This file explains the content of the replication folder for the paper: " Peer Effects in the Adoption of a Youth Employment Subsidy", accepted for publication in *The Review of Economics and Statistics.*

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Instructions for replication:

1. Save the folder "Replication Files" to your computer and copy its location.
2. Open the do file "Master_RESTAT.do" located under Replication Files > Do Files.
3. Paste the directory path in the global variable $directory accordingly (for example: global directory " Users/your.user/Downloads/Replication Files")
4. Execute the do-file "Master_RESTAT.do".

Folders:

- Replication Files > **Data**: This folder contains all the data needed for replication, including:
    - 'base WAGE IV companies.dta' to replicate tables 1, 2 and 4 for the coworkers network using the wage instrument.
    - 'base WAGE IV schools.dta' to replicate tables 1, 2 and 4 for the classmates network using the wage instrument
    - 'base AGE IV.dta' to replicate tables 1, 2 and 4 for the coworkers network using the age instrument.
    - 'table3A_strongties.dta' to replicate the long-term coworkers row in panel A of table 3 and using the wage instrument.
    - 'table3A_weakties.dta' to replicate the former coworkers row in panel A of table 3 and using the wage instrument.
    - 'table3B_strongties.dta' to replicate the long-term coworkers row in panel B of table 3 and using the age instrument.
    - 'table3B_weakties.dta' to replicate the former coworkers row in panel A of table 3 and using the wage instrument.
    - 'fig1.dta', 'fig3A.dta', 'fig3B.dta' and 'fig4.dta' to replicate Figures 1, 3, and 4. Figure 2 does not need data to be replicated.

- Replication Files > **Do-Files**: This folder contains the program that generate the tables and figures on the published version of the paper. The do-file 'Master_RESTAT.do' located under Replication Files > Do-Files lets you replicate directly all the results on the published version of the paper.

  In addition to the 'Master_RESTAT.do' file, there are 7 do-files for each Table and Figure of the paper, except Figure 2 that is generated in LaTeX:

    - Figure 1.do
    - Figure 3.do
    - Figure 4.do
    - Table 1-Baseline.do
    - Table 2-Robustness.do
    - Table 3-Ties.do

    - Table 4-Dynamics.do

- Replication Files > **Tables_Figures**: This folder store all the tables and figures in the paper once you run the 'Master_RESTAT.do' file. To generate Figure 2, run the file Figure2.tex in LaTeX located in this folder.

Dictionary:

Instrumental variable:
- z_lnet: share of type-1 coworkers inside the wage window, an instrumental variable for coworkers' take-up.
- z_snet: share of type-1 classmates inside the wage window, an instrumental variable for classmates' take-up.
- zlnet: share of type-1 peers coworkers inside the age window, an instrumental variable for coworkers' take-up.

Endogenous variable of first stage:
- l_net: share of type-1 coworkers with SEJ in 2009 and inside the wage window, an endogenous variable.
- s_net: share of type-1 classmates with SEJ in 2009 and inside the wage window, an endogenous variable.
- lnet: share of type-1 coworkers with SEJ in 2009 and inside the age window, and endogenous variable.

Dependent variables of second stage and reduced form:
- sej2010: a dummy indicating if type 2 had received SEJ by 2010 or not.
- sej2011: a dummy indicating if type 2 had received SEJ by 2011 or not.
- sej2012: a dummy indicating if type 2 had received SEJ by 2012 or not.

Other dependent variables:
- sej2009: a dummy indicating if an individual had received SEJ by 2009 or not.

Group identifiers:
- rut_emp_falso: a unique identifier of each employer (firm).
- rbd: a unique identifier of groups of classmates that studied together in eleventh and twelfth grades.
- cownet: a unique identifier of groups of coworkers that worked together in Sep 2008-Dec 2008.

Covariates:
- m_l_puntaje: mean vulnerability score (FPS) of type-1 coworkers.
- m_s_puntaje: mean vulnerability score (FPS) of type-1 classmates
- m_l_anos_educ: mean years of education of type-1 coworkers.
- m_s_anos_educ: mean years of education of type-1 classmates
- m_l_sexo: share of type-1 coworkers that are women.
- m_s_sexo: share of type-1 classmates that are women.
- m_l_lnw: mean wage of type-1 coworkers.
- m_l_edad: mean age of type 1 coworkers.
- m_s_edad: mean age of type 1 classmates.

- sexo: sex (1= women, 0= men).
- puntaje: vulnerability score (FPS).
- anos_educ: years of education.
- edad: age.
- edad2: age squared.
- w: wage
- lnw: ln(wage).

Other variables:
- h: window widths to generate Figures 3 and 4.

Software:

Stata version 16
Mac OS 10.15 Catalina.