

Unpacking the determinants of entrepreneurship development and economic empowerment for women^{*}

BASELINE REPORT

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OVERVIEW

This report summarizes baseline survey data from an impact evaluation in Kenya. The impact evaluation aims to measure the causal impact of the ILO's Get Ahead business training program on the profitability, growth and survival of female-owned businesses, and to evaluate whether any gains in profitability come at the expense of other business owners. To do so, the evaluation uses a randomized control trial (RCT) methodology with a two-level randomized experiment: randomized selection of villages, and of individuals within villages.

There are several purposes of this report. The first is to lay out clearly for the study team and for interested parties all of the details involved in selecting the study area and population for the study, as well as the details of the random assignment process used. Secondly, the report summarizes information from the baseline survey to give a picture of the types of women and enterprises involved in this study. Thirdly, the report also provides details of the training program to be evaluated, and information on take-up of this training program.

The study involves 3,538 women in 157 markets in 4 areas of Kenya. The average woman in our study is 36 years old and has almost 9 years of completed schooling. Two-thirds of the women are married. They work full-time in their businesses, with 77 percent of these businesses in the retail sector. The most common activity is selling fruit and vegetables, with other common business types selling household goods, dressmaking, selling grains and cereals, and operating a food kiosk or small restaurant. The businesses are small in size. Average weekly profits are US\$13, and only 12 percent have a non-family member employed in the firm. The impact evaluation will seek to measure whether participating in GET Ahead can result in an increase in the size of these businesses.

Details of the hypotheses to be tested, key outcomes to be measured, and estimation methodology can be found in a separate pre-analysis plan.

1. Selection of the Study Areas

The selection of the study areas was the result of a participatory process that involved the Technical Committee of the ILO Women Entrepreneurship and Economic Empowerment (WEDEE) project as well as other relevant stakeholders¹. A Stakeholder retreat in October 2012 was used to pre-select 10 counties from the 47 counties in Kenya as possible locations for the study. A more detailed review of these 10 counties and consultations with the stakeholders were then used to select 4 counties in which to provide the ILO Gender and Entrepreneurship Together (GET Ahead) training: Kakamega and Kisii in the Western region, and Embu and Kitui in the Eastern region. This choice was made based on a number of factors, including the desire for geographic variation and regional representation, some similarities in terms of socio-economic development, some cultural similarities in doing business, the fact that these counties had not previously been involved in ILO Women Entrepreneurship Development (WED) tools including the GET Ahead training, and had not benefited from major enterprise development programs and the presence of women's associations in these areas. These regions are largely rural, with the majority of the population below the poverty line in three out of the four counties:

- Kakamega county, 15.2% urban, 54.5% below the poverty line, population of 1.6 million.
- Kisii county, 21.5% urban, 54.2% below the poverty line, population 1.1 million.
- Kitui County is located in Eastern Kenya, 13.8% urban, 63.7% below the poverty line, population 1 million.
- Embu County is located in Eastern province, 16.1% urban, 36.6% below the poverty line, population 500,000².

¹ Department of Micro and Small Enterprise Development (DMSED) of Ministry of Labour, Ministry of Youth Affairs, Ministry of Cooperative Development and Marketing, Ministry of Youth, Federation of women entrepreneurs associations (FEWA), Women Enterprise Fund (WEF), Youth Employment Development Fund (YEDF), Business Development Service providers, Inoorero University.

² Sources: Kenya County Fact Sheets (data from 2009); www.opendata.co.ke

Figure 1: Map Showing locations of the selected study areas



2. Identification of Markets, the Market Census , and Selecting a Sample for Baseline

In each of the four counties, field staff from Innovations for Poverty Action, Kenya, mapped out all market centers deemed as medium or large outside of the main cities. Field staff then conducted a market census, applying a 31 question, 7 page listing questionnaire to each female-owned enterprise operating on a non-market day in these markets. This questionnaire took a median time of 15 minutes to complete, and collected data on business type, education, age, profits and sales, membership in women's associations or merry-go-rounds, and contact follow-up information. The listing operation took place one county at a time between June 3, 2013 and November 1, 2013. Altogether 6,296 businesses in 161 markets were listed, as detailed in the table below.

Summary of Market Listing

County	Listing Dates	Numbers Listed		Numbers Selected for Baseline	
		Individuals	Markets	Individuals	Markets
Kakamega	June 3-26, 2013	1454	34	918	31
Kisii	July 8-18, 2013	1562	34	977	34
Embu	August 14-20, 2013	1274	36	812	36
Kitui	Sept 26-Nov 3, 2013	2006	57	1330	57
Total		6296	161	4037	158

After the census, three markets in Kakamega county were dropped because the number of women in these markets was too few. We then applied an eligibility filter to determine which women to include in the baseline survey. This filter required the women to have reported profits, and not to have reported profits that exceeded sales; to have a phone number that could be used to invite them for training; to be 55 years or younger in age; to not be running a business that only dealt with phone cards or m-pesa, or that was a school; that the person responding not be an employee; that the business not have more than 3 employees; that the business have profits in the past week between 0 and 4000 KSH; that sales in the past week be less than or equal to 50,000 KSH; and that the individual had at least one year of schooling. These criteria were chosen to reduce the amount of heterogeneity in the sample (thereby increasing our ability to detect treatment effects), and to increase the odds of being able to contact and find individuals again.

Applying this eligibility filter reduced the 6,296 individuals to 4,037 individuals (64%). The table below details the number and percentage of firms eliminated for the census for each screening reason. The four most important reasons for being eliminated were having missing profits or reported profits exceeding sales; having profits exceeding 4000 KSH (US\$47) per week; being aged 56 or older; and having a missing telephone number.

Full Sample: Reasons for Being Eliminated from the Census Sample Before Baseline

	Number of Individuals	% of Census sample	% of census sample where this is only reason individual was dropped
Profits missing or Profits > Sales	743	11.8	8.1
Phone number missing	446	7.1	3.9
Aged 56 or older	473	7.5	3.5
Air tel/M-pesa store, or school	42	0.7	0.1
Respondent was employee	6	0.1	0.0
Business has more than 3 employees	69	1.1	0.5
Profits exceed 4000 KSH per week	606	9.6	7.1
Profits were zero or negative in last week	82	1.3	0.9
Sales exceed 50,000 KSH in last week	145	2.3	0.1
Owner has no schooling	315	5.0	1.7

3. Baseline Surveys

Baseline surveys took place soon after the listing surveys in each county, between June and November 2013 as detailed in the table below. Out of a target of 4,037 individuals, we were able to interview 3,538 (87.6%) in time to consider them for inviting to training. The main reasons individuals were not interviewed were that they were travelling away from their business, or some refusals.

Summary of Baseline Surveys				
County	Dates	Number of Individuals		Response
		Targeted	Interviewed	Rate (%)
Kakamega	June-July 2013	918	782	85.2
Kisii	July-August 2013	977	845	86.5
Embu	August-Sept 2013	812	715	88.1
Kitui	October-Nov 2013	1330	1196	89.9
Total		4037	3538	87.6

The baseline surveys took a median time of 90 minutes to complete, and consisted of a 30 page questionnaire asking detailed questions about the business owner, her family and business activities, and her characteristics. We present some summary statistics from this data later in this baseline report.

4. Randomization Process

After dropping one more market with too few individuals, we were left with a sample of 3,538 individuals in 157 markets who had satisfied the screening criteria and completed the baseline survey. These individuals were then assigned to treatment and control in a two-stage process.

