



Start and Improve Your Business: Advanced Training for Small Entrepreneurs

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Background

- The ILO provides a range of capacity building programmes aimed at supporting entrepreneurs at various stages of business development. These programmes are available in a wide range of countries.
- Entrepreneurship training packages offered are: Generate Your Business Idea (GYB), Start Your Business (SYB), Improve Your Business (IYB)
- ILO in partnership with the Ministry of Labour in Vietnam is considering to **launch a large programme** to provide entrepreneurship skills to **rice farm workers** to enhance their abilities to start and improve businesses. These skills will include agri-business skills and business management skills like buying, record keeping, costing, marketing etc.



- By **business** the Ministry and the ILO refer to any economic activity that creates additional income for the farm workers.

Background



- The Need:
 - The Ministry of Labour utilized the Household Income and Expenditure Survey and found out that the ***incomes of rice farm workers and their families can grow if they diversify their sources of income***. Additionally, their ***incomes drop significantly after the harvest season*** (when farm work is not available).
 - A recent study conducted by FAO that indicated that ***only 2% of farm workers started a new business in the past 12 months***.
- The ILO and the Ministry of Labour conducted a willingness to pay study and found out that farm workers are willing to pay USD50 which is also the total cost of training.
- A pilot phase of the program will be launched soon. The ILO and the Ministry of Labour want to find out if training outcomes will improve if trainees paid the full cost of the training.
- The aim of the evaluation is to compare the outcomes of free business training, to those of fee-based business training in terms of increasing the farm workers' chances of starting a business and sustaining it.

Theory of Change

In the short term:

- If farm workers receive training in business skills, they will develop the skills and interest needed to start their own business and sustain it.
- If farm workers are paying for the training services, it will enhance the chances of them starting a business and sustaining it as a result.

In the long term:

- Consequently, farm workers will have a source of income after the harvest season and this additional income will smooth their consumption.
- This experiment will focus on evaluating the short-term effects

Theory of change

Business around rice cultivation has huge potential. Few farm workers have shown the ability to start and sustain an enterprise in this field. Aim is to increase income potential by providing skills training and overcoming seasonality of income.



Intervention: Providing training (GYB-SYB-IYB)

Farmers will get the skills to start/improve a business.
Farmers will apply the skills.
No access to finance limitations

I.O.: Increase in knowledge and skills on starting and improving an enterprise. This will improve their chances of starting and sustaining enterprises.

Outcome 1: More farm workers starting an enterprise
Outcome 2: More farm workers are able to sustain their enterprise



