



International
Labour
Organization



Women's
Entrepreneurship
Development

EFFECTIVENESS OF ENTREPRENEURSHIP DEVELOPMENT INTERVENTIONS FOR WOMEN ENTREPRENEURS: AN ILO-WED ISSUE BRIEF¹

Key Findings at a Glance

- ▮ There is little rigorous evidence that either access to finance alone, particularly in small amounts, or business training alone leads to sustained business growth among women's microenterprises.
- ▮ Interventions that combine finance (especially grants) and business training, although more costly, seem to be more effective in supporting women's business start-up than either finance or business training alone.
- ▮ There is early evidence that business training combined with follow-up technical assistance, and business grants together with business training, albeit more expensive, may be effective in supporting the business growth of existing female entrepreneurs.
- ▮ Overall, there is more rigorous evidence that entrepreneurship programs have been effective in stimulating the creation of women's new microenterprises than in supporting the growth of women's existing businesses, although this is likely due in part to methodological limitations of evaluation designs.
- ▮ To effectively support the business success of women entrepreneurs at the microenterprise level, WED interventions should address more barriers to women's entrepreneurship beyond limited access to finance and business skills.

¹ - This issue brief was prepared by Ms. Payal Patel, a gender and development consultant and researcher specialized in women's economic empowerment, and monitoring and evaluation. We also wish to acknowledge and thank the following experts for their invaluable inputs as peer reviewers: David McKenzie, Nathan Fiala, Julie Weeks and Silvia Paruzzolo. A final appreciation goes to Joni Simpson and Virginia Rose-Losada from the ILO-WED programme in the Small and Medium Enterprises Unit in Geneva, for their inputs and coordination.

Introduction

Women-owned enterprises make substantial contributions to economic growth, and their number is increasing at a faster pace than men's businesses (Niethammer 2013). Around the developing world, women own approximately 8 to 10 million small and medium enterprises (SMEs), which account for 31 to 38 percent of all SMEs in emerging markets (IFC and GPFI 2011). Overall, entrepreneurship represents a large proportion of women's paid work in many countries, and is thus a critical avenue through which to support women's economic empowerment (de Mel et al. 2012). Women's entrepreneurship holds strong potential for spurring economic opportunity and job creation in developing countries. In addition, growing evidence suggests that economically empowering women may reap substantial benefits for the health and wellbeing of families and communities (World Bank 2011).

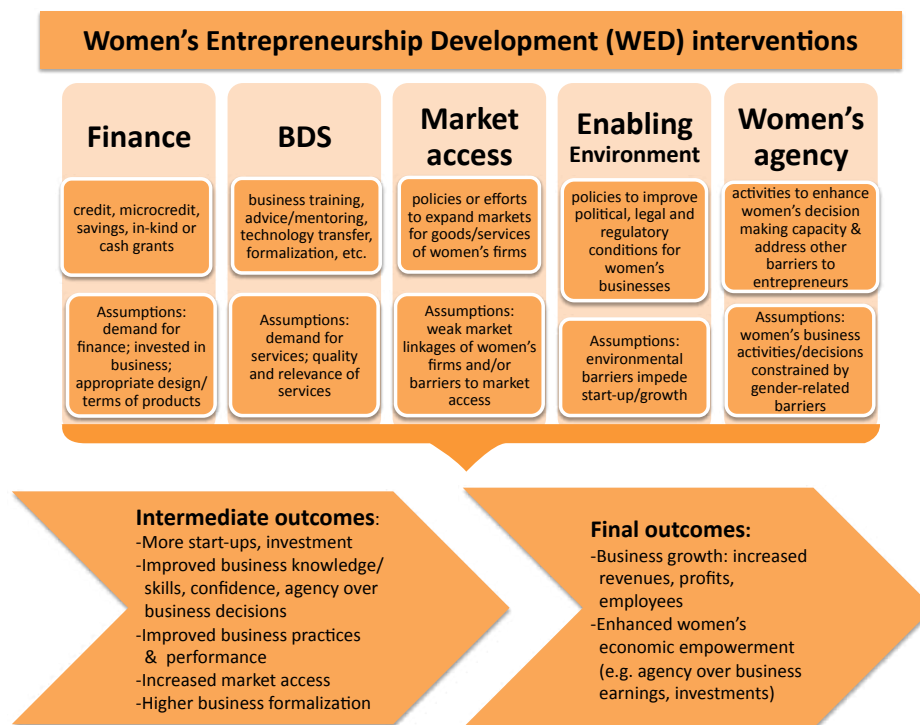
Despite this potential, women face a number of barriers that hamper their economic success. In general terms, while global gender-based disparities have been substantially reduced in the areas of health and education, high gender gaps and limited progress in women's empowerment persist in the economic domain (World Economic Forum 2013). In entrepreneurship specifically, a multitude of gender inequalities related to time, human and financial capital, and social constraints hamper women's entrepreneurial entry and growth potential. One of the main challenges female entrepreneurs face is limited access to finance. On average, women have less access than men to basic financial services including checking and savings accounts, as well as to formal credit (IFC and GPFI 2011). At the aggregate level, women also have less education and business experience than their male counterparts, and fewer professional networks that they can leverage to access business-related resources and advice. Legal and regulatory frameworks may also disproportionately disadvantage women.

For example, in many countries women do not have equal rights in the economic arena, such as in property ownership (World Bank and IFC 2013).

Efforts led by donors, governments, NGOs and the private sector to support women's entrepreneurship development (WED) attempt to overcome such barriers to women's business activity. They usually focus on the following five types of interventions: 1) access to finance; 2) business development services (BDS), which include business training, business advice or mentoring, technology transfer, business incubation services, business formalization services and strengthening of women's entrepreneurial associations; 3) improving market access for women's firms; 4) creating favorable business enabling environments; and 5) efforts to enhance women's agency and empowerment. These interventions may be provided separately as stand-alone initiatives, or together in combined interventions. Figure 1 below illustrates the overall model for WED interventions and their expected results.

The ILO has been working on WED for more than a decade, and has recently sought to take stock of the evidence on the effectiveness of WED interventions from rigorous assessments to help guide its future interventions in the field. Until recently, there has been little robust evidence on the impact of WED interventions. However, in the past several years, a number of rigorous evaluations have investigated the impact of WED interventions on business outcomes, almost exclusively among microentrepreneurs. These evaluations have either examined interventions explicitly targeting women, or have reported on sex-disaggregated results and have included gender analysis. The purpose of this brief is to provide an overview of the recent evidence on what is known about the impact of WED interventions on women entrepreneurs, and where gaps remain.

Figure 1 - Intervention Model for Women's Entrepreneurship Development



Methodology

To assess the empirical evidence on the effectiveness of WED interventions, this brief reviewed recent meta-evaluations and rigorous impacts evaluations that employed either quantitative only or mixed methods, mainly from 2010-2014. In the area of finance, evaluations that covered credit (both specifically targeted to entrepreneurs, and general microfinance programs), savings, grants and in-kind capital were identified. On business training, evaluations of programs that primarily focused on building entrepreneurship skills were included in the analysis. The review also identified evaluations of WED programs that combined traditional enterprise support services with activities explicitly aimed to promote women's empowerment. Evaluations were included in

the analysis if they measured the impact of programs targeted exclusively at women, or if one of the following was true: 1) women made up more than 85 percent of the sample; or 2) analysis of gender-differential impacts on business outcomes was conducted. Impact evaluations were considered rigorous if they used a randomized control trial (RCT) design, or used appropriate statistical techniques in quasi-experimental designs² to substantially minimize selection bias.

In total, this brief analyzed six meta-evaluations and 23 impact evaluations. Of the impact evaluations, 21 were RCTs and two were quasi-experimental studies. Ten of them examined the impact of finance only, nine of business training only, and nine of combined interventions (e.g. business training

² - An RCT is an impact evaluation design in which participants are randomly assigned to treatment and control groups. This approach reduces the likelihood of systematic differences between the groups that might affect the measured outcomes. In a quasi-experimental design, random assignment to treatment and control groups is not used because it may not be feasible or appropriate. Although this study design uses statistical techniques to help control for differences between groups based on observed characteristics, possible differences in the groups due to unobservable characteristics may reduce the statistical robustness of the estimated treatment effect.

plus finance, business training plus follow-up business advice). No evaluations were found on the impact of changes in the business enabling environment on women's firms. Twenty-one of the 23 impact evaluations exclusively focused on microentrepreneurs, while the remaining two evaluations also

included female-owned small businesses in their samples. Geographically, most evaluations are of programs in Asia (ten) and Sub-Saharan Africa (seven), though there are also several from Latin America (five) and one from Eastern Europe.

Synthesis of evidence

This section analyzes the available evidence on the impact of WED interventions on the following outcomes for women: business startup and survival; business knowledge and practices; business growth (i.e. revenues, profits, number of employees); and women's agency, or decision-making capacity within their business or household. Table 1 below provides an overview of these findings by study.

Access to finance

Of the ten evaluations on finance, two were of WED interventions targeted exclusively at women. Four studies evaluated finance interventions that supported enterprise development for both women and men, and the remaining four assessed the impact of general microfinance programs for low-income women and households. All ten evaluations were of interventions focused on micro-level enterprises.

Business startup and survival

Overall, finance has mixed results on women's business startup and survival. While two recent RCTs find evidence of negative impacts on both women and men's business creation (Tarozzi et al. 2013; Karlan and Zinman 2011), a handful of other studies demonstrate that microcredit is effective in enabling women to start new microenterprises, at least in the short- to medium-term.

In the latter set of evaluations, access to microcredit—in some cases in the form of group-liability loans only, and in another through individual credit—increased the like-

lihood of women's microenterprise startup in diverse settings (Augsburg et al. 2012; Banerjee et al. 2014; Attanasio et al. 2012). This evidence supports the notion that women are substantially credit-constrained, and that overcoming the finance barrier is an important channel through which to facilitate their business entry. Further, more flexible debt repayment terms, such as through a grace period on loans, may be more effective in stimulating women's business activity and the likelihood of enterprise survival by encouraging longer-term business investment (Field et al. 2011).