First, **Markets** were assigned to treatment (have some individuals in them invited to training) or control (no one in the market would be invited to training) status. Randomization was done within 35 strata defined by geographical region (within county) and the number of women surveyed in the market. In Kakamega and Kisii the size strata were 26 or under, 27 to 30, 31+; in Embu the size strata were <20 or 20+, and in Kitui the size strata varied within smaller geographic clusters between the two cuts used elsewhere. The need to ensure sufficient numbers for training meant that more than half the markets were allocated to treatment, with 93 markets assigned to treatment and 64 to control (see table below).

Then within each market, **Individuals** were assigned to treatment (be invited to training) or control (not be invited to training) within treated markets by forming four strata, based on quartiles of weekly profits from the census (<=450, 451-800, 801-1500, 1501-4000), and then assigning half the individuals within each strata to training. When the number of individuals in the strata was odd, the odd unit was also randomly assigned to training. This resulted in 1173 of the 2161 individuals in treated markets being assigned to treatment, and 988 to control (see table below).

Summary of Random Assignment

County	Markets			Individuals		
	# of Strata	Treatment	Control	Treatment in Treated Market	Control in Treated Market	Control in Control Market
Kakamega	9	19	12	257	220	305
Kisii	9	20	14	275	237	333
Embu	6	20	16	231	189	295
Kitui	11	34	22	410	342	444
Total	35	93	64	1173	988	1377

5. Characteristics of Baseline Sample and Verification of Randomization

The table below provides some basic characteristics of firms at the market level for treatment and control markets. We see that randomization has succeeded in generating markets with comparable characteristics, with a test of joint orthogonality being unable to reject the null hypothesis that average characteristics of the markets are unrelated to treatment assignment.

The typical marketplace in our study has 22 firms surveyed in it, and the average firm earns 1100 KSH (US\$13) per week in profits, on sales of 4500 KSH. The typical market contains 75 percent of the study firms in retail, and 25 percent in services. The average market has 46 percent of the firms in it claiming to have a business license, and only 8.5% saying they have previously taken any form of training to help their business.

Verification of Randomization at the Market Level

<i>Means of</i>	Treated Markets	Control Markets	Test of Equality p-value
Number of individuals in baseline	23.2	21.5	0.163
Mean profits from census for baseline respondents	1133	1103	0.300
Mean sales from census for baseline respondents	4646	4307	0.056
Share of firms in retail	0.75	0.75	0.934
Share of firms in services	0.25	0.25	0.959
Share of firms registered with city council	0.47	0.45	0.368
Share of firms with any form of previous business training	0.09	0.08	0.481
Test of joint orthogonality			0.407
Number of markets	93	64	

The baseline data reveals that women are operating a rather limited variety of businesses. The most common business type is selling fruit and vegetables, which approximately one-third of firms do. The

next most common business types are selling household goods, dressmaking, selling grains and cereals, and operating a food kiosk or small restaurant.

Main types of Businesses

	Percentage of Firms
Fruit and Vegetables	32.2
Household goods	10.0
Dressmaking/tailoring	9.8
Grains and cereals	8.5
Food/restaurant	8.4
Beauty parlor	7.8

The pictures below give some sense of the types of inventories carried by these businesses:



The median business owner is 35 years old, and has completed 8 years of education, corresponding to the end of primary school. 27.3% have completed 12 years or more of schooling, while only 13 percent have completed 6 or fewer years of schooling. 66.9 percent are married, 13.3 percent are never

married, 8 percent are widowed, and 11 percent are divorced or separated. 90.2 percent have at least one child under the age of 18, and 47.0 percent have a child who is 5 and under. Median household size is 5 people.

98.4% of women report having started their business from scratch, with few having taken it over from another business owner or having inherited it. The median (mean) firm age is 4 years (6.4 years), with 27 percent of firms having started up in either 2012 or 2013.

71 percent of women have no one else work in the business. 6.5 percent have their spouse work in the business, 6.4 percent at least one child, and only 11.7 percent have a non-family member work in the business. Conditional on having a non-family member work, 71 percent have only one such worker, and 22 percent have two workers (recall the sample was screened to have 3 or fewer workers).

44.1 percent have a bank account, and 25.5 percent have ever had a bank or microfinance loan for their business. The median (mean) business has 2900 KSH (11592 KSH) of capital stock in the form of tools, equipment, furniture and vehicles - approximately US\$34 (US\$137) respectively. In addition they have a median of 4500 KSH (US\$53) and mean of 17540 KSH (US\$207) in inventories and raw materials. Total capital stock for the firms has a median of 10500 KSH (US\$124) and mean of 31483 KSH (US\$372).

The next table looks at the business practices used by firms at baseline. Few firms advertise their products, but most are well aware of the prices and products offered by the competition, and ask customers for feedback. They attempt to negotiate for better prices on inputs, but only one third have a record-keeping system that allows them to know how much stock is on hand. Only 32.7 percent keep business records, and only 21.6 percent use records to know which products are experiencing sales increases or decreases. Few firms engage in financial planning.

Baseline use of Key Business Practices

Practice	% firms using practice
<i>Marketing</i>	
Visited a competitor's businesses to see what prices they are charging	73.1
Visited a competitor's businesses to see what products they have available for sale	75.0
Asked existing customers whether there are any other products they would like sold/produced	81.8
Talked with a former customer to find out why they have stopped buying from your business	76.0
Asked a supplier about which products are selling well in your industry	67.1
In the last three months have used a special offer to attract customers	45.5
In the last six months, have you used any form of advertising	14.2
<i>Buying and Stock Control</i>	
In the last three months have attempted to negotiate with a supplier for a lower price on raw materials	88.5
In the last three months, have compared the prices or quality offered by alternative suppliers	84.1
Runs out of stock at least once a month	28.9
Has a record-keeping system which allows them to know how much stock is on hand	34.0

Costing and record-keeping

Keeps written business records	32.7
records every purchase and sale made by the business	23.7
Is able to use records to easily see how much cash the business has on hand at any point in time	22.7
Regularly uses records to know whether sales of a particular product are increasing or decreasing	21.6
Has worked out the cost of each main product they sell	73.6
Knows which goods they make the most profit per item in selling	97.4
Has a written budget which details monthly expenses	27.0
Has sufficient records to document monthly income flows to a bank	37.8

Financial planning

Reviews business financial performance at least 2-3 times a year	35.7
Has set a target for sales for the next year	56.1
Regularly compares performance to sales target	29.1
Has made a budget of likely costs for the next year	20.9

It therefore appears that firms have scope for improvement in business practices from training, particularly in the areas of record-keeping, target setting, financial planning, and advertising.

The next table compares means by treatment group of individual characteristics. We see that the groups are comparable in terms of the age, education, marital status, household size, and preference parameters of the business owners. There are chance imbalances between the two control groups in terms of having a child under 5, and between the control in control market and treatment group in terms of having a child under 18.

