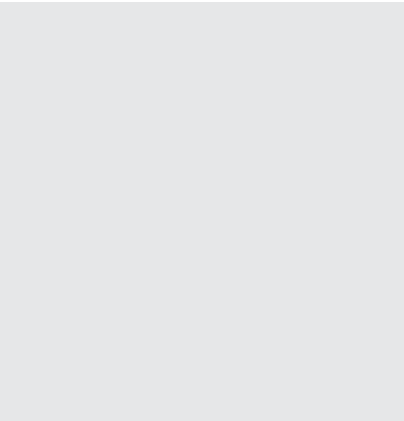




START YOUR BUSINESS: Impact Assessment Study in Aceh 2007

International Labour Organization

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First published 2008

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International Labour Organization
Start Your Business Impact Assessment Study in Aceh 2007
Jakarta, International Labour Organization, (2008)

ISBN 978-92-2-021158-8 (print)
ISBN 978-92-2-021159-5 (web pdf)

ILO Cataloguing in Publication Data

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Printed in Indonesia

Foreword

In order to help restore lives and to contribute to livelihoods recovery in Aceh after the tsunami, the ILO commenced a project “Entrepreneurship Culture and Business Creation (ECBC) for Youth Employment” in March 2006.

The project was part of an overall ILO Enterprise Development effort in Indonesia which contributes to one of the priority areas of the ILO’s Decent Work Country Programme in Indonesia, i.e. Employment Creation for Poverty Reduction and Livelihoods Recovery. The project was funded by the Canadian International Development Agency (CIDA), with a focus to improve the business development services (BDS) market where providers supply quality entrepreneurship education and business start-up skills training and services that are in demand by young women and men.

To develop BDS in Aceh, the project mainly utilises the Start and Improve Your Business (SIYB) programme, a business management training package developed by the ILO over 25 years ago which has been implemented in nearly 90 countries. One component of SIYB is the Start Your Business (SYB) programme, which focuses on the development of a business plan for micro and small businesses. One year after the implementation of SYB in Aceh, there was a need to analyse the impact of the SYB programme, particularly for entrepreneurs.

This study investigates how the SYB programme has contributed to business start-ups and improvement in Aceh. We hope that the study has not only managed to do that, but will also contribute to providing a better picture of the condition of micro and small businesses in Aceh: what are their challenges and opportunities, what kinds of further support are needed, etc.

We would like to thank the people who have contributed to this report, firstly the entrepreneurs and SYB graduates who gave time for the interviews and shared their experiences. We would also like to thank the Darr es-Salam Institute for conducting the study and writing the initial draft of the report. The contribution of ILO staff in Aceh and Jakarta for their valuable inputs and Sally Wellesley for editing the report are also highly appreciated.

We hope that this study provides information and insights which will help to improve enterprise development efforts in Aceh. Hopefully these efforts will increase the entrepreneurial skills and opportunities for the province’s most precious resources: the young women and men of Aceh.

March 2008

Alan Boulton

Director ILO Jakarta

Contents

Foreword	3
Executive Summary	7
1. Introduction	9
1.1 Background	9
1.2 The Start Your Business (SYB) Program	10
1.3 Objective	11
1.4 Research Methodology	11
1.5 Limitations of the Research	14
2. Characteristics of the Business Activities	17
2.1 Business Profile	17
2.2 Educational Background	20
2.3 New Businesses started after the SYB Training	21
2.4 Character of the New Businesses	22
2.5 Businesses Retained	24
2.6 Income Levels	25
2.7 Workers	26
2.8 Customers	27
2.9 Constraints on Business Development	28
3. Characteristics of Respondents who do not have a Business	31
3.1 Why Businesses were not Started Up	32
3.2 Why Businesses Failed	33
4. Motivation and Perceptions of Respondents	35
4.1 Motivation for Participating in the Training	35
4.2 Developing a Business Plan and Making Use of Training Materials	37
4.3 Constraints Regarding Training	39
4.4 Perceptions of Entrepreneurship and Skills	40
4.5 Knowledge Gained from the SYB Training	41
5. Gender Equality and Environmental Issues	45
5.1 Gender Equality	45
5.2 Environmental Issues	47
6. Conclusions and Recommendations	49
7. Postscript	53
Annex 1: Questionnaire for SIYB Impact Assessment Study	55

List of Figures

Figure 1	Percentage of respondents by age group	13
Figure 2	Percentage of respondents by educational level	13
Figure 3	Start-up rate among SYB beneficiaries	17
Figure 4	Business sectors of respondents before and after the SYB Training	19
Figure 5	Respondents with businesses before and after SYB training, by level of education	20
Figure 6	Reasons for choice of business type	23
Figure 7	Sources of start-up funds for businesses	23
Figure 8	Percentage of respondents who retained their business (Category A)	25
Figure 9	Number of customers before and after SYB training	28
Figure 10	Constraints faced by respondents in operating their businesses	28
Figure 11	Who do respondents consult when they face business problems?	29
Figure 12	Why have you not started a business?	33
Figure 13	Respondents' motivation for participating in the training	36
Figure 14	Respondents who completed business plans	37
Figure 15	Educational qualifications of respondents who did not complete a business plan	38
Figure 16	Respondents' perceptions, before and after the SYB training, about the role of private entrepreneurs in the local economy	40
Figure 17	Respondents' general business knowledge	42
Figure 18	Main source of family income	45
Figure 19	Managing responsibilities at home during the training	46
Figure 20	Who does the child care	46

List of Tables

Table 1	Survey areas showing number and percentage of respondents	12
Table 2	Business sectors by area before and after SYB training	19
Table 3	Respondents with businesses before and after the SYB training, by educational level and area	21
Table 4	Respondents starting up a business after the SYB training, by age group	22
Table 5	Respondents in category A (retained businesses) by area and age group	25
Table 6	Business revenues before and after the SYB training	26
Table 7	Business revenues of men and women before and after the SIYB training	27
Table 8	Workers by sex and age group	27
Table 9	Respondents who had not started a business before and after the SIYB training	32
Table 10	Respondents' motivation for participating in the training, by age group	36
Table 11	Respondents' motivation for participating in the training, by educational background	37
Table 12	Comparison of respondents who continued using the materials after the training	39
Table 13	Comparison of respondents who lend training materials to others	39
Table 14	Respondents' self-assessment of their skills	41
Table 15	Questions about business knowledge	41

Executive Summary

To contribute to economic recovery in Aceh, the International Labour Organization (ILO) carries out programs that encourage the development of micro and small businesses that will create employment. The ILO's enterprise development strategy was developed to contribute to one of the priority areas of the Decent Work Country Programme in Indonesia, Employment Creation for Poverty Reduction and Livelihoods Recovery, especially for Youth, using ILO tools and approach. One of the tools used by ILO to develop micro and small enterprises in Aceh is the Start Your Business (SYB) training package, which has been implemented in Aceh since February 2005. In May and June 2007, the Darr es-Salam Institute—a research institute based in Banda Aceh—conducted a study to analyze the impact of the SYB program in Aceh, particularly the trainings conducted within the period of March 2006 until February 2007.

The SYB program aims to equip potential and existing entrepreneurs with the knowledge needed to start and manage their own micro and small scale businesses. After completing the SYB training, participants are expected to have the ability to make a simple business plan. The SYB training materials consist of a manual, a work book and a business plan.

The study used a combination of quantitative and qualitative approaches, using questionnaires, focus group discussions (FGDs) and in-depth interviews. The sample comprised 262 respondents (from a total population of 998 people who underwent SYB training) taken from four regions in Nanggroe Aceh Darussalam: Banda Aceh/Aceh Besar, West Aceh (west coast), and Pidie and North Aceh (north coast). The respondents in the sampling comprised 72.14% women and 27.86% men, which corresponds to the ratio in the total SYB population.

The findings show that after the SYB training, 27.48% started a business and 14.5% started income generating activities. Further, 31.3% of the respondents had a business before the training and managed to retain it after, with an average income increase of Rp. 900,000 per month. An integrated approach—namely, access to practical skills, business management knowledge and financial access—may be an effective approach to develop micro and small businesses.

The difficulties that respondents cited most were attracting customers, getting raw materials and managing finances. When faced with a problem, very few respondents (less than 3%) are willing to access Business Development Service (BDS) providers; instead, most of them tend to seek assistance from other family members.

This study also shows that almost 70% of respondents managed to complete a business plan. There are indications that the participants who did not finish their business plan are those who did not match the requirements of the SYB program. Nevertheless, almost 60% of respondents continued to use the SYB books after the training ended. After-Training Support is needed to help SYB beneficiaries retain the knowledge they gained during the training and implement it in practice.

Over 85% of the workers in the business were youth, between 15 and 29 years old. Field observation indicates that young people often work in other people's businesses and consider the environment a "grooming place" where they can gain experience and probably capital before opening their own business a few years later.

Women often carry a "double burden" of taking full responsibility for household management while also running a business that contributes to the family income. While men tend to rely on their spouse to take care of their children and household when they run a business, women tend to either rely on other family members or manage the domestic responsibilities on their own. Regarding environmental awareness, there seems to be significant room for improvement. Very few respondents mentioned anything about pollution in the work place, even though pollution (air, water, soil and noise) is a problem in many work places in Aceh.

1.1. Background

The tsunami that struck Aceh on December 26, 2004 claimed hundreds of thousands of lives, destroyed thousands of stores and paralyzed trading centres. Coastal cities such as Banda Aceh, Meulaboh, Sigli and Lhokseumawe were severely damaged. Ironically, the coastal areas had been relatively peaceful locations during the conflict that afflicted the province for approximately 30 years. As the conflict escalated during that period, Aceh's economic growth was thwarted because stores and trading centres were burned or abandoned by their owners.

After the tsunami, aid from all around the world flowed into Aceh. Various international and national organizations—working together with local organizations—provided assistance for the recovery. One of them was the International Labour Organization (ILO) of the United Nations. The ILO's mandate is *to promote opportunities for all women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity*.

The ILO has made efforts to contribute to rehabilitation in Aceh, and particularly its economic recovery. To help get the economy back on track in the province, ILO has implemented programs supporting micro and small business development that will create employment. The enterprise development strategy was developed to contribute to one of the priority areas of the Decent Work Country Programme (DWCP) in Indonesia, Employment Creation for Poverty Reduction and Livelihoods Recovery, especially for Youth, using ILO tools and approach. The four ILO programs in Aceh related to enterprise development are Local Economic Development, Microfinance, Women's Enterprise Development, and Entrepreneurship Culture and Business Creation for Youth Employment.

One of the tools used by ILO for micro and small business development in Aceh is the Start Your Business (SYB) program. SYB was first introduced in February 2005 and is currently promoted under the Entrepreneurship Culture and Business Creation for Youth Employment program. In May and June 2007, the Darr es-Salam Institute, a research institute based in Banda Aceh, carried out research to study the impact of the SYB program in Aceh. The research focused on SYB trainings carried out during the period March 2006 to February 2007. This report presents the findings obtained from the study.

1.2. The Start Your Business (SYB) Program

SYB is a component of Start and Improve Your Business (SIYB), a set of business management training programs for micro and small entrepreneurs developed by the ILO. The SIYB program was initiated more than 20 years ago and has been implemented in more than 90 countries. SIYB consists of three programs: Generate Your Business Idea (GYBI), Start Your Business (SYB) and Improve Your Business (IYB).

SYB itself aims to provide potential and existing entrepreneurs with the knowledge and skills needed to start and manage their own micro and small businesses. Upon the completion of the SYB training, participants are expected to be able to prepare a simple business plan. Below is the step-by-step approach used in the SYB training:



- Step 1 Assess yourself as an entrepreneur
- Step 2 Clarify your business idea
- Step 3 Assess your market
- Step 4 Organize your people
- Step 5 Choose a legal business form
- Step 6 Know your responsibilities
- Step 7 Estimate your capital needs
- Step 8 Set process and plan for profit
- Step 9 Decide if your business is viable
- Step 10 Start your business (finalize business plan, action plan and prepare loan application)

The SYB training materials consist of a handbook, a work book and the business plan. As the SYB training is specifically for business management, and is materials-based, there are two key requirements that need to be met before participating in the training. First, participants must have a willingness and commitment to start a business. Second, participants must be able to read, write and do simple calculations. Only by fulfilling these requirements can participants really benefit from the SYB program.

In addition to the training materials, the SYB program uses a Business Game to help participants better understand various business management concepts. The Business Game consists of four modules and simulates real-life business conditions.

A quality control system is integrated into the SYB program, and is expected to be implemented by practitioners. The system begins with a training needs analysis and the participant selection process. Those who are eligible to participate are then asked to take a pre-test and to fill in a baseline questionnaire. During the training, the participants fill in daily reaction forms as feedback for the trainers and other participants on the implementation of the training.



Picture 1. The Business Game

Upon completion, participants are asked to give a final evaluation of the overall training, including an assessment of the performance of SYB trainers on a scale of 0 (poor) to 5 (excellent). Participants are also asked to take a post-test, which has the same questions as the pre-test. Trainers then compare the results of both tests to assess whether participants have gained any knowledge during the training sessions. The baseline questionnaire, which participants fill in before the training starts, is distributed again among a selected sample of participants within a certain period of time after the training to study the impact of the SYB program—that is, whether participants have started or improved their business after the training.

SYB was first introduced in Aceh in early 2005, and an impact assessment study was first carried out at the end of that year. Many things have changed since then, including the business climate in Aceh and the nature of enterprise development programs. Employment creation through micro and small enterprise development requires an integrated approach: access to practical skills, business management knowledge and financial access. The SYB program is only one of several components that should be carried out as part of a linkage with other enterprise development programs.

1.3. Objective

The objective of the study is to assess the impact of the SYB trainings conducted between March 2006 and February 2007 at both the participant level and the enterprise level. The study is expected to describe how SYB has contributed to the business development of the participants. Further, the study is also expected to provide indications regarding the condition of micro and small businesses in Aceh, including the challenges that potential and existing entrepreneurs face. Issues regarding the environment and gender equality in micro and small businesses are also addressed in this study.

1.4. Research Methodology

Within the period March 2006 to February 2007, 998 individuals attended the SYB training. Approximately 70% of them were women. For this study, 262 individuals (189 women and 73 men) were chosen randomly from the above population for inclusion in a sampling list. The study was carried out in four locations where most of the SYB participants reside, i.e. Banda Aceh/Aceh Besar, Pidie, North Aceh and West Aceh, from May to July 2007.

Before starting the field survey, surveyors had to make sure that the individuals they interviewed were the right people, according to the sampling list. Surveyors were not allowed to change the sample except under certain circumstances: firstly, if they were unable to make contact with a certain individual on the sampling list because the person's contact details had changed and his/her whereabouts was unknown. (This survey was carried out while Aceh was still in the process of rehabilitation and reconstruction, when the population was highly mobile: some participants stayed in barracks or emergency shelters during the training period but moved out later). The sample could also be changed if an individual refused to be interviewed for one reason or another, e.g. because of disappointment over financial/capital assistance that did not meet his/her expectations (some organizations linked the training to financial or capital assistance). To anticipate such cases, surveyors were given a backup list of ten individuals within their respective survey locations.

Data were collected in three ways:

- ♦ Questionnaires
- ♦ Focus group discussions (FGD)
- ♦ In-depth interviews

Baseline questionnaires were distributed and collected before participants started the training. Data obtained from the follow-up questionnaires distributed during this study were then compared to the data in the baseline questionnaires. The follow-up questionnaires had the same set of questions as the baseline, with some additional questions that included gender and environmental issues. Next, the data were entered into the spreadsheet database and processed using SPSS 14 Evaluation-version software.

1.4.2. Field Survey

Before carrying out field surveys, the surveyors attended a workshop to align their perceptions on what was meant by and what information was expected from each item on the questionnaires. Next, they were sent around Banda Aceh and Aceh Besar to test the follow-up questionnaires, identify difficulties they might face in the field and get a rough impression of the situation of the respondents.



Picture 2. Surveyor interviewing a respondent in Aceh Besar

Table 1. Survey areas showing number and percentage of respondents

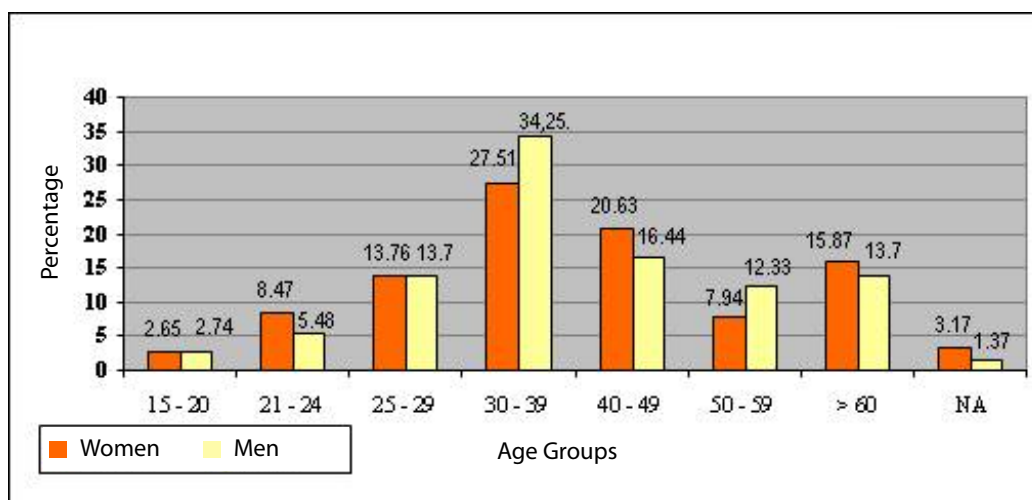
Area	Amount of respondents	Percentage
Banda Aceh/Aceh Besar	86	32.8%
North Aceh/NGO	55	21.0%
West Aceh	51	19.5%
Pidie	70	26.7%
Total	262	100 %

Data were collected from 262 respondents. Table 1 shows the breakdown by location. Most respondents (more than one-third) were selected from Banda Aceh and Aceh Besar as most of the trainings were conducted in these two areas (considered as one location for the purposes of this survey). The second location, Pidie, contributed more than one-fourth, i.e. 27%, of the total sample, whereas North Aceh and West Aceh each made up approximately one-fifth, (21% and 19.5% respectively) of the total sample. Training activities were

also carried out in Sabang, Nias, Bireuen and Aceh Jaya. However, due to the small size of the population and insufficient data, the survey team decided not to carry out surveys in these areas.