Business growth

This review finds, as have other recent meta-evaluations (Buvinic et al. 2013; Mehra et al. 2013; Bandiera et al. 2013), that there is little rigorous evidence that access to finance—either as a loan or grant—leads to sustained increases in the revenues or profits of women's microenterprises. There is even less evidence that finance has any positive effect on the number of employees in women's firms. This suggests that finance alone, particularly in small amounts typically associated with microcredit, is insufficient to enable female microentrepreneurs to make long-term business investments or to overcome other constraints that may limit their businesses' growth potential.

Further, two recent RCTs found higher overall returns to capital among men's businesses compared to women's in terms of revenues and profits. Potential explanatory factors for the lower or limited returns for women's businesses include:

- ▶ women's microenterprises are typically concentrated in lower-productivity sectors and thus have less growth potential (Banerjee et al. 2014; Fafchamps 2011);
- ▶ weaker business skills, education and experience among female entrepreneurs than their male counterparts (Grimm and Paffhausen 2014; Fafchamps et al. 2011; de Mel et al. 2009);
- ▶ greater valuation among female microentrepreneurs of immediate expenses than longer-term business investments (Fafchamps et al. 2011);
- ▶ women's limited control over economic resources and earnings, which may limit their decision-making capacity over business decisions (Grimm and Paffhausen 2014; Buvinic et al. 2013; de Mel et al. 2009).

Box 1 - Enhancing the impact of finance on business growth

Design modifications and conditions under which finance may be more likely to have a positive impact on women's business growth include:

- ▶ providing finance, including financial and in-kind grants, to women with larger or high-performing businesses that are more primed for growth (Banerjee et al. 2014; Buvinic et al. 2013; Fafchamps et al. 2011);
- ▶ larger amounts of finance, which may more effectively encourage business investment (de Mel et al. 2009);
- ▶ access to finance over the long term (Attanasio et al. 2012), combined with greater flexibility in debt term structure (Field et al. 2011);
- ▶ business grants, as a potential proxy of long-term credit, combined with business training (de Mel et al. 2012; Cho and Honorati 2013);
- ▶ contexts in which female entrepreneurs are primarily hampered by a lack of access to credit, but face fewer socio-cultural constraints (Blattman et al. 2014).

Table 1 - Effectiveness of WED interventions on female entrepreneurs

Study authors (year), Type of Intervention	Effects on women's firms ³ :			Effects on women's agency/decision-making
	Business creation/survival	Business practices	Business growth	
Finance				
Attanasio et al. (2012), Expansion of microfinance to female clients	+	n.m.	+	n.m.
Augsburg et al. (2012), Microcredit to marginal borrowers	+	n.m.	o	n.m.
Banerjee et al. (2014), Expansion of microfinance	+	n.m.	mixed	o
Blattman et al. (2014), Grants for business start-up and vocational training	+	n.m.	+	n.m.
de Mel et al. (2009), Cash and in-kind grants	n.m.	mixed	o	n.m.
Dupas and Robinson (2011), Commitment savings product	n.m.	+	o	n.m.
Fafchamps et al. (2011), Cash and in-kind grants	n.m.	o	mixed	n.m.
Field et al. (2011), Loans with grace period vs. loans w/ no grace period	+	+	+	n.m.
Karlan and Zinman (2011), Microcredit to marginal borrowers	-	n.m.	o	n.m.
Tarozzi et al. (2013), Expansion of microfinance plus family planning	-	n.m.	n.m.	-
Business training				
Berge et al. (2014), One arm: business training for MF clients	n.m.	+	o	n.m.
Calderon et al. (2013), Practical business training	-	+	+	n.m.
de Mel et al. (2012), One arm: ILO SIYB business training	+	+	mixed	n.m.
Field et al. (2014), Business counselling with a friend	+	n.m.	n.m.	n.m.
Field et al. (2010), Business training, financial literacy	mixed	n.m.	n.m.	n.m.
Gravesteyn (2012), One arm: ILO's Get Ahead gender-sensitive training	+	o	o	-
Karlan and Valdivia (2011), Business training	o	+	o	n.m.
Klinger and Schundelin (2011), Training through business plan competition	+	n.m.	n.m.	n.m.
Valdivia (2011), Business training; a module on personal development/self-esteem	-	+	o	mixed
Combined interventions- finance, business training, other BDS				
Berge et al. (2014), Business grant and business training	n.m.	+	o	n.m.
Blattman et al. (2013), Cash grants, basic business training, involving husbands, follow-up visits	n.m.	n.m.	+	o
Drexler et al. (2011), Fee-based business training and follow-up technical assistance	n.m.	+	o	n.m.
Fiala (2014), Loans, grants and business training	n.m.	n.m.	-	n.m.
Gine and Mansuri (2014), Business training, follow-up visits, loan lottery	o	o	o	o
Klinger and Schundelin (2011), Training via business plan competition plus grant	+	n.m.	n.m.	n.m.
de Mel et al. (2012), One arm: ILO SIYB business training plus grant	+	+	+	n.m.
Gravesteyn (2012), One arm: ILO's Get Ahead gender-sensitive training plus start-up loan	+	o	o	o
Valdivia (2011), Business training (incl. self-esteem/empower.), follow-up technical assistance	-	+	+	mixed

3 - "+" refers to a statistically significant positive effect, "o" to no effect found, "-" to a significant negative effect, "mixed" to more than one direction of change or no change, and "n.m" to an outcome that was not measured by the evaluation.