Verification of Randomization for Individual Characteristics

	Tests of Equality of Means					
	Control	Control	Treated			
	in	in	in			
	Control	Treated	Treated	(1)	(1)	(2)
	Market	Market	Market	vs	vs	vs
	(1)	(2)	(3)	(2)	(3)	(3)
<i>Individual Characteristics</i>						
Age	35.6	35.6	36.0	0.853	0.370	0.377
Years of schooling	9.09	8.91	8.92	0.515	0.569	0.897
Married	0.67	0.66	0.67	0.518	0.638	0.418
Has a child under 18	0.89	0.90	0.92	0.155	0.000	0.286
Has a child under 5	0.45	0.50	0.47	0.007	0.264	0.116
Household Size	4.85	4.85	4.97	0.499	0.262	0.169
High discount rate	0.52	0.51	0.52	0.770	0.484	0.712
Raven test score	6.82	6.94	6.90	0.388	0.436	0.776
Risk-seeking score	7.00	7.09	7.13	0.335	0.224	0.651

Digitspan recall	4.99	5.02	4.96	0.335	0.937	0.251
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Number of Individuals	1377	988	1173
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Notes: high discount rate indicates willingness to take 800 or less today instead of 1000 in one month

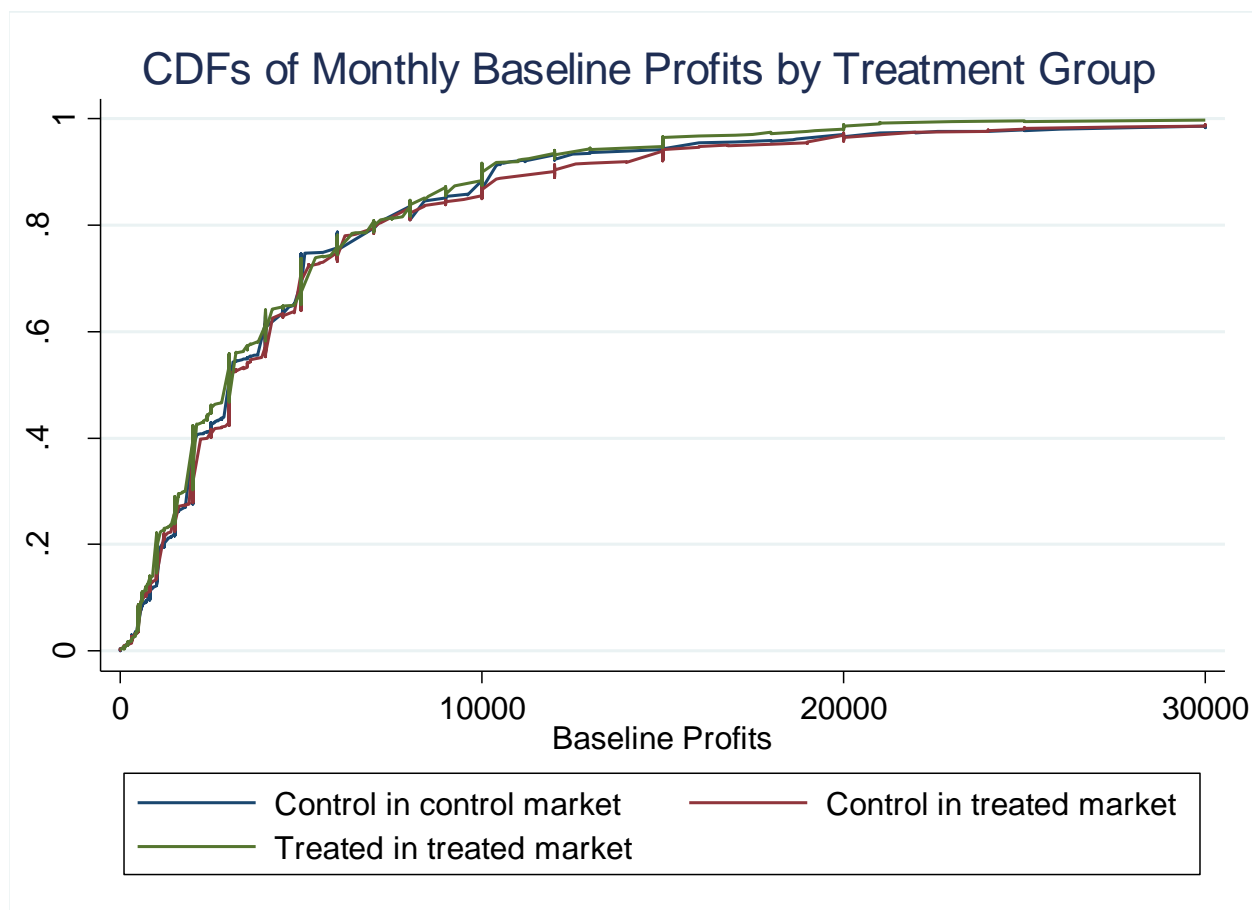
We next consider business characteristics. Unfortunately the non-response rate for monthly profits was 29.2 percent, despite all of these firms having reported weekly profits in the census; and was 13.0 percent for weekly sales in the baseline despite all firms having reported sales in the census. Weekly profits are balanced across groups in the census data, but are lower for the treated group than either control group for firms reporting profits in the baseline data. Feedback from the field survey team indicated that business owners had trouble reporting profits over a monthly frequency, and so follow-up surveys will revert to asking about the last week's profits. The data are well balanced in terms of other firm characteristics. We see that 44 percent of firm owners have a bank account, and 25 percent have ever had a loan for their business. Competition faced by the typical firm is high, with the mean firm saying they face 18 competitors in their marketplace, and the median 10 competitors.

Verification of Randomization for Business Characteristics

	Control in Control Market (1)	Control in Treated Market (2)	Treated in Treated Market (3)	Tests of Equality of Means		
				(1) vs (2)	(1) vs (3)	(2) vs (3)
<i>Business Characteristics</i>						
Age of firm (years)	6.27	6.57	6.39	0.403	0.741	0.643
Weekly profits (census)	1091	1140	1128	0.322	0.399	0.728
Monthly profits (baseline)	5120	5236	4489	0.752	0.001	0.017
Weekly sales (census)	4182	4859	4514	0.001	0.087	0.153
Weekly sales (baseline)	6862	7099	6100	0.920	0.044	0.078
Hours worked in last week	58.83	59.92	59.79	0.317	0.664	0.768
Has someone else work in business	0.29	0.28	0.30	0.633	0.612	0.240
Has spouse work in business	0.07	0.06	0.07	0.549	0.934	0.471
Has non-family member work in business	0.10	0.13	0.12	0.064	0.283	0.739
Capital stock excluding land& buildings	11938	11229	12577	0.566	0.754	0.387
Inventories & raw materials	17286	19297	16348	0.310	0.476	0.135
Keeps business records	0.32	0.32	0.34	0.761	0.497	0.293
Belongs to merry-go-round	0.75	0.74	0.79	0.603	0.042	0.009
Interested in ILO training	0.96	0.96	0.95	0.917	0.220	0.287
Has a bank account	0.44	0.44	0.44	0.833	0.746	0.939
Has ever had bank or microfinance loan	0.25	0.26	0.26	0.784	0.756	0.816

Number of competitors in marketplace	16.8	19.4	18.63	0.244	0.457	0.865
Total business practices score	12.1	12.3	12.20	0.409	0.560	0.680
Number of Individuals	1377	988	1173			

To further examine whether there is systematic imbalance in baseline profits by treatment group we examine the CDFs. The graph shows the profit distribution of the three groups are very similar to one another, crossing each other multiple times. This suggests the lack of baseline balance in means is not systematic throughout the profits distribution. The correlation between baseline and census profits (measured less than one month apart in many cases) is only 0.28, suggesting these measures are very noisy (spearman rank-order correlation is 0.408).



Women's Associations

The census questionnaire asked about membership of women's associations. The table below summarizes some details of the responses. 95% of the markets have at least one women in our sample who belongs to a women's association; and 125 out of the 157 (80%) have at least one women in our sample belonging to an association which is only for women. The typical women's association has 20 members, and the main services offered are loans, saving, and "welfare". 22.6% of members of

associations said that the association either provided some training or helped share business practices. The main conditions needed to be a member were typically to pay a registration fee (which varied widely, typically being from 200 to 2000 KSH), attending regular meetings, and in some cases, being a business women was needed. Further qualitative work suggests that many of the organizations that women name here are not actually formal women's associations, but instead may be microfinance groups or other organizations. Our follow-up survey will attempt to define these different types of groups more clearly.