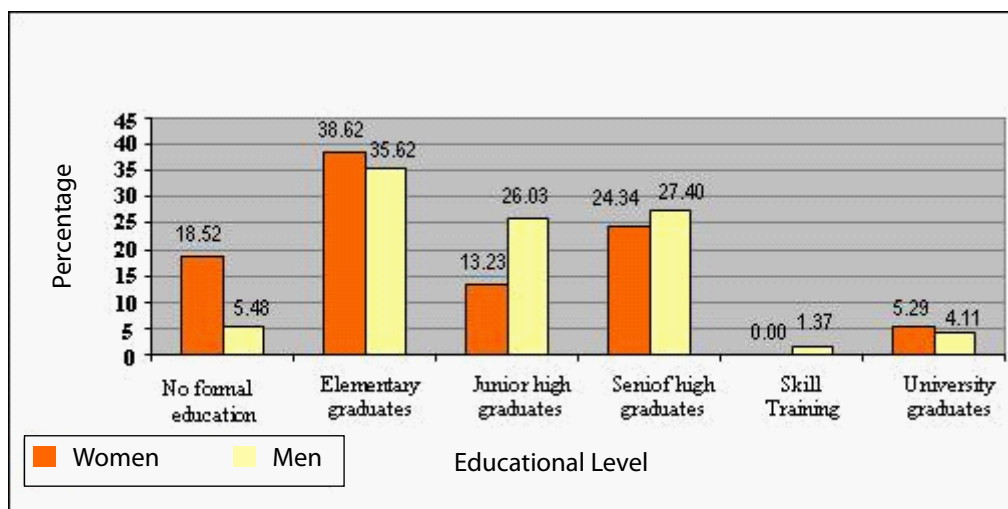
More than 70% of the respondents were women (189 out of 262 respondents), which corresponds to the percentage in the population (72%) that underwent SYB training. In addition, 65% of the respondents fell within the productive age group (25-49 years old). To be exact, one-third (29%) of the productive population was 30-39 years old; one-fifth was 40-49 years old; and nearly 15% were 25-29 years old. Youth (15-24 years old) comprised only 10% of the sample, a little less than the percentage of elderly people at 15%. However, 5% of respondents refused to disclose their age. For complete information, see Figure 1.

Figure 1. Percentage of respondents by age group



A large number of respondents (38%) in the survey were elementary graduates, while 25% of them had finished junior high school, but only 17% were senior high school graduates. Only 5% of the respondents had been through higher education, while 15% had no formal educational background, which posed some difficulties for them when attending training sessions because of their low level of reading and writing skills: more rigorous screening of potential participants before training would be advisable in future. Most of those who did not have any formal education were women, accounting for 35 out of the entire sample of 262. Figure 2 shows the educational levels of the respondents.

Figure 2. Percentage of respondents by educational level



1.4.3. Focus Group Discussions

A total of four focus group discussions (FGD) were held in three locations. The first FGD was conducted in West Aceh to get qualitative data that could be compared to data from the questionnaires distributed in that area. At the same time, it was expected that the FGD participants would be able to provide a general impression of the SYB participants on the west coast. Unfortunately, when the FGD was conducted, the area was hit by severe high tides that inundated the temporary settlements of the respondents, and some of those invited were unable to take part in the FGD.



Picture 3. FGD for women in Banda Aceh

The second FGD was held in Pidie to gain insights into the condition of respondents living on the north coast of Aceh. On the assumption that conditions in North Aceh—also on the north coast—would be similar to those in Pidie, a separate FGD was not held in North Aceh. On the other hand, in Banda Aceh/Aceh Besar, two FGDs were held simultaneously, one for female participants only and another for youth participants only. Thus there were four FGDs in total: two based on geographical location, one for women and one for youth.

1.4.4. In-depth Interviews

Surveyors also carried out in-depth interviews with a number of individuals to discern the factors that influenced the success or failure of business start-ups and business improvement. From these interviews, case studies were drawn up on two themes: the first about individuals who managed to start a business, and the second about individuals who did not. These in-depth interviews were conducted in all areas, yielding four case studies about successful businesses and four case studies about unsuccessful businesses.

1.5. Limitations of the Research

There were several limitations on this research that need to be taken into consideration. First, this study does not describe the situation in Aceh as a whole because it focuses on just four areas. Although each area certainly has different characteristics in terms of either social conditions or local culture, the samples are, nevertheless, representative of the settings of the populations in the four areas studied.

The results, however, can not be generalized for the whole of Aceh. Most of the population (the SYB training participants) are tsunami victims, whereas in Aceh there are also many victims of conflict who have been suffering for thirty years now. They too need programs such as SYB, but their rate of success might be quite different to that of the tsunami victims. Nevertheless, among the respondents there are some people who have been victims of both disasters—the tsunami and the conflict. There may well be cross-cutting issues between tsunami-affected people and conflict-affected people; unfortunately, however, those issues do not fall within the scope of this study.

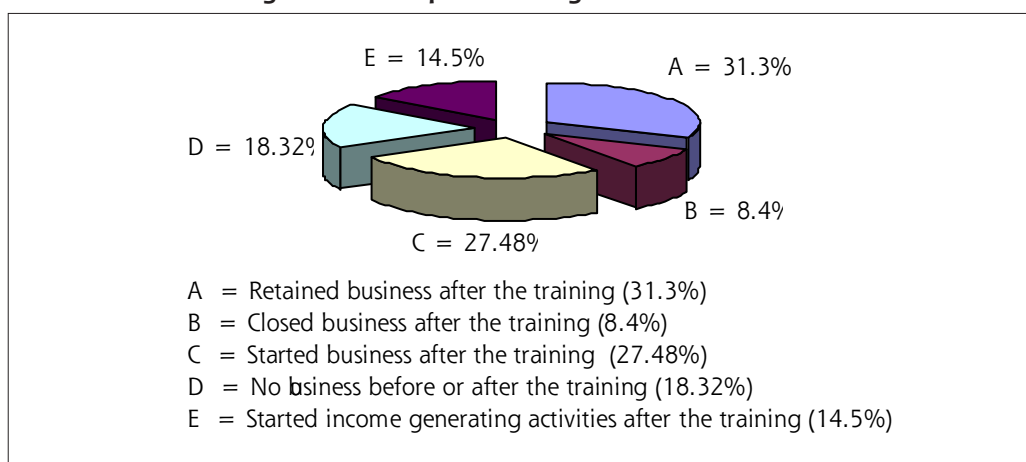
Characteristic of the Business Activities

2.1 Business Profile

Out of the overall population of 998 people who took part in SYB training, the 262 respondents in the sample can be divided into five categories, as follows:

- A = Had a business before SYB training and retained it afterwards: 31% (82 respondents),
- B = Had a business before SYB training, but closed down after the training: 8% (22 respondents)
- C = Started a business after the SYB training: 27.5% (72 respondents)
- D = Had no business either before or after the SYB training: 18% (48 respondents),
- E = Started income generating activities after the SYB training:¹ 14.5% (38 respondents).

Figure 3. Start-up rate among SYB beneficiaries



61% of those in groups A, C and E—that is, 117 out of 192 people with business activities—are self-employed (i.e. have one employee or none at all), while the other 75 people in these three groups operate micro enterprises (i.e. having 2–9 employees)².

¹ Income generating activities are activities that gain or increase income through three ways. First, income generation does not always mean the immediate acquisition of money, although in the end money is used to place a measurable value on the goods and services people produce. A second way to generate income is by serving another person who pays for the use of one's skills. Third, income can be generated through the astute investment of existing resources, for example developing a piece of land and then planting crops for sale.

² According to the ILO definition of businesses, 'self-employed' is a business activity with 1 employee. Micro businesses have 2–9 employees, small businesses have 10–49 employees, medium scale businesses have 50–99 employees, and large business have more than 100 employees.

Ms. Rufasah, Pidie: Satisfying customers

Ms. Rufasah sells “nasi gurih” in Kulee, a village in the district of Batee in Pidie. She is nearly 50 years old and graduated from elementary school. She inherited the business from her parents in 1990 with capital of just Rp. 300,000. Her son always helps out with the business. She has to get up at 4:00 A.M. to prepare the food that she will sell. Then, once she has said her early morning prayers, she and her son open the stall in front of her own house where she usually sells the food. Since she only sells “nasi gurih,” a breakfast dish in Aceh, her kiosk is open only until 11:00 A.M.



In 2004, the village where Ms. Rufasah lives was hit by the tsunami, and all her belongings were destroyed. After the disaster, she was unable to start her business again because she had nothing left. In 2006, she participated in the SYB training organized by ICMC in her village. During the training, she learned practical skills and knowledge about business ideas, basic business operations and sound business management practices, including financial management. Enthused by the training, Ms. Rufasah was keen to reopen her business. After attending the SYB training, she received assistance from ICMC in the form of a shelf on which to place the food that is to be sold. Armed with a strong entrepreneurial spirit and the practical skills she learned from the training, she decided to reopen the “nasi gurih” business she once owned.

One of the ways she has put the entrepreneurial knowledge she gained to good use is in her approach to marketing and determining the location of her business. She decided to open her stall in a new place, near the market in her village, which, she says, is frequently visited by villagers on their way to the sea. Many of her customers are fishermen.

She tries to satisfy her customers by maintaining the quality of her “nasi gurih” and keeping her business premises clean and comfortable, realizing this will bring in more customers. For example, she has a good trash bin and a bucket to wash all her equipment so that her stall does not smell, or attract flies.

She earns a revenue of around Rp 90,000 or even sometimes up to Rp 150,000 per day. At the moment, she does not employ anyone else because her business is still very small, however her son helps her to serve the customers. Apart from operating her small food kiosk near the market, she also offers catering services for construction workers who are building houses for the tsunami victims in her village. The revenue from her business is mainly used to support her two children who are still in school. She has to work hard to meet all their daily needs because the business is the family’s only source of income.

Ms. Rufasah’s “nasi gurih” business is now coming back to life again. She is determined to realize her dream of becoming a successful business person in her village. Her wish for the future is to have a better location than the present site, which is on a sidewalk. She would like to own a restaurant so that she can offer a wider menu, not just “nasi gurih” but other food as well. Moreover, she would be able to sell other items such as canned drinks or even coffee. For the moment, though, she does not have enough capital to expand her business.

When data from before and after the training are compared, the number of respondents who own businesses increased by almost 48%, from 130 to 192 respondents. The overall increase in the number of women operating businesses following training was 59% (from 80 to 127 respondents), whereas men’s businesses grew by 30%, from 50 to 65 respondents (see Figure 4). However, the start-up rates among SYB trainees look slightly different: 39% of the women (74 out of 189 women respondents) started up a business or income generating activities, while the start-up rate among the men was 49%, or 36 out of the 73 male respondents.

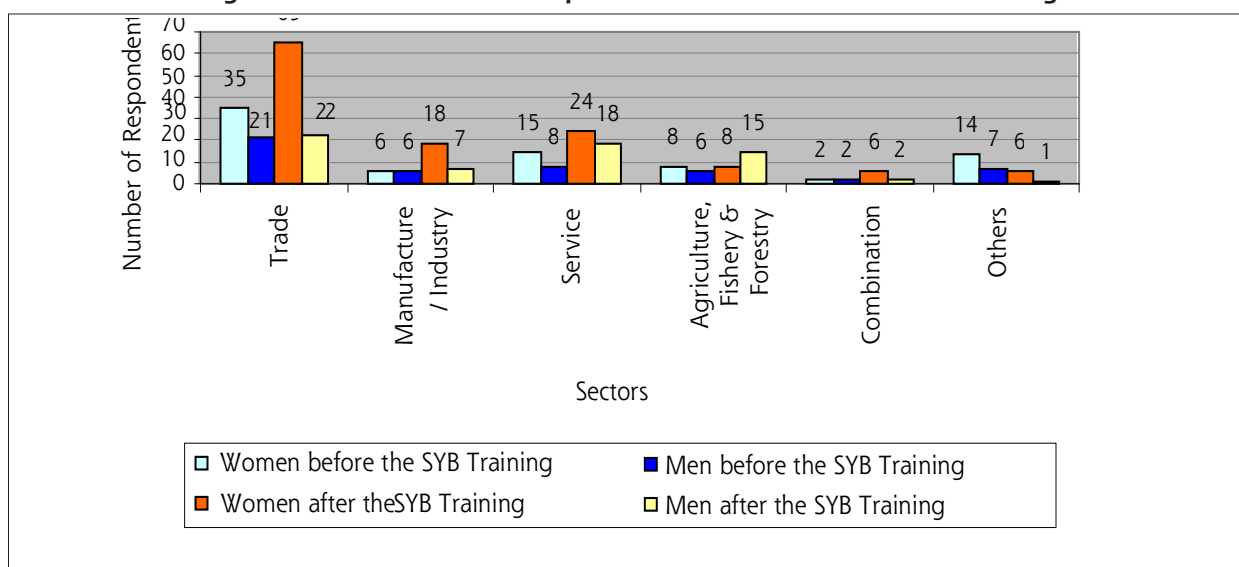
The businesses in this study were classified into six sectors: trading, manufacturing/industry, service, agriculture/fisheries/forestry, combination and “others”. Trade accounted for the largest portion of respondents both before (43%) and after (45%) the training, followed by the service sector (18% and 22% respectively), the

manufacturing/industry sector (9% and 13% respectively) and agriculture/fisheries/forestry at 11% and 12% respectively (see Table 2). It should be borne in mind, however, that the sector chosen for a business start-up is related to the skills, experience and business ideas of the participant concerned before they started the training, so the sectoral distribution of new businesses in this study is closely related to the selection of the participants.

Table 2. Business sectors by area before and after SYB training

Sectors	Business Sectors before SYB Training						Business Sectors after SYB Training					
	Aceh Besar	North Aceh	West Aceh	Pidie	Total		Aceh Besar	North Aceh	West Aceh	Pidie	Total	
					Freq.	%					Freq.	%
Trading	5	14	18	19	56	43.08	36	15	19	17	87	45.31
Manufacture/ Industry	4	6	2	0	12	9.23	9	3	1	12	25	13.02
Service	12	8	0	3	23	17.69	16	10	6	10	42	21.88
Agriculture, fishery & forestry	0	10	0	4	14	10.77	5	6	0	12	23	11.98
Combination	1	2	0	1	4	3.08	0	7	0	1	8	4.17
Others	4	4	4	9	21	16.15	0	0	0	7	7	3.65
Total	26	44	24	36	130	100.00	66	41	26	59	192	100.00
Percentage	20.00	33.85	18.46	27.69	100.00		34.38	21.35	13.54	30.73	100.00	

Figure 4. Business sectors of respondents before and after the SYB Training



Muctaruddin, Lhokseumawe: growing a water refill business



Muctaruddin H. (32) did not own a business when he participated in the SYB training. Now, he has a clean water refilling enterprise in his village, and the business he started up in 2006 is growing. In just one day, he can secure a revenue of about Rp. 50,000, serving around 20 customers per day. Some of his daily income is used to meet the needs of his family, because the business is their main source of income; his wife does not have a paid job. At the moment, the revenue from the business is sufficient to meet all their needs.

For Muctaruddin H., who was previously unemployed, this business is a real achievement. He started up the clean water refilling business after attending SYB training, and received Rp. 3 million in initial financial support from ICMC, one of the organizations providing the training. However, since the business needed a larger start-up capital, he also requested financial assistance from his parents and sought loans from his friends in order to make up the shortfall.

During the SYB training, he gained new practical skills and knowledge about business operations, and learned about customers' needs and market demands. He also learned how to apply sound business management, how to prepare a business plan and how to promote products. Inspired by all of this and using his experiences from the training as a reference, he analyzed the needs of the community, and then decided to open clean water refilling business.

In running the business, he devises periodic marketing activities to attract buyers/customers. Moreover, he can now prepare a sales and cost plan as part of his business plan, and calculates expenses before deciding the selling price because he has to buy clean water from municipal waterworks. He is very happy with the SYB training he attended because it has made a huge difference to himself and his business.

