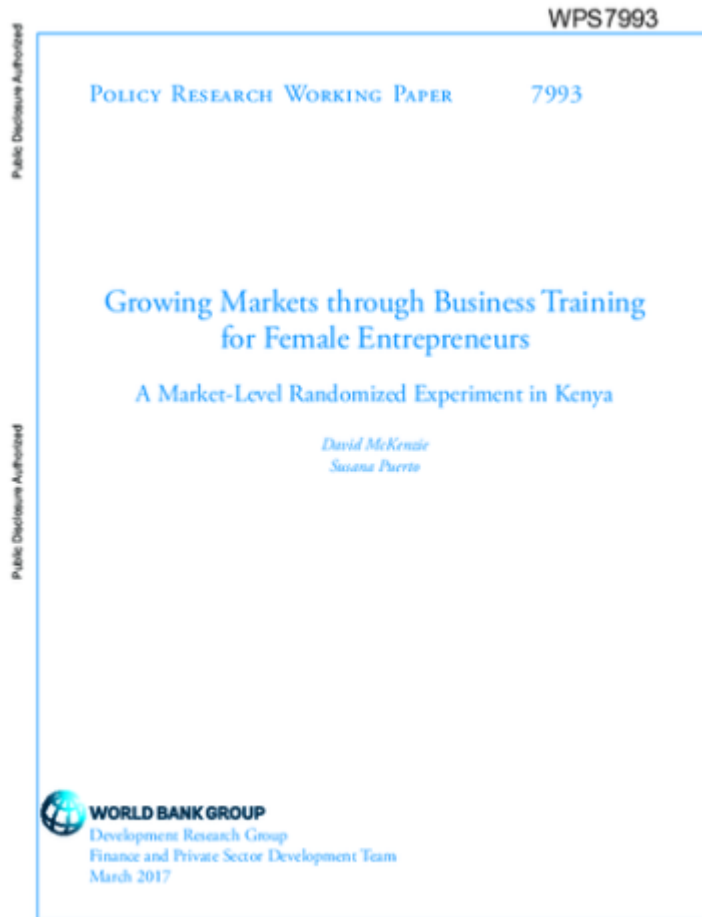


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Growing Markets through Business Training for Female Entrepreneurs: A Market-Level Randomized Experiment in Kenya

A common concern with efforts to directly help some small businesses to grow is that their growth comes at the expense of their unassisted competitors. This study tests this possibility using a two-stage randomized experiment in Kenya. The experiment randomizes business training at the market level, and then within markets to selected businesses. Three years after training, the treated businesses are selling more, earn higher profits, and their owners

have higher well-being. There is no evidence of negative spillovers on the competing businesses, and the markets as a whole appear to have grown in terms of number of customers and sales volumes. This market growth appears to come from enhanced customer service and new product introduction, generating more customers and more sales from existing customers. As a result, business growth in underdeveloped markets is possible without taking sales away from nontreated businesses.

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