Details of Women's Associations

	All Markets	Treatment Markets	Control Markets
At least one women in sample is member of a women's association			
Proportion of markets	0.949	0.957	0.938
Number of markets	149	89	60
Number of markets where someone gives contact name for association	147	89	58
Number of markets where someone gives contact phone for association	62	41	21
Number of markets where at least one association for women only	125	79	46
Proportion of women in market belonging to women's association	0.198	0.222	0.162
Median number of members in women's association	20	20	20

6. Invitations to Training and Training Invitation Sub-Experiment

Once individuals were selected for training, they were contacted by IPA field staff over the phone to offer training to them and explain the training location. A sub-experiment based on Keller et al. (2011)³ was used to test the impact of different choice structures in getting individuals to attend.

Treated Individuals were further randomly assigned to one of three treatment invitation types within market. Individuals received one of three types of invitations. All three invitations explained that the course was a 5 day workshop on business skills, and that the objective of this workshop is to “train you and build your capacity to operate your business or enable you to set up and operate a new business efficiently. This training typically costs 17,000 KSH to provide, and even though it is usually subsidized, most NGOs charge at least 2,000 KSH for it. We are pleased to offer it to you for free.” The three invitations just differed in terms of how they presented the choice:

- **Standard invitation (Opt-in):** please let me know if you will participate in the GET AHEAD training program
- **Active Choice:** Please let me know if
you will participate in the GET AHEAD training program
you will not participate in the GET AHEAD training program

³ Keller, Punam, Bari Harlam, George Loewenstein and Kevin Volpp (2011) “Enhanced active choice: A new method to motivate behavior change”, *Journal of Consumer Psychology* 21: 376-83.

- **Enhanced Active Choice:** Please let me know if you will participate in the GET AHEAD training program in order to learn new business skills that could help you grow your business and take advantage of free training valued at KSH 17,000.
- you will not participate in the GET AHEAD training program, and will turn down the opportunity to learn new skills for your business and choose not to receive KSH 17,000 of free training.

The table below shows the allocation of treated individuals to each invitation type. An analysis of the effect of the invitation type on take-up is presented in Section 8 below.

Training Invitation Type for Individuals Assigned to Treatment			
County	Standard	Active Choice	Enhanced Active Choice
Kakamega	85	87	85
Kisii	92	91	92
Embu	78	75	78
Kitui	138	134	138
Total	393	387	393

7. Training Content and Training Providers

7.1 Training Providers

Trainers were selected through a competitive process of recruitment based on the following criteria:

- Five years practicing in Business Development Service provision to Small and Micro Entrepreneurs (particularly in rural areas);
- Experience working with institutions supporting SMEs
- Experience in training SMEs, mentoring or business counseling
- Demonstrated commitment to women economic empowerment with knowledge on SME environment in Kenya
- Diploma and above education level

The trainers pool consisted of 32 new GET Ahead Trainers, and 5 previously trained trainers. All trainers had considerable experience in training SMEs. The selected trainers were offered a 5 day Get Ahead Training of Trainers (TOT), organized by the ILO WEDEE project, to become familiar with the training content and methodology. The TOT was delivered by 2 Kenyan Get Ahead master trainers, previously trained by the ILO.

The trainers then delivered the 5-day Get Ahead training in pairs (2 trainers). Pairs were formed according to the following criteria: training skills and experience; gender balance (1 man/1 woman as much as possible); knowledge of local languages. A total of 36 training workshops were organized in the 4 counties.

The trainers implemented the Get Ahead training workshops through five organizations:

1. Federation of Kenya Employers – FKE: This is the premier Employers’ organization in Kenya established under the trade unions act cap 233 to represent the collective interest of Kenyan employers. It is open to all private and public sector employers and reaches out to small and medium enterprises to facilitate their growth.
2. Micro and Small Enterprise Authority – MSEA: This is a government agency established in 2013 under the Ministry of Industrialization to facilitate the development of a vibrant micro and small enterprise sector capable of sustainably contributing to the economic growth and employment creation in Kenya. It is the former Department of Micro and Small Enterprise Development that was in the Ministry of Labor, and is the institutional partner of the ILO WEDEE project.
3. Kenya Industrial Estates – KIE: KIE is a parastatal institution which was established under the Ministry of Industrialization and has a nationwide network. The institution’s mandate is to promote small and medium industrial growth with focus on rural industrialization.
4. East Africa Network on Gender Development and Enterprise – EAGET: EAGET is an independent economic development agency which provides training and capacity development services for women enterprise development. Its mission is to advocate for an enabling environment for women enterprises and gender equality as well as provide business development services for growth of the enterprises.
5. Federation of Women Entrepreneur Associations – FEWA: The Federation of Women Entrepreneurs Associations (FEWA) is the apex body of women entrepreneurs, women investors, women business owners and their business associations working to ensure the realization of an enabling business environment for ALL women entrepreneurs.

Training took place in two to three locations per county. The locations were chosen to be relatively central to clusters of marketplaces, and were typically held in local hotels or church buildings. Participants were provided transport subsidies of approximately US\$6 per day to cover the costs of travelling from their residences to these locations. The median marketplace had a straight-line distance of 14.3 kilometers from the training location, with a 25-75 range of 8.2 to 23.2 kilometers.

7.2 Training Content

The training provided is the ILO’s Gender and Entrepreneurship Together – GET Ahead for Women in Enterprise program. This program “differs from conventional business training materials by highlighting essential entrepreneurial skills from a gender perspective, whether applied to starting or improving an individual, family or group business. It addresses the practical and strategic needs of low-income women in enterprise by strengthening their basic business and people management skills. It shows women how to develop their personal entrepreneurial traits and obtain support through groups, networks and institutions dealing with enterprise development” (Bauer et al, 2004).⁴ The program began in Thailand in 2001, and over the next decade was used in 18 countries around the developing world.⁵

An objective of the program is to create a “business mind” among low-income women engaged in small-scale businesses. The training methodology is participatory, with practical exercises to teach concepts.

⁴ Bauer, Susanne, Gerry Finnegan and Nelien Haspels (2004) *Gender and Entrepreneurship Together: GET Ahead for Women in Enterprise: Training Package and Resource Kit*, Bangkok, Berlin and Geneva, International Labour Office.

⁵ http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_159071.pdf

For example, women learn about the different types of costs involved in production, and how to account for their own costs through making lemonade; have role play exercises to practice different sales strategies for customers; and make necklaces to discuss a production process and the importance of different factors in product design.

Topics covered included several gender concepts that tend not be emphasized in general business training programs such as: the difference between sex and gender, and the role of cultural constraints in shaping women in business; dividing household and business tasks; and how to network with other women and the role of women's associations. In addition, it covers a number of topics more typical of standard programs such as recordkeeping and bookkeeping; separating business and household finances; marketing; financial concepts; costing and pricing; generating and fine-tuning new business ideas; setting smart objectives; and traits needed for business success. An appendix gives more detail and examples from one training session.

The workshop lasts 5 days. Based on the previous workshops, each workshop cost is KSH 566,415 equivalent to US\$ 6,663. Since a workshop caters for 20-30 women, the cost per woman trained is therefore between US\$222 and US\$333.

8. Analysis of Training Take-up

Training took place during the following dates:

- Kakamega: June 25-July 20, 2013
- Kisii: July 19-September 6, 2013
- Embu: September 16-October 11, 2013
- Kitui: October 28-November 29, 2013

Of the 1173 individuals assigned to training, 87.3% said they would attend when invited, and 911 (77.7%) attended at least one day of training. Of the individuals who attended at least one day, 94.6% attended all 5 days. 169 of those who did not attend were re-invited to a subsequent training session in their region, of which only 13 individuals attended.

A manuscript in progress describes the results of the choice structure experiment.