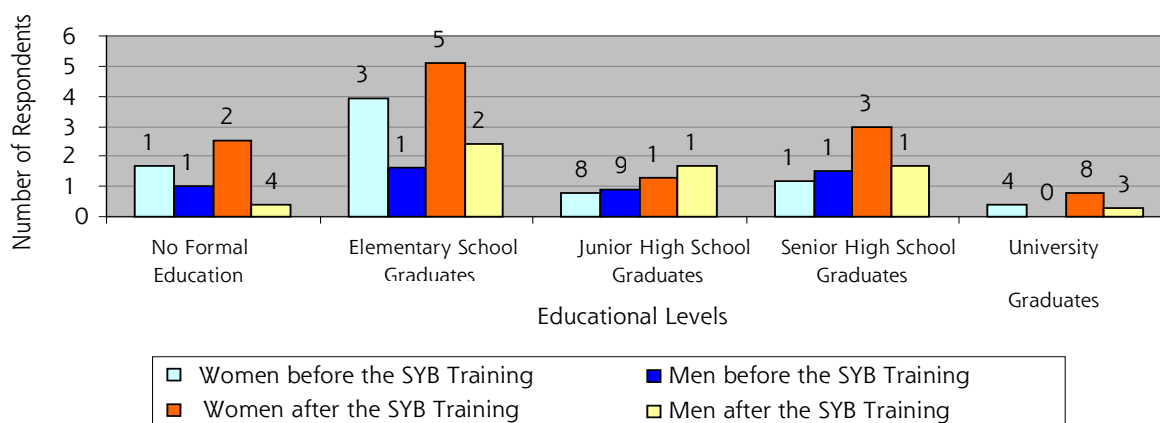
At the moment, he needs no employees for his business as it is micro-scaled and he is able to operate it with the support of his wife. To boost turnover, he tries to maintain the quality of water that he sells, and sells it at a relatively low price so that people in his community, most of whom have low incomes, can afford it. He pays considerable attention to sanitation and the environmental aspects of his business location as this is an important part of earning the customers' trust in his product.

He is now planning to expand his business by selling other products. Aside from the clean water refills, he wants to sell gallon bottles of Aqua (drinking water) and clean water filters. He would also like to initiate direct marketing by distributing water-filled gallon bottles to kiosks and stores or by delivering them himself to the customers' homes.

2.2 Educational Background

Although the sampling is dominated by respondents who have been educated only to elementary school level, the growth in businesses is higher among senior high school graduate respondents, increasing from 21% to 24% of all 192 businesses existing post-training, or from 27 to 47 businesses. Meanwhile, among junior high school graduate respondents there was a gain of 13 businesses. This is very different from the results of the SYB Impact Assessment Study conducted in 2005,³ where largest portion of respondents were senior high school graduates (50%), followed by junior high school graduates (18%), elementary school graduates (11%) and university graduates (21%). In the 2005 impact assessment study, the percentage of respondents who had a business corresponded with the percentage of respondents in the sampling, when categorized by educational level.

Figure 5. Respondents with businesses before and after the SYB training, by educational level



Looking at the growth in business ownership within each educational level, the greatest change was seen among the small number of university graduates in the sample: 31% of this group owned a business before training, while following training, 85% of them had a business. Significant change was also seen among senior and junior high school graduates, amongst whom business ownership increased from 41% to 71% and from 39% to 68%, respectively. Among participants with elementary education or no formal education at all, the change was somewhat smaller, increasing from 55% to 75% and from 69% to 74%, respectively. This perhaps reflects the fact that the more highly educated participants are likely to have better capacity to absorb and apply what has been learned than those who are less well educated.

When sex is factored in, female respondents with a senior high school education account for the highest percentage of those starting up new businesses or income generating activities. The businesses or income generating activities of women taking part in the training outnumbered those of men.

By area, respondents in Banda Aceh/Aceh Besar and Pidie have a higher level of education than those in North Aceh and West Aceh. These two locations showed greater business growth than the two other regions. In Banda Aceh/Aceh Besar, the number of businesses increased from 26 to 66, while in Pidie it increased from 36 to 59 (see Table 3). In contrast, the number of businesses remained almost unchanged among respondents from West Aceh and North Aceh. This may indicate that educational level affects the number of new businesses in an area.

Table 3. Respondents with businesses before and after the SYB training, by educational level and area

Education Level	Number of Businesses before the SYB Training						Number of Businesses after the SYB Training					
	Aceh Besar	North Aceh	West Aceh	Pidie	Total		Aceh Besar	North Aceh	West Aceh	Pidie	Total	
					Freq.	%					Freq.	%
No Formal Education	1	15	1	10	27	20.77	3	7	3	16	29	15.1
Elementary School	2	21	20	12	55	42.31	12	24	16	23	75	39.06
Junior High School	3	5	2	7	17	13.08	12	4	4	10	30	15.63
Senior High School	17	3	1	6	27	20.77	29	5	3	10	47	24.48
University	3	0	0	1	4	3.08	10	1	0	0	11	5.73
Total	26	44	24	36	130	100	66	41	26	59	192	100

2.3 New Businesses started after the SYB Training (Category C)

A total of 72 individuals, or 27% of the respondents, started up a business (as distinct from income generating activities) after the SYB training. Of this total, 74% were women and 27% were men, which is similar to the proportion of each group in the study population. Most of the respondents who began a business were elementary school graduates (42%), followed by senior high school graduates (26%) and other levels of education according to the distribution of the population. However, if conditions before and after the training are compared, there was a higher gain in the percentage of senior high school graduates who started up businesses, and among them, women were more dominant. On the other hand, among male respondents there was a gain in the number of businesses nearly at all levels of education, except among those who had no formal education and among university graduates.

By area, the participants from North Aceh seem to be more successful than others. Just over 34% of the participants from this location started up a business after the training, compared to 30% of the participants from Banda Aceh/Aceh Besar, 23.5% of the participants from West Aceh and 21% of those trained in Pidie. Information from those who carried out the surveys suggests that the success in North Aceh is supported by the location of the respondents' settlements, near highways. This makes it easier for them to obtain raw materials and to market their products and services. Meanwhile, in Banda Aceh/Aceh Besar, proximity to the provincial market means better access to both consumers and capital.

Table 4. Respondents starting up a business after the SYB training, by age group

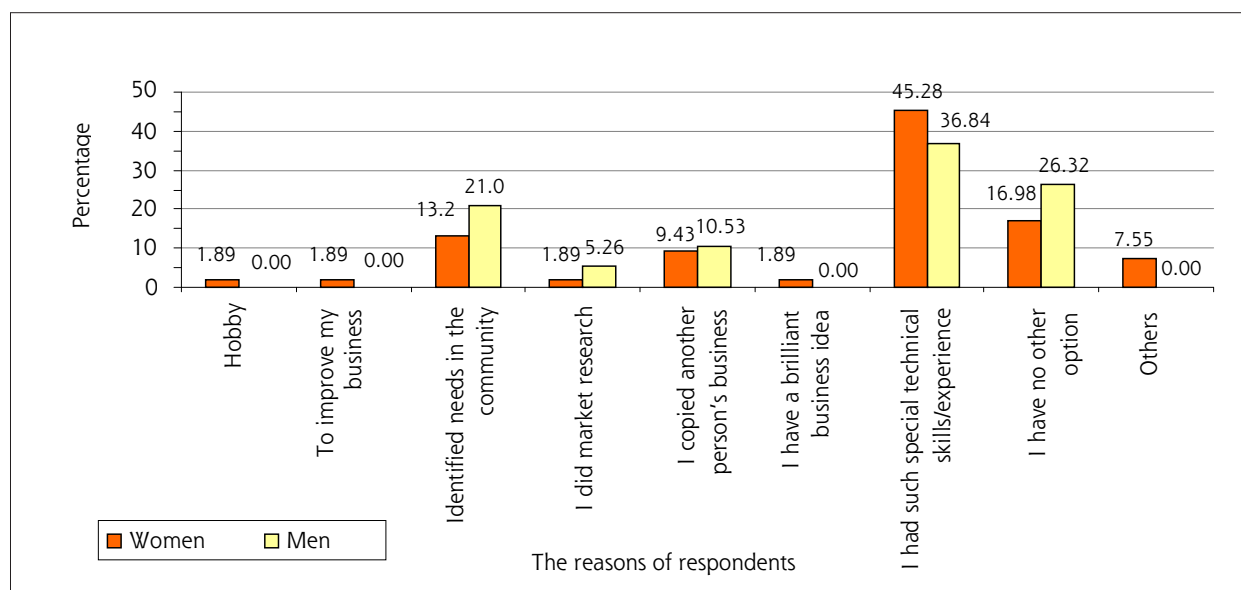
Age Group	Areas				Total	
	A. Besar/ B. Aceh	North Aceh/Lsm	West Aceh	Pidie		
					Freq.	%
15 – 20	1	0	0	1	2	2.78
21 – 24	3	0	1	3	7	9.72
25 – 29	3	4	1	2	10	13.89
30 – 39	14	6	1	1	22	30.56
40 – 49	5	3	8	1	17	23.61
50 – 59	0	2	0	1	3	4.17
60	0	2	1	5	8	11.11
N A	0	2	0	1	3	4.17
Total	26	19	12	15	72	100.00

More than 50% of the start-ups were in the 30 – 49 age group, which accounted for almost half of the sample. Within age groups, however, the 21-24 year olds were proportionately more active: 35% of participants in this age group started a business. Of the 40-49 year olds, 33% started a business, while among the 15-20, 25-29 and 30-39 age groups, the figure was around 28%. There was less activity among the older age groups, 12.5% of the 50-59 year olds and 20% of the over 60s started businesses. While it would be easy to conjecture that some respondents in this age group felt too old to start up a business, further research would be needed to explain the lower start-up rate in the older age bracket.

2.4 Character of the New Businesses

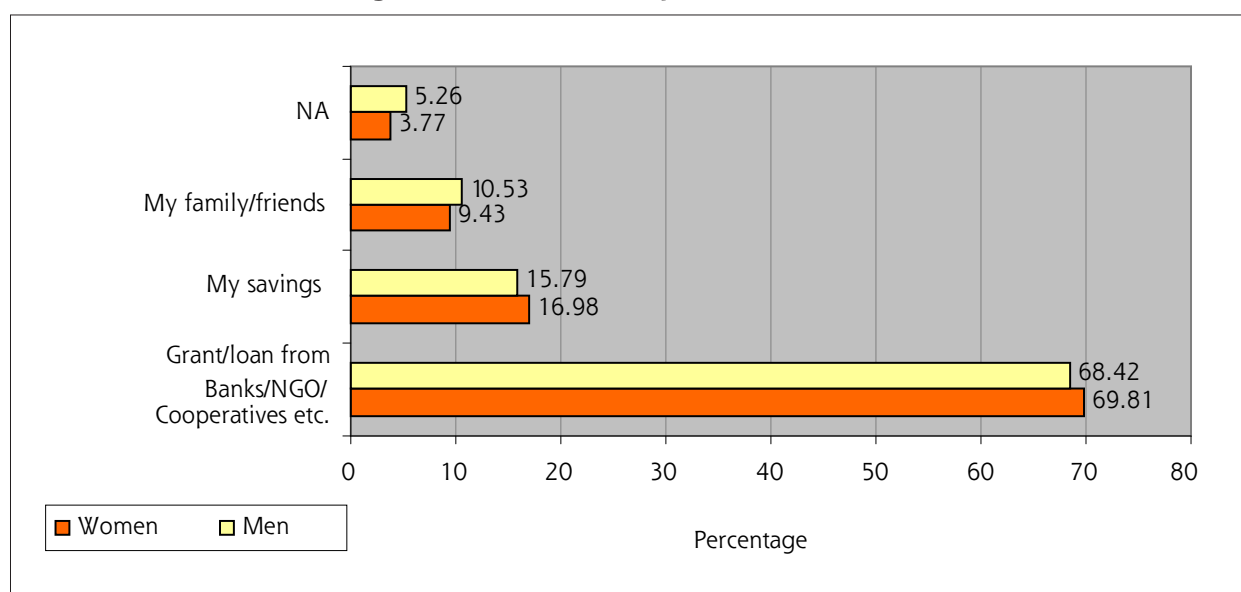
Prior skills and/or experience were a major factor in deciding what type of business to start: 45% of the women and 37% of the men chose their enterprise on this basis. The second largest group of respondents (26% of men and 17% of women) selected their business on the grounds that "there is no other choice." "Identified needs in the community" was chosen by 21% of men and 13% of women, while around 10% of both men and women claimed, "I copied another person's business." It can be inferred from the second and the last responses that about 30% of the training participants started up their businesses that were not based on their own ideas, which could increase their risk of potential business failure. This group should be provided with the SYB training together with skills training and/or GYBI training and focus on market assessment prior to start-up.

Figure 6. Reasons for choice of business type



To start up their businesses, around 70% of the respondents, both men and women, got their initial capital from financial institutions. These do not just consist of private and state banks but also cooperatives and community financial groups founded by NGOs.

Figure 7. Sources of start-up funds for businesses



This is different from the 2005 SYB Impact Assessment Study, which found that most respondents started their businesses by means of loans from their friends or families. However, it should be taken into account that most participants of the SYB training between March 2006 and February 2007 received grants from NGOs. It could be that the financial institutions have started to consider extending loans for micro businesses while banks are generally not yet fully supportive of them.³ The government needs to issue policies that encourage banks to pay attention to the development of local investments. Otherwise, new businesses will only be started by those

3 In a seminar organized by TARI Institute in the middle of 2007, the head of the Bank Indonesia branch in Banda Aceh said that only 30% of their savings in banks in Banda Aceh are returned to society and the rest overflowed to other areas. Furthermore, 70% of them are consumer loans while the rest are investment loans. This means that only about 9% of their savings are returned to the Acehnese people for investment.

who have personal savings (as stated by 15.79% of male respondents and 16.98% of female respondents) or those who have relatives or friends from whom loans can be sought (10.53% of male respondents and 9.43% of female respondents).

2.5 Businesses Retained (Category A)

The number of women in Category A, whose businesses have continued to operate after the training, outnumbered men by 65% to 35%. However, this is smaller than the percentage of women in the sampling (72% to 28%). Respondents did not give reasons for the discontinuation, so it is hard to draw any conclusions from this.

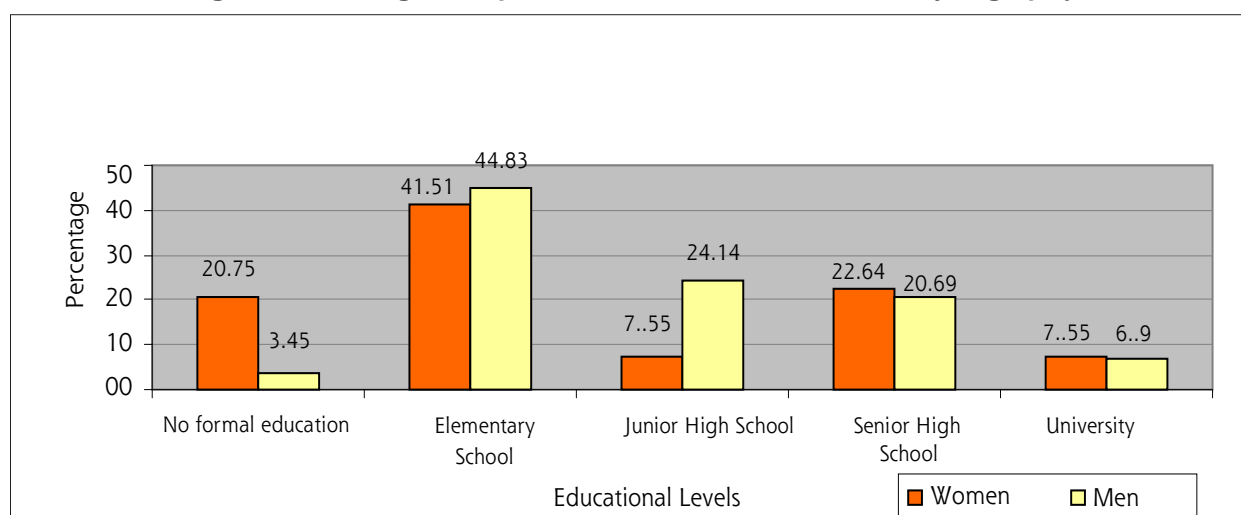
Furthermore, among those who managed to retain their business, there is no significant difference when categorized by educational levels, even for those with no formal education at all. This is possibly because the respondents who already had businesses also had a lot of experience and regular customers.



Picture 4. Salihin (30), SYB participant in Lampeudaya, Aceh Besar, in front of his furniture workshop

In future SYB training, therefore, it is suggested that apart from using the training materials, sharing of knowledge and experience is also critical to ensure that novices are sufficiently prepared to begin their own businesses and to deal with the problems they might face.

Figure 8. Percentage of respondents who retained their business (Category A)



Perhaps because of their experience, respondents in the 40-49 age group have businesses that tend to stabilize and endure. Although this age group makes up only 19% of the sampling, 26% of the businesses retained were in this group. On the other hand, almost 27% of the businesses retained were in the 30-39 years old age group, which was the largest in the sampling, percentage-wise (29%). If the program wants to recruit experienced people to participate in the training, those within the 40-49 age group should be involved.

Table 5. Respondents in category A (retained businesses) by area and age group

Age Groups	District				Total	
	Aceh Besar/ Banda Aceh	North Aceh/ Lhokseumawe	West Aceh	Pidie		
					Freq.	%
15 – 20	0	0	0	1	1	1.22
21 – 24	2	0	0	0	2	2.44
25 – 29	6	2	0	2	10	12.20
30 – 39	9	4	4	5	22	26.83
40 – 49	12	3	1	5	21	25.61
50 – 59	1	5	2	1	9	10.98
60	2	2	3	7	14	17.07
NA	1	2	0	0	3	3.66
Total	33	18	10	21	82	100.00

2.6 Income Levels

A very significant difference is found before and after the training both in the number of businesses and the amount of income. Whereas before the training, only 130 respondents had economic activities, this number increased to 192 after the training, including those with income-generating activities. Incomes also increased, creating a pyramid. The higher distribution of incomes at the base of the pyramid is due to the many newly established micro businesses with smaller revenues.

