



Improving the productivity of women-owned enterprises: a mixed-methods study in Uganda

**Female Entrepreneurship:
Obstacles, Innovative Interventions and Impacts**
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Francisco Campos (AFTFW)

Impact Evaluation with: M. Goldstein, O. Pimhidzai, A. Schoar, M. Stein, B. Zia
Crossovers with: AM Boudet, M. Goldstein, L. McGorman, O. Pimhidzai

Women-owned enterprises less productive than male-owned

Women concentrated in low-value added industries and often constrained by limited **skills**, finance, and other barriers

Alternatives

Close the shop
and wait for

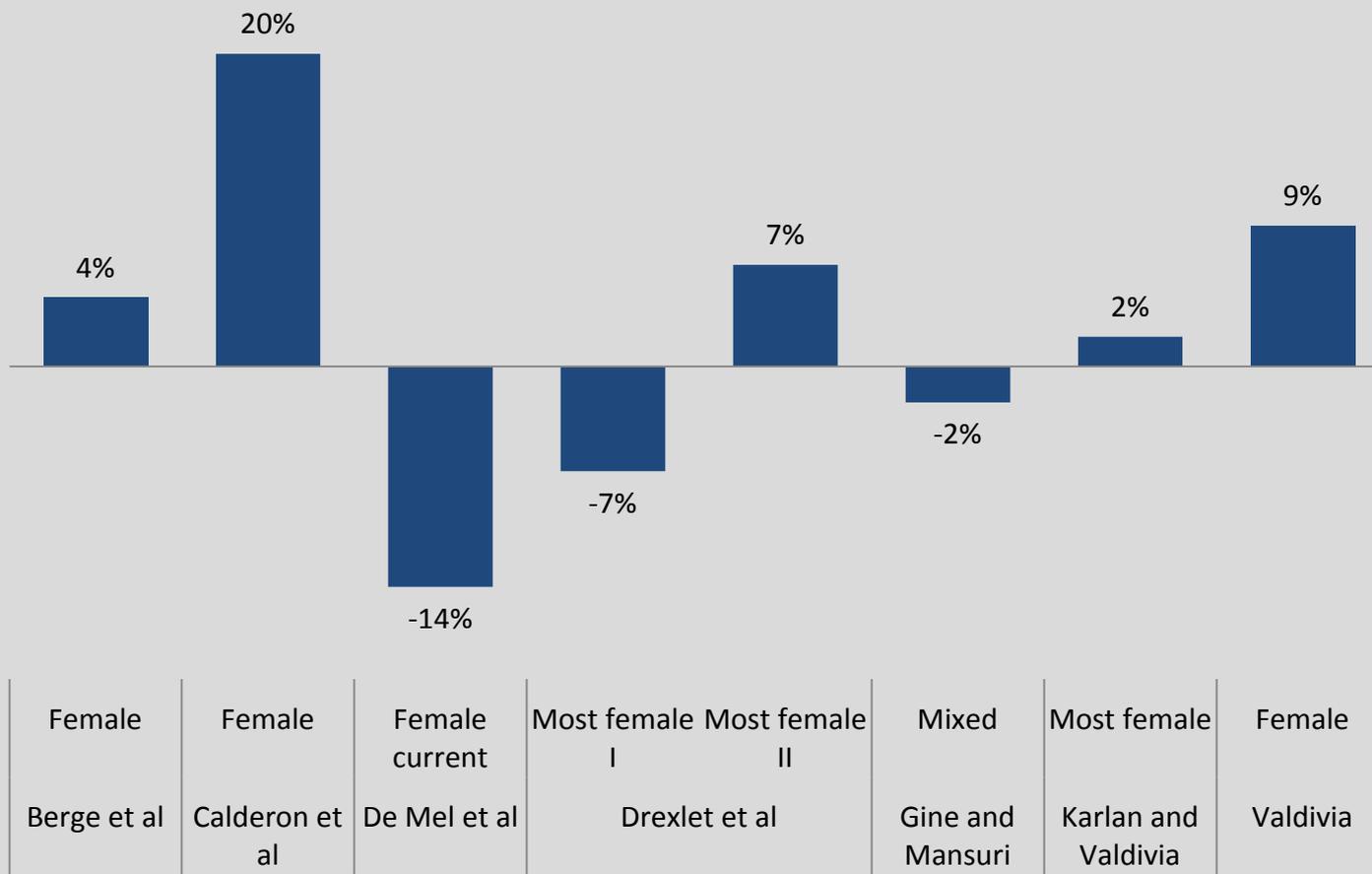
Improve the
productivity of
existent firm