Women's agency/decision-making capacity

As other recent meta-evaluations have concluded (Mehra et al. 2013; Duvendack et al. 2011; Stewart et al. 2010), we find very little rigorous evidence on the impact of finance on women's agency in the household or over their businesses. The available evidence is also mixed: in one study no impact is found (Banerjee et al. 2014); in another there is a slight decline in women's agency from a microcredit program that also provided access to family planning services (Tarozzi et al. 2013).

Business training

The analysis below presents findings from impact evaluations of stand-alone business training programs. While the training programs evaluated vary in content and intensity, all but two of the nine interventions target microentrepreneurs, and seven are exclusively aimed at women.

Business startup and survival

Business training alone has mixed effects on the startup and survivorship of women's firms, having produced some positive change in a few cases, and negative impacts in others. This suggests that business training alone may be helpful, but is not sufficient in encouraging business creation, particularly in light of the other constraints female entrepreneurs likely face.

Five business training programs had a positive effect on women's business creation, though the impact of three of the programs was not substantial. In the Klinger and Schundeln (2011) study, the effect size was larger on start-up businesses for men than for women, indicating that women may have been more credit-hampered than their male counterparts. In another study, business training had a positive impact in the short-term, in as far as it sped up the creation of women's businesses that would have been formed regardless (de Mel et al. 2012).

Negative impacts on the survival of women's firms were seen when intensive business training programs encouraged entrepreneurs to think more strategically about profitability,

such that those women whose businesses were not profitable closed them down soon after (Calderon et al. 2013; Valdivia 2011).

Business knowledge and practices

Most rigorously evaluated business training programs have improved the business knowledge of female entrepreneurs (Cho and Honorati 2013), and in some cases have raised their aspirations and motivation (Grimm and Paffhausen 2014; Berge et al. 2014). However, their impact on women's business practices has been more mixed. Some studies and meta-evaluations have found little to no significant impact (Cho and Honorati 2013; McKenzie and Woodruff 2012; Gine and Mansuri 2014), while others demonstrate some positive results (Buvinic et al. 2013).

Among the positive impacts on women's business practices and management is evidence of improved use of: formalized record keeping (Berge et al. 2014; Calderon et al. 2013; Drexler et al. 2011; Karlan and Valdivia 2011; de Mel et al. 2012); separating business and household income (Karlan and Valdivia 2011); and improved marketing strategies (Berge et al. 2014, de Mel et al. 2012). From the available evidence, features of business trainings that likely contribute to improved business practices include:

- ▀ medium to high intensity of training;
- ▀ simpler training content tailored to low-skilled entrepreneurs;
- ▀ training focused on practical application of skills to women's businesses.

Business growth

The analysis here finds, as do other recent meta-evaluations and reviews (McKenzie and Woodruff 2013; Buvinic et al. 2013; Bandiera et al. 2013), that business training alone has little measurable impact on the performance of women's firms, and in particular is likely not sufficient to enable women's microenterprises to grow. Only two of the nine business training programs⁴ had a positive impact on women's revenues or profits, while there is no evidence of positive effects on the number of employees. McKenzie and Woodruff (2012) note that this finding is not surprising

4 - Three of these nine evaluations did not measure effects on women's revenues or profits.

given that most evaluated business training programs have had relatively small impacts on business practices.

Only a handful of studies found positive results for sub-groups of female entrepreneurs, but some of these were also characterized by lower statistical power (McKenzie and Woodruff 2012). In a study with more robust findings, business training targeted at women in Sri Lanka substantially increased the revenues and profits of women's start-up firms, but did not affect the growth of women's existing businesses (de Mel et al. 2012).

Two business training programs that implemented approaches to more directly empower women do not provide clear evidence on the effectiveness of these gender-specific activities on women's business growth. Both trainings included gender-related content aimed to raise women's confidence. One of them used the ILO's Gender and Enterprise Together (GET Ahead) curriculum, which integrates a strong gender component (Gravestijn 2012). Utilization of a mixed methods design including qualitative data collection might have yielded richer insights on why and how the gender-sensitive training components impacted women, and why they

were not sufficient to enable women to overcome various gender-related barriers.

Women's agency/decision making capacity

Only two business training programs were evaluated for their impact on women's agency. These were the same programs that implemented gender-specific training content. However, both had little to no positive effect on women's agency up through the medium term. These weak results raise the question of whether gender-sensitive training components might be more effective if intensified by increasing the time spent on them. However, as the Valdivia (2011) study highlights, women's household and care work burdens must be weighed against the potential benefits of increasing the duration of trainings. As was seen in that study, time-intensive training programs may result in high dropout rates among female participants. Another implication of limited results from providing gender-sensitive training to women is the extent to which programs that work only with female entrepreneurs will be able to foster women's empowerment without addressing underlying gender equalities, such as might be possible by engaging with others actors in the business and household environment, including men.