The good news is that, while before the training, none of the respondents had a monthly revenue of over Rp. 20 million and only two men had revenues of over Rp. 10 million, now there are nine individuals who have revenues of over Rp. 10 million, with nearly half of them being women. In fact, three respondents have businesses with revenues of over Rp. 20 million, one of whom is a woman. These are really great achievements.

More research, of course, is needed to find out which factors have caused this group success. On average, there was an income gain of about Rp. 900 thousand per month, from Rp. 2.3 million before the training to Rp. 3.2 million after the training (see Table 6).

Table 6. Business revenues before and after the SYB training

Income Level	Before Training					After Training				
	F.	M.	Total			F.	M.	Total		
	Freq.	Freq.	Freq.	%	Incomes	Freq.	Freq.	Freq.	%	Incomes
< 500,000	16	7	23	17.69	5,750,000.00	30	5	35	18.23	8,750,000.00
500,000 - 1,000,000	17	10	27	20.77	20,250,000.00	18	10	28	14.58	21,000,000.00
> 1,000,000 – 2,000,000	17	10	27	20.77	40,500,000.00	14	13	27	14.06	40,500,000.00
> 2,000,000 – 5,000,000	7	8	15	11.54	52,500,000.00	15	5	20	10.42	70,000,000.00
> 5,000,000 - 10,000,000	9	4	13	10	97,500,000.00	11	3	14	7.29	105,000,000.00
> 10,000,000	0	2	2	1.54	30,000,000.00	4	5	9	4.69	135,000,000.00
> 20,000,000	0	0	0	0	0	1	2	3	1.56	60,000,000.00
NA	14	9	23	17.69		34	22	56	29.17	
Total	80	50	130	100	246,500,000.00	127	65	192	100	440,250,000.00
Average					2,303,73832					3,237,13235

While a small number of women are earning high revenues, Table 6 shows that most of the respondents in the under Rp. 500 million income group are female. Comparing average male and female revenues before and after the training, it is evident that there is a very significant difference between them. While men had average revenues from their businesses of up to Rp. 2.73 million before the training and Rp. 4.26 million after the training, women earned far less, just Rp. 2.03 million before the training and Rp. 2.54 million after the training. This means that, after the training, there was a gain of Rp. 500,000 for women and Rp. 1.5 million for men (see Table 7).

2.7 Workers

The study found that respondents owning businesses employed a total number of 58 people and that most of these workers were men. Specifically, 84.5% of the workers were men and 15.5% were women. The ratio of men against women working full-time moreover is 15:2, while the same ratio for those working part-time is 5:3. If analyzed by age group, most workers were young people between 15 to 29 years old; only 14% of them were older than 30 years old. 40% of the workers were in the 20-24 age group and 46% were either in the 15-19 age group or 25-29 age group. Field observation indicates that young people often work in other people's businesses and consider the environment a "grooming place" where they can gain experience and probably capital before opening their own business a few years later.

Table 7. Business revenues of men and women before and after the SIYB training

Income Level	Before Training				After Training			
	F.		M.		F.		M.	
	Freq.	Incomes	Freq.	Incomes	Freq.	Incomes	Freq.	Incomes
< 500.000	16	4.000.000	7	1.750.000	30	7.500.000	5	1.250.000
500.000 – 1.000.000	17	12.750.000	10	7.500.000	18	13.500.000	10	7.500.000
> 1.000.000 - 2.000.000	17	25.500.000	10	15.000.000	14	21.000.000	13	19.500.000
> 2.000.000 - 5.000.000	7	24.500.000	8	28.000.000	15	52.500.000	5	17.500.000
> 5000.000- 10.000.000	9	67.500.000	4	30.000.000	11	82.500.000	3	22.500.000
> 10.000.000 - 20.000.000	0	0	2	30.000.000	4	40.000.000	5	75.000.000
> 20.000.000	0	0	0	0	1	20.000.000	2	40.000.000
NA	14		9		34		22	
Total	80	134.250.000	50	112.250.000	127	237.000.000	65	183.250.000
Average		2.034.090		2.737.804		2.548.387		4.261.627

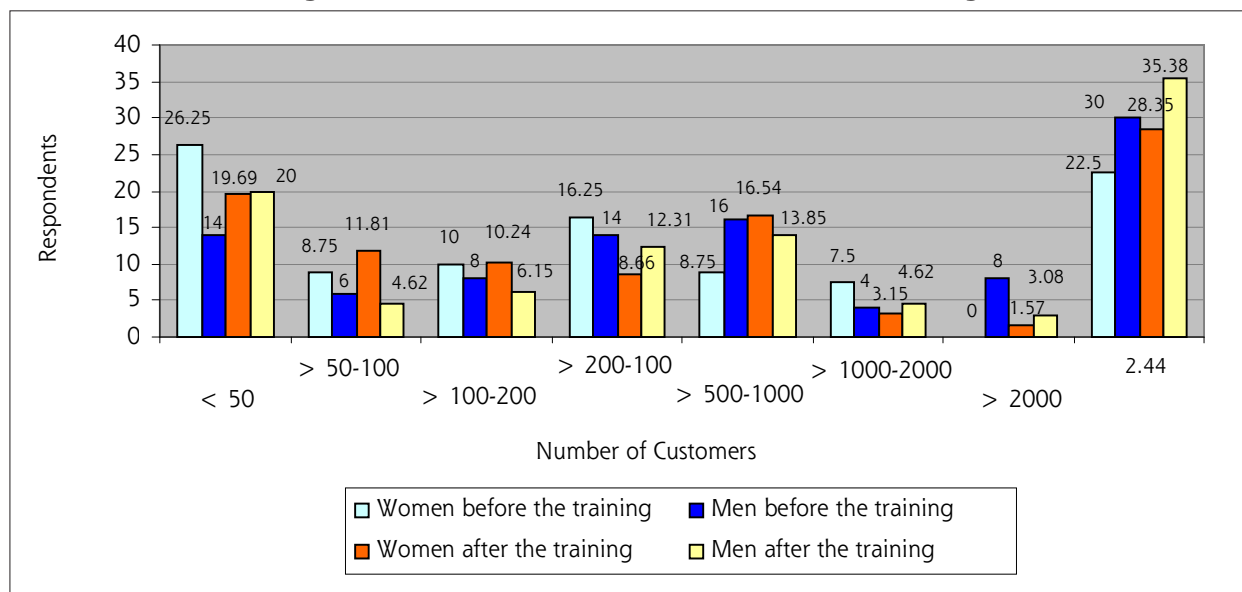
2.8 Customers

Table 8. Workers by sex and age group

	Sex	Age Group				Total	Percentage
		15-19	20-24	25-29	30-55		
Full-time	Men	10	17	9	8	44	75.86
	Women	0	2	4	0	6	10.34
Part-time	Men	3	1	1	0	5	8.62
	Women	0	3	0	0	3	5.17
Total		13	23	14	8	58	100.00
Percentage		22.41	39.66	24.14	13.79	100.00	

Most of the respondents' businesses had fewer than 100 customers per month, while around 20% of them had more than 500 customers per month and some even managed to secure more than 2,000 customers every month. This, of course, is related to the type of business. Businesses in the trading sector, such as selling goods in a kiosk, have more customers than furniture or construction businesses. Selling groceries certainly attracts more customers than selling apparel. The quantity of customers, therefore, is not automatically a measure of business progress. It is common for some businesses to serve only a limited number of customers but still have a high level of sales and return on investment, such as computer sales and maintenance enterprises. A comparison of the number of customers of men and women entrepreneurs before and after the training (see Figure 10) shows no significant difference between the two groups.

Figure 9. Number of customers before and after SYB training

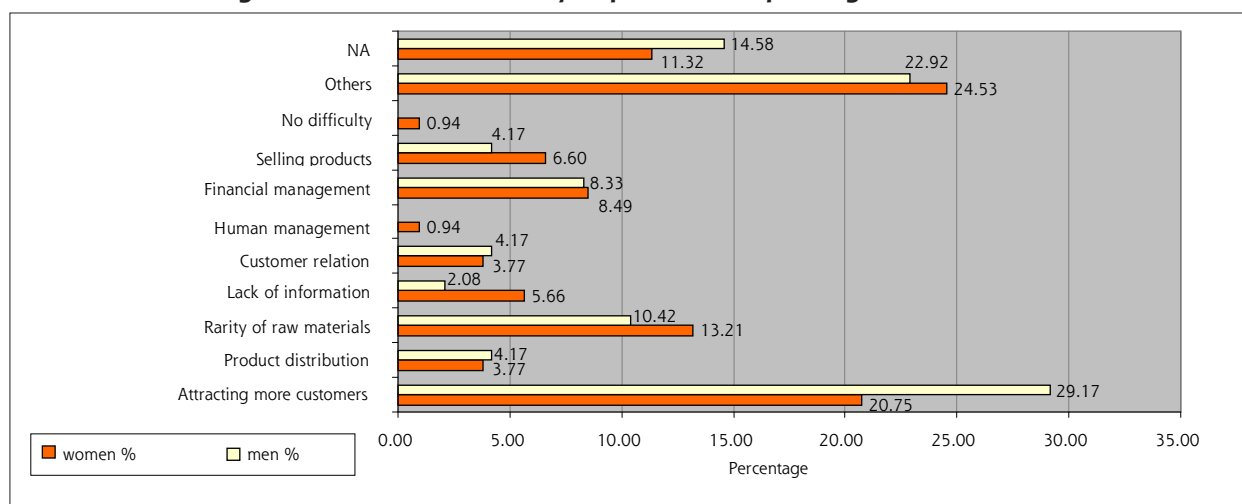


2.9 Constraints on Business Development

When the respondents were asked about constraints they faced—other than capital—in developing their businesses, the first answer was how to attract more customers (29.17% of men and 20.75% of women). Analysis showed that this was a difficulty faced across all age groups. Practical marketing techniques should therefore be taught in the SYB training. This is also evident from the fact that the respondents do not seem to have a comprehensive perception of what a good product is. The predominant assumption is still that a good product is one that sells quickly; with such a perception, entrepreneurs just wait for the customers to come to them and do not do any product promotion or image branding to make their products and services well-known.

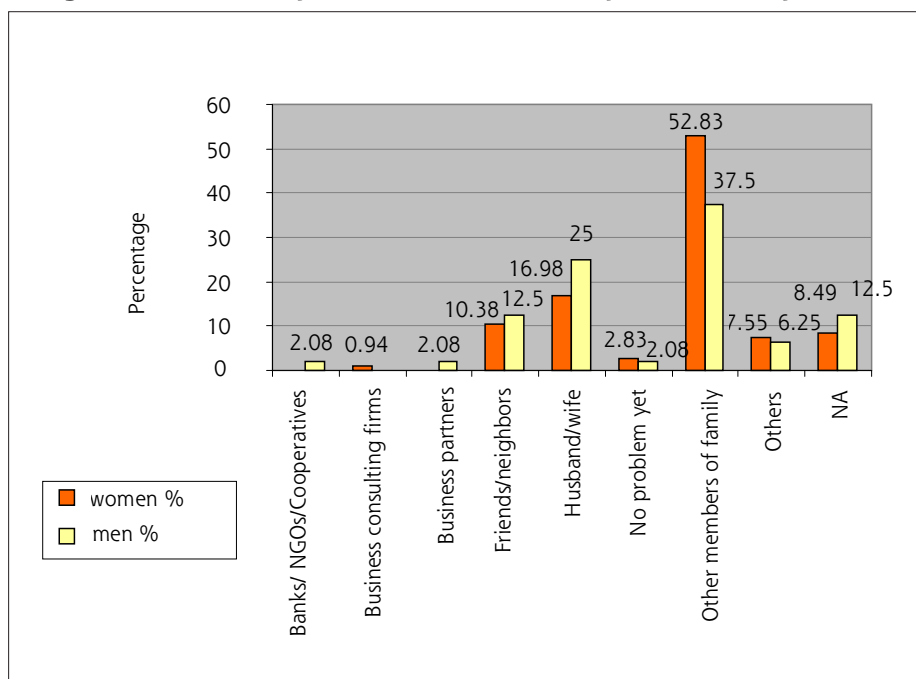
The second constraint is the difficulty of finding raw materials (stated by 10% of respondents) and this problem is faced in nearly all areas, with respondents in West Aceh experiencing it most acutely. It is interesting that this difficulty does not seem to be faced by young respondents. The third constraint is financial management, a difficulty experienced by at least 8% of the respondents, both male and female. Other significant constraints include access to market information, experienced especially by respondents in Pidie and North Aceh, maintaining a good relationship with the customers and how to distribute products.

Figure 10. Constraints faced by respondents in operating their businesses



When they are faced with these problems, where do these respondents go, or who do they consult? Do they go to a business consultant? They do not. Most respondents choose to discuss problems in their businesses with members of their family (cited by 37.5% of men and 52.83% of women). Those who are married prefer to discuss problems with their spouse (25% of men and 17% of women), with friends and neighbours as the third option (12.5% of men and 10.38% of women). Only two respondents, or less than 1%, consult Business Development Service (BDS) providers, much less than those who go to banks, NGOs or cooperatives (2.08%).

Figure 11. Who do respondents consult when they face business problems?



The two respondents who consulted with the BDS sought advice on how to improve their businesses and how to find potential business ideas. They were satisfied with the service. However, most respondents are still reluctant to pay for BDS services; only 5 out of 154 respondents were willing to do so, with a maximum fee of Rp. 200,000 for a consultation session. Given that so few of the respondents were prepared to use the BDS, raising awareness about the services they provide and how to access them should be considered for future activities.

An important potential constraint on business development is the respondents' low awareness of the legality of their businesses. Almost all respondents who participated in the SYB training lacked a sufficient appreciation of the legal requirements for businesses. Nearly all the businesses (93.5%) were not registered and did not even have a license for the business location. This might be because the respondents assumed that, due to the micro scale of their businesses, registration was not important. Only 2% of the businesses (3 entities) were registered as *CV/Firma* (limited partnerships) and one as a *PT* (limited liability company); two businesses only had a business location permit issued by the district government (SITU). Similarly, only 3 out of 154 businesses belonged to a business association or a cooperative.

Based on the above, serious thought should be given to the policies and actions needed to revitalize the business climate, particularly by facilitating access to legalisation and capitalization.

Characteristic of Respondents Who do not have a Business

At the beginning of Chapter 2 (see Figure 3) it was noted that 22 respondents had once had a business but closed it down after the SYB training (Category B), and that 48 respondents have not started any business activities yet (Category D). A lot of factors, of course, cause businesses to close down or discourage people from starting a business. Closure could come about due to a depletion of capital, lack of customers, calamities or many other factors. This study can only give a picture of some of the characteristics of the respondents and why their businesses closed down in general. For more details, further research certainly will be needed. Similarly, there are many reasons why people do not start a business, such as a lack of capital, no motivation, or a lack of courage or confidence to try something new. This section of the study shows a few characteristics of respondents who have either failed to start up or discontinued business activities.

Ms. Nurhayati, Pidie: Family problems led to closure

One of the SYB training participants who had to close down her business is Nurhayati, 30, a resident of Kulee village in Batee District, Pidie. In 2006, Nurhayati was one of participants in the SYB training organized by ICMC in Aceh. Before she attended the training sessions, she had never opened any business at all. After the training, she received a kiosk and some goods to be sold.



At the beginning, she attempted to sell snacks in her kiosk. However, the snacks did not sell well and this made it difficult for her to improve her business. In addition, her environment was not conducive: many customers wanted to pay by credit, so turnover was slow and she had very little capital.

During the SYB training, Nurhayati gained some understanding of how to run a business, and how to find out customers' needs and turn this into a business opportunity. She was interested in running a kiosk because, through the training sessions, she got a lot of new knowledge and skills on generating business ideas. However, she found it difficult to put these ideas into practice, and had little success either at selling or at managing the business. These were among the factors that led to the failure of her business.

Her business became increasingly difficult to manage when her husband was no longer able to work and she had to support all the daily needs of her family from the small kiosk. Her husband had been suffering from lung disease since the tsunami. When the tsunami swept over the area, her husband got caught up in the huge waves and swallowed a lot of mud, which made him sick. He did not receive proper treatment, so the disease was never totally cured. Now he often suffered relapses of the illness. This put Nurhayati in a difficult situation. With her business in danger of failing, she attempted to borrow from her friends and relatives to keep her business going, but even that ultimately could not save it. Eventually, she had to close down the business.

For now, Nurhayati is working hard to find a way out of her difficult situation. To support the four members of her family, she does odd jobs for anyone who needs her services, but she does not always get offers. She plans to open a business again, this time in animal husbandry, because she has more expertise in this field than in trade.

However, to open a new business, she must have initial capital, and this is the main obstacle for her. She has already attempted to borrow from banks but as yet she has not secured a loan, and nobody else is ready to assist her with the start-up capital for the new business.

3.1 Why Businesses Were Not Started Up

Before the training, 132 out of 262 respondents had never owned a business. Most of them (72%) were women—almost the same proportion as the total percentage of women in the population.

After the training, the number of respondents who had not started a business shrank to 48, down by 64%. However, the percentage of women in this category (Category D in Figure 3) went up from almost 72% to 85%, in contrast with the percentage of men, which fell from 28% to 14.5%. This indicates that proportionally more women had still not started a business.

