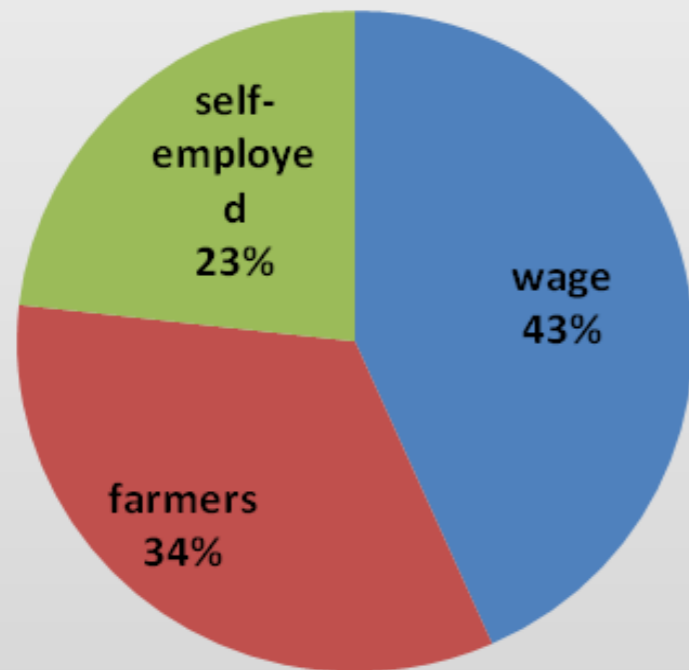




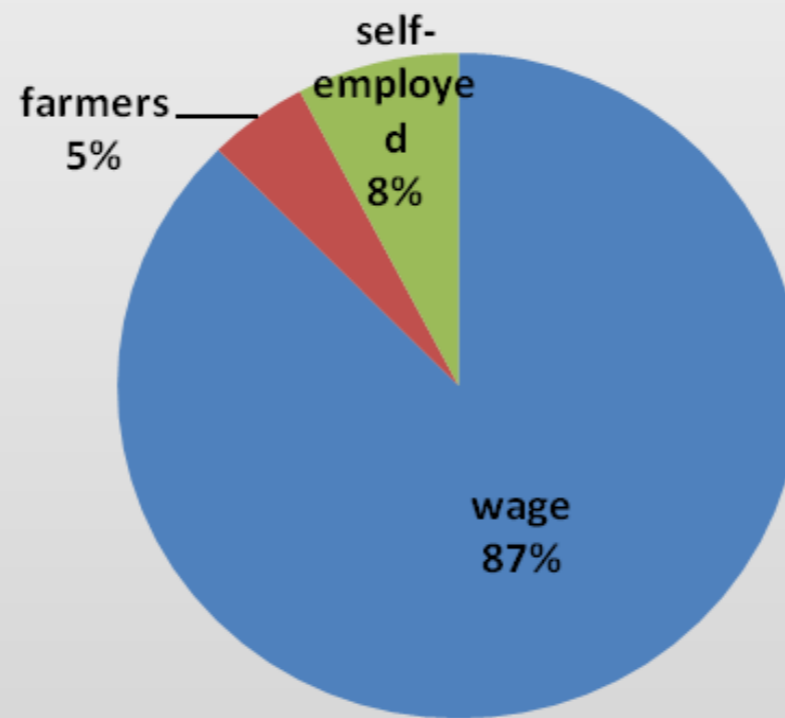
# IMPACT OF ENTREPRENEURSHIP PROGRAMS

David A. Robalino - The World Bank

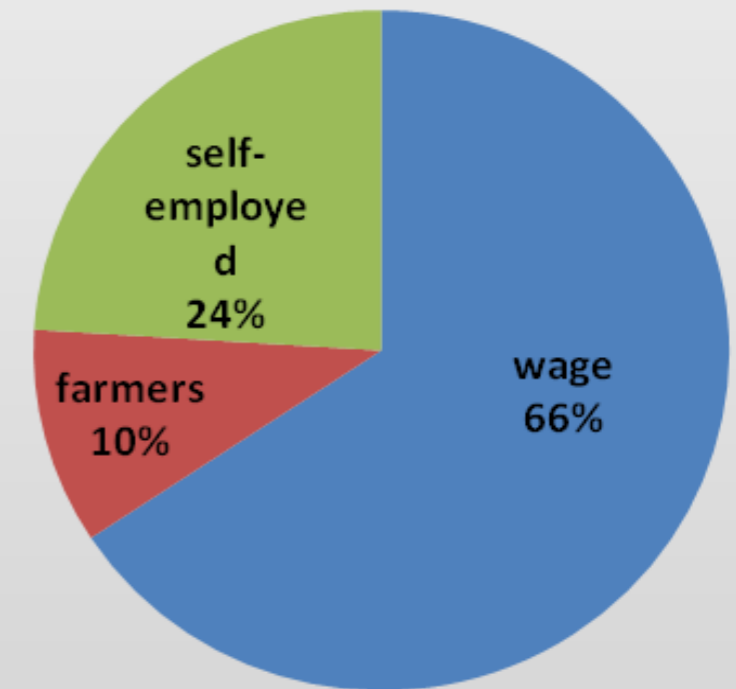
### East Asia and the Pacific



### Europe and Central Asia



### Latin America and the Caribbean



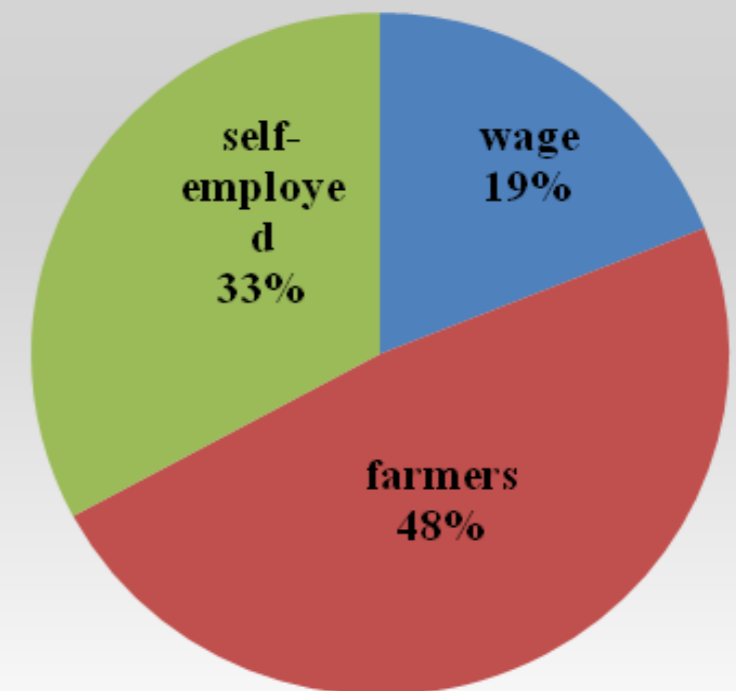