We examine the correlates of training via a probit regression of training attendance against individual and firm characteristics. We restrict this to the initial training decision, excluding reinvites which did not greatly increase those trained. 76.3 percent of individuals invited attended at least one day of training. We see that there is a strong association of attendance with age, with those aged above the median of 35 years being 35.3 percentage points more likely to attend than younger women. Conditional on age, being married has a negative association with attendance, but women from larger households are more likely to attend.

Owners who have previously participated in training are more likely to attend. We also asked whether they say they were interested in training in the census. 95.4% of the treated group said they were interested in training, and the attendance rate is 76.7% for those interested, versus 68.5% for those who said they weren't interested. This highlights that many of those who say they are not interested will still attend training if offered.

We consider several measures of the cost of training. Distance to the training venue measured in a straight line distance shows that individuals who live further away are less likely to attend training, with this significant at the 10 percent level. Another cost is the opportunity cost in terms of profits lost, and we find that individuals earning higher profits are less likely to attend training. This could also reflect them thinking they have less to learn, but we are controlling for business practices used. We also control for various measures of ability (raven and digitspan) and preferences (risk preferences and time inconsistency). The one surprising association is that more impatient individuals are more likely to attend. This variable has a much smaller coefficient (0.036) and is not statistically significant ($p=0.148$) when we enter that variable by itself in the probit regression, suggesting part of the effect is due to offsetting correlations with other variables. Taken together this table suggests that there is sizeable variation among women in our sample in their likelihood of attending in a way that corresponds to some of the costs and perceived benefits they face in attending training.

Table : Correlates of Training Attendance

Dependent Variable: Attended at least one day of Training

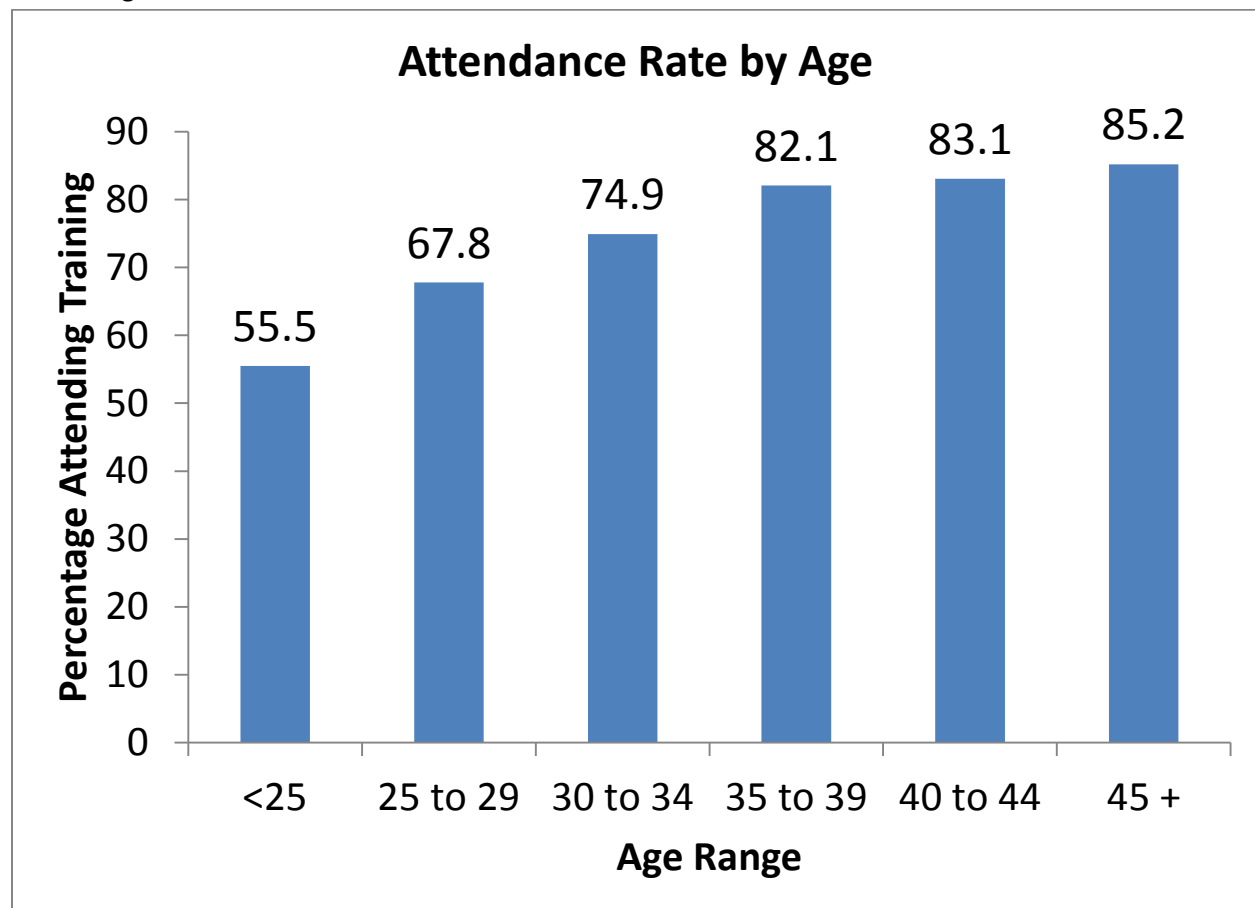
	(1)	(2)
Aged above 35	0.353*** (0.097)	0.368*** (0.097)
Years of Schooling	0.021 (0.017)	0.018 (0.017)
Married	-0.238** (0.102)	-0.226** (0.104)
Has a child	0.087 (0.177)	0.113 (0.179)
Has a child of 5 and under	-0.147 (0.096)	-0.142 (0.096)
Household Size	0.110*** (0.029)	0.107*** (0.030)
High discount rate	0.174** (0.089)	0.194** (0.090)
Hyperbolic discounter	0.010 (0.102)	0.022 (0.103)
Raven test score	0.016 (0.019)	0.020 (0.019)
Digitspan recall	0.005 (0.044)	-0.003 (0.045)
Owner has previously participated in business training	0.388** (0.182)	0.420** (0.182)
Sector is retail	0.178 (0.113)	0.200* (0.114)
Keeps business records	0.123 (0.113)	0.119 (0.113)
Has a non-family member employee	0.163 (0.143)	0.161 (0.143)
Weekly profits (in 1000s of KSH)	-0.111** (0.049)	-0.116** (0.049)
Capital stock (excluding land and buildings) (1000s of KSH)	0.001 (0.001)	0.001 (0.001)
Total business practices score	0.011 (0.010)	0.011 (0.010)
Distance to training above 10km	-0.159* (0.092)	-0.138 (0.096)
Region dummies	No	Yes
Sample Size	1101	1101

Notes:

Robust standard errors in parentheses. *, **, and *** indicate significance at the 10, 5 and 1 percent levels respectively.

Coefficients shown are marginal effects from a probit regression.

Exploring further the relationship between age and attendance, we see that attendance is monotonically increasing with age among the women in our sample: attendance is only 55.5 percent for the 9.4% of the treated group aged under 25, and increases up to 85.2 percent for the 20% of the treated aged 45 and over.



This difference by age is larger than by any of the other significant variables: attendance averages 76.9% for those with less than 8 years education versus 78.9% for those with 12+ years of education; 81.2% for those who live within 5km of the training location, vs 77.8% for those who live between 5 and 10km of the training location versus 74.9% for those who live outside 10km ; is 74.3% for those with initial business practices in the bottom quartile, versus 81.1% for those with initial business practices in the top quartile; and is 79.6% for those with profits in the bottom quartile vs 71.8% for those with profits in the top quartile.