Start operating
new activity



Mixed results for women entrepreneurs of managerial training

Impacts of Managerial Training Programs on sales of women-owned enterprises



Source: Adapted from McKenzie and Woodruff (2012)

One alternative: add technical knowledge with aim of improving efficiency

- Suburbs of Kampala, Uganda
- Partnership with the Katwe Small Scale Industries Association (KASSIDA)
- Most workers have no formal training, apprenticeship common
- Productivity is low and lower for women-led firms, and failure rate and wastage is high
- 735 firms, 9 sectors, 44% of firms women-owned, approximately 2,000 workers in the study

Training program

KASSIDA SKILLS TRAINING PROGRAMME



Business Planning

Marketing

Financial Management

Inventory management

MANAGERIAL

Managers only - same course for all sectors, 24hours of training, 2hrs/day sessions, starts first

TECHNICAL

Workers and managers - tailored to each of the 9 sectors; 44 hours of training, at model workshops, 2hr/day sessions

Hair Saloons and Barber Shops

Carpentry

Catering

Electrical

Fitting & Machining

Foundry

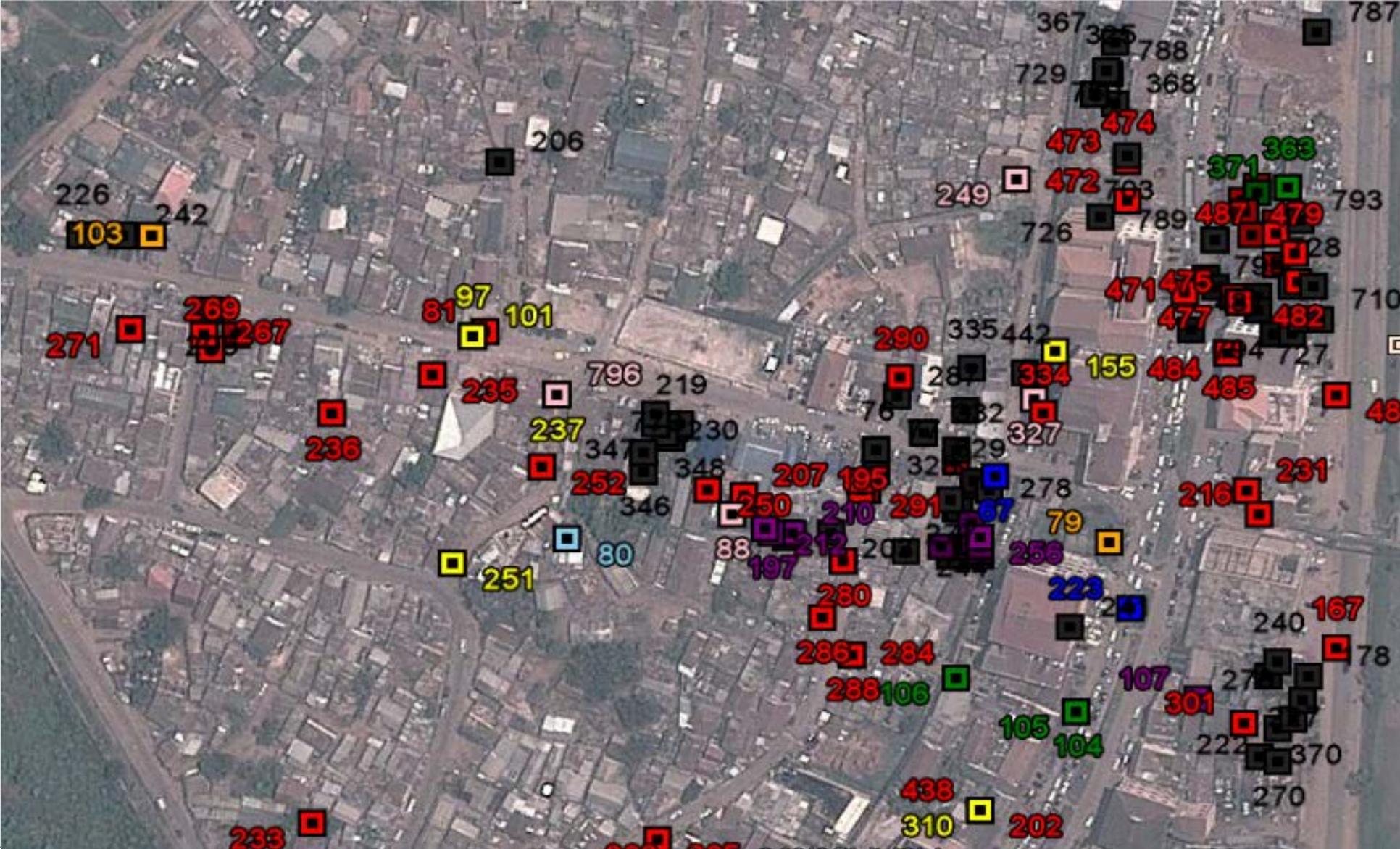
Knitting & Tailoring

Metal Fabrication

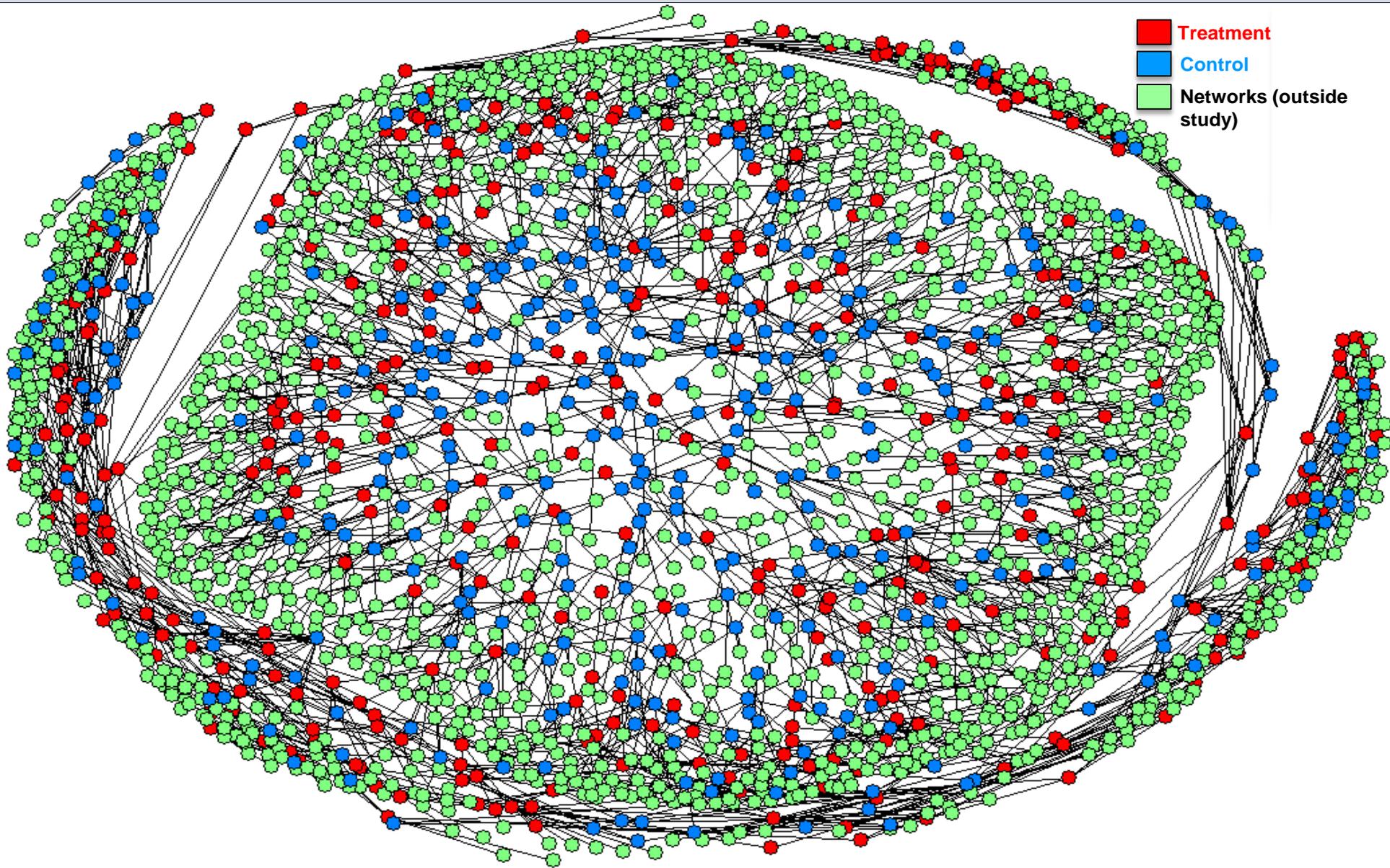
Shoe Making and repair