While the actual numbers of people who had not owned businesses fell across all educational levels, the percentage figures (as a percentage of the total population) indicate that some groups fared less well in making the transition to business ownership. Respondents who graduated from junior high school made up almost 11% of those who had not started a business prior to training. Following training, this rose to 25% of the total. Likewise, the percentage of respondents without any formal education who had not started a business increased from 21% to 33% of the total population. On the other hand, the percentage of senior high school graduates who still had no business activities fell dramatically from 34% to 14%, or from 45 to 7 people. While a higher level of education (and presumably better ability to understand the training materials) might have been a factor in making the transition to business ownership following the course, it should be noted that those with only an elementary school education were also relatively successful at starting up businesses. This group accounted for almost 29% of those without businesses before training, and 21% after it. More details can be seen in Table 9.

Furthermore, when both education and sex are combined, women were—again—more likely to remain without a business following training, in percentage terms: around 78%, or 26 out of the 33 senior high school-graduated women who did not have a business prior to training subsequently started one up, whereas all 12 of the senior high school graduate men who did not have a business pre-training started one afterwards, meaning a 100% start-up rate among this group. Women with no formal education also seem to have a lower percentage of business start-up than men with no formal education. The six men with no formal education who had not started businesses beforehand went down to 1, while 15 of the 22 women with no formal education who had no business beforehand still had not opened a business after the training. Possible reasons for this discrepancy are discussed later in this chapter.

Table 9. Respondents who had not started a business before and after the SIYB training

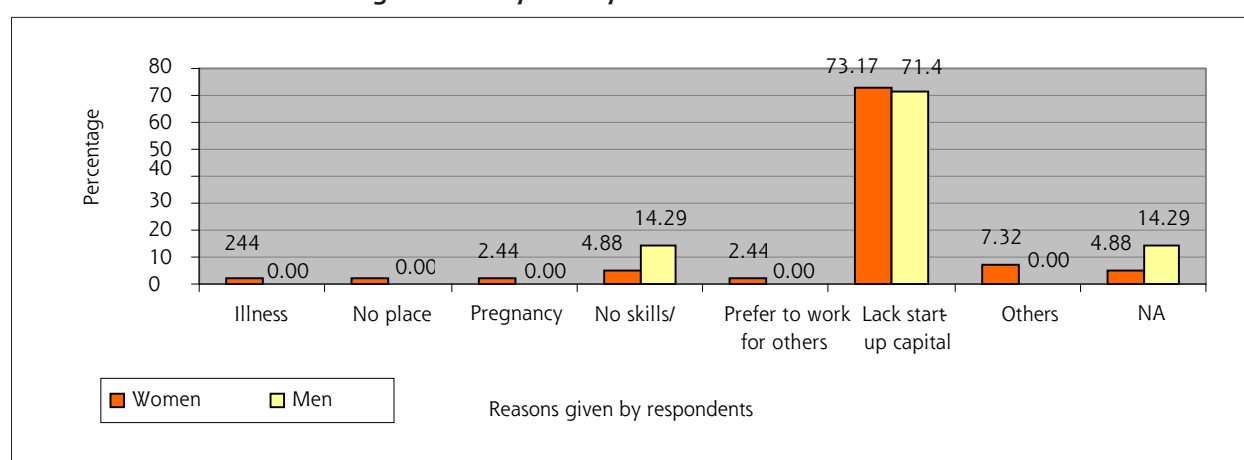
Educational level	Before Training				After Training			
	Females	Males	Total		Females	Males	Total	
			Freq.	%			Freq.	%
No formal education	22	6	28	21.21	15	1	16	33.33
Elementary school	27	11	38	28.79	8	2	10	20.83
Junior high school	8	6	14	10.61	9	3	12	25
Senior high school	33	12	45	34.09	7	0	7	14.58
University	5	2	7	5.30	2	0	2	4.17
Skill training	0	0	0	0	0	1	1	2.08
Total	95	37	132	100.00	41	7	48	100

When categorized by age group, the lowest number of start-ups was found in the 15-20 age group, but it should be noted here that this age group made up just 10% of the sample. Another possible factor is that 15–20 year-olds might still be in school, and have no time to start a business.

Furthermore, when analyzed by area, the highest percentage of people who had still not started a business was found in North Aceh, where the number of people without a business actually increased from 11 to 13. In all other areas, the data indicate that significant numbers of those who had not previously been entrepreneurs started up a business after the training. Prior to the training, Banda Aceh/Aceh Besar accounted for 45% of those who did not have a business (60 individuals); after the training, it accounted for only 31% (15 individuals), meaning that 45 of them had opened a business. In Pidie, the figure fell from 26% (34 individuals) to 21% (10 individuals), while in West Aceh, out of 27 respondents who did not have a business before the training, only 10 people remained in this category after the training.

When they were questioned about why they had not started a business, more than 70% of the respondents, both male and female, responded that it was because they lacked start-up capital. This was the main reason cited by nearly all age groups, especially the oldest (over 60 years old). Clearly, capital constitutes the foremost problem for both men and women respondents.

Figure 12. Why have you not started a business?



The second reason given was a lack of skills, although only 6% of respondents cited this. Meanwhile, women gave very specific reasons for not starting a business, e.g. pregnancy and illness. Overall, four times as many women as men faced obstacles in starting their businesses. This is related to the fact that women continue to carry the “double burden” of having full responsibility for the household management besides having to run their business. For this reason, many women prefer to have home-based businesses.

3.2 Why Businesses Failed

There is an indication that education level and sex may relate to business success or failure. Among 22 individuals who closed down their business, 36% were elementary graduates and 96% of them were women. The highest level of business close down was found in West Aceh, which accounts for nearly 70% of the businesses closed down in the entire sample. This is followed by Banda Aceh and Aceh Besar, at 23%. Pidie and North Aceh have the lowest level of failure. By age group, the oldest group accounted for nearly 25% of the all businesses that closed down. However, it is not clear whether this was due to business failure or simply that the owners decided not to continue running the business because they felt too old.



Picture 5. A female respondent who runs a kiosk in West Aceh makes a living and takes care of her child, two simultaneous roles.

Running out of capital was the reason cited by most respondents as the cause of failed businesses (64%). A likely factor here may be that the most of profit gained from the businesses was used for household consumption instead of being reinvested in the business.

While some respondents cited competition (a large number of competitors with similar businesses) as the reason for closing down their business, in many instances this was probably linked to poor planning—particularly inadequate analysis of the market and the competition. In West Aceh, for example, most of the respondents were still living in barracks and they had very similar business ideas, i.e. selling certain items in small kiosks around the barracks. Consequently, these businesses closed down one by one due to the unhealthy competition, the low purchasing power of the barrack residents, and the overextension of credit to customers by these new vendors.

Other reasons for closing down a business included lack of customers and the tsunami; however, these reasons were cited by only a few respondents.

Isyunardi, North Aceh: Running out of capital

Isyunardi, 43, was one of the participants in the SYB training provided by an international organization, ICMC, in North Aceh in 2006. As the head of the family, he has to support the his family's daily needs and the education of his two children, one in elementary school and the other in junior high school. His wife does not have an income earning activity but runs the household and takes care of the children. At first, Isyunardi was doing odd jobs for other people to provide for the family but if nobody needed his services, he was out of work. The income from odd jobs could not meet all the family's needs.



After participating in the SYB training, Isyunardi intended to start a business. He wanted to provide for his family and put into practice the business idea he developed during the SYB training. His passion for trade made Isyunardi even more enthusiastic, and he eventually saw his opportunity when he received a kiosk along with goods to sell from ICMC as initial capital. Although the capital was rather small for a trade business, he tried to manage it well.

However, the basic business management skills Isyunardi learned on the SYB training were ultimately not enough to keep him in business. Among other things, he found it difficult to keep the financial records and eventually ran out of capital. He tried to apply for loans from a commercial bank in his town but when the bank asked for collateral, he had no assets to offer. Unable to obtain a loan, he had to close down his business.

Now Isyunardi works on a fish farm owned by one of his friends. He tries to make ends meet but his income from his job, which is lower than his earnings from his own business, is not always enough. Sometimes, if the fish farm fails to harvest, he does not earn even a cent, but there is nothing he can do. He has to stay at this job because all of his family's needs are his responsibility, and this is his only income.

Isyunardi learned some valuable lessons from the failure of his business, and he is confident that he won't make the same mistakes again when he starts up another business in the trade sector, as he intends to do. However, for now, the plan is on hold, since he still lacks initial capital.

Motivation and Perceptions of Respondents

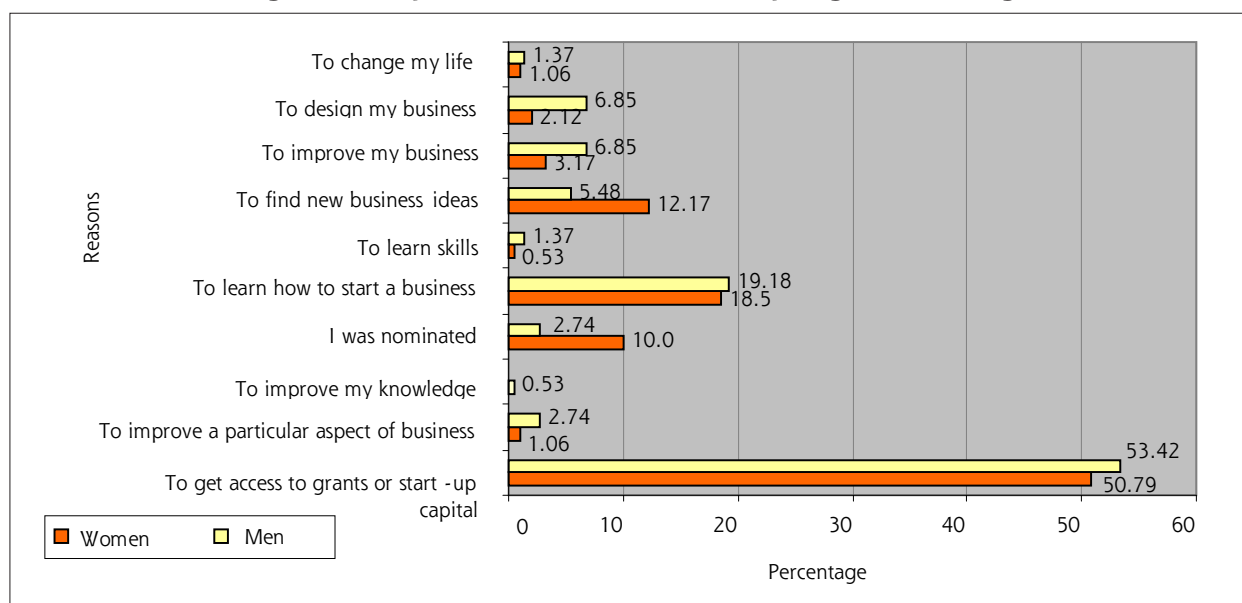
In Aceh, the SYB program was developed and implemented under the ILO Entrepreneurship Culture and Business Creation for Youth Employment Project. The project trains local trainers to enable them to deliver SYB. Trainers are equipped with adult learning methodology, implementation mechanisms and the SYB content. Trainers who have been trained and capacitated under the SYB TOT, in turn, are expected to train potential and existing entrepreneurs. However, the ILO Entrepreneurship Culture and Business Creation Project does not pay SYB trainers to carry out training for these potential and existing entrepreneurs. The Training of Entrepreneurs (TOE) are usually organized and financed by the Project's partner organizations.

ICMC was one of the Project's most active partner organizations during the period March 2006 to February 2007. A total of 77%, or 203 out of 262 respondents, went through SYB training organized by ICMC. The ILO Local Economic Development Project also trained more than 15% of the potential and existing entrepreneurs (equivalent to 44 respondents), particularly in Banda Aceh. In general, respondents' perceptions of the training—especially of the organizing institutions, training location and training materials—are good.

4.1 Motivation for Participating in the Training

Motivation greatly affects a person's success. In the wake of the tsunami, aid poured into Aceh from various national and international organizations. The influx of foreign aid has had a number of impacts, one of them being motivation to participate in programs implemented by aid agencies. Some people joined with aid or development programs to obtain financial assistance, even after the emergency phase ended. The SYB program had a number of requirements that were supposed to have been used to select participants for the training. The key requirements were a) that participants should be strongly motivated to start a business, and b) that, since the SYB training is materials-based, they should be able to read, write and do simple calculations. In fact, however, several of the institutions organizing the SYB training did not follow these requirements, instead using their own criteria to select beneficiaries.

If the motivations cited in the survey are classified into two groups—"good" and "bad"—there are two "bad" motivations for participating in the training: "to get access to grant or start-up capital" and "I was nominated." In reality, these two motivations were cited by 51.5% and 8% of the respondents, respectively, or nearly 60% of all the participants. This can affect the quality of the training for those concerned. For instance, in order to avoid absenteeism, family members sometimes attended the training in shifts. If the mother was on the morning shift, she would be replaced by her child on the afternoon shift after school. As a result, the training materials could not be delivered optimally to the individual participant.

Figure 13. Respondents' Motivation for Participating in the Training

"Good" motivations, such as "to learn how to start a business" and "to find a business idea" were chosen by 19% and 10% respectively, or nearly 30% of the total. When motivation is correlated with the sampling categories, respondents with good motivation tend to be the ones who eventually start a business (Category C). When motivation is correlated with "post-training assistance," the group motivated by "getting access to grant or start-up capital" is also the group that has received the most capital, although some of the businesses from this group were later unsuccessful. This suggests that motivation may be more important than capital itself.

A closer look at the relationship between age group and motivation shows that while the motivation of obtaining capital cuts across all age groups, it is the dominant motivation among the "mature" participants, aged between 40 and 49 years (29 individuals) and aged 60 and above (25 individuals). On the other hand, the motivation "to learn to start a business" is cited more frequently among the 30-39 age bracket than other age groups, while most of those motivated by the desire "to find a business idea" are in the 25-29 age group. This suggests that the training should provide more materials on new business ideas for the 25-29 age group, on ways of establishing new businesses for the 30-39 age group, and on business improvements such as access to capital and product marketing for all, especially those aged 40 and above.

Table 10. Respondents' motivation for participating in the training, by age group

Reasons	Age Groups								Total
	15 - 20	21 - 24	25 - 29	30 - 39	40 - 49	50 - 59	≥ 60	NA	
To get access to grant or start-up capital	5	8	15	36	29	13	25	4	135
Wanted to improve a specific aspect of my business	0	0	1	3	0	0	0	0	4
To have more insights	0	0	0	1	0	0	0	0	1
I was nominated to take part in the training	0	1	1	5	6	0	8	0	21
To learn how to start my own business	2	4	6	15	12	3	4	3	49
To obtain knowledge	0	0	0	2	0	0	0	0	2
To find a business idea	0	4	10	7	3	3	0	0	27
To improve general functioning of my existing businesses	0	1	1	4	1	3	1	0	11
To develop a business plan	0	1	1	3	0	2	2	0	9
To change my life	0	1	1	1	0	0	0	0	3
Total	7	20	36	77	51	24	40	7	262

When motivation is correlated with education, it seems that, once again, expected access to capital is the dominant motivation across all groups, but it is particularly strong among elementary school graduates and respondents with no formal education, while getting new business ideas and learning about starting a business also motivated a significant number of senior high school graduates (see Table 11). It is likely that educational qualifications play a part in affecting motivation for participating in the training.

After training, 141 participants, or 54% of the respondents, received aid in the form of start-up capital or equipment. The remaining 121 respondents received nothing at all. More than half of all the respondents, or 51.5%, had been motivated to participate by the expectation of obtaining business capital.

