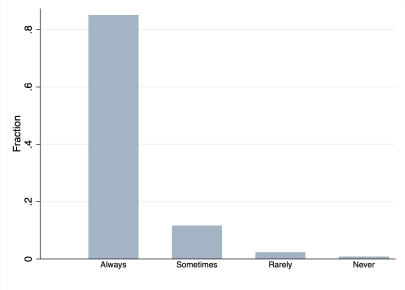
(b) running a business gives you more time flexibility than working for someone else? (Non-HHE)



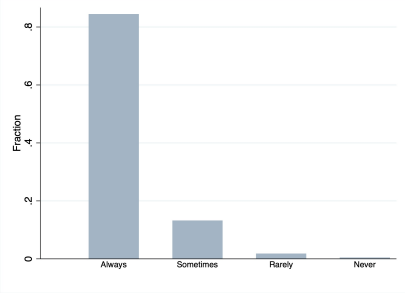
(c) you can make more money running a business than working for someone else? (HHE)



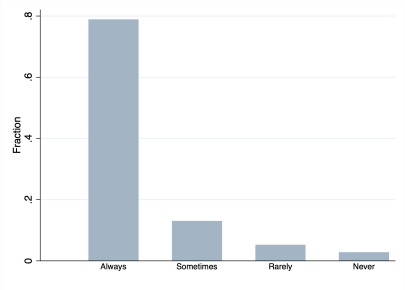
(d) you can make more money running a business than working for someone else? (Non-HHE)



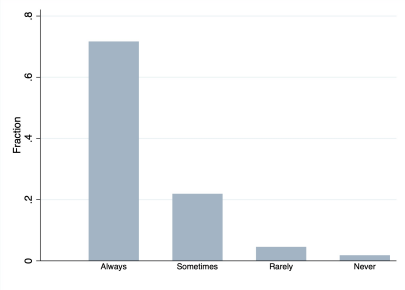
(e) the working conditions running a business are better than working for someone else? (HHE)



(f) the working conditions running a business are better than working for someone else? (Non-HHE)



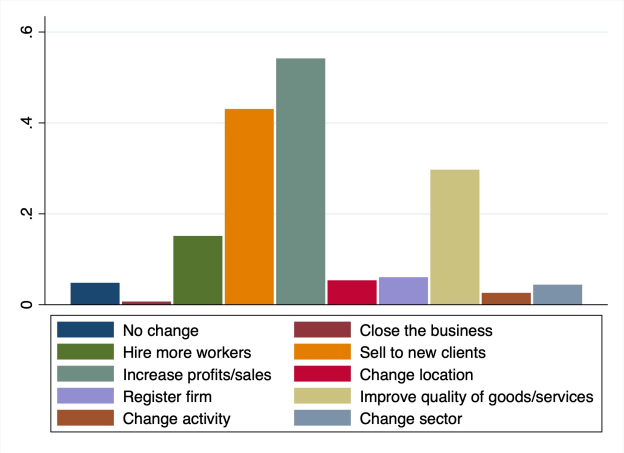
(g) running a business gives you time to address family responsibilities? (HHE)



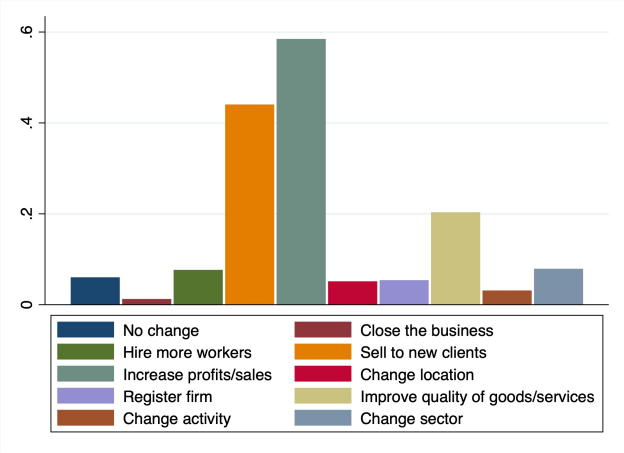
(h) running a business gives you time to address family responsibilities? (Non-HHE)

Notes: The figure displays the raw data to four variables, displayed in the for rows, related to individuals' job satisfaction for household enterprise owners (Panels (a), (c), (e), and (g)) and non-household enterprise owners (Panels (b), (d), (f), and (h)).