High concentration of firms



Importance of studying the flow of information across networks

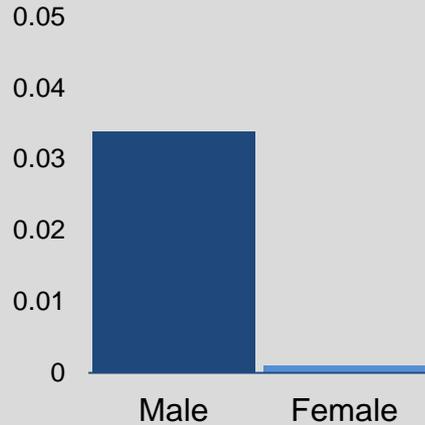


Study design

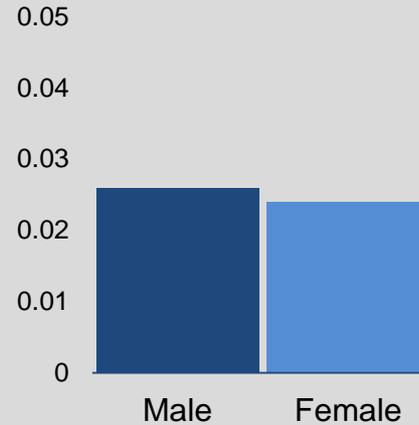
- Randomized control trial with one treatment arm and one control
- Randomization at cluster level to avoid immediate spillovers
- Identify spillovers to network members
- Outcomes of interest: skills, efficiency/wastage, performance, employee and household level outcomes
- Three follow-up surveys including on networks of treatment and control
- Two rounds of follow-up surveys just completed, results on first short-term effects