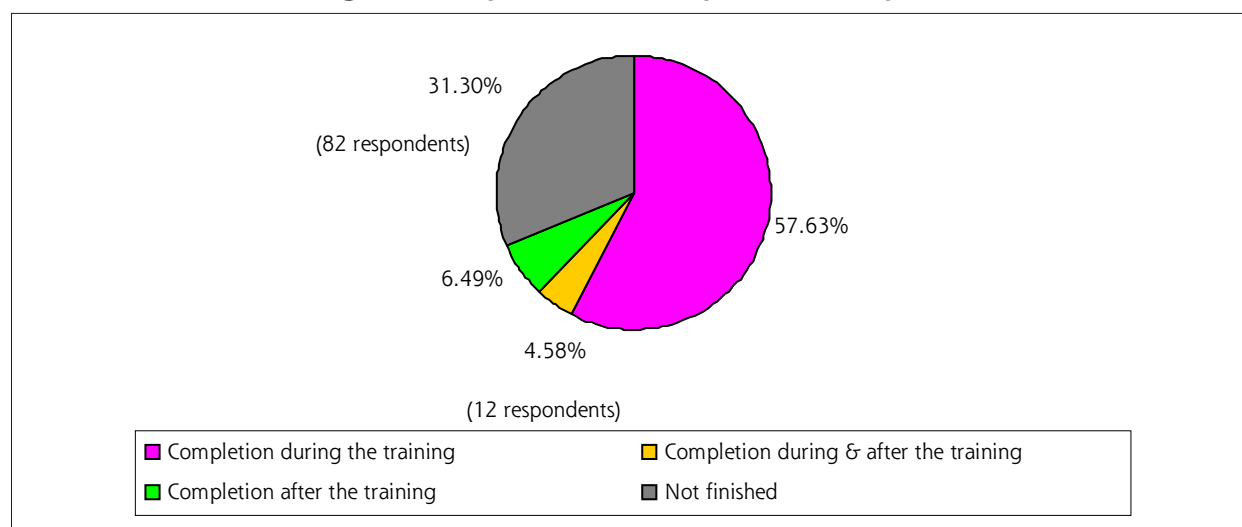
Table 11. Respondents' motivation for participating in the training, by educational background

Reasons	Educational Qualifications						
	Elementary	Junior High	Senior High	No education	University	Vocational Training	Total
To get access to grant or start-up capital	57	20	24	29	5	0	135
Wanted to improve a specific aspect of my business	1	0	2	0	1	0	4
To have more insights	0	1	0	0	0	0	1
I was nominated to take part in the training	9	4	2	5	1	0	21
To learn how to start my own business	16	10	17	3	3	0	49
To obtain knowledge	0	1	0	0	1	0	2
To find a business idea	7	3	13	2	2	0	27
To improve general functioning of my existing business	3	2	6	0	0	0	11
To develop a business plan	6	1	1	0	0	1	9
To change my life	0	2	1	0	0	0	3
Total	99	44	66	39	13	1	262

4.2. Developing a Business Plan and Making Use of Training Materials

It is assumed that one of the training goals is the completion of a business plan, and almost 70% of the respondents, or 180 individuals, did indeed manage to finish a business plan during or after the training (although no information is available on the quality or viability of the plans produced). To be exact, 151 participants completed a business plan during the training, 17 participants finished it after the training, and

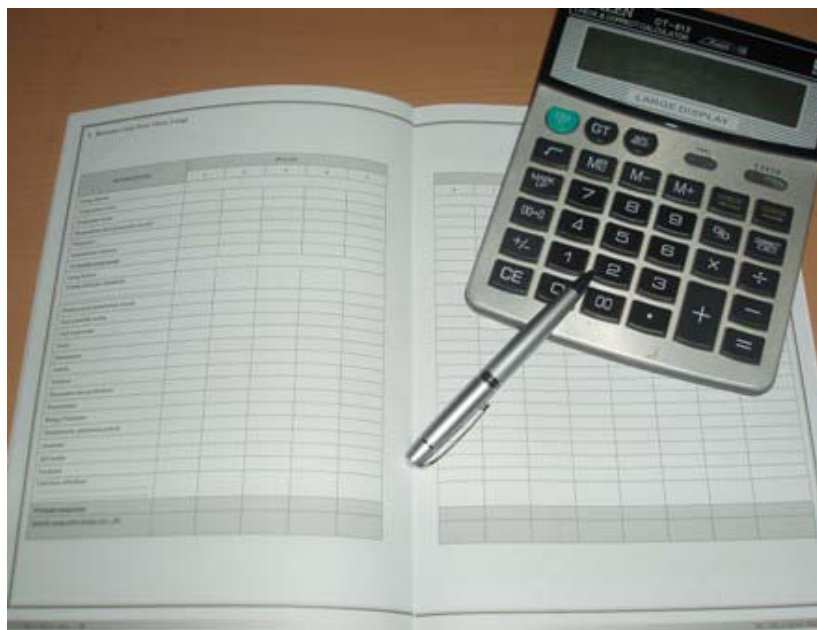
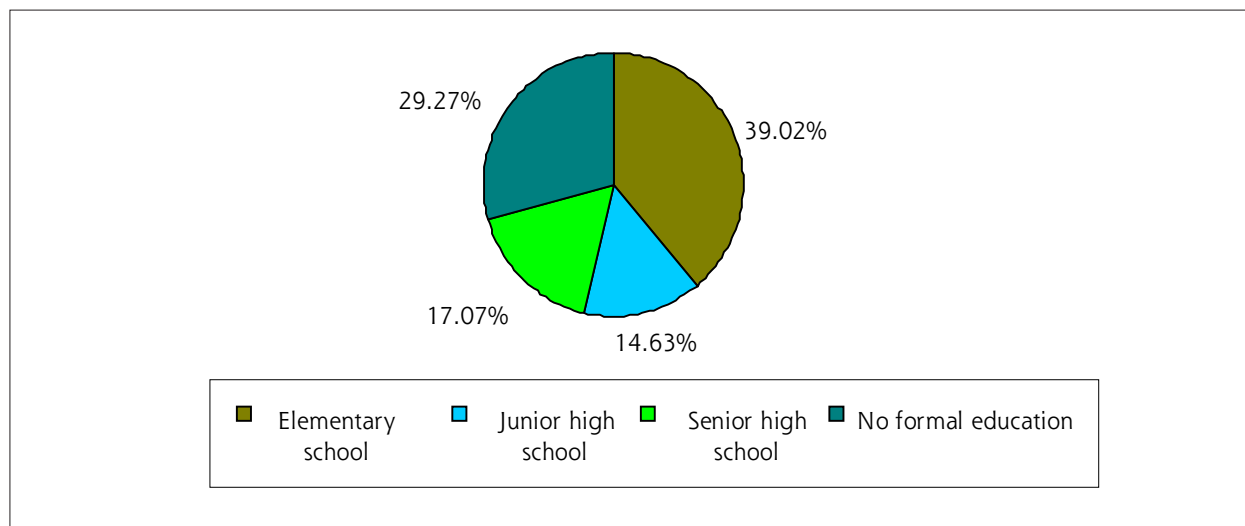
Figure 14. Respondents who completed business plans



12 participants completed a business plan during the training but made another one after the training. Only 32% of the respondents, or 82 individuals, did not complete their business plan. Several reasons were given for this. The most-cited reason, given by around 37%, most of them women, is that they did not know how to make a business plan. This suggests that they were unable to get much benefit from the training. Some 18% felt that a business plan was not important, and 8.5% said that they were too busy to complete one. In truth, no matter what type of business they have or how busy they are, the business plan is very important and has to be developed before a business is started.

As to why some respondents did not know how to prepare a business plan, a number of explanations are possible. One reason, mentioned by an SYB trainer, is that the SYB trainer might not have articulated the business plan in language that the participants could understand. The data show that nearly 70% of the respondents who did not complete a business plan had a low educational background; they were elementary school graduates or had no formal education at all. Only about 30% of them were junior and senior high school graduates, as Figure 16 shows. This again shows how important the selection of potential participants is. Candidates who cannot read and write fluently and do simple calculations will find it difficult to benefit optimally from the SYB program.

Figure 15. Educational qualifications of respondents who did not complete a business plan



Picture 6. Developing a Business Plan is very important, irrespective of business scale

Regarding the use of SYB materials (handbook, workbook and business plan), almost 59% of the respondents continued to read or make use of them even after the training ended. A higher percentage of men than women continued to use the SYB books after finishing the training, i.e. 70% and 54.5% respectively. Table 11 shows the details.

Table 12. Comparison of respondents who continued using the materials after the training

Did you use or refer to the SYB books after the training?	Women	Men	Total	
			Freq.	%
No	86	22	108	41.22
Yes	103	51	154	58.78
Total	189	73	262	100.00

It turns out that the SYB materials have not only been used by the SYB training participants but are also lent to others. As many as 45 respondents, or 17%, have allowed other people to use these materials. Assuming that each of these respondents lent a book to one person, then there are 45 non-participants of the SYB training using the materials.

Table 13. Comparison of respondents who lend training materials to others

Did other people who did not participate in the training also use the materials?	Women	Men	Total	
	Frequency	Frequency	Frequency	%
NA	0	1	1	0.38
No	155	61	216	82.44
Yes	34	11	45	17.18
Total	189	73	262	100

4.3 Constraints Regarding Training

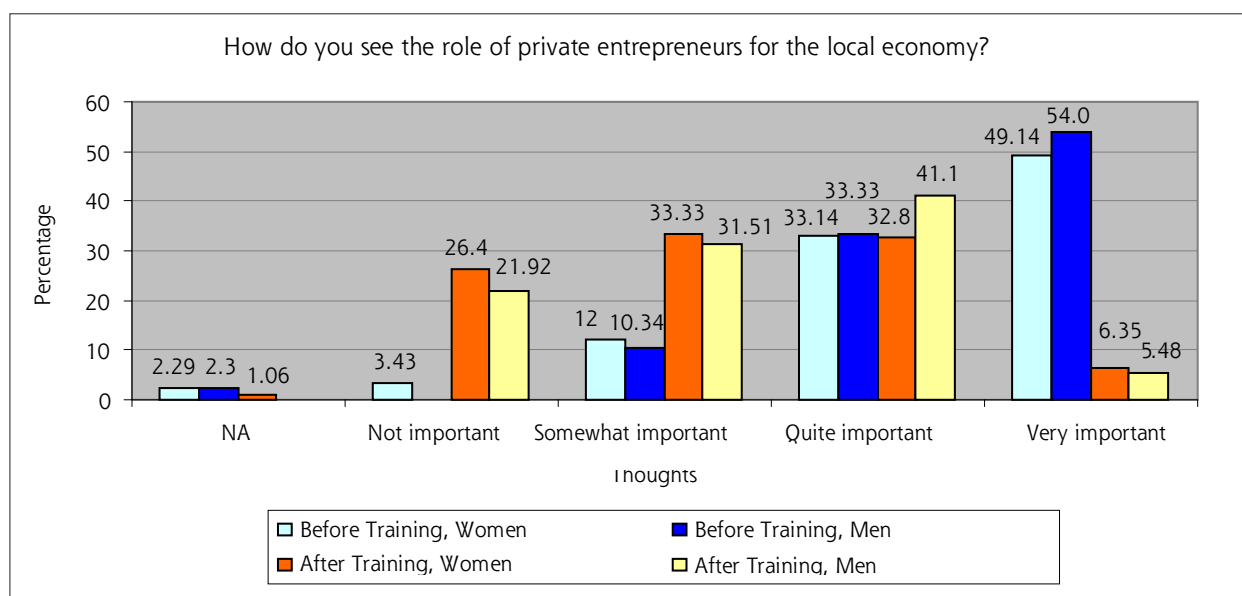
According to the FGDs, some respondents expressed concern over the long duration of the SYB training (about 10 days). This was usually a concern among participants who already owned businesses because they had to shut them down temporarily, and run the risk of losing existing customers.

Based on information from the interviews and FGDs, some respondents found the materials quite difficult to understand, which would have an impact on how well they were able to apply them later, particularly since there was no monitoring or follow-up on their businesses, which could have helped to clarify or reinforce some of what was learned. Educational background may have an influence on this. Many of the respondents participating in the training were elementary school graduates. In fact, 15% of them had no formal education at all, and therefore may have been less able to read and understand the materials. In future, before providing any training, a selection process should be carried out among potential SYB program participants so that those selected for the training will be able to derive the most benefit from it. Alternatively, a simple training package could be developed to cater to the needs of potential and existing entrepreneurs with low educational backgrounds.

4.4 Perceptions of Entrepreneurship and Skills

The respondents' thoughts about the role of private entrepreneurs in the local economy are generally positive. Most of the respondents, or more than 70%, say that private entrepreneurs play a role in developing the local economy. However, perceptions on just how important this role is shifted somewhat after the training. Before the SYB training, more than 50% of the respondents, both men and women, thought that the role of private entrepreneurs was "very important" for the local economy and only around 3% of them said that it was "not important." After the training, only 4% of respondents said that the role of private entrepreneurs is "very important", while those who thought their role was "not important" increased to around 25%. This change in perception could be due to many factors, one of them being the respondents' disappointment regarding the role of large private entrepreneurs (input from the interviews). It is likely that respondents who own micro or small businesses do not think of themselves as private entrepreneurs; only people with large businesses can be thought of as real private entrepreneurs.

Figure 16. Respondents' perceptions, before and after the SYB training, about the role of private entrepreneurs in the local economy



The study has also sought to find out how the respondents rate their own level of business skills. Below is a self-assessment by the respondents of four skills: marketing, staff management, financial management and business plan.

Regarding marketing, a large proportion of the respondents, or 68%, were confident enough to say that their level of skill is "good." In fact, 14.5% of the respondents said they were "very good" in marketing. Only 11% of the respondents perceived their level of skill as "not so good."

In terms of managing staff, the respondents were not as confident: 35.5% of them said that they had "good" staff management skills, while almost as many (28%) perceived themselves as "not so good." Only 5% felt that they were "very good" and nearly 20% said that they "do not have any such skills at all."

A relatively large number of respondents perceived themselves having quite good financial management skills, with 47% stating their skill level as "good." In fact, 13% said that they were "very good", but almost the same number admitted their financial skills were "not good" (14%), a little more than those who acknowledged "having no such skill at all," at 12%.

More optimistic perceptions are held about generating business plans. A significant number of respondents, or 62%, categorized their skills as "good," and nearly 20% said they had a "very good" level of skill in developing business plans. Only 11% described themselves as "not good" and 4% said they "have no such a skill at all."

Table 14. Respondents' self-assessment of their skills in marketing, managing staff, managing finances and generating a business plan

How would you rate your level of skills in ...?	Very good	Good	Not so good	Don't have any such skills	N A
Marketing	14.5	67.94	10.69	2.67	4.2
Managing staff	4.58	35.5	27.86	19.47	12.6
Managing finances	13.36	47.33	13.74	11.83	13.74
Generating a business plan	19.08	61.83	10.69	4.2	4.2

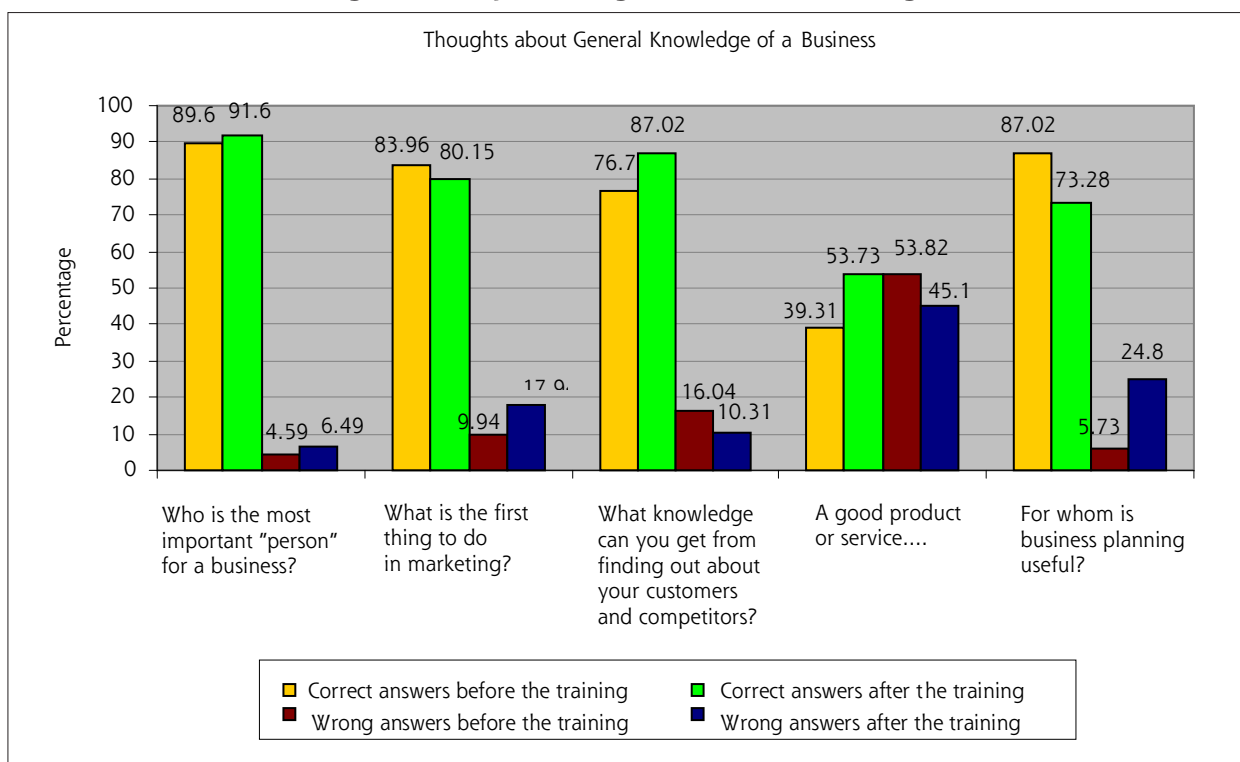
4.5 Knowledge Gained from the SYB Training

In general, respondents had a good understanding of the knowledge they obtained during the training. To assess this, they were asked five questions, each of which had three options with one correct answer, as follows:

Table 15. Questions about business knowledge

Question	Correct Answer	Wrong Answer	
Who is the most important "person" for a business?	The customer	The supplier	The delivery person
What is the first thing to do in marketing?	Find out as much as possible about your customers and what they need and want.	Put all my skills into making my products the way I like them.	Try to make the same products or services as other businesses make.
What knowledge can you get from finding out about your customers and competitors?	I can learn a lot about the market.	I can learn a lot about my employees.	I can easily copy competitors' business ideas.
A good product or service:	Needs to be promoted like all other products or services.	Will sell easily and does not need any promotion.	Needs to be promoted only if its sales go down.
For whom is business planning useful?	For all businesses.	For retailers only.	For very large businesses only.

Before the training, some 40% of the respondents thought that a good product or service is one that sells easily and does not need any promotion. After the training, 53% were aware that a good product or service is one that needs to be promoted like all other products or services, an increase of 13%. However, some respondents still thought that promotion is needed only if the sales go down. This incorrect understanding could lead respondents to do nothing to promote the products or services they have produced.

Figure 17. Respondents' general business knowledge

Most respondents (90%) were aware before the training that the customer is the most important person for a business; this increased slightly to 92% following training. The number of respondents who realized that they can learn about the market from finding out about customers and competitors also rose, from 77% to 87%.

