

*Our latest note highlights the results of an evaluation of the Get-Ahead business training program for female microenterprise owners, showing the potential for training to grow underdeveloped markets.*

### ***Business Training for Female Microenterprise Owners in Kenya grew their firms without harming their competitors***

*David McKenzie and Susana Puerto*

Business training is one of the most common support services offered by governments to small firms around the world. However, a number of evaluations of such training programs have struggled to identify impacts, and an additional concern has been that any growth of trained firms might come at the expense of their competitors.

In contrast, supporters of training programs argue that there might be positive benefits to other firms in the economy, if better business practices are like a technology that others can observe and copy, or if training encourages collective action. We designed an experiment to measure both the direct and spillover impacts of training.

#### **The Get-Ahead program**

The ILO's Gender and Enterprise Together (Get-Ahead) training program is a 5-day business training program for low-income female business owners. It has been used now in at least 21 countries, training over 400,000 women. It aims to teach both traditional business skills such as marketing and accounting, as well as helping women to overcome gender-specific barriers to business growth (such as dealing with gender attitudes and separating household and business tasks), and to network and work together.

Training cost approximately \$250 per woman trained, and was offered for free in our study. 77.7 percent of those offered training participated.

#### **Data and Study Design**

We work with a sample of 3,537 women working in 157 markets in four

counties of Kenya. The typical business owner was selling food products from a table in the market, was 36 years old, and was earning approximately \$13 per week.

We used a two-stage randomized experiment. First, we allocated markets to treatment (93 markets) or control (64 markets). Then within the treatment market we randomly selected 1,172 women to invite to training.

Comparing the women invited to training in the treatment markets to women in the control markets enables us to estimate the impact of training. Comparing the women in treatment markets who were not invited to training to women in the control markets enables measurement of any spillover impacts of operating in a market where others are trained.

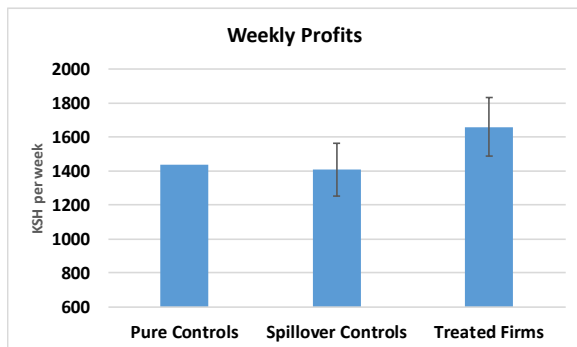
We conducted four rounds of follow-up surveys, two after one year, and two after three years, in order to measure impacts. We were able to interview 95 percent after one year, and 92 percent after three years.

#### **Results**

- After three years treated women are earning 15 percent higher profits (about \$2.60) than the pure control group, with no spillover impact on other women in their markets (see figure 1). They also are 3 percentage points more likely to have had their businesses survive, and have 13 percent higher weekly sales.
- This increase in business income is accompanied by improvements in mental health and subjective well-being.

**Do you have a project you want evaluated?** DECRG-FP researchers are always looking for opportunities to work with colleagues in the Bank and IFC. If you would like to ask our experts for advice or to collaborate on an evaluation, contact us care of the Impact editor, David McKenzie ([dmckenzie@worldbank.org](mailto:dmckenzie@worldbank.org))

**Figure 1. Profits Increase for the Treated with No Spillover Impact**



Notes: 95 percent confidence interval around means shows impact relative to pure control group.

- Examining impacts at the level of the market, rather than individual firm, shows that the treated markets have 17 percent more customers each week, and 14 percent higher sales. There is no change in the rate of new business entry into these markets.
- Treated firms have a 0.05 to 0.07 increase in the proportion of good business practices used.
- A main mechanism for this market growth appears to be that training led business owners to be more reliable in their opening hours, and to diversify the range of products they sell. Both factors make the market more attractive for customers, and allow overall sales to grow rather than just reallocating sales from one business to another.

*“I used to not care much about my business, I could open late, and sometimes the shop would remain closed if I don’t feel like opening. Now I know that it is important to put effort into my business” (Qualitative interview)*

- The treatment impacts are stronger after three years than after one year. Few firms receive finance, and training does not increase the use of credit. As a result, it seems firm owners had to slowly build their inventories by reinvesting profits over time.
- We also tried a mentoring intervention for half of those trained. This was more costly (\$553 per woman), and did not have a significantly different impact than training alone.

### Policy Implications

Many evaluations of business training programs have struggled to find significant impacts. A key reason has been that they have used relatively small samples with heterogeneous firms. This lack of statistical significance has been interpreted by some as evidence that training seldom works, rather than the correct interpretation of a lack of evidence of whether it works or not. The treatment impacts here are not larger than found in prior studies, but are much more precise, and show that training can have a positive impact.

The impact of \$2.60 per week is not transformative, but represents an important increase in income for poor women. Moreover, importantly this benefit to the women trained does not come at the expense of other women operating in their same markets. It appears the training passes a cost-benefit test, since gains would need to last 1.5 years to offset the costs, and we find higher profitability and sales are occurring three years after training took place.

The results also highlight the role of policy in building markets in developing countries, since many markets are full of poorly managed firms selling a limited variety of products.

For further reading see: David McKenzie and Susana Puerto (2017) “[Growing Markets through Business Training for Female Entrepreneurs: A Market-Level Randomized Experiment in Kenya.](#)” World Bank Policy Research Working Paper no. 7993.

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