### Middle East and North Africa



### South Asia



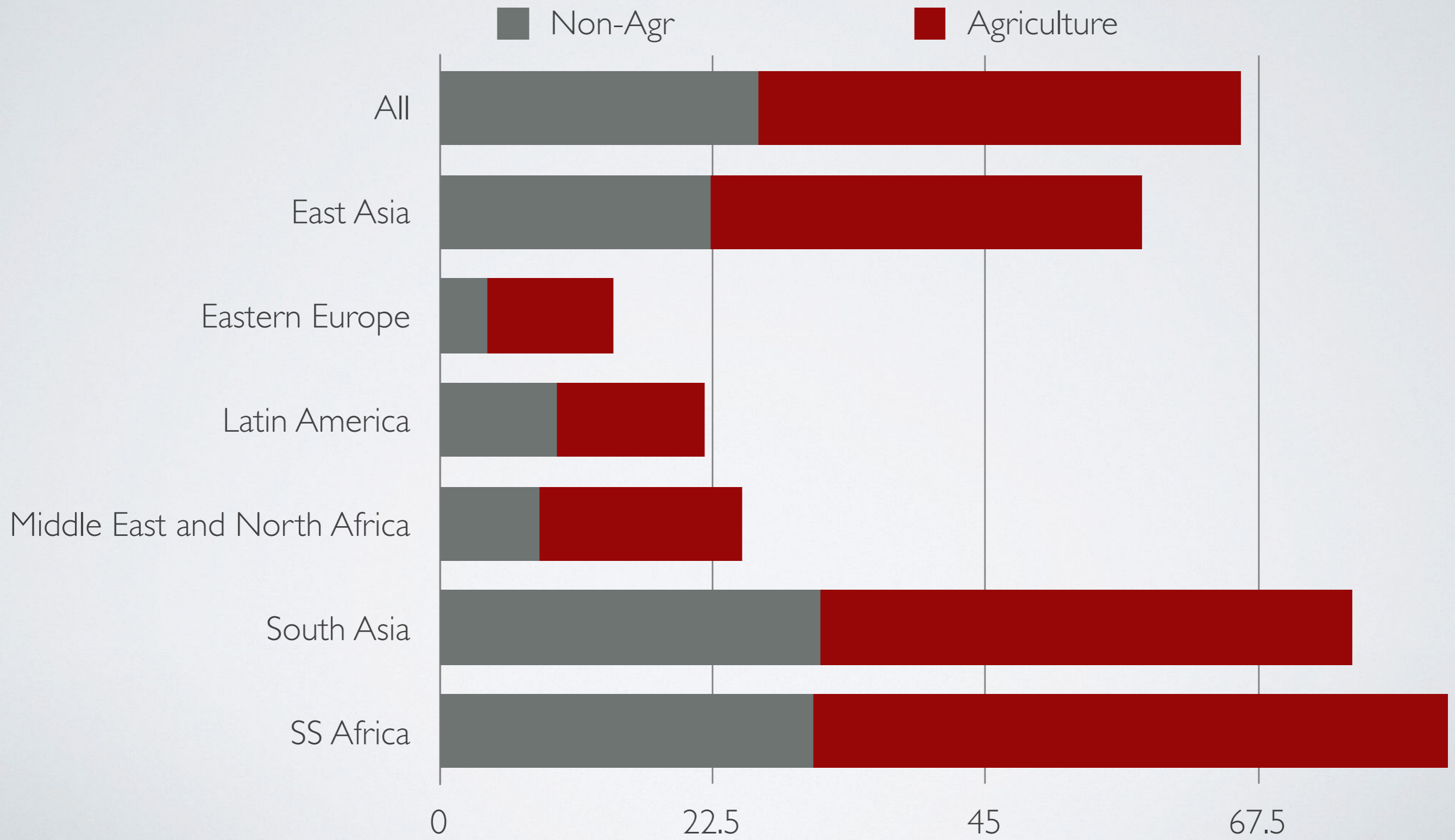
### Sub-Saharan Africa



Source: WDR 2013 Calculations

Source: WDR 2013

# % UNSUCCESSFUL ENTREPRENEURS



# ROLE OF THE PROGRAMS

- Facilitate "entrance"
- Increase productivity of current, economically viable, activities
- Facilitate transitions from low to high productivity activities