Prior to training, 87% of respondents said a business plan is useful for all types of business, but only 73% responded in the same way after the training, indicating that 14% of the participants felt that a business plan was only needed by large businesses or retailers. This could be due to the fact that the business plans they developed were not acceptable to financial institutions that can extend additional capital, and as such, were not useful. Furthermore, it is likely that some respondents felt that the business plan in the SYB training was too complicated and only useful for large entrepreneurs. It would be a good idea, therefore, for ILO to develop a simpler business plan format for micro entrepreneurs that is also acceptable to financial institutions.

Also showing a very slight decline was respondents' understanding of the first action in marketing, which fell from 84% to 80%. Some 15% of respondents still think that in marketing the first thing to do is to produce something the way we like it. Rather, the correct answer should be to make products or services that the customers need or want.



Picture 7. The customer is king; everyone has to be served as well as possible, an understanding that improved after the training.

In order to help improve respondents' businesses and to reinforce and/or improve their business management knowledge and skills, they need After-Training Support (ATS) or coaching once the training is completed. With ATS, those who have already attended the SYB training would be able to maintain the knowledge they have acquired and implement it more effectively.

Gender Equality and Environmental Issues

5.1 Gender Equality

Gender inequality should be seen as a problem of the strict division of roles between men and women. The survey indicates that both men and women contribute to the family income, with 60% of the men and 40% of the women stating that their businesses are the main source of income of the family. However, the differentiation in roles is apparent from the respondents who participated in the training. Women were expected to be responsible for taking care of the household even though they had income-earning activities and attended the training. During the training, 46% of the female respondents sought assistance from other family members to help with domestic responsibilities. Only 8% of them said that they were assisted by their spouse.

Figure 18. Main source of family income

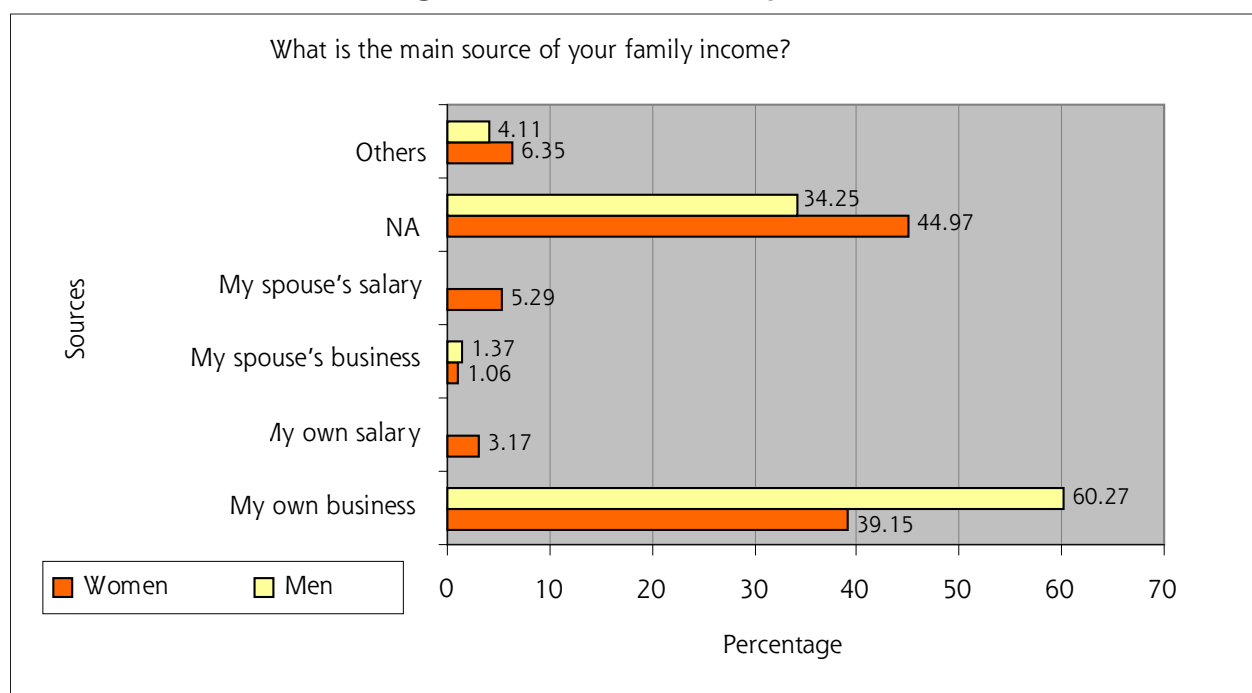
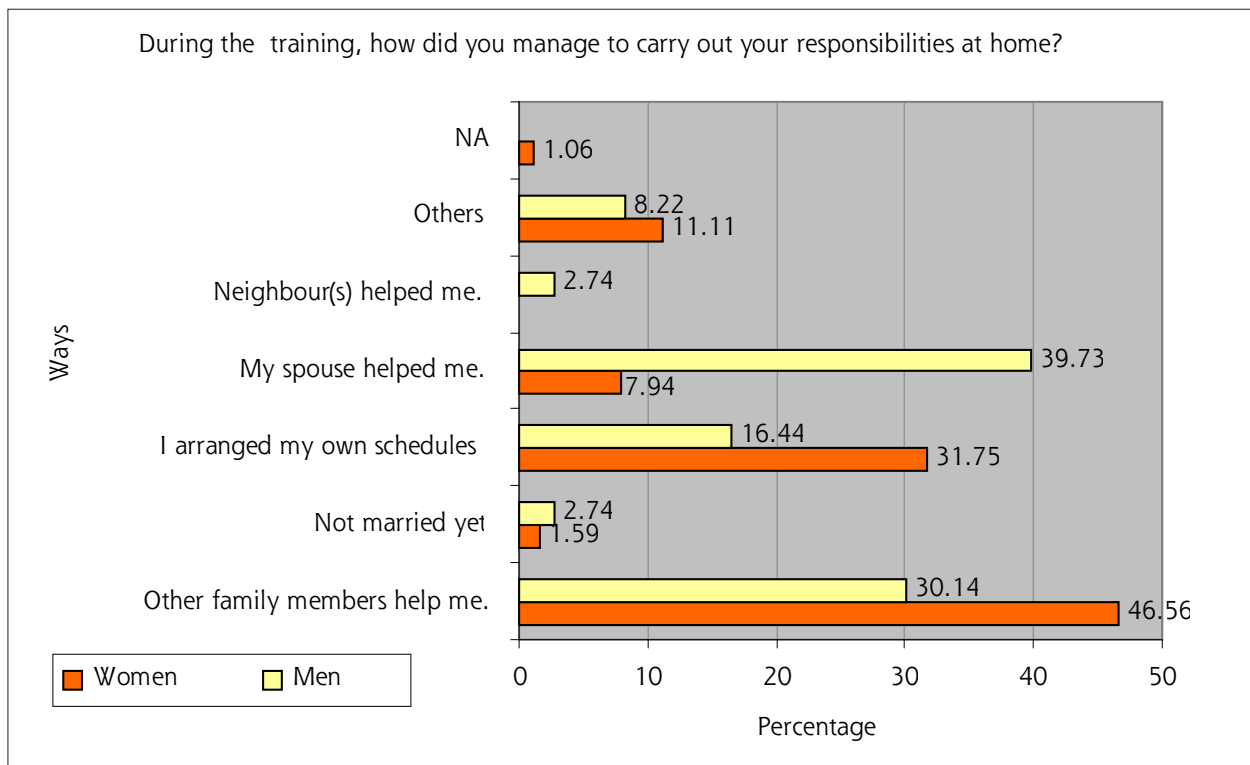
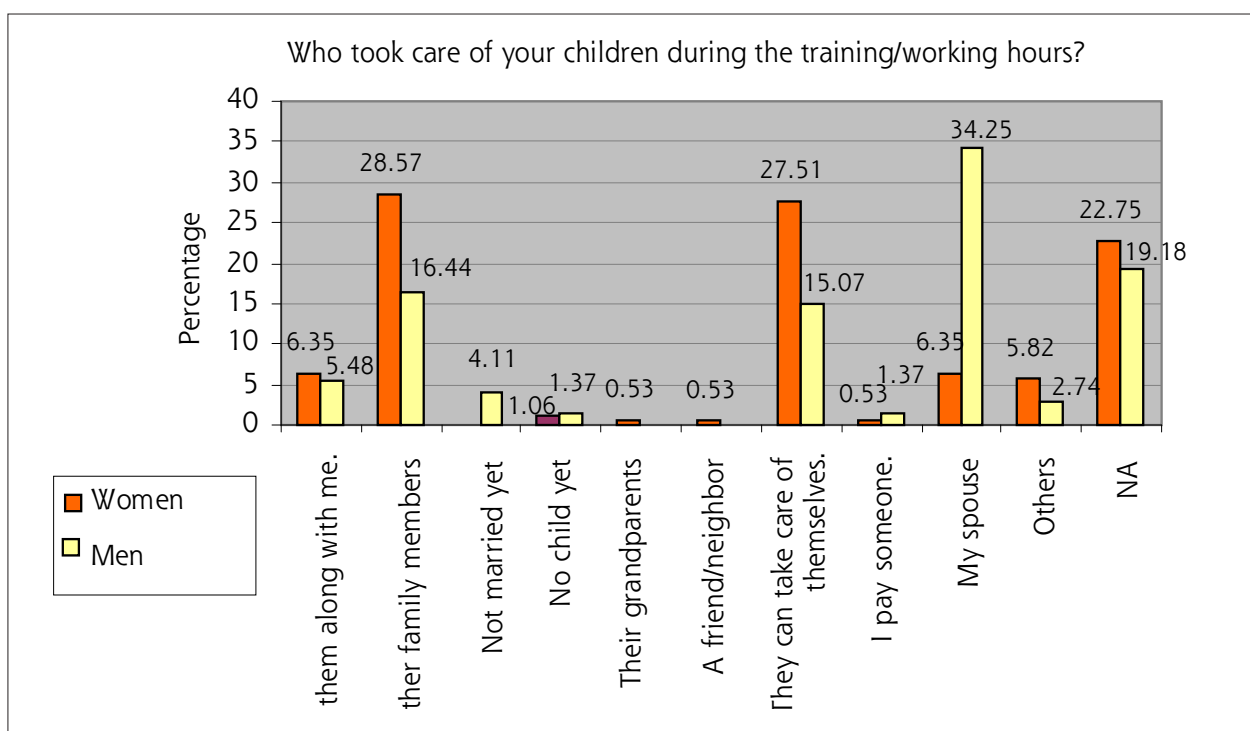


Figure 19. Managing responsibilities at home during the training

In contrast, most men were assisted by their spouse (40%) or other family members (30%). When women did not get assistance from other family members, they had to be creative about arranging their schedules so that they could attend the training and simultaneously carry out their domestic duties. For them, a flexible training schedule would be very helpful.

This differentiation is also apparent between men and women if the family has children. Of the female respondents, 29% tended to entrust their children to other family members unless the children were old enough to take care of themselves (27%). As for male respondents, 34% of them said that their spouses took

Figure 20. Who does the child care

care of their children. Interestingly, around 5% of men and 6% of women respondents took their children along with them to the training location or workplace.

5.2 Environmental Issues

Environmental topics had not been integrated into the SYB materials or the training delivery in Aceh during the period under study; these issues have only been included since 2007. This should be taken into account when considering the respondents' reactions to the condition of their training locations and working environments.

Respondents indicated that between 90% and 95% of the training locations are equipped with toilets, prayer rooms and rubbish bins. This is because most of the training takes place in public facilities such as mosques, *menasah* or village halls. In fact, 97% of training locations also provide drinking water for participants. Clearly, this contrasts with the fact that in Indonesia in general, and in Aceh in particular, a lot of public facilities still do not meet standard requirements for sanitation and hygiene.

Regarding the working environment, some things need improvement, mainly with regard to waste and pollution (soil, water and air) management. Almost 2% of the respondents throw waste into the rivers, although many dispose of it in a landfill (33%) or burn it (32%) or even turn it into compost (3%). Only a few respondents admit to pollution in their working environment, as follows: air pollution, 12%; water pollution, 4.5%; land pollution, 3%; and noise pollution, 6%. with regard to safety, only a few respondents (4.5%) use protective equipment such as masks, boots, ear protectors, etc. Some of them have plans to move to more comfortable places.



Picture 8. Work safety is an issue that must be raised consistently

Conclusions and Recommendations

Based on the data collected during this impact assessment study, the following conclusions could be drawn:

- 1. Around 42% of the respondents started a business (27%) or income generating activities (14.5%) after the training.** Business start-up rate is high among senior high school graduates, particularly women. Besides access to SYB training, 54% of the respondents received financial assistance for start-up capital from NGOs or finance institutions. An integrated approach—namely access to practical skills training, business management knowledge and financial access—may be an effective approach to develop micro/small businesses and create employment.
- 2. 31% of respondents who already had a business prior to the SYB training managed to retain it afterwards, even enjoying an average income increase of Rp 900,000 per month.** Respondents who managed to retain their business mostly belonged to the 30-50 year age group. This might be because people in this age group already have sufficient business experience and networking with customers and other business actors.
- 3. Most of the businesses owned by SYB respondents could be categorized as self-employed (at most 1 worker) and micro businesses (having 2-9 workers).** Women's businesses are generally smaller than those of men's, both in terms of number of workers as well as total income.
- 4. Difficulties in the business most frequently cited by respondents were attracting customers, getting raw materials and managing finances.** Men tend to cite difficulties in attracting customers, while women often mention difficulties in getting raw materials and accessing market information. Only very few respondents (less than 3%) are willing to access BDS when facing difficulties; most respondents would rather seek assistance from their family members. The low awareness of BDS indicated by the respondents suggests that their role as well as the quality and range of services available were not sufficiently explained during the training; the cost of BDS services may also be a constraint.
- 5. 8% of respondents had a business prior to SYB training but later closed shop, and 18% never opened any business.** Lack of capital is the main reason most of these respondents cite for not running a business at the moment. There are indications that women face more constraints than men with regard to starting up a business. This is likely to be linked to the double burden they carry, i.e. having full responsibility for managing the household and child care, as well as any economic activities they may have. Pregnancy and illness also act as constraints on opening up a business. People with a low educational level (elementary school or no formal education at all) also seem to face more difficulties in opening a business, perhaps because their relative lack of reading, writing and math skills acts as a constraint on their understanding and absorption of the training content.

6. **Motivation to participate in training clearly (and not surprisingly) has an influence on a person's success in opening or retaining his/her business.** The post-tsunami situation in Aceh—when there were large amounts of aid and some organizations were even offering financial incentives for people to sit in training—has obviously influenced people's mindsets, including their motivation. Although about half of all respondents (51.5%) were motivated to attend the training by the possibility of obtaining financial assistance (grants), those who were successful in opening businesses were, not surprisingly, mostly the participants who were motivated to learn how to open a business or generate new business ideas.
7. **Almost 70% of respondents completed a business plan, either during or after the training.** Unfortunately there is no indication of the quality or viability of the business plans that were made, even though this can be a key factor in the success of the business. Most of those who did not manage to finish their business plans had low educational backgrounds (elementary school or no formal education) and cited "I do not know how to" as the main reason. Since SYB is a materials-based training program, all participants should be able to read, write and perform simple calculations. Adherence to these basic criteria is important to ensure that participants are able to absorb the training content and derive the benefits that the training offers.
8. **After-Training Support (ATS) is very important to ensure that participants have a better chance of retaining their knowledge and learning more about how to put it into practice.** It was found that after the training, participants often forgot many of the newly learned concepts. This is not surprising, as ten days of intensive learning is really a very short time to cover all the necessary topics related to good business start-up and/or management. For this reason, it is key that further support and business advice are provided, especially to new entrepreneurs, entrepreneurs with lower educational levels and young entrepreneurs.
9. **There is room for improvement in terms of sharing responsibilities between men and women. Women often carry the "double burden" of managing the household and running a business.** While men tend to rely on their spouse to take care of their children and household when they run a business or participate in training, women usually either rely on other family members to assist with domestic responsibilities or manage the situation on their own. Only a few women (6%) stated that their husbands shared domestic responsibilities while they worked or attended training. In future, training organisers could address the problem by trying to enlist the support of the husbands through briefings prior to the start of the training, considering more flexible schedules for the training, or by helping the women to find appropriate child care solutions.
10. **Environmental awareness needs to be improved among micro entrepreneurs.** Only a few respondents are aware of pollution in their working environment, although in fact many work places in Aceh are affected by air, water, soil or noise pollution.

On the basis of the conclusions above, we recommend the following:

1. In the selection of training participants, organizations should consider the following:
 - ♦ Literacy of respondents. Adherence to the SYB selection criteria is imperative to ensure that participants gain maximum benefits from the training. Participants who cannot read, write or do simple calculations will not benefit from this materials-based training, and should not be selected, instead they should be offered other training programmes that were developed for people with low level of literacy, for example the ILO GET Ahead training.