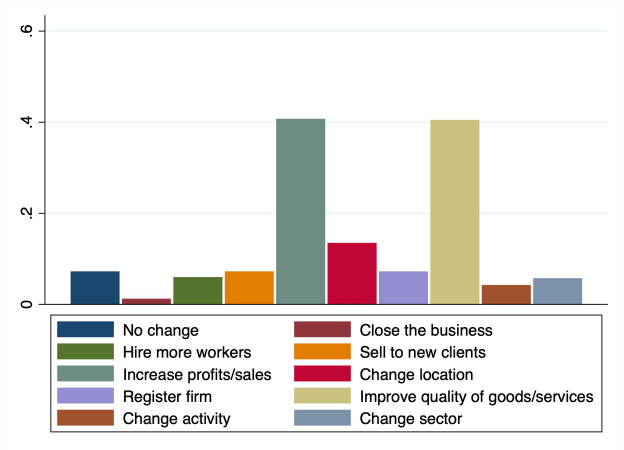
Figure A4: Aspirations by Gender and Country



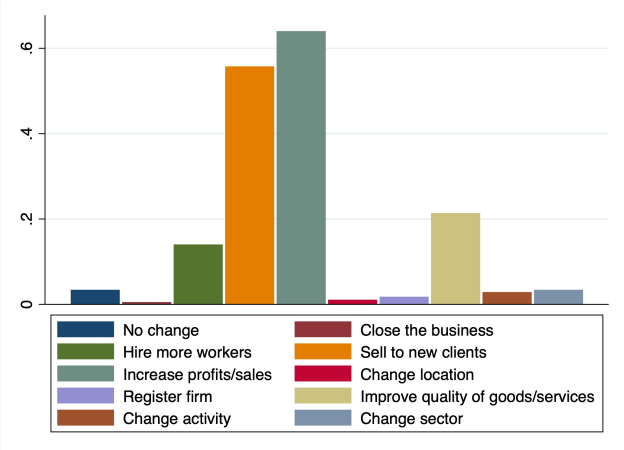
(a) Aspirations, Men



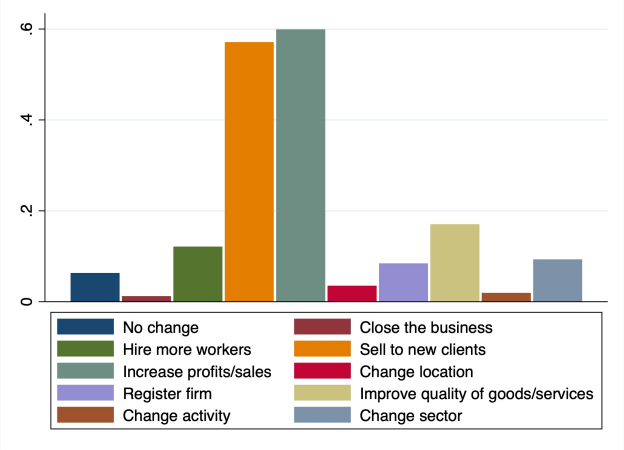
(b) Aspirations, Women



(c) Aspirations, Liberia