One hypothesis for this difference in effect by age suggested by our field staff is that older women have greater decision-making power, whereas younger women still are much more dependent on their husbands or parents before making decisions. Qualitatively this comes through in that some of those who did not attend said that they needed to ask for permission from their spouse, and then said this permission was refused. To investigate this, we considered three measures of empowerment or lack of empowerment, and see whether they account for the strong age effect. These measures are:

- Whether or not they said permission from a spouse, boyfriend or parent was needed in order for them to start their business (55% say it was)
- Whether they say they have some money which they can spend on whatever they like, without consulting anyone (89%) say yes.
- The first principal component of 6 questions asking whether they need permission to do things like visit a friend (21% do), sell a business asset (14% do), travel to a new location for work (32% do), stay overnight in a different town (50% do), work later than usual hours (19% do), and spend money on an investment in their business (10% do).

None of these variables was able to explain away the age effect. Our qualitative analysis will delve deeper into this issue.

APPENDIX: DETAILED SUMMARY OF A TRAINING SESSION

GET Ahead Training-Kitui, at Multi-Purpose Training Hall

Monday, 28 October 2013

Introduction

The trainers began by introducing everyone in the room followed by the training objectives and aims of the GET Ahead training.

Objectives

To introduce the aims, content, and structure of the training programme. The aim of the training is to improve the businesses, or to enable women focus on more suitable businesses. The training will help the members in the shift from a welfare to a business orientation. Gender equality is emphasized- what a man can do, a woman can do even better.

Together with the participants, the trainer set the rules and expectations of the workshop.

Exercise

Matching expectations and contribution

Objectives

To explore and clarify the expectations and contributions of the participants

To ensure the training programme matches the needs of the participants

Exercise

Gender equality and promotion

Objectives

To familiarize the participants with the difference between gender and sex

To understand that gender roles can be changed if people want to

To create a conducive training environment

Sex: Biological difference between men and women that are universal

Gender: Social difference and relations between sexes that are learned, change overtime, have wide variations within a society or between societies.

Gender equality: is the promotion of equality rights, responsibilities, between men and women

Factors to consider when starting a business

1. Gender
2. Entrepreneurial competencies
3. Business ideas or opportunities
4. Business skills
5. Others

Basis on Gender & Entrepreneurship:

Activity: The class split into 2 groups: Group 1 drew a woman, and group 2 drew a man. The two pictures had physical/biological distinguishing features of a man/woman. The different features included

Man: beard, broad shoulders, more muscle, penis

Woman: Broad hips, breasts, vagina, etc.

Other differentiating aspects are social roles, e.g. women taking care of children at home, keeping long hair,



Stages of a human being:

1. Birth and nurturing
2. First steps and growing up as a child

3. Education and reaching out as a teenage youth
4. Choice of direction as a young adult
5. Adulthood
6. Middle age
7. Retirement
8. Death and rebirth

Life cycle of people and enterprises

Objectives

To understand the rationale for increasing gender equality and enterprise development

To become aware of opportunities and constraints for women entrepreneurs

Stages of a business

1. Thinking about the business idea
2. Planning and preparation
3. Launch and start up
4. Early growth
5. Development and expansion

Afternoon session

The business woman, she can do it.

Discovering the top 10 traits

Activity: Manufacturing (stringing beads to make a necklace)

The workshop broke into 5 groups (Mali, Upendo, Mwangaza, Bidii and Amani). They were given written and elaborated specifications of making a necklace. There was a sample provided for all to refer to.

Task:

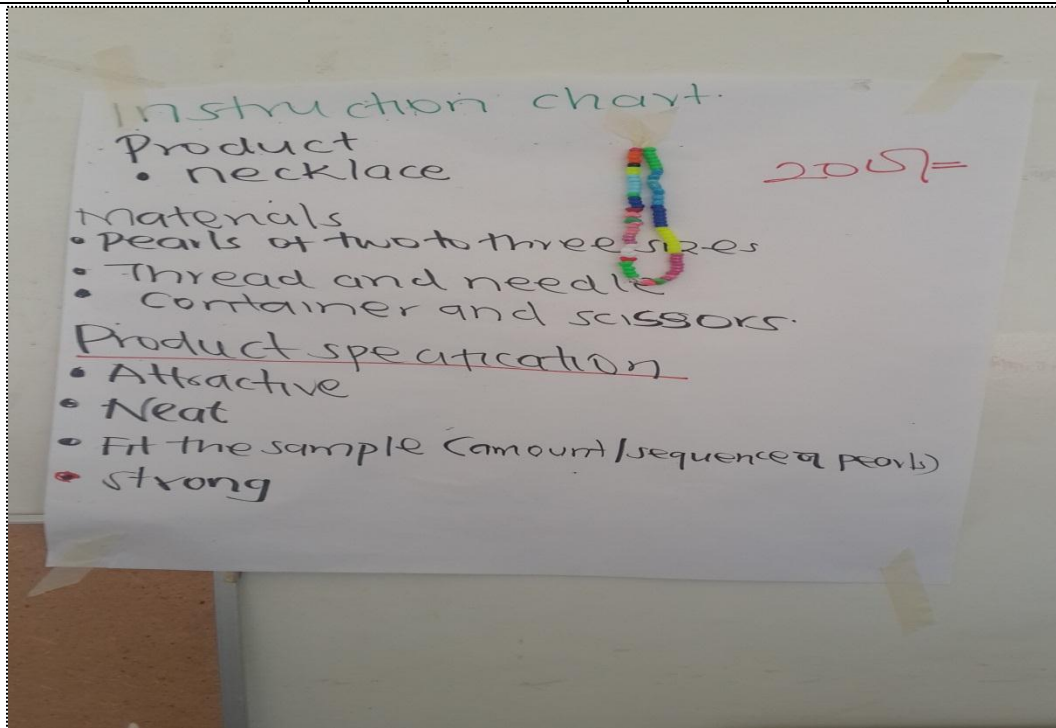
1. Product name: Necklace
2. Materials: Beads of two or more sizes
3. Thread and needle
4. Container and scissors

Product specification:

1. Attractive
2. Neat
3. Fit the sample (amount and sequence of beads)

4. Strong

Name of Business	No. of Commitments	No. of actual production	No. of products accepted
Mali	2100	√	√
Upendo	50	√	√
Mwangaza	150	X	X
Bidii	3000	√	√
Amani	4000	X	X



Three out of five groups succeeded in making the product using the correct specifications.

Business woman and her environment

The business woman, (she can do it)

Objectives

Enable participants to get clarity about the ideas for the future in business and otherwise

Identify obstacles to their goals and to find ways to surmount them for later application in real business life

Exercise

Identify the top 10- traits for business success also known as personal entrepreneurial characteristics that high light personal strengths and weaknesses

1. Opportunity seeking
2. Persistence
3. Commitment to work
4. Demand for quality and efficiency
5. Risk taking
6. Goal setting
7. Systematic planning and monitoring
8. Information seeking
9. Persuasion and networking
10. Self confidence

SMART self-assessment

Objectives

To enable participants to set goals for the future, the business project, business ideas, opportunities and challenges

To experience and understand the difficulties in setting and achieving goals

Stimulate creativity and generate business ideas as well as solutions to entrepreneurial problems

Participants become familiar with selection criteria, which enables them to take decisions about their future business.

Even for existing entrepreneurs, the exercises in this module reveals the importance & usefulness of searching for new ways at all stages of forming & improving ones business for existing entrepreneurs

All objectives must be (SMART) **S**pecific, **M**easurable, **A**chievable **R**ealistic, and **T**ime-bound.