Box 2 - The Potential enabling role of women's networks

There is growing interest within WED programming in the catalytic potential of women's networks, and peer mentoring and learning. There is some evidence from less rigorous program assessments of the valuable role that women's networks play in enabling peer learning (World Bank 2014; ICRW 2012), which in turn may help to support women's business performance. However, only one rigorous study has examined the impact of such efforts on women's entrepreneurial engagement. An evaluation in India found that a business training program for female microfinance clients, combined with a built-in, fairly low-cost peer support mechanism (i.e. women attended business counseling with a friend), had a substantial positive impact on women's loan activity and business startup (Field et al. 2014). In contrast, business training alone had no impact. This suggests that women's peers may have provided female entrepreneurs with advice or support to encourage their business activity. More evidence on the impact of women supporting other female entrepreneurs through learning and mentoring would be valuable.

Combined interventions - finance, business training and other BDS

No rigorous impact evaluations were found of stand-alone BDS programs or of changes in business enabling environments that reported on disaggregated results for women's firms. Rather, a number of studies assessed the impact of interventions combining two or more enterprise support activities—namely finance, business training and ongoing technical assistance. Nine such evaluations were identified, of which three were explicitly targeted at women, while six supported both women and men's entrepreneurship. All of the evaluations but one were exclusively aimed at microentrepreneurs.

Business startup

The fairly limited available evidence on the impact of interventions combining business training with finance (i.e. loan or grant) for the most part finds positive results on women's business creation. Three evaluations found that the effect sizes of combined training and finance were larger among women than were those of stand-alone business training, largely because finance helped to overcome women's credit constraints to business entry (de Mel et al. 2012; Klinger and Schundeln 2011; Gravestijn 2012). However, in one of these studies, results dissipated in the long-term (Mel et al. 2012).

Business knowledge and practices

As with stand-alone business training programs, most combined business training and finance interventions have also improved women's business knowledge. There is also some limited evidence from a couple of studies that business training combined with longer-term finance—specifically in the form of a grant—have stronger effects than either training or finance alone in enabling female entrepreneurs to implement improved business practices.

There is also some initial evidence that technical assistance may be particularly promising for supporting women's business practices. Specifically, a program combining business training and intensive, follow-up technical support tailored to women's enterprises was more effective than training alone in enabling female entrepreneurs to implement new innovations to improve their enterprises (Valdivia 2011).

Business growth

As with stand-alone interventions, the impact of combined WED interventions on business growth among female entrepreneurs is very mixed. The limited available evidence base in this area also precludes

Box 3 - Gender-based socio-cultural constraints to women's entrepreneurship

A number of rigorous impact evaluations of WED interventions providing access to finance, business training and other BDS services find that gender-based socio-cultural constraints in diverse contexts hamper the effectiveness of these programs in supporting the performance and growth of women's microenterprises. These barriers include:

- ▶ gender-inequitable norms that place heavy household and care work burdens on women, and that limit their time available to spend on their businesses (Gine and Mansuri 2014);
- ▶ women's limited decision-making capacity in the household such as in the control of economic resources and earnings (Berge et al. 2014; Fiala 2014; Gine and Mansuri 2014).

Ultimately, these gender inequalities work to limit women's agency as it relates to their business activities and decisions, such that female entrepreneurs may not be able to translate improved access to finance, business skills or other key inputs into improved business practices.

making any definitive conclusions. However, early evidence suggests that factors or components that may support positive impacts on women's business growth, at least in the short-term, include:

- ▀ business training followed by individualized, follow-up technical assistance and advice (Blattman et al. 2013; Valdivia 2011), especially for existing female entrepreneurs (Valdivia 2011);
- ▀ business grants for existing entrepreneurs— which can be seen as a proxy for longer-term credit— combined with business skills training (de Mel et al. 2012; Cho and Honorati 2013).

Evaluations of interventions that implemented measures to specifically address gender power relations and support women entrepreneurs at the household level provide preliminary evidence that such explicit efforts may help to strengthen the effectiveness of WED programs. In one program, involving male household members in business trainings in Uganda did not affect women's agency but slightly improved partner support for women's businesses. In turn, supportive partners at baseline were associated with better business outcomes

for women resulting from a training and finance program (Blattman et al. 2013). Two ILO impact evaluations in the pipeline that examine the GET Ahead program in Kenya and Vietnam may provide further insights on how gender-sensitive components influence the efficacy of WED programs. For example, early findings from the mixed methods RCT of the Kenya program suggest that immediately following the training, the gender-focused training helped to improve women's confidence in their capacity to grow their businesses (Stangl et al. 2014).

Women's agency/decision making capacity

The two business training interventions combined with finance whose impact on women's agency was measured were also those that took steps to directly support women's empowerment. There is some limited evidence that the programs affected women's agency, namely in terms of increasing their control over financial services and earnings (Gravesteyn 2012), and in improving spousal communication (Blattman et al. 2013). These initial outcomes could be important for supporting more sustained improvements in women's decision-making capacity over their businesses.

Limitations of impact evaluation study designs

The findings from two recent reviews highlight important methodological caveats in interpreting the seemingly limited results of WED interventions on business success and growth. Woodruff and McKenzie (2013) note that most impact evaluations of business training programs that have used RCT and quasi-experimental study designs are substantially limited by low statistical power resulting from small sample sizes, considerable variation in the profile of firms, low program up-take within the sample and high attrition rates in some cases, all of which limit their ability to detect impacts. Further, that many studies have examined outcomes over a relatively short time horizon (i.e. one year or less) means that they are unable to capture me-

dium to longer-term changes in businesses, such as impacts that may differ from those in the short-term, or changes in outcomes such as business growth that usually take longer to realize (Grimm 2014; Woodruff and McKenzie 2013). Lastly, as Woodruff and McKenzie note, it is more difficult to identify treatment effects on continuous variable outcomes such as revenues and profits than on binary outcomes including business start-up or implementation of new business practices. These factors contribute to explaining why there is likely a stronger evidence base demonstrating the positive impact of WED interventions on business start-up and practice, and less evidence on treatment effects related to business growth.

Conclusion

Although the rigorous evidence base on the impact of WED interventions is growing, it is still limited, making it difficult to draw definitive conclusions about what works for different profiles of female entrepreneurs. This is especially true in terms of understanding the long-term effects of WED programs, although some of the recent studies have measured impacts over longer time periods of between two to three years. Despite these limitations, a few preliminary patterns emerge about the types of WED interventions that are effective in supporting women's enterprise activity, though more evidence is needed to substantiate them:

- ▮ rigorously-evaluated WED interventions seem to be more effective in stimulating the creation of new women's microenterprises than in supporting the growth of women's existing businesses;
- ▮ grants and microcredit, especially credit that offers more flexible debt term structure, are promising in stimulating women's microenterprise creation, at least in the short term;
- ▮ access to finance or other capital injections alone may be insufficient to foster enterprise growth among women's enterprises starting with low profitability;
- ▮ business training mostly helps to improve the management knowledge of female entrepreneurs, and has some positive impact on business creation; however, it has mixed impact on women's business practices and is not likely on its own to support business growth;
- ▮ interventions that combine finance (especially grants) and business training are overall more effective in supporting women's business start-up than either finance or business training alone; some limited evidence suggests that this combination also helps to improve female entrepreneurs' business practices in contexts where women's agency is not severely constrained.

Although this brief has not sought to take stock of evidence on the cost-effectiveness of WED interventions, this is an issue that

merits further investigation and consideration in order to guide future programming. While interventions combining finance with business training, or business training with follow-up assistance seem to have produced larger positive gains for women's businesses, the cost of such combined interventions is often much higher than stand-alone interventions. Larger results produced by combined interventions may not necessarily be more cost-effective. For example, the follow-up supervision and advice provided to very poor microentrepreneurs in the program evaluated by Blattman et al. (2013), led to better results for women than cash grants alone, but were found to not be very cost-effective; they also generated diminished value after more than two follow-up visits.

There are several prominent gaps in the evidence base on WED interventions related to both the nature of the programs and the scope of the evaluations. For one, this brief found only a handful of impact evaluations of WED programs that implemented gender-sensitive approaches directly intended to empower women or promote gender equality. Much remains to be learned about the effectiveness of such targeted measures. This is an especially critical area in which more evidence is needed, given clear findings across numerous studies that gender-based norms and socio-cultural constraints in diverse geographical contexts often limit the ability of female entrepreneurs to effectively leverage inputs gained from WED programs to improve their business performance and growth. Second, very few rigorous evaluations have examined how WED interventions have impacted women's agency and empowerment. This is an important area for future investigation due to the evident relationship between women's decision-making capacity and their business performance and success. Lastly, almost all of the rigorous evaluations of WED interventions focus on programs that target microentrepreneurs. There is thus very little rigorous evidence on how and what types of programs are effective in improving the business performance and growth of women-owned SMEs.

Recommendations

This section provides recommendations on areas in which future impact evaluations may be able to make valuable contributions to the existing evidence base on the effectiveness of WED programs. A second set of recommendations below provides programmatic guidance on how to further improve ILO's WED interventions, with the aim of increasing effectiveness.

Recommendations for future research

Scope of evaluations

1. Continue to evaluate WED programs that combine various enterprise development services, given preliminary evidence that combined interventions are often more effective than stand-alone ones. Investigate the effectiveness and cost-effectiveness of different combinations of interventions, as well as of varied content and intensities of WED services such as trainings and follow-up visits.
2. Conduct additional impact evaluations of WED interventions that make efforts to strategically address other barriers to women's entrepreneurial activity beyond access to finance and business skills. For example, more research is warranted on the role and impact of women's networks and peer learning and mentoring mechanisms in supporting women's business performance and growth.
3. Further investigate the role of socio-cultural and gender norms and women's agency in mediating the effectiveness of WED interventions, as well as how WED programs impact women's agency over their businesses. More rigorous evidence in these areas will help to better understand how gender dynamics impact female entrepreneurs and identify how WED interventions may enhance women's decision-making control as it relates to their businesses.
4. Future evaluations and reviews should seek to assess whether or not WED interventions exclusively targeted at female entrepreneurs are more effective than generic programs provided to both female and male entrepreneurs, and why. While a fair amount of attention has been focused on assessing the general impact of WED programs, there has been little to no analysis on the value of explicitly targeting female entrepreneurs.
5. Rigorously evaluate more WED programs that incorporate direct measures to enhance the agency of female entrepreneurs or address gendered power dynamics in households or businesses, in order to better understand how such targeted efforts may increase the effectiveness of enterprise development activities.
6. Generate more evidence on the impact of WED interventions on specific types of women's businesses, particularly at the SME level where there is a dearth of knowledge. Given the importance of understanding what types of approaches work best for different profiles of women entrepreneurs, studies should to a greater extent strive to disaggregate results for different types of businesses, such as among startups versus existing businesses, subsistence-level enterprises versus more high-performing ones, and microenterprises versus SMEs.