# CONSTRAINTS AND PROGRAMS

SKILLS (T, C, NC)

Training (technical, business K, life skills)

INFORMATION

Advisory services / networking

FINANCING

Credit, grants, insurance

BARRIERS TO ENTRY

Integration into value chains

BUSINESS ENV.

Changes in regulations / infrastructure

# WHAT DO WE SEE?

- Small scale pilots; few evaluations
- It is easier to change behaviors (e.g., savings, books) and attitudes
- Poor results for stand alone micro-finance programs
- Finance + training works better
- But it is difficult to identify what makes a program successful

Effects on Labor Market Activity



# THE META-ANALYSIS

(BASED on Yoon Choo and Maddalena Honorati 2013)

# 38 STUDIES

- Focus on current or potential "entrepreneurs"
- Rigorous experimental or quazi experimental evaluations (control vs. treatment groups)
- Evaluations conducted over the last 10 years in developing countries
- Results in public domain (published by March 2012)



# PROGRAMS

- TRAINING: technical, life skills, business & financial management
- FINANCE: credit, grants, savings, insurance
- TRAINING + FINANCE

# OUTCOMES

EMPLOYMENT

EARNINGS

BUSINESS PRACTICE

BUSINESS PERFORMANCE

FINANCIAL KNOWLEDGE