Objectives

This marked the end of day one

DAY 2

The business Environment: She is not alone

Exercise: Business Building

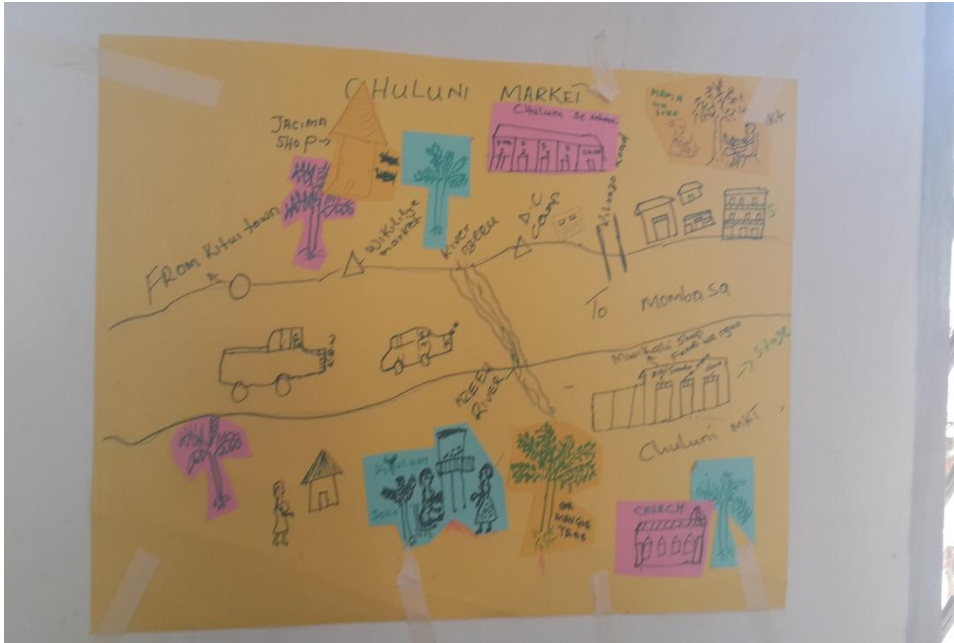
Exercise: Sting Ball networking

Each woman/participants shared about how they started their business and their business experience in general. This demonstrated the support and reliance they get from others who have made it possible for them to be where they are.



Business Mapping and Mobility

The entrepreneurs were called upon to show how they would locate their businesses keeping in mind what would be key in the location of their businesses. A brainstorming session of the strong points and weak points for each business location followed. A few of the model locations are shown in the pictures below



Business ideas, Opportunities and Challenges

Objectives

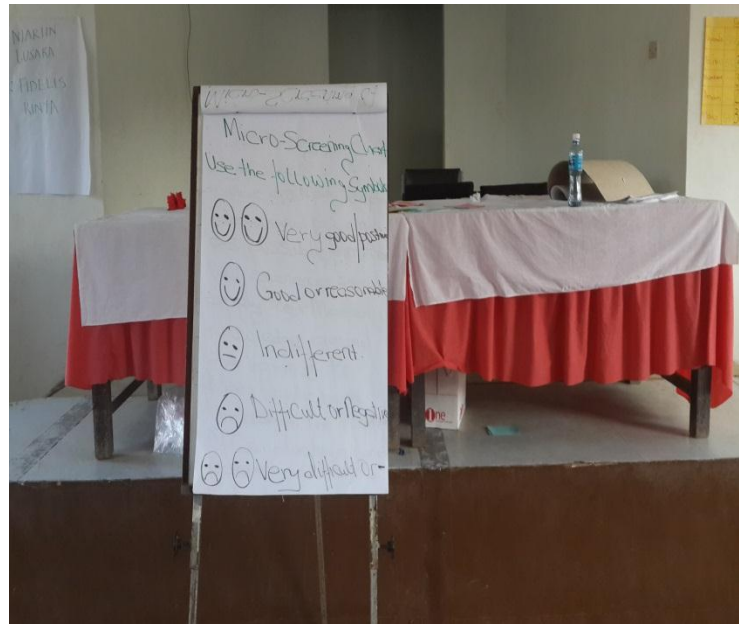
Understand how to stimulate creativity in generating business ideas

Brainstorming in developing business ideas

To select 1-3 business ideas for micro screening

To fine-tune and select business ideas

To introduce the market as a concept



Micro screening chart: The symbols displayed were used to rate satisfaction levels:

Selection criteria for a business idea

Objectives

Explore as many marketing ideas & problems as possible from their own experiences, and to apply their marketing knowledge around the various ps.

Make participants understand the importance of conducting a market research and how to transfer this knowledge to their own Businesses planning process

Introduction to marketing objectives

To familiarize participants with the concept of the market and the importance of marketing

To introduce the marketing concepts & terms that will be used later throughout the business planning

Marketing the mix board game

Objectives

To explore as many marketing ideas and problems as possible

To increase marketing knowledge by using the 5 ps

There was a marketing mix board game

Business idea

The participants were asked to brainstorm and mention different business ideas they may wish to undertake. Some of those mentioned were: Radio sales, Egg sales, Poultry/chicken rearing, Goat sales, Windows and doors welding, Beverages/juices, Dairy rearing, Mali mali (assortment of goods selling), Spare parts/accessories, Body massage, Carwash, Mechanic, Cereals, Mpesa, Motorbike bodaboda, Cosmetics/ boutique, Fruits, Potatoes, Tomatoes, Motorbike sales, TV sales, Hardware, Second hand items, Electrical accessories, Paraffin/soap making.

How to sell with success:

Objectives

To understand that the way to sell things can make or break your business

To identify successful ways of selling your product/service

There was a role play for “selling with success”. Two business women displayed how one sold with success and the other did not have enough time for the customers and kept losing them.

Important things that were observed and that must be kept in mind were:

- Customer care
- Display/arrangement
- Pricing
- Neatness

The 5 ps are: **P**roduct, **P**rice, **P**romotion, **P**lace, and **P**erson

This marked the end of day 2

DAY 3

Day 3 begun on a high note with a recap of day 2, with an energizer of the ball going round the circle. Each participant mentioned what they recalled from the previous day.



Production, Services and Technology

The first activity of the day was to make lemonade

TOOLS AND EQUIPMENT			RAW MATERIALS LIST			LABOUR TIME LIST		
ITEM	QUANT ITY	REMARK S	ITEMS	QUANTIT Y	REMARK S	ITEMS	QUANTITY	REMARKS
Basin	1	Used	Lemon s	7	All used	Washing of hands and fruits	2 minutes	Time managed well
Plates	2	Used	Sugar	1kg	Used 7 spoons	Cutting of lemon and squeezing	7 Minutes	Okay
Knife	1	Used	Water	2 lts	1.5 lts used	Mixing lemon juice and water andsieving	1 min	Okay
Spoon	2	Used				Addition of sugar and stir	3 mins	Okay
Jug	2	Used				Preparation for serving	1 min	Okay
Cups/Tumblers	4	Used				Selling		
Juice extractor	1	Used						

The same was done for washing hair and blow drying a client

What would one do with money? The below reasons (some were mentioned severally) were brought out by participants and were put into two categories:

THE PRIVATE/FAMILY PURSE	BUSINESS PURSE
To buy food	To buy stock for business
To feed my family and my needs	To purchase goods
To buy things and clothes	To increase stock
Household things	
To pay hospital bills	
To pay rent	
Pay school fees	

The participants were challenged to say how they keep their business money and records

Some keep records in their heads, some keep on paper/books. For money, some keep in their houses, some in banks

It is important to separate personal and business money for the following reasons:

- To know the profit/loss being made by the business
- Costing and pricing

Business women were encouraged to also factor in their time as a cost to the business

There are three types of costs: Variable, fixed and startup costs.

Variable costs are those incurred and may change depending on consumption e.g. bills, wages, raw materials and stock

Fixed costs never change e.g. salaries, rent,

Startup costs: only happen one time and need not happen again: e.g. opening a bank account, business registration.