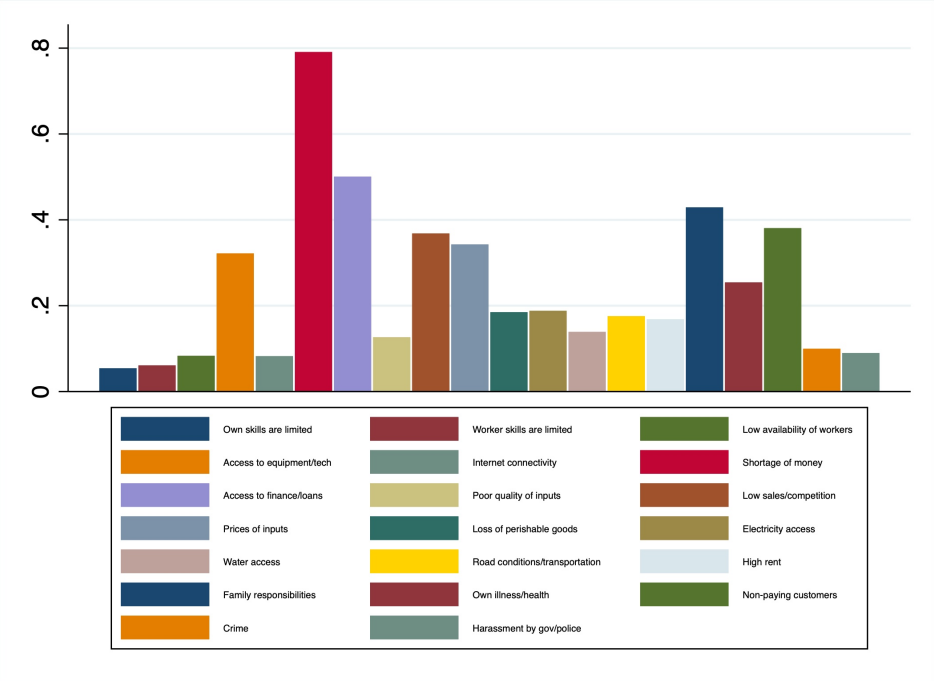
(d) Aspirations, Niger



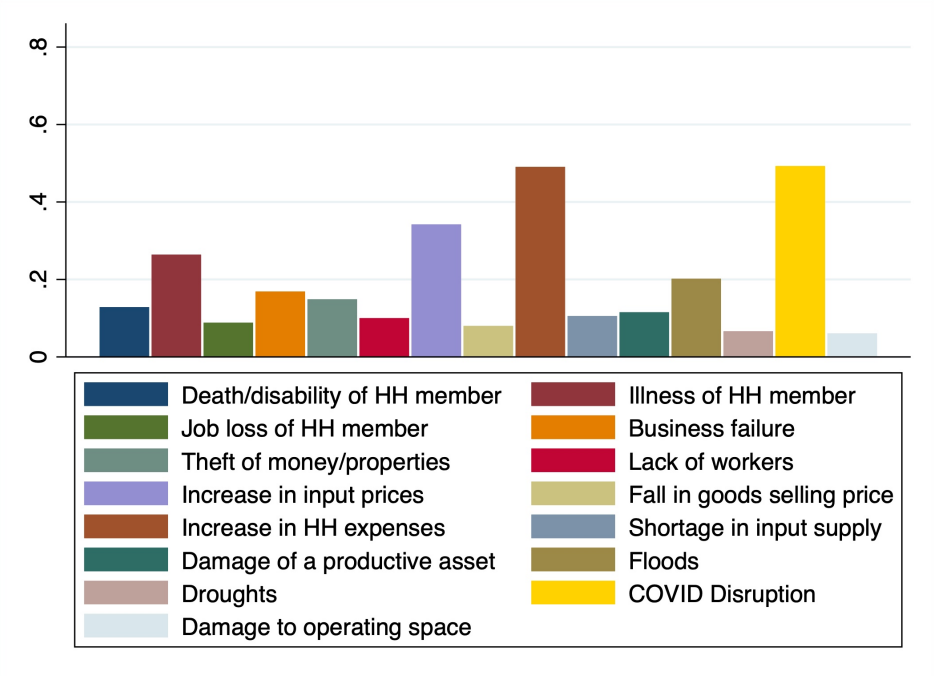
(e) Aspirations, Senegal

Notes: The figure reproduces Figure 4, but splits the panels by gender and the countries in our sample.

