



RESULTS SERIES

CAN PSYCHOLOGY-BASED BUSINESS TRAINING HELP FOSTER WOMEN'S EARNINGS IN DIFFERENT SECTORS?

THE CHALLENGE

In Africa, female entrepreneurs earn 30 percent less than men for a variety of reasons, including skill gaps.

THE INTERVENTION

Personal initiative (PI) training, which focuses on developing an entrepreneurial mindset, was offered to female entrepreneurs in Togo. It helped increase their profits by 40 percent.

RESULTS

- ✓ 35 World Bank projects across 24 countries have incorporated PI training in their designs to increase the profits of female entrepreneurs.
- ✓ Among these, a project in Mozambique successfully adapted the initiative to the agriculture sector.
- ✓ Female farmers that received PI training in Mozambique were more likely to engage in entrepreneurial activity beyond the farm. PI training also helped farmers increase the selling price and value of their harvest.

Scaling Togo's personal initiative training for female entrepreneurs to Mozambique's agricultural sector

Africa is the only region where women are more likely to be entrepreneurs than men; yet, on average, female-owned businesses in this region earn 30 percent less than male-owned businesses.¹ There are several factors that contribute to these differences: one important factor is a gap in business skills. While interventions tend to concentrate in improving female entrepreneurs' technical and managerial skills, there is growing evidence about gender gaps related to socio-emotional skills such as ambition, creativity, and innovation, which are correlated with successful entrepreneurship.

With the support of the [Umbrella Facility for Gender Equality](#) (UFGE), and in coordination with external academic partners, the [World Bank's Africa Gender Innovation Lab](#) (AFRIL) partnered with the task team of the World Bank's [Togo Private Sector Development Support Project](#) to implement and evaluate psychology-based training aimed at developing the growth mindsets of entrepreneurs. This personal initiative (PI) training focused on developing a self-starting, future-oriented, and persevering mindset among entrepreneurs. It encouraged participants to think creatively and innovatively about their businesses; anticipate and prepare for setbacks and new opportunities; and learn to see challenges as opportunities to be embraced and overcome.²

¹ World Bank. 2019. *Profiting from Parity: Unlocking the Potential of Women's Businesses in Africa*.

² "Personal Initiative Training," University of Lüneburg, accessed April 2022, <https://pi-training.org/>.

A randomized controlled trial (RCT) among 1500 microentrepreneurs showed that the PI training resulted in a 40 percent increase in profits for female entrepreneurs in Togo.³ Meanwhile, there was no significant impact on profits among female entrepreneurs who received traditional business training.

Following the success of this intervention, a total of 35 World Bank projects across 24 countries (including two regional projects), have incorporated elements of the PI training into their designs, as part of larger efforts to address barriers faced by female entrepreneurs. Among these, Mozambique's [Integrated Growth Poles Project](#) adapted this intervention to the agricultural sector and offered PI training to female farmers participating in an agricultural extension intervention.

A UFGE-funded impact evaluation conducted among 3,000 women in 150 rural communities showed that offering PI training to female farmers in Mozambique

fostered greater investment and entrepreneurship, helping to increase the income of female farmers and their households.⁴ PI training enhanced the effectiveness of a traditional agricultural extension program, incentivizing adoption of cash crops, input investment, and best farming practices that led to a greater overall value of the harvest sold. PI training also doubled the share of women running profitable off-farm businesses, generating important additional income for their households. Offering PI training to female farmers helped their households transition out of subsistence farming and into market-oriented agriculture and off-farm businesses.

The success of this intervention in Mozambique demonstrates the potential for PI training interventions to be replicated and adapted to different contexts and sectors, improving women's access to better jobs and increasing their earnings.

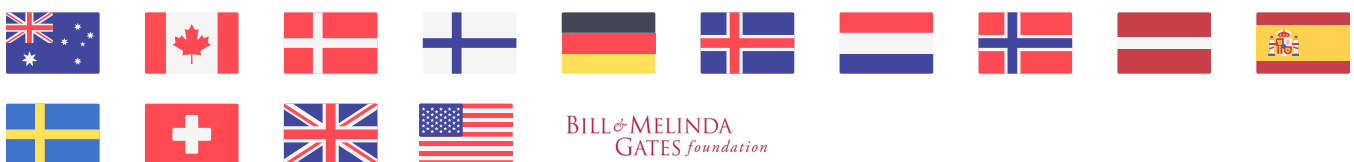
³ Follow-up surveys for the RCT were completed in 2016.

⁴ Communities were randomly allocated into three groups of 50 communities each. The first group received training on agronomy and basic business techniques; the second group received the same agronomy training plus PI training; the third group did not receive any training.



The Umbrella Facility for Gender Equality is a World Bank Group multidonor trust fund investing in knowledge, diagnostics, impact evaluations and data to help policy makers and practitioners close gender gaps in countries and sectors. Learn more on www.worldbank.org/gender/ufge

The Jobs Umbrella Multi-Donor Trust Fund (MDTF) supports the World Bank Group's (WBG) jobs strategy to contribute to poverty reduction and inclusive growth. Its high-level objectives are to support WBG client countries in designing high-impact jobs strategies, and to advance global knowledge on effective jobs policies, especially for vulnerable groups. Learn more at: <https://www.jobsanddevelopment.org/mdtf/>.



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