ATTITUDES

Positive  
Impact

Size  
effect

# CONTROLS

## POPULATION GROUPS

Female, youth, safety nets beneficiary, MFI client, business owner

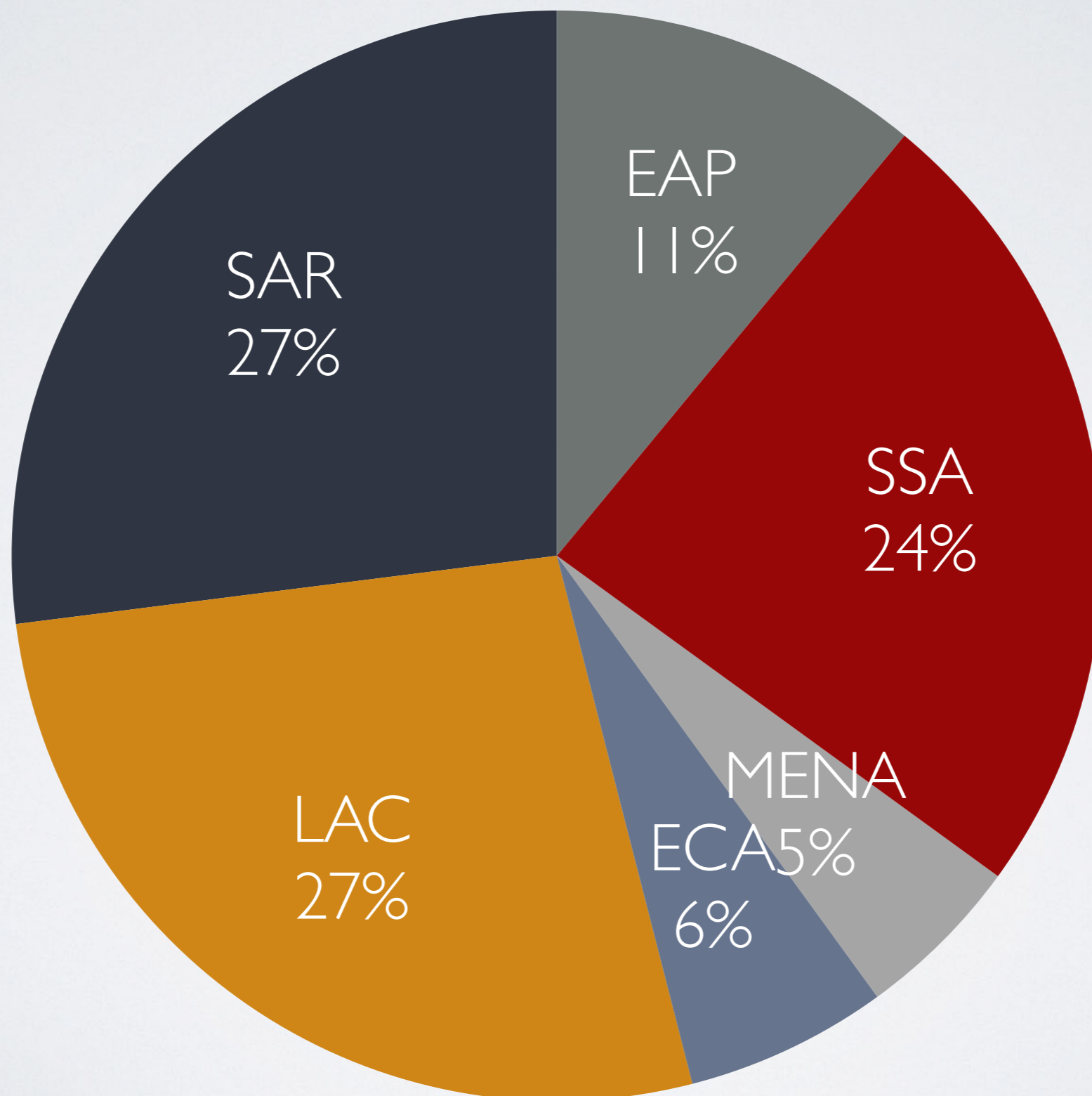
## SERVICE DELIVERY

Government, NGO, University, MFI

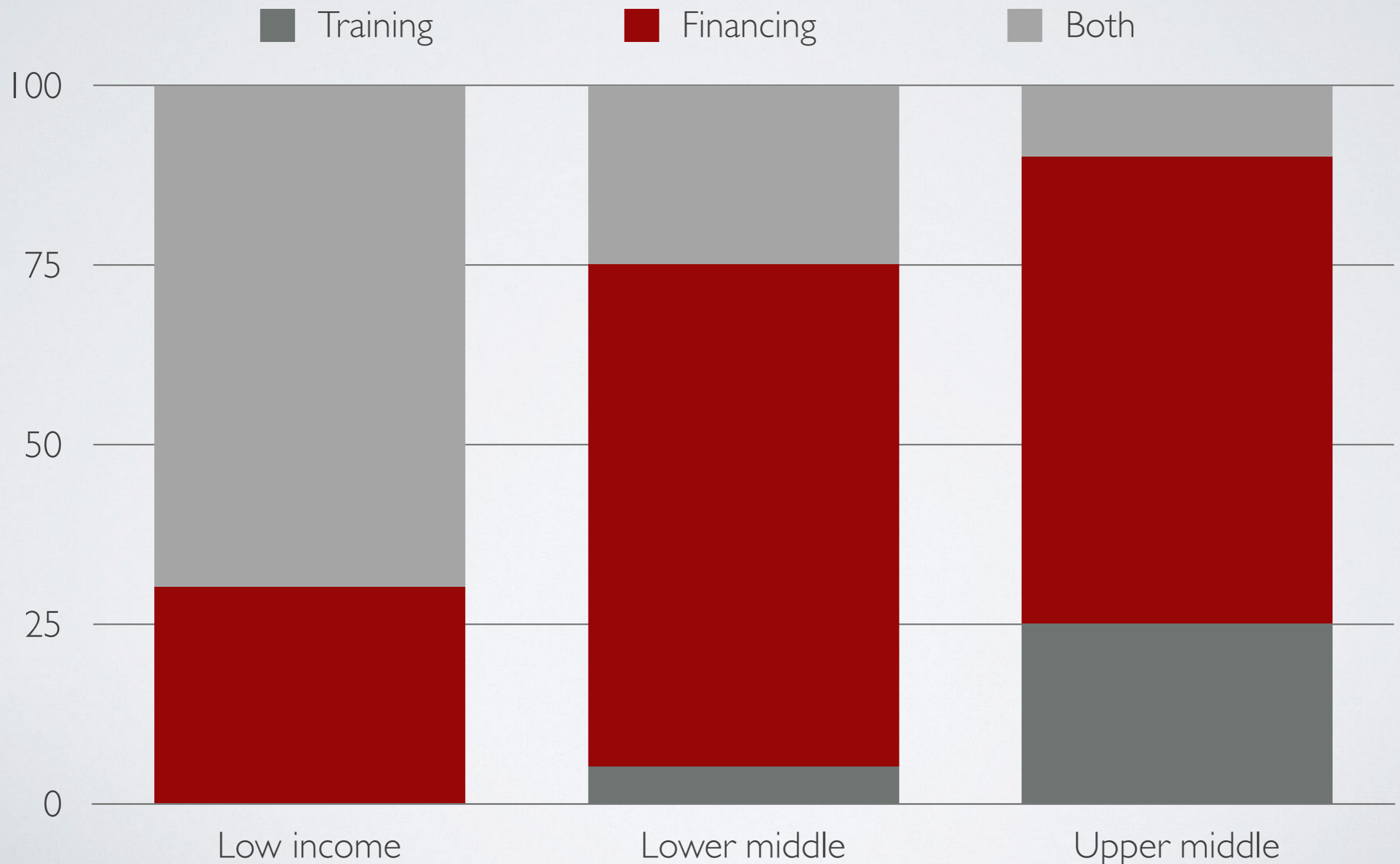
## CONTEXT

Region, income, labor market conditions, business environment

# DISTRIBUTION OF PROGRAMS



# TYPES OF PROGRAMS BY INCOME LEVEL

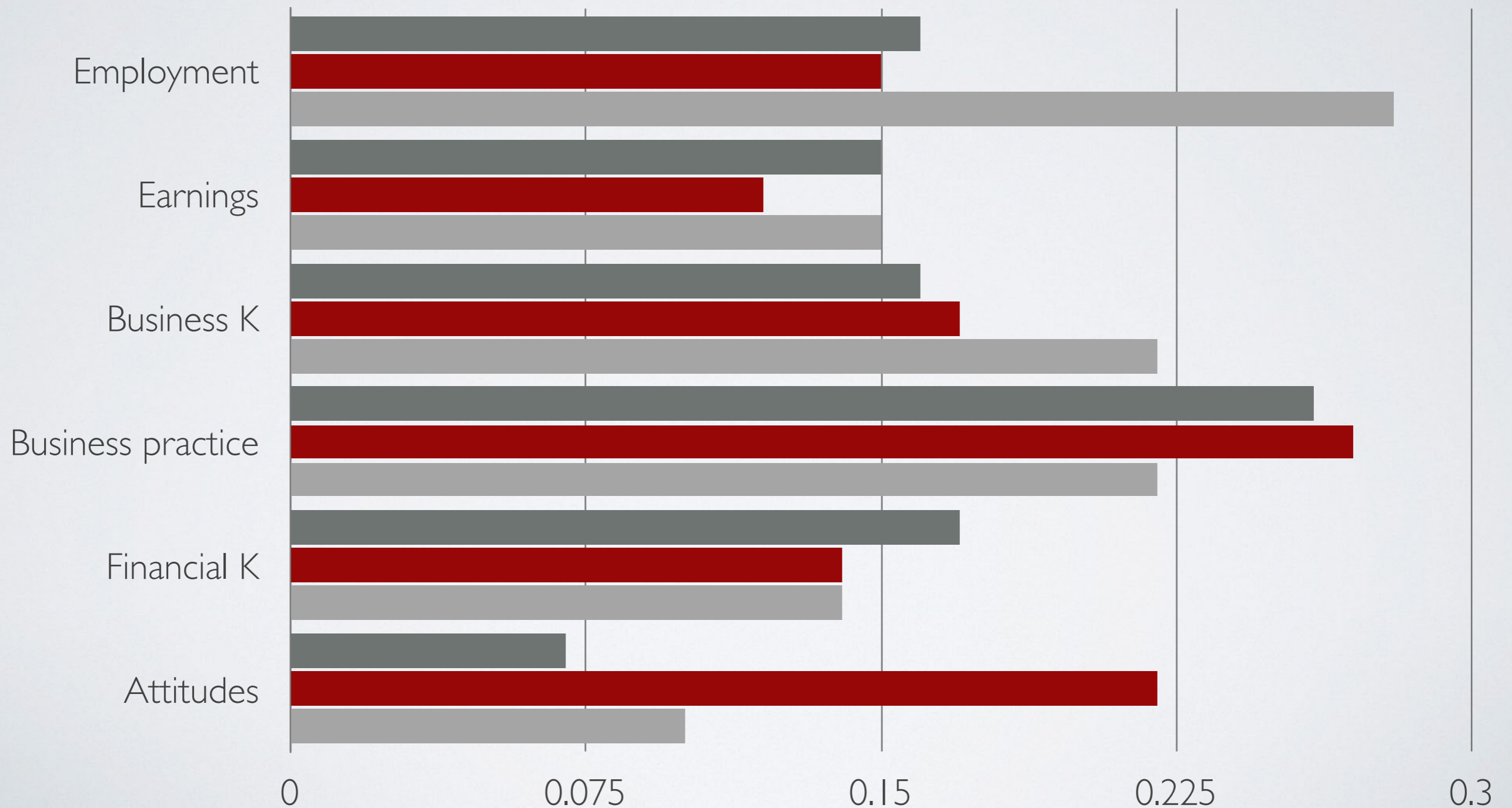


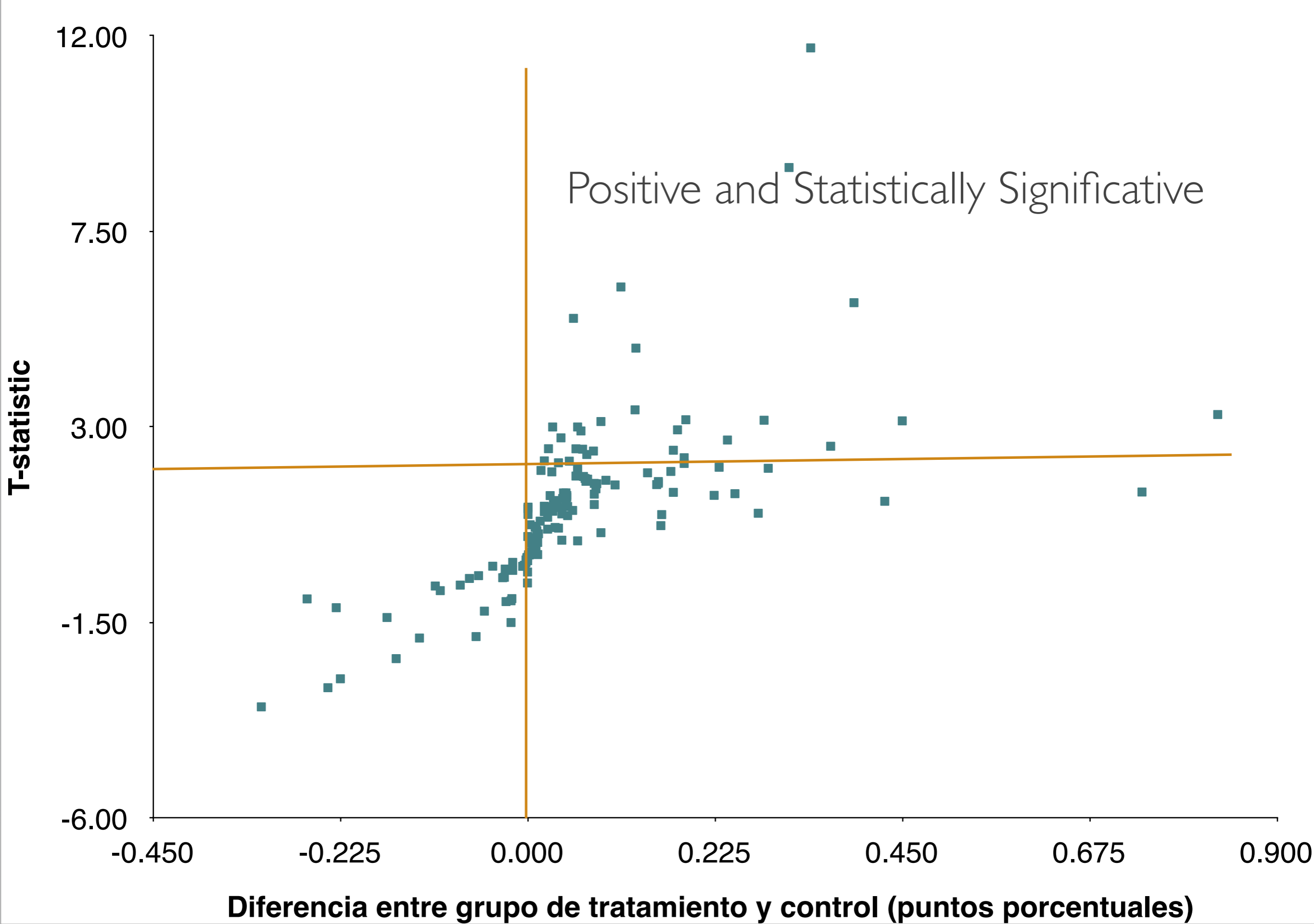
# AVERAGE SIZE EFFECTS

■ Training

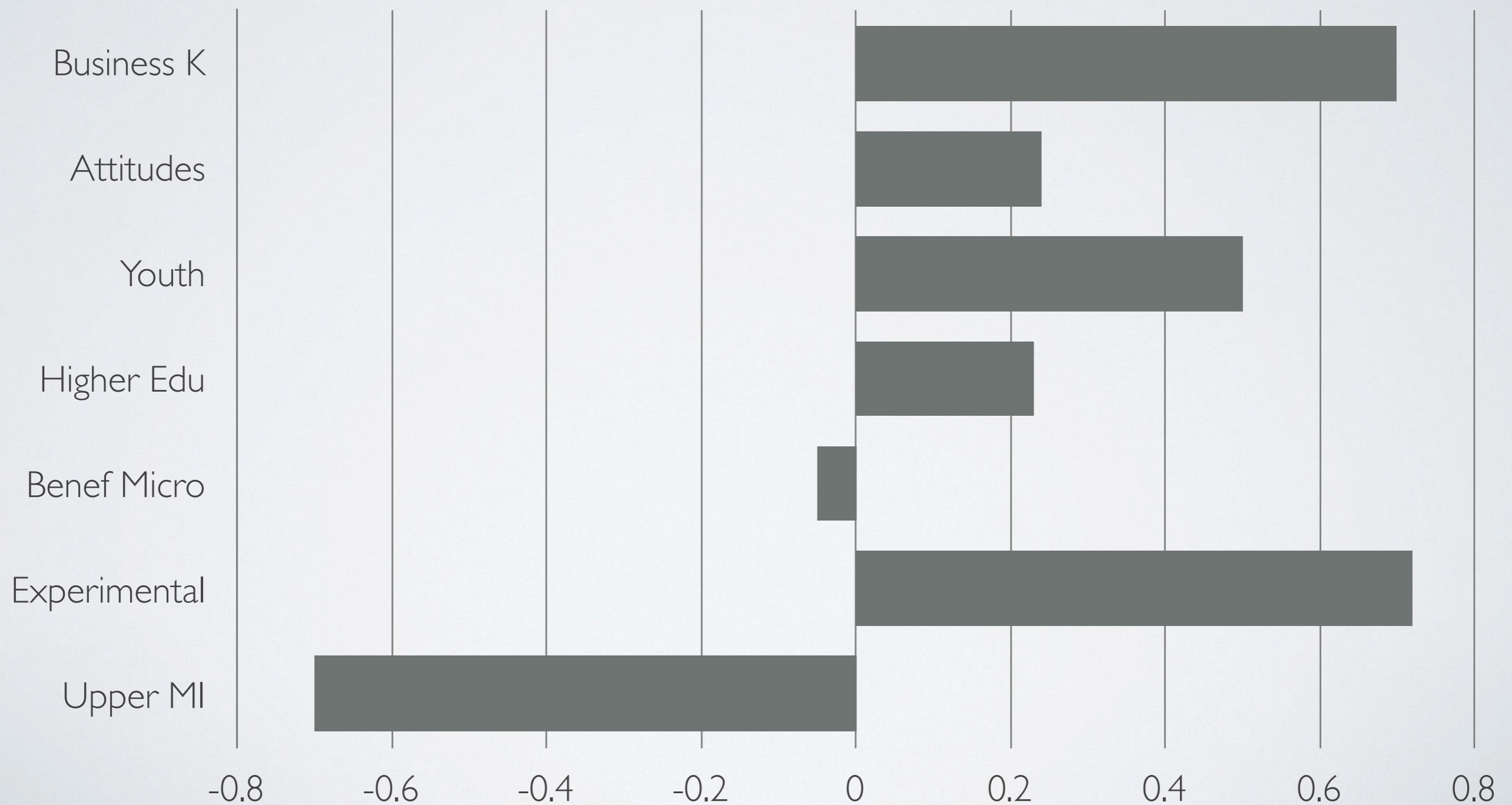
■ Finance

