PROMOTING women’s Entrepreneurship
Tanzania virtual business incubator

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Outline

1. Project background
2. Impact evaluation (IE)
3. Descriptives from baseline
4. Some preliminary observations
5. Results from IE – coming soon!
Promotion of Women’s Entrepreneurship: Tanzania Virtual Business Incubator

• Intervention to support women’s entrepreneurs through delivery of training and business development services (BDS)
• Pilot project, evaluated with IE (RCT design)
• Entrepreneurship: self-employed, micro- and (some) small enterprises
• Target group: only women
• Contribution to the debate on effectiveness of training
  – Evidence so far: training is not very effective
  – Results refer to different types of interventions, target beneficiaries, and contexts. Assessment is usually short term.
Tanzania Virtual Business Incubator: Objectives

• Support the growth of women-owned businesses through delivery of BDS to strengthen their skills (financial literacy, market outreach, PD&D, etc)

• Through supporting women’s entrepreneurship the project aims to:
  – Increase women’s social and economic empowerment
  – Improve women’s well-being as well as their household and their children
Tanzania Virtual Business Incubator: Component #1: The incubator (activities)

• Pilot project in Dar es Salaam and Kibaha
• Delivery of training and BDS to ≈550 women, but 850 are ‘targeted’ (300 are in the control group)
• Two groups:
  – AIDOS model (Virtual incubator – w/out walls)
    • Attention to PD&D and marketing
    • Development of a network of experts and mentors
    • Flexible/individualized approach tailored to specific needs
  – ‘Traditional model’ (class training)
• Implemented by a local NGO (Tanzania Gatsby Trust), with AIDOS assistance
## Tanzania Virtual Business Incubator: The training package

<table>
<thead>
<tr>
<th>Training Package</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orientation (1 full day)</td>
<td>Business health check; SWOT-analysis of the business</td>
</tr>
<tr>
<td>Entrepreneurship and Business Management Training (5 full days)</td>
<td>Entrepreneurship and enterprising organization; low cost promotional activities; understanding your market; effective marketing; costing, pricing, and calculating your profit; book-keeping; managing cash, inventory and credit; customer care; sources of finance; business plan; HR management; branding and patenting; time management; leadership training; communication and negotiation</td>
</tr>
<tr>
<td>Technical Training (up to 5 full days)</td>
<td>Production skills, packaging and labeling, quality management, maintenance, customer care, product pricing, hazard analysis and critical control points, compliance, traceability and bar code</td>
</tr>
<tr>
<td>Specialized Technical Assistance and Individualized Counseling, Coaching, and Mentoring (flexible)</td>
<td>Business counseling; linkage to consultants, advisors, project programmers; marketing assistance and linkage to markets; individualized support from coaches; link with mentors and participation in networking forums; finance facilitation</td>
</tr>
</tbody>
</table>
Learning objectives:

- To what extent does business training affect enterprise outcomes of female entrepreneurs in Dar es Salaam? *Which* outcomes?
  - Sales, profit, nr. employees / production process, practices

- What *kind of program* works (doesn’t work)?
  - Business training/BDS
  - Business training/BDS + individualized support from coaches/mentors

- Does the program have impact in *other dimensions* of welfare?
  - Debt
  - Depression
  - Domestic violence
  - Human capital investments in children
  - More female decision-making within the home
Tanzania Virtual Business Incubator: Target beneficiaries and Impact Evaluation

- Advertisement: Dec 09-Jan10
  - Screening of applicants (3200 to 850) Jun10
    - Baseline survey: Jul-Aug10
      - Random assignment to 3 groups Aug10
        - Intervention: Basic Sep-Nov10 to Feb11; Adv. Jun11-May12
          - Endline survey: Jul-Aug12

All applicants > 850

Eligible applicants 850

Baseline survey
Assign applicants to geographical and sectoral strata

Comparison group 300
Treatment group 550

Assign people to strata again

Basic treatment 275
Basic treatment + mentoring 275
Issues related to implementation and measurement of results

1. Program eligibility
2. Number and engagement of participants
3. Baseline survey
4. Endline survey
5. M&E
6. Focus groups
Program eligibility

- MKUBWA targets:
  - Entrepreneurs *established* for at least 1 year
  - Certain sectors with *growth* potential identified in market study
  - Entrepreneurs willing to pay upfront *commitment fee* (20,000 Tsh)

- Implication for IE: might not be able to say anything about entire population female entrepreneurs in Dar but need to be clear about population of interest
  - Ideally entrepreneurs comparable to targeted beneficiaries in a scaled-up version of the program
  - Target those with highest potential to benefit – not everyone is meant to be an entrepreneur

- An intervention for both the women entrepreneurs and the implementer?
  - Ability to screen and focus on the women with highest potential was limited because of the evaluation strategy
Engagement of participants, especially control group

- Essential to limit attrition
- To keep all 850 women engaged
  - All given an incubator “ID” card
  - All benefit from complementary services, i.e. information sessions on issues identified by women in focus group discussions + quick survey (women’s rights, HIV/AIDS, disability issues, family planning)
  - Communication strategy
  - Waiting list with priority for next training cycle
Promotion of Women’s Entrepreneurship: Tanzania Virtual Business Incubator