Success

1. Added value though doing things together
2. Strong coordination and good leadership to ensure cooperation
3. There is a sufficient number of people with a shared interest
4. Matching adequate resources that fit the capacity and interest of members
5. Balance between the development of individual interest and group agreement

Risks

1. Lack of coordination and commitment among members
2. Insufficient capacity due to poor communication
3. Inadequate selection and vetting of members
4. Labour intensive follow up required to manage and sustain the group
5. Tendency to create a small exclusive group within a wider network that often dominate the decisions

Mini Market Study

Objectives

To learn/explore the market in a systematic way through interviews with business women and their customers and through observation of business

Key Questions

Why: What do you need to know (purpose)

What: What will be studied; market, customers, channels of distribution/selling

Who: Which people do you need to contact, potential customers, competitors

How: Who will do the research? You/somebody else?

Where: Which place how does it look like?

Tips for better interviews

Ask the person if he/she has time for the interview

Briefly introduce yourself and the aim of the interview

Start with some friendly and easy questions

Ask open questions, avoid closed questions

Ask questions that are important to reach your aim

Speak clearly in a language that can be understood

Keep track of a logical sequence

Thank the respondent at the end of the interview

Advantages

1. Business support and networking
2. Opportunities from networking
3. Enjoy economies of scale
4. Improve lifestyle
5. Broaden the thinking capacity
6. Strengthen the weak in the group

Disadvantages

1. Conflicts among members
2. Disobedience among group members
3. Default cases
4. Lack of respect among members/officials
5. Some people lack coordination and good conduct

Strengths

1. Set rules and regulations
2. Start a joint project/business
3. Mandatory savings
4. Merry-go-round
5. Hardworking
6. Common goal
7. Group information should be kept a secret

Group one-Grocery

Group two-Grocery

Group three-Fruit parlour

This marked the end of day 3

DAY 4

FINANCE

Objectives

Introduce key financial management concepts, terms and tools with a view to enable women with little education to manage their money.

Enable women entrepreneurs know what the costs are, they will be able to apply this knowledge and set prices accordingly

Provide basic financial tools to enable them to develop a financial sound business and seek financial services with local intermediaries and banks

Managing your money

Objectives

To understand the importance of managing your money and keeping financial records

Costing and pricing

Objectives

To understand how to calculate the cost of a product or service

To know how to set prices

Product	Monthly production		
Raw material	Purchasing unit	Purchasing price	Cost

Book keeping tools

Objectives

To become aware of the importance of record keeping for managing a business successfully

To learn about basic financial records and calculation tools for a business

Labour, raw material tools and equipment

- Rent
- License
- Transport
- Security
- Water
- Electricity
- Salaries-employees

- Wages

Start up costs

- Registration, account opening

Fixed costs

- Rent
- License
- Salary
- Electricity
- Water

Variable costs

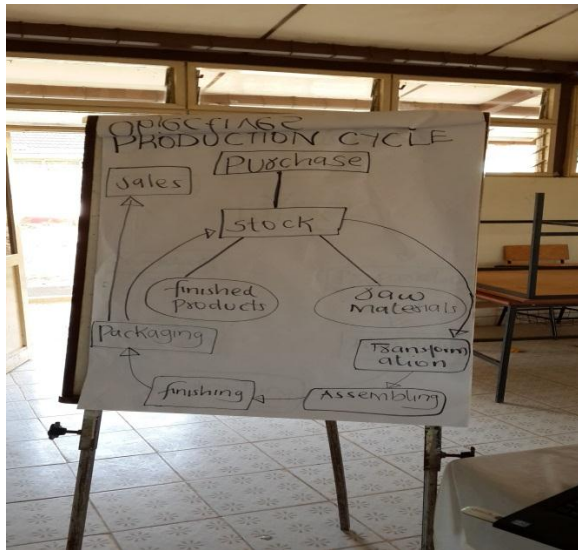
- Stock
- Raw materials
- Wages
- Electricity and water
- Transport

PRODUCTION SERVICES AND TECHNOLOGY

Objectives

To identify and learn how to manage the key inputs in the production of a good or service

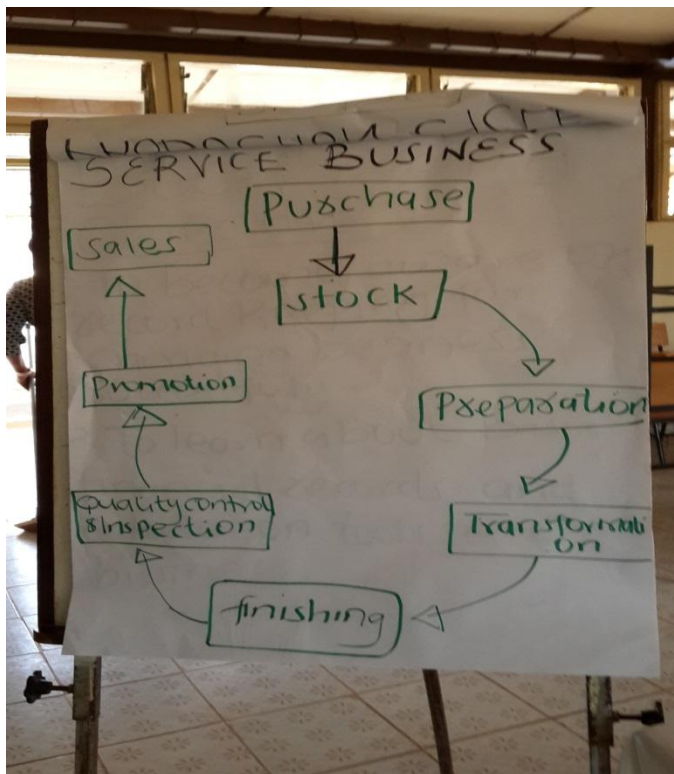
To understand the different steps in a production cycle



The SCAMPER Model

Objective

To stimulate creativity for product innovation by using the SCAMPER Model.



Book keeping

Objectives

To become aware of record keeping for managing business successfully

To learn about basic financial records and calculation tools for a business

Management of self and others

Objectives

Increase the awareness and self-confidence of women entrepreneurs to act as managers and leaders in the enterprise

Enable women entrepreneurs make best use of the resources, skills and motivation of themselves and others in their businesses

Management of self and team work

Objectives

To help women entrepreneurs become self-confident in managing their enterprises

To help participants make an informed choice about their leadership styles

Selection criteria

1. Height-the taller the tower, the better
2. Strength- the stronger the tower the better
3. Creativity- how creative is the final product



The family

Business sharing work decision making and income
objective

To understand the importance of deciding how to divide and share work, decision making and income in a family business setting.

ANSWER CHART

TASK	DUTIES AND RESPONSIBILITIES	SKILLS	WHO DOES WHAT
Overall management	B/s planning, operations, personnel	Planning, organizing, networking	Tito
Record keeping	Keeping records, accounts, products salaries, customers	Honest, careful, tidy	Grace
Marketing and sales promotion	Research, setting prices	Good relations, dynamic, communication	Grace
Production and service	Quality of the product	Hardworking, smart	Tito-the technician Kindle-sound b/s mind Poler-golden hands

			Grace-smart girl
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Institutions and services for women entrepreneurs

The training was visited by someone from the WEF-Kitui Branch. He gave an outline of the services they offer at WEF and encouraged the participants to visit and make use of the facilities they offer. He especially gave details of:

- Loans- the amount they give from the beginning and subsequent times
- Repayment
- Interest rates
- Duration

This marked the end of day 4

DAY 5

The last and final day was a happy one. Action planning, exit forms and closing ceremony made the order of the day.