Methodological considerations

7. Utilize more mixed methods designs for impact evaluations, as qualitative data can enable a richer understanding of how and why gender dynamics and barriers influence the effectiveness of WED programs, as well as how they may in turn be affected by interventions.
8. Continue to evaluate the impact of WED programs over longer periods of time (i.e. two or more years) and using multiple follow-ups, as a number of recent studies have demonstrated that impacts on women's business activity may change considerably over time.

Recommendations for WED interventions

9. Integrate explicit gender-sensitive content within business training programs and consider increasing the time spent on them, as preliminary evidence suggests that such activities might be less effective due to inadequate intensity. However, the intensity of these and other WED activities should be balanced with considerations of the financial cost of additional program inputs, as well as of women's potential time constraints, as heavy program time requirements may preclude some women's participation or lead to high levels of dropout. While none of the WED interventions reviewed in this brief did so, providing on-site childcare during trainings could help to ease women's time burden and help to improve their participation in training activities.
10. Seek to address women's strategic needs by addressing other systematic constraints to women's entrepreneurial activity in addition to limited finance and business skills, especially in contexts where socio-cultural and gender norms restrict women's productive engagement. For example, programs might seek to strengthen women's business networks, promote more gender-equitable norms regarding women's participation in entrepreneurial activity, work with husbands to promote greater intra-household cooperation in decision-making, or increase female entrepreneurs' self-efficacy and understanding of gender-related constraints, as does the ILO's GET Ahead training package.

References

- Attanasio, O., Augsburg, B., de Haas, R., Fitzsimons, E., and H. Harmgart (2011). **Group lending or individual lending? Evidence from a randomized field experiment in Mongolia.** Working Papers 136, European Bank for Reconstruction and Development.
- Augsburg, B., Haas, R.D, Harmgart, H., and C. Meghir (2012). **Microfinance at the margin: Experimental evidence from Bosnia and Herzegovina.** European Bank for Reconstruction and Development Working Paper No. 146.
- Bandiera, O., Burgess, R., Gulesci, S., Rasul, I. and M. Sulaiman (2013). **Capital, skills and the economic lives of the poor: Recent evidence from field experiments.**
- Banerjee, A., Duflo, E., Glennerster, R., and C. Kinnan (2014). **The Miracle of microfinance? Evidence from a randomized evaluation.** Working Paper.
- Berge, L., Oppedal, I., Bjorvatn, K., and B. Tungodden (2014). **Human and financial capital for microenterprise development: Evidence from a field and lab experiment.**
- Blattman, C., Green, E., Annan, J. and J. Jamison (2013). **Building women's economic and social empowerment through enterprise: An Experimental assessment of the Women's Income Generating Support (WINGS) Program in Uganda.** Mimeo. Innovations in Poverty Action Lab.
- Blattman, C., Fiala, N., and S. Martinez (2014). **'Generating skilled self-employment in developing countries: Experimental evidence from Uganda',** The Quarterly Journal of Economics: 697-752.
- Buvinic, M., Furst-Nichols, R. and E. C. Pryor. (2013). **A Roadmap for Promoting Women's Economic Empowerment.** Washington, DC: UN Foundation.
- Calderon, G., Cunba, J.M., and G. de Giorgi (2013). **Business literacy and development: Evidence from a randomized controlled trial in rural Mexico.** Mimeo, Stanford University.
- Cho, Y. and M. Honorati (2013). **Entrepreneurship programs in developing countries.** World Bank Policy Research Working Paper 6402. Washington, DC: World Bank.
- De Mel, S., McKenzie, D., and C. Woodruff (2012). **Business training and female enterprise start-up, growth, and dynamics: Experimental evidence from Sri Lanka.** World Bank Policy Research Working Paper, No. 6145. Washington, DC: World Bank.
- De Mel, S., McKenzie, D., and C. Woodruff. (2009). **Are Women more credit constrained? Experimental evidence on gender and microenterprise returns.** Working Paper.
- Drexler, A., Fischer, G. and A. Schoar (2011). **Keeping it simple: Financial literacy and rules of thumb.** Mimeo. Innovations in Poverty Action Lab, MIT.
- Dupas, P. and J. Robinson. (2011). **Saving constraints and microenterprise development: Evidence from a field experiment in Kenya.**
- Duwendack, M., Palmer-Jones, R., Copestake, J.G., Hooper, L., Loke, Y. and N. Rao (2011). **What is the evidence of the impact of microfinance on the well-being of poor people?** London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London.
- Fafchamps, M., McKenzie, D., Quinn, S. R., and Woodruff. (2011). **When is capital enough to get female microenterprises growing?** Evidence from a randomized experiment in Ghana, NBER Working Paper No. 17207.
- Fiala, N. (2014). **Stimulating microenterprise growth: Results from a loans, grants and training experiment in Uganda.**
- Field, E., Jayachandran, S., Pande, R. and R. Pande (2014). **Friends at work: Can peer support stimulate female entrepreneurship?**
- Field, E., Jayachandran, S. and R. Pande (2010a). **'Do Traditional institutions constrain female entrepreneurship? A Field experiment on business training in India,'** American Economic Review: Papers & Proceedings 100(2) : 125-29.
- Field, E., Pande, R., Papp, J. and N. Rigol. (2010b). **Term structure of debt and entrepreneurial behavior: Experimental evidence from microfinance.**
- Gine, X. and G. Mansuri (2014). **Money or ideas? A Field experiment on constraints to entrepreneurship in rural Pakistan.** Mimeo. Washington, DC: World Bank.