Need
Assessment

Intervention

Assumptions

Intermediary
outcomes

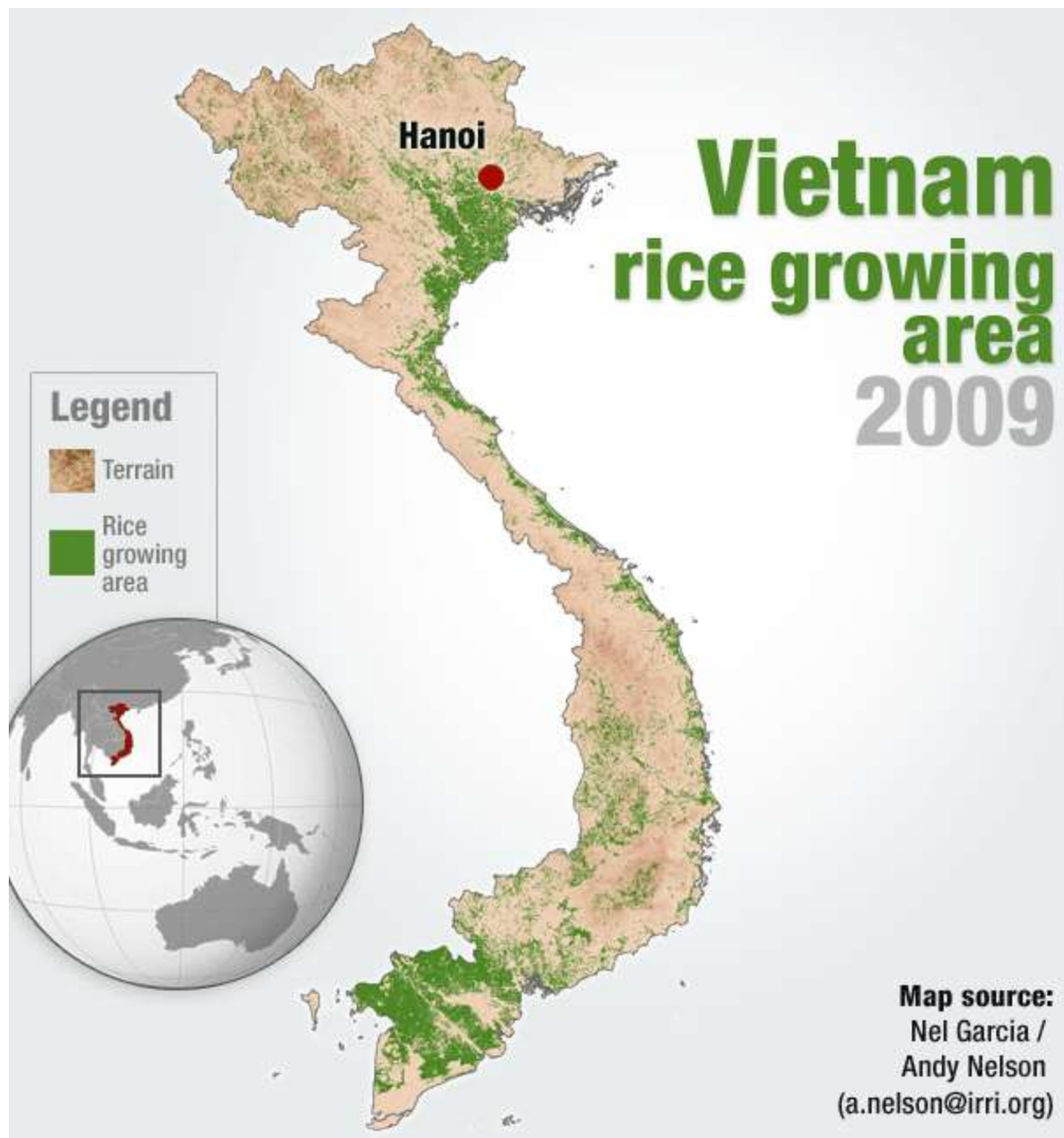
Outcomes

Evaluation Questions and Outcomes

- Compared to a free business training, does a fee-based business training to ***farm workers*** increase their chances of starting a business and sustaining it?
- Outcomes:
 - Starting a business
 - Staying in business



Vietnam rice growing area 2009



Evaluation Design

- The programme has the funding capacity to reach a maximum of 16,000 farm workers.
- FAO study in 2012 indicates rice production is dominated by farms of 10 hectares. Each hectare requires 2 farm workers.
- The actual randomization design:
 - Unit of randomization: Farm (to overcome spill-over at the individual level)
 - Ministry of Labour will randomly assign treatment to the farms (10 hectares and above, i.e. 20 or more workers).



Outcomes and Data Collection

- Outcomes:
 - starting a business (economic activity)
 - sustaining it (staying in business for 12 months)
- Baseline and end line data will be collected through a survey



Data and Sample Size

- Power calculations
 - Effect size:
 - Studies of similar nature found out that an effect size of 0.1 standard deviation for the two outcomes,
 - Average take up of similar programs in Vietnam is 0.8 , so the adjusted effect size becomes: 0.08.
 - No of farm workers per farm= 20.
 - Intra-cluster correlation (ICC):
 - From previous government training programmes, it is noticed that farm worker behavior is affected by peer farm workers. Therefore, ICC 0.1
 - Sample size for power 0.8, ICC is 0.1, the number of farms under evaluation = 602.

Potential Challenges

- Spill-over: at the individual level, so the design proposed the farm as a unit
- Attrition: drop out of either groups or trainers want to provide additional training sessions to get additional income which will cause contamination
- Externality: Indirect benefits could be incurred by individuals in the control group

Results

- Results will be useful for:
 - Policy makers
 - Ministry of Labor in Vietnam and other agencies,
 - The ILO,
 - Local authorities and agencies,
 - Local NGOs and CBOs
 - General public,
 - Other countries
 - Program implementers
 - Researchers
- Policy papers for policy making,
- Newspapers (infographics and diagrams)
- Research papers/publications,