Figure A5: Constraints and Shocks Faced by Household Enterprise



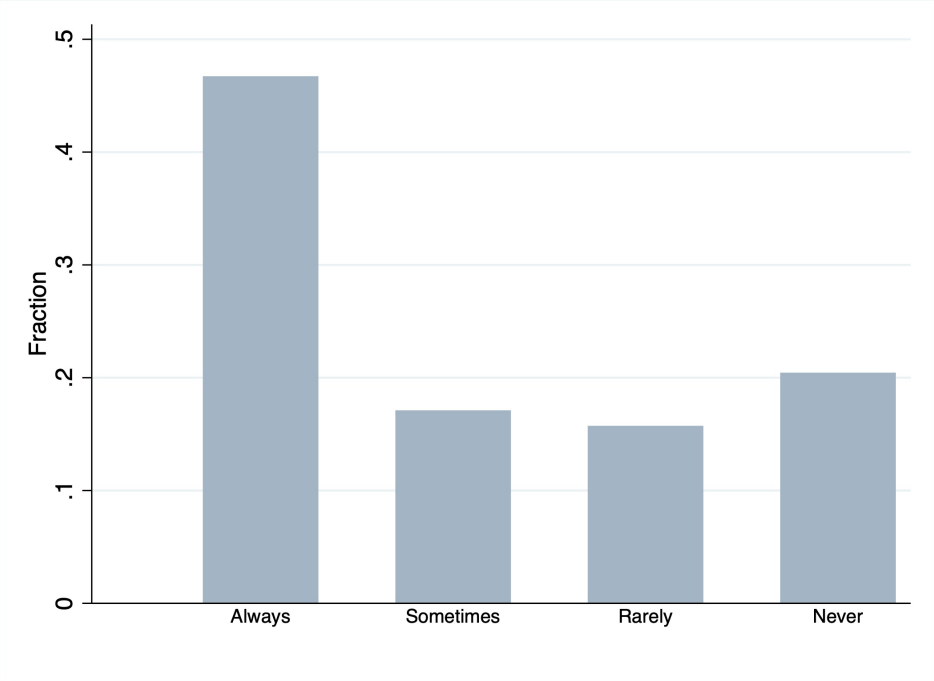
(a) Constraints Faced by Business Owner



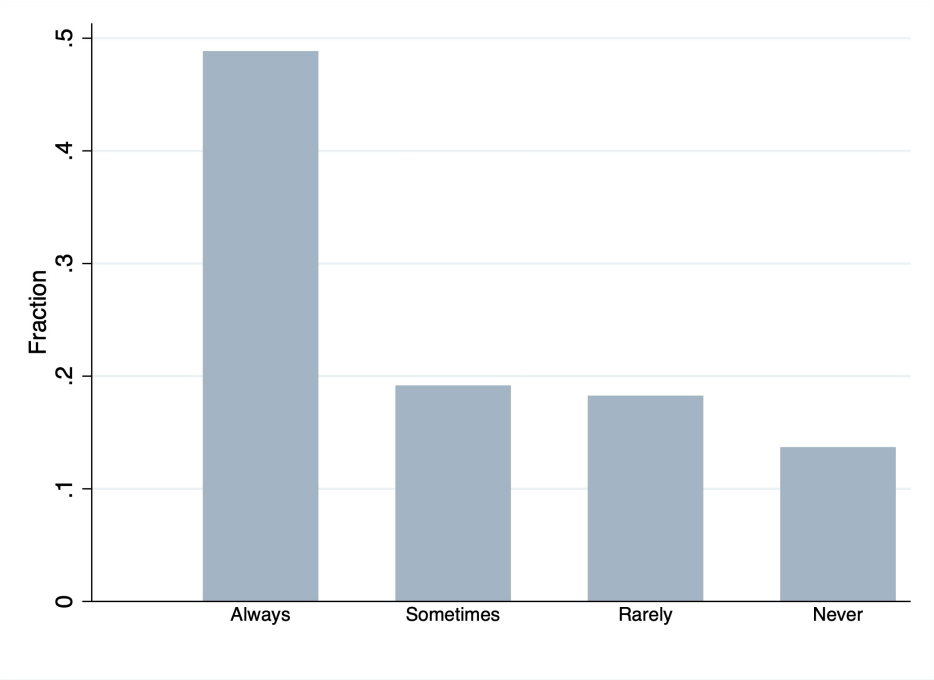
(b) Shocks Faced by Business Owner

Notes: The figure displays the reasons business owners stress as the main challenges facing their business (Panel (a)) as well as the types of shocks business owners were exposed to in the past 12 months.

Figure A6: How often is it that working for someone else offers more stability?



(a) Household Enterprise Owner



(b) Non-Household Enterprise Owner

Notes: The figure displays the raw data to a variable related to individuals' outside option.