■ Both



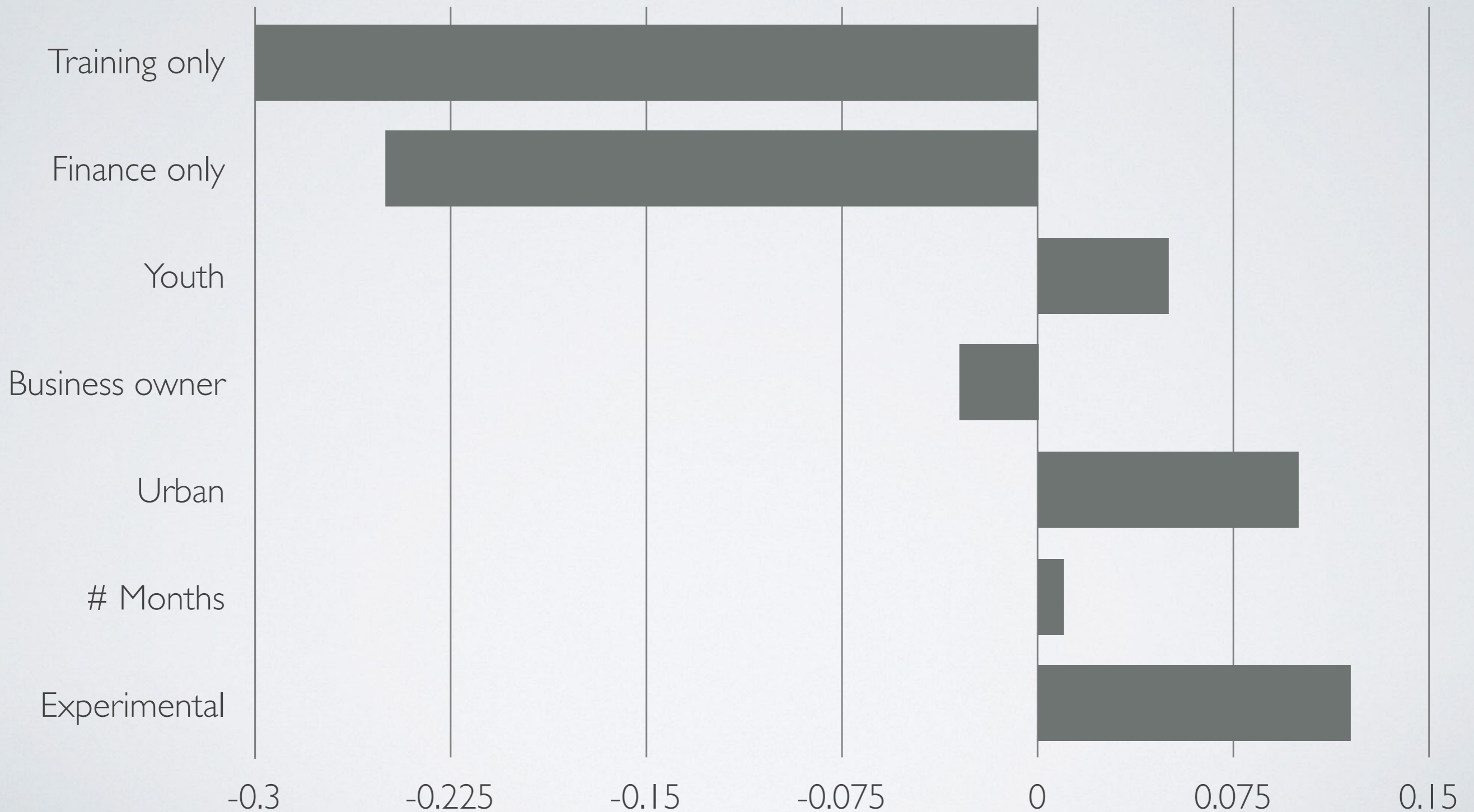


# CORRELATES OF POSITIVE OUTCOMES

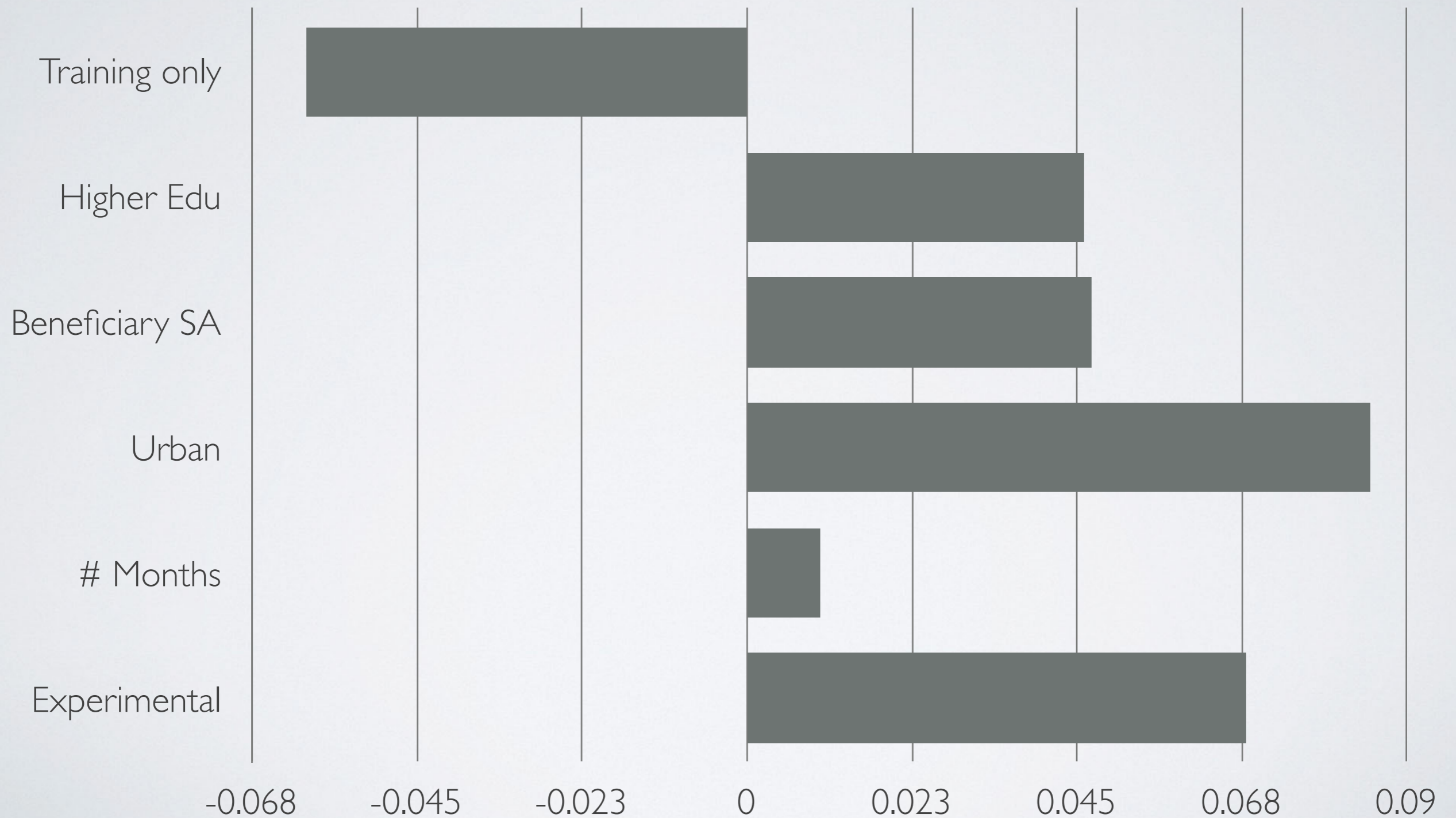




# DETERMINANTS OF CHANGES IN EMPLOYMENT



# DETERMINANTS OF CHANGES IN EARNINGS



# WHAT ABOUT THE TYPE OF TRAINING?

- Financial training (-)
- Technical (+)
- Life skills + business (++)
- Life skills + technical (++)
- Duration (++++)

# WHAT ABOUT CONTEXT?

- Few significant interactions
- High youth unemployment (+)
- Weak business environment (+)
- Conflict (+)

# SOME PROMISING INTERVENTIONS

- Northern Uganda Social Action Fund (life skills and technical training + grant) increased hours work by 30% and earnings by 50%
- Peru's Programa de Calificación de Jóvenes Emprendedores (business plan support, training, mentorships, credit) increased earnings by 40%, firms survival by 40% and employment by 17%
- Preliminary results for Adolescent Girls Initiative are also promising (e.g., Liberia)
- Colombia Alianza Productiva

# ISSUES WITH DESIGN

- Develop tools to distinguish between two groups: gazelles and subsistence
- "True" entrepreneurs might do fine with traditional support (training , advisory services, finance)
- For subsistence entrepreneurs more involved, comprehensive interventions would be required that rely on "external agents:"
  - Regional focus (rural)
  - Agents analyze local conditions and business opportunities including integration with and movement up value chains
  - They organize producers, train, and manage daily activities
- Address local constraints to entrepreneurial activity (basic infrastructure)

# TAKE AWAYS

- Programs are important
- Results have been mixed
- Need to better understand the constraints ("gazelles" vs subsistence entrepreneurs)
- Target integrated services
- Pilot and evaluate