What do we find, very preliminary: Impacts relative to control group

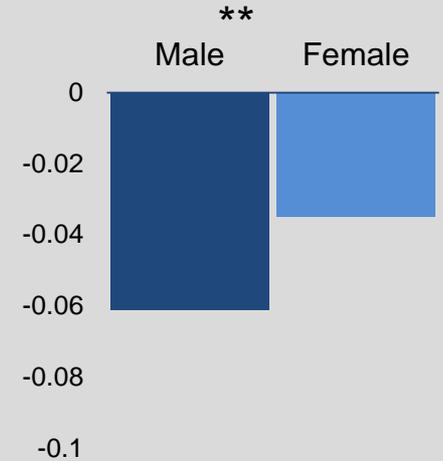
Purchased new equipment



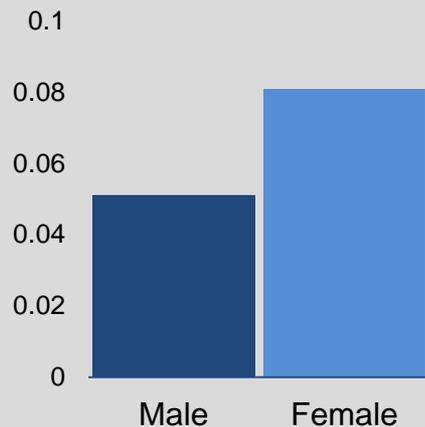
Got a loan



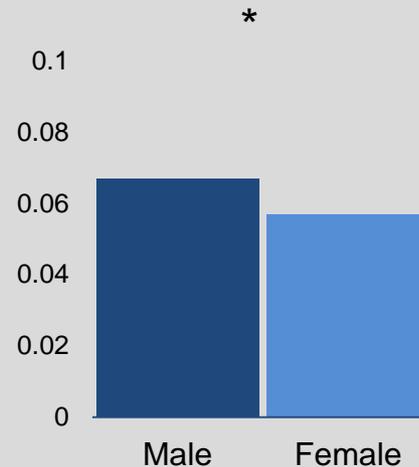
Product innovation



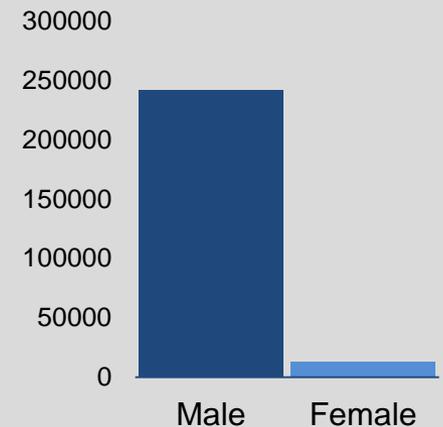
Proportion cutting costs



Business plan



Profits past month (Ugsh)

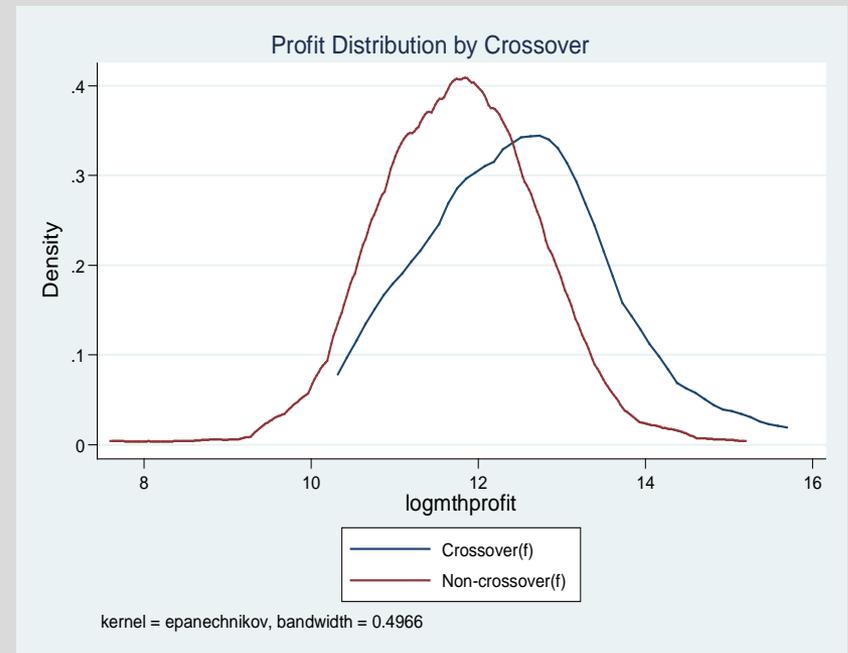


* p<0.1, ** p<0.05, *** p<0.001

Other interesting aspect: crossovers - women entrepreneurs in male-dominated sectors

Conducted quantitative and qualitative analysis on enlarged sample, including focus groups and individual interviews with crossovers, non-crossovers, suppliers, customers, workers, financial providers, and community leaders

Sector	Gender	
	Male	Female
Hairsalon	7	63
Carpentry	44	4
Catering	2	107
Machinery	11	0
Electricals	11	1
Foundry	48	15
Metal Fabrication	185	7
Shoe making	33	3
Tailoring	68	126