Mpango wa Kukuza Ujasiriamali na Biashara kwa Wanawake

BIG: Program to grow entrepreneurship and women enterprises
### Size (# employees) and years in enterprise (baseline: 821 enterprises)

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
<th>Average ‘tenure’ (yrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>47</td>
<td>6.2</td>
</tr>
<tr>
<td>Micro: 1-4 empl.</td>
<td>49</td>
<td>7.1</td>
</tr>
<tr>
<td>Small: 5-49 empl.</td>
<td>4</td>
<td>8.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td><strong>6.7</strong></td>
</tr>
</tbody>
</table>
## Education (%), by size

<table>
<thead>
<tr>
<th>Size</th>
<th>&lt;primary</th>
<th>Primary</th>
<th>Secondary</th>
<th>Tertiary</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>4</td>
<td>62</td>
<td>28</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>1-4 empl.</td>
<td>7</td>
<td>40</td>
<td>39</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>5-49 empl.</td>
<td>0</td>
<td>32</td>
<td>49</td>
<td>19</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>50</td>
<td>34</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>% Tax ID</td>
<td>% Brela</td>
<td>% municip. license</td>
<td></td>
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<td>----------------------</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Self-employed</td>
<td>15</td>
<td>12</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro: 1-4 empl.</td>
<td>37</td>
<td>28</td>
<td>36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small: 5-49 empl.</td>
<td>65</td>
<td>52</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>21</td>
<td>26</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Bank account – entrepreneurs pays herself a wage (%), by size

<table>
<thead>
<tr>
<th></th>
<th>% bank account</th>
<th>% sep. account</th>
<th>% self wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>34</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td>Micro: 1-4 empl.</td>
<td>42</td>
<td>15</td>
<td>40</td>
</tr>
<tr>
<td>Small: 5-49 empl.</td>
<td>61</td>
<td>55</td>
<td>52</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>11</td>
<td>32</td>
</tr>
</tbody>
</table>
Typical revenue, by size

- **No employee**
- **Maximum 4**
- **5 & above**

Revenue in a typical month (thousands of Tsch) excludes outside values.
Endline survey

• 2 years after start of the program
• Too soon?
• Not clear ex ante how long it would take for effects to materialize, especially on revenue
• Ideally, a second endline 3-4 years later
• 86% of entrepreneurs have been re-interviewed at endline
Do we still need monitoring?

• **Definitely.** IE does **not** fill all of a project’s monitoring needs.

• **Variety of tools:** initial questionnaire, coach logs, evaluation forms, in-depth visit questionnaire, focus groups, etc.

• IE does not track **process**, M&E does
  ✓ Did mentors actually meet the beneficiaries?
  ✓ Did trainers show up in the classroom, did beneficiaries show up?
  ✓ (From M&E: 72% of group 2 and 82% of group 3 attended all the sessions of EBMT; very high also for tech. training).
  ✓ Trainer and coach effects can be calculated.
  ✓ Selection into the target group can be studied.

• M&E tools useful to track hard-to quantify outcomes (e.g. women’s self-confidence, assertiveness, family relations, etc.)

• Need for **instantaneous** monitoring and analysis of information.
Focus groups

• 3 rounds of focus groups:
  – Women entrepreneurs in Dar es Salaam not part of the project [May-June 2010] → help in selecting vars for questionnaire;
  – Women entrepreneurs from the project (control group + generic training group) and their children → follow-up on issues emerged in first round [December 2011];
  – Husbands of women entrepreneurs in the program [June-July 2012]
Focus groups - Issues

• ‘Good’ and ‘bad’ things about being a woman entrepreneur; relationship with debt; relationship with authorities; transactional sex;
• Very helpful to inform quantitative analysis and fine-tune questions in the survey instruments
• Very helpful to understand some of the household dynamics in a qualitative way.
Results from IE

• Coming soon!

Thanks!
The team

World Bank:
• Elena Bardasi (TTL)
• Hiska Reyes
• Elena Bonometti (ETC, based in Dar)
• Markus Goldstein
• Alaka Holla
• Sibomana Leonard (STC, based in Dar)

• AIDOS (Paola Cirillo, Daniela Colombo, AIDOS consultants)
• TGT (Olive Luena, Wankembeta Kinyau, Ndema Mbise, Eric Kimasha, Joachim Mahegar)
• Steering Committee members: IMED (Donath Olomi); SIDO-WED (Happiness Mchomvu); KWANZA Collection (Lawrence Muze) ; CRDB, NMB, Tanzania Women’s Bank; Minister of Industry, Trade, Marketing
• Data collection: REPOA (baseline) EDI (endline)
Why at least 750 women?

☐ Answer: Power calculations for sales + capacity of local implementation partner

☐ Power calculations from TZ Enterprise Survey (2006)
  - 10% increase: 1,079 in each group → 2,158 total treated
  - 15% increase: 480 in each group → 960 total treated
  - 20% increase: 270 in each group → 540 total treated
  - 25% increase: 173 in each group → 346 total treated
  - 30% increase: 120 in each group → 240 total treated

☐ An impact of a 15% increase in sales cannot be distinguished from zero impact with confidence
  - OK because this is an expensive intervention; not interested knowing about small effects

☐ 850 targeted to allow for attrition