- ♦ Age of respondents. It is recommended that those aged between 20 and 29 should be given more materials on business ideas, whereas more input on how to start a new business should be given to those aged 30 to 39. For those in the 40 to 49 age bracket, the focus should be more on materials for business improvement.
 - ♦ Motivation. This is a very important factor in determining a participant's success in following the training and running a business. This should be more carefully taken into account during the selection of participants, along with their business background, mastery of basic mathematics and literacy and basic entrepreneurship skills.
2. In terms of follow-up support after the training, the following is recommended:
- ♦ After-Training Support should be provided for at least 6 months after the training as an integral part of the training package. As far as possible, this support should be tailored to the beneficiaries' business plans and take into account the local business environment.
 - ♦ BDS should be more involved in the provision of follow-up support and monitoring of beneficiaries. To facilitate this, trainers should also ensure that, during the sessions, the function and services of the BDS are adequately explained to the participants.
3. With regard to training delivery, the following could be considered:
- ♦ Trainers should try to find and use local terms, where possible, for technical or business terminology to reduce the input load for participants. New concepts explained in familiar language are easier to understand and retain. Alternatively, they could prepare a list of definitions of business terms that do not have any equivalent in the local language.
 - ♦ Modules should be kept as simple and concise as possible.
 - ♦ A simplified format for the business plan should be considered.
 - ♦ Where possible, participants with experience of running a business—whether successful or not—should be encouraged to share their knowledge with the other participants. Learning from the real-life successes and failures of peers can be very valuable, and sometimes has a greater impact than learning from books.
4. The quality or viability of the business plans could be measured by using it as a selection tool when donor organisations or microfinance intitutes provide grant, tool kits and loans for business start-up. This may need strategic cooperaton between the organisation providing SIYB training and institutions providing access to finance.
5. Training design and delivery should take into account gender issues in society. Gender equality needs to be integrated into the training—in both the materials and the delivery—to address the real problems in society, e.g. encouraging responsibility sharing between men and women. In this regard, training organizers should consider providing regular refresher course for trainers on gender roles and entrepreneurship. A more flexible training schedule and provision of, or help with, child care facilities could help women get the most out of the course. In addition, gender issues should continue to be addressed in the After-Training Support.

This study analyzed the impact of the SYB trainings conducted within the period of March 2006 until February 2007. Some of the concerns raised in this study were also evident during monitoring missions carried out by ILO project staff. After February 2007, several initiatives have been taken by the Entrepreneurship Culture and Business Creation Project in response to the needs that arose. Some worth noting are:

1. Develop the Simplified Start Your Business material

Responding to the concern that the SYB training materials are often difficult to understand and consume too much time to complete, the Simplified Start Your Business module was developed. The Simplified Start Your Business had a simpler Business Plan format and record keeping system. Furthermore, this training can be completed in approximately 4-5 days. Monitoring of its implementation showed that the Simplified Start Your Business module is more suitable for those starting or owning income generating activities or micro businesses, whereas the Start Your Business is more suitable for those starting a small business.

2. Develop a glossary of business terms in three languages: English, Indonesian and Acehnese

Realising the need to explain business terminologies with local terms to make it easier for participants to understand the material, a glossary was developed in three languages: English, Indonesian and Acehnese. Not only did this glossary helped the trainers in explaining new concepts, it also allowed the participants to become familiar with the meaning of business terms in English that might not have an equivalent terminology in Bahasa Indonesia or Acehnese.

3. Integrate gender and environmental issues into training materials and delivery

Realising the general lack of awareness in gender and environmental issues, these issues were then integrated into the training materials. Case studies were inserted to demonstrate practical implementation of gender equiaty and enviromental friendly measures. In addition to improving training materials, gender and environmental issues were also mainstreamed during the Training of Trainers or Refresher Courses for trainers so that trainers will be equipped to raise and discuss these issues in the training of entrepreneurs. The main gender issue that the trainers raise is responsibility sharing between men and women and the main environmental issue is waste management.

4. Provide capacity building on After-Training-Support for SYB trainers

SYB participants need After-Training-Support to reinforce the knowledge they have learned during the training and to help them apply it. In order to provide these services, trainers need to be equipped with the relevant skills. A Refresher Course on After-Training-Support was given to several active trainers. However, it will take time before the effectiveness of this service can be assessed.

Questionnaire

**ILO Entrepreneurship Culture and Business Creation for Youth Employment
Project in Nanggroe Aceh Darussalam Province
START AND IMPROVE YOUR BUSINESS PROGRAMME
QUESTIONNAIRE FOR SIYB IMPACT ASSESSMENT STUDY**

Date of interview ____/____/____ (dd/mm/yy)

Interviewer's name

Supervisor's name

A. GENERAL INFORMATION *(Please circle the number that corresponds to the appropriate answer)*

1. **Name of respondent** :

2. **Date of birth?** *[Write in age of respondent]* _____

[after getting the exact age: circle the appropriate category]

15-19	1
20-24	2
25-29	3
30-55	4
Above 55	5

3. **Sex of respondent** *(code by observation)*

Female	1
Male	2

4. **Residential address** :

5. **City, town or village** :

6. **Telephone/HP** :

7. Your Profession (original):

I am a farmer	1
I have business	2
I am an employee in another persons private business	3
I am an employee in a public company	4
I am a government employee	5
I am unemployed	6
I am a full-time student	7
I am a housewife	8
Others (specify)	9

8. What is your main source of income right now:

9. What is the highest educational qualification that you have obtained? [single mention]

No formal schooling	1
Graduate Elementary school (year 1-6)	2
Graduate Junior High School (year 7-9)	3
Graduate Senior High School (year 10-12)	4
University	5
Diploma 1,2,3	
Strata 1 (bachelors degree)	
Strata 2 (Master degree)	
Vocational or technical training	6

10. Do you already have a business now?

Yes	1
No	2

(if no, go to directly to question 11 and skip 10a, 10b, 10c, 10d)

10a. If yes, when was your business started?

Before 2003	1
2004	2
2005	3
2006	4
2007	5

10b. Do you have a written business plan for this business?

Yes	1
No	2

10c. How much does your business activities contribute to your overall income? (in percentage)

0 – ¼ (25%)	1
¼ (25%) – ½ (50%)	2
½ (50%) – ¾ (75%)	3
¾ (75%) – all (100%)	4

10d. Is your business registered ?

Joint stock company	1
Limited liability company	2
Cooperative	3
Only business venue registered	4
Business NOT registered	5

11. If you do not already have a business, why do you want to start a business ? _____

If you HAVE A BUSINESS, please ALL Sections, EXCEPT Section E
If you DO NOT YET have a business, please answer only Sections C, E, F, G, H (skip section B & D)

B. Information about your business (This section should ONLY be answered by persons who already have a business (answered "Yes" to Question 10 Section A))

1. What is your position in the business?

Owner	1
Manager	2
Owner & manager	3
Other (specify)	4

2. What is your household's main source of income?

Most of my income is from my business	1
Most of my income is from a salary	2
My spouse has a job. Most of my household's income is from my spouse's salary	3
My spouse has a business. Most of my household's income is from my spouse's business	4
Other (specify)	5

3. In what sector is your business?

Trade	1
Manufacturing/industry	2
Service	3
Agriculture, fishing and forestry	4
Mix or Combination (specify)	5

Your employees (if you do not have any employees write 0 in the boxes)		Men					Women				
		15-19	20-24	25-29	30-55	> 55	15-19	20-24	25-29	30-55	> 55
4.	How many <u>full-time paid</u> employees did your business have last month?										
5.	How many <u>part-time paid</u> employees did your business have last month?										
6.	How many <u>non-paid</u> employees (apprentices/family members) did your business have last month?										
7.	How many of your employees have a written employment contract?										

8. What is the average monthly salary of a full-time employee in your business?
Rupiah/month

9. What is the average number of hours worked per day for a full-time employee? _____ hours/day

10. Over the last few months, have you provided any of the following benefits to your workers? [multi-mention]

	Yes	No
On the job training	1	2
Off-the job training	1	2
Written employment contracts	1	2
Health and accident insurance	1	2
Provided parental leave	1	2
Workers have productivity incentives	1	2
Workers have received a salary increase	1	2
Made safer working conditions	1	2

11. Have you tried to get a loan for your business over the past two years (including loans from family members, commercial banks, state-owned banks, micro-finance schemes etc.)? [multi-mention]

	Tried to access credit?		Were you successful?	
	Yes	No	Yes	No
Private/public commercial bank	1	2	1	2
Government credit fund	1	2	1	2
Micro finance scheme	1	2	1	2
Family/friends	1	2	1	2
Money lender	1	2	1	2
Other (specify)	1	2	1	2

12. How many customers do you have on average? daily or monthly

13. What is the normal average revenue of your business? daily or monthly

14. How much money do you take out of your business for household consumption?

Rupiah/daily or Rupiah/monthly

- 15a. After purchasing supplies/input for the business and after using some money for yourself or your household, is there usually any money left? [Net profit]

Yes	No
1	2

- 15b. If Yes, how much money do you have left on average?

Rupiah/daily or Rupiah/monthly

16. Do you perform any of the below mentioned task in your business?

	Never	Seldom	Sometimes	Regularly
a) Marketing activities to sell your products?	1	2	3	4
b) Train your workers?	1	2	3	4
c) Write job descriptions for your workers?	1	2	3	4
d) Calculating your costs before setting selling prices?	1	2	3	4
e) Make a cash flow plan	1	2	3	4
f) Make a sales and cost plan	1	2	3	4
g) Make a business plan	1	2	3	4

17. Are you a member of any business association/business club/temporary business group?

Yes	1
No	2

If yes, which one? _____

C. Your thoughts about entrepreneurship, skills and knowledge

18. How do you see the role of private entrepreneurs for the local economy?

Not important at all	1
Somewhat important	2
Quite important	3
Very important	4

19. Do you think more private entrepreneurship will benefit the economic growth of Aceh Province?

I completely agree	1
I partly agree	2
I mostly disagree	3
I completely disagree	4

20. How would you rate your skills in marketing (selling your product)?

Very good	1
Good	2
Not so good	3
I don't have any such skills at all	4

21. How would you rate your skills in managing staff?

Very good	1
Good	2
Not so good	3
I don't have any such skills at all	4

22. How would you rate your skills in managing your finances?

Very good	1
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Good	2
Not so good	3
I don't have any such skills at all	4

23. How would you rate your skills in general business plan?

Very good	1
Good	2
Not so good	3
I don't have any such skills at all	4

24. _____ (blank, no question)

25. Who is the most "important person" for a business?

the supplier	1
the customer	2
the delivery person	3

26. What is the first thing to do in marketing?

put all your skills into making your products the way you like them	1
find out as much as possible about your customers and what they need and want	2
try to make the same products or services other businesses make	3

27. What knowledge can you get from finding out about customers and competitors?

You can learn more about the market	1
You can learn more about your employees	2
You can easily copy competitors' business ideas	3

28. A good product or service:

will sell easily and does not need any promotion	1
Needs to be promoted like all other products or services	2
Needs to be promoted only if its sales go down	3

29. For whom is business planning useful?

for very large businesses only	1
for retailers only	2
for all businesses	3

D. Business Start-up Assessment (This section should ONLY be answered by persons who already have a business (answered "Yes" to Question 10 Section A))

30. What is your current business situation?

Started first business after SYB training	1
Started new activities, in addition to existing business	2
Remained with the same business	3

31. Why do you decide to start the business?

I want to change my life	1
I want to help my family	2
I want to be my own boss	3
I have no other job option	4
Other (specify)	5

31a. How did you decide what type of business to start?

Identified needs in community	1
I copied another persons business	2
I had such special technical skills/experience	3
I had no other option	4
I have a brilliant business idea	5
I did market research	6
Other (specify)	7

32. At which market do you sell most of your products/services? [Read out: 1st and 2nd mention]

	1 st mention	2nd mention
Local markets (In the local area)	1	1
District markets	2	2
Provincial markets	3	3
National markets (across the country)	4	4
International markets (export)	5	5

33. Do you have a bank account specifically for your business? [separated from your personal account]

Yes	1
No	2

34. What was the source of funding of your new business?

Own savings	1
Friends/family	2
Loan from money lender	3
Grant or loan from bank/NGO/cooperative/etc	4
Others (specify) _____	5

E. Assessment of Participants who DO NOT have a Business (This section should ONLY be answered by persons who answered "NO" to Question 10 Section A)

35. What is your current situation?

Had a business but closed down	1
Was not in business and has not yet started one	2

36. If you did not start your business what is the reason for this?

I prefer to be a civil servant	1
I prefer to work for another person	2
I do not have enough start-up capital	3
I lack the skills/knowledge to start a business	4
I am not interested to start a business	5
Other (specify)	6

37. If you have not started your business, do you intend to start your business within next few months?

Yes	1
No	2

(Questions 38-41 answered ONLY by people who had a business before, but now has closed down)

38. When did your business close down?

Before the SIYB training (specify year) _____	1
After the SIYB training (specify year) _____	2

39. Why did your business close down?

Conflict	1
Tsunami	2
Run out of money to continue the business	3
Lack human resources to continue the business	4
Personal circumstances (age, sick, etc)	5
Others (specify) _____	6

40. Do you still intend to start a new business?

No	1
Yes, with the same business idea and business plan	2
Yes, but with a different business idea and business plan	3

41. When do you think you will start? Within _____ months

F. INFORMATION AND FEEDBACK ON THE SYB TRAINING (Must be answered by ALL)

42. By which organization were you trained?

43. Where were you trained?

44. How many full days was the training you participated in?

1 day	1
2 days	2
3 days	3
4 days	4
5 days	5

6 days	6
7 days	7
8 days	8
9 days	9
10 days	10
More	11

45. In which year and month were you trained?

Year	
2006	1
2007	2

Month			
January	1	July	7
February	2	August	8
March	3	September	9
April	4	October	10
May	5	November	11
June	6	December	12

46. What was your MAIN reason to participate in the SIYB training?

To find a business idea	1
To learn how to start my own business	2
To develop a business plan	3
To improve general functioning of my existing business	4
Wanted to improve SPECIFIC aspects of my business (e.g. marketing)	5
I was nominated	6
To get access to grant or start-up capital	7
To change my life	8
Other (specify)	9

47. How easy was it to apply what you learned?

Fairly easy	1
Easy – OK	2
Difficult	3
Very difficult	4

48. Did you complete your "SYB Business Plan" during the SYB training?

Yes	1
No	2

49. If not, did you then complete after the training?

Yes	1
No	2

50. If you have not completed your business plan, what is the reason for this?

I am too busy	1
I don't know how to	2
I don't see a need	3
Other (specify)	4

51. Did you use or refer to the training materials after the training?

Yes	1
No	2

52. Did other people who did not participate in the training also read or use the training materials?

Yes	1	How many? _____ people
No	2	

53. Did you receive any kind of after training assistance from the organisation/trainers ?

Yes	1
No	2

If yes, what kind of after training support did you receive?

Individual assistance by the trainer(s)	1
Another follow-up training	2
Access to grant/loan	3
Others (specify) _____	4

G. Gender and Environmental Issues

54. During the training, how did you manage to carry out your responsibilities at home?

My spouse help me	1
Family member(s) other than spouse help me	2
Neighbour(s) help me	3
I pay someone to take care of it	4
I had a more flexible schedule to do responsibilities at home	5
Others (specify) _____	6

55. Who took care of your children during the training or when you work? (if you have any)

My children came along with me	1
My spouse	2
Other family members	3
Friends / neighbour	4
I pay someone to take care of them	5
They are old enough, don't need full day care	6
Others (specify) _____	7

56. Did the training place have the following facilities for participants?

	Yes	No
Toilet	1	2
Prayer room	1	2
Rubbish bin	1	2
Drinking water	1	2

Questions 57 - 60 are only for those who HAVE A BUSINESS or WORK IN A MICRO/SMALL BUSINESS

57. In what type of area is your business place located?

I run my business from home	1
I have a shop in the local market close to my home	2
I have a shop in a good market area where many customers come by	3
I have a mobile cart/wagon to go around the neighbourhood	4
I am a street vendor	5
Others (specify) _____	6

58. How is waste/rubbish managed in your business?

Burning	1
Collect in rubbish bin	2
Reuse/recycle	3
No action	4
Others (specify) _____	5

59. Does your business place produce or face any of the following?

Things	Yes	No
Air pollution	1	2
Water pollution	1	2
Land pollution	1	2
Noisy	1	2
Excessive use of natural resources	1	2

60. If yes, how do you manage it?

Plan to relocate soon	1
Use protection such as masker, earphone, etc.	2
No action	3
Others (specify) _____	4

H. Access to Business Development Service providers

This section is ONLY for those who HAVE A BUSINESS or WORK IN A MICRO BUSINESS

61. Besides capital, what are the most common difficulties that you face in your business? *[multiple]*

Attracting more customers	1
Managing my money	2
Selling my products	3
Managing my employees	4
Getting raw materials	5

Lack of market information	6
Managing my customer relationship	7
Distributing my products	8
Others (specify) _____	9

62. When you face a business problem, where do you look for suggestions/assistance?*[multiple entry]*

My spouse	1
Other family member(s)	2
Friend(s)/neighbour(s)	3
Media (newspaper, magazine, radio, TV)	4
Business partner(s)	5
Bank/cooperative/financial institutions	6
NGO/Donor agencies	7
BDS providers/business consultants	8
SIYB trainer	9
Others (specify) _____	10

63. Did you ever use a BDS/business consultant to help you solve a business problem?

Yes (go to 64)	1
No (go to 65)	2

64. If yes, what was your problem at that time? _____

Were you satisfied with the service?

Yes	1
No, because _____	2

How much did you pay at that time? _____

From whom did you know about the BDS/business consultant? _____

65. If no, are you willing to pay a BDS/business consultant to help you solve a business problem?

Yes. I'm willing to pay a maximum of Rp _____	1
No, because _____	2

66. What type of support do you need to run your business better? _____