- Goetz, A. M. and R.S. Gupta, R (1996). 'Who takes the credit? Gender, power and control over loan use in rural credit programs in Bangladesh,' *World Development* 24(1): 45-63.
- Gravesteyn, R. (2012). **Microfinance and women entrepreneurship: An Impact assessment of a start-up loan programme, IMON International, Tajikistan.** ILO and Federal Ministry of Labor and Social Affairs.
- Grimm, M. and A.L. Paffhausen (2014). **Do Interventions targeted at microentrepreneurs and small and medium-sized firms create jobs? A Systematic review of the evidence for low and middle income countries.** IZA Discussion Paper No. 8193. IZA.
- ICRW (2012). **Catalyzing Growth in the Women-run Small and Medium Enterprises Sector: Evaluating the Goldman Sachs 10,000 Women Initiative.** Washington, DC: ICRW.
- IFC and G-20 Global Partnership for Financial Inclusion (GPFI) (2011). **Strengthening access to finance for women-owned small and medium-sized enterprises (SMEs) in developing countries.** Washington, DC: GPFI.
- Karlan, D. and M. Valdivia (2011). 'Teaching entrepreneurship: Impact of business training on microfinance clients and institutions,' *Review of Economics and Statistics*, 93(2): 510-527.
- Karlan, D. and J. Zinman (2011). **Microcredit in theory and practice: Using randomized credit scoring for impact evaluation.** *Science* 332.
- Klinger, B. and M. Schündeln (2011). **Can Entrepreneurial activity be taught? Quasi-experimental evidence from Central America,** *World Development*, Vol. 39(9): 1592-1610.
- Mehra, R., Patel, P., Shetty, A. and A.M. Golla (2013). **Financial services for low-income women: Opportunities for Economic Empowerment?** ICRW white paper.
- McKenzie, D. and C. Woodruff. (2013) **What are we learning from business training and entrepreneurship evaluations around the developing world?** Working Paper. Coventry, UK: Department of Economics, University of Warwick (CAGE Online Working Paper Series).
- Montgomery, R., Bhattacharya, D., and H. Hulme (1996). 'Credit for the poor in Bangladesh'. In D. Hulme and P. Mosley (Eds.), **Finance against poverty.** London: Routledge.
- C. Niethammer (2013). **Women, entrepreneurship and the opportunity to promote development and business.** The 2013 Brookings Blum Roundtable Policy Briefs.
- Qeenan, J.E., Allan, J. and C. Bebringer (2013). **The Global push to unlock the potential of women entrepreneurs: Investing in women boosts prosperity, benefiting their families and communities.** The Bridgespan Group: Boston.
- Stangl, A., Farley, K., Sievwright, K., Brady, L. and K. Fritz (2014). **Enhancing women's entrepreneurship in Kenya: Initial qualitative assessment of the ILO's GET Ahead Business Training Program.**
- Stewart, R., Van Rooyen, C., Dickson, K., Majoro, M., and T. De Wet (2010). **What is the impact of microfinance on poor people?: A Systematic review of evidence from Sub-Saharan Africa.**
- Tarozzi, A., Desai, J. and K. Johnson (2013). **On the Impact of microcredit: Evidence from a randomized intervention in rural Ethiopia.** BREAD Working Paper, No. 382, BREAD.
- Valdivia, M. (2012). **Training or technical assistance for female entrepreneurship? Evidence from a field experiment in Peru.** Mimeo. GRADE.
- World Bank (2014). **Growing Women-led Enterprises in the Mekong: Testing a Methodology for Accelerating Growth.** Washington, DC: The World Bank.
- World Bank (2013). **Female Entrepreneurship Resource Point—Introduction and Module 1: Why Gender Matters.** <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTGENDER/0,,contentMDK:23392638~pagePK:210058~piPK:210062~theSitePK:336868,00.html>
- World Bank and IFC (2013). **Women, Business and the Law 2014: Removing Restrictions to Enhance Gender Equality.** Washington, DC: The World Bank.
- World Bank (2011). **World Development Report 2012: Gender Equality and Development.** Washington, DC: The World Bank.

**Women's Entrepreneurship
Development Programme**

Small and Medium Enterprises Unit (SME)
Enterprises Department

International Labour Organization
4 route des Morillons
CH-1211 Geneva 22

T: + 41 22 799 68 62

E: sme@ilo.org

W: www.ilo.org/sme and www.ilo.org/wed

Facebook: ILOandWED