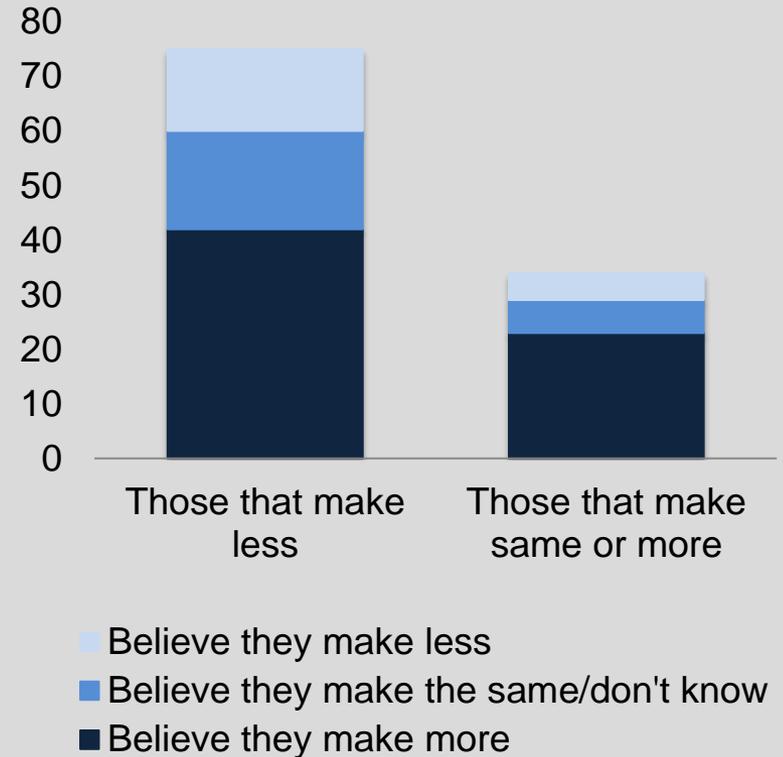
Correlates with becoming a crossover

Probability of being crossover	
Sector participation enabling factor (reference is self initiation)	
Observed others (d)	0.386
Suggested to me (d)	0.814***
Was trained (d)	0.233
Offered job by a family member or friend (d)	0.46
Worked for stranger (d)	-0.119
Cultural factors	
Male role model (d)	0.553**
Non-cognitive skills	
Locus of control aggregate score	-0.304
Agreeability score	-1.098
Emotional stability score	-3.056***
Conscientious	-1.288
Self efficacy	3.485**
Access to finance	
Choose sector for low capital requirements (d)	-0.053
Delayed starting enterprise saving for capital (d)	0.360**
N	136
r2_p	0.544

* p<0.1, ** p<0.05, *** p<0.001

Clustered standard errors; Regression control for personal characteristics (age, education, cognitive skills, religion, marital status, etc), family history, other business characteristics.

Non-crossover beliefs on profitability



Conclusion

- In a very competitive setting where entrepreneurs are price-takers, market for quality is thin, and innovation flows freely through direct copying of techniques and networks of contacts, changes in productivity levels through skills upgrading are challenging
- (Women-owned) microenterprises with a small window of firm-level improvement through cost reduction
- Alternative: move to something new such as male-dominated sectors, typically more productive
- Normative and informational factors seem to be predictive of a woman's decision to 'crossover' to a male-dominated sector
- Informational campaigns combined with mentoring support may facilitate the growth of female entrepreneurship in non-traditional industries. Testing this through pilots should help shed light on the importance of these solutions

“I would advice my daughter to critically think through the business she wants to do, have enough capital, find a perfect location, gather necessary knowledge & skills, be trustworthy, make high quality things, and love what she is doing. Not mixing friendship with business. And prevent extravagancy as business owner to see her business moving well.” (carpentry)

“A successful woman is one who is earning an income... The man who introduced me into this business in Mbale advised me where to start from incase I came to Kampala... My brother working in a garage gave me the raw materials I started with” (foundry)

“ I studied up to primary four and can read and write in Luganda only. I did not study any further because my step mother refused.” (Catering)

“I stopped school in Primary.4 but I can read and write. I stopped because my father refused to pay for our fees. I use common sense in my work as I did not go far in education” (Foundry).



Thank you!!

*Do you think women in traditional female business sectors are different from you?
“No they are not different, they are like us. The only but minor difference between us and them is that they do female roles to earn a living. If they were exposed to our business they could do it.”*