

Report on the Impacts of Grassroots Management Training in India

Lucy E. Creevey
with Mangala Subramaniain
and Momar Ndisye

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Summary

The Economic Development Institute (EDI) established the Women's Enterprise Management Training Outreach Program (WEMTOP) as a three year pilot program based on a series of assumptions about improving the income earning capacity of assetless women in India. Earlier research suggested that in the usual package of supports provided by Voluntary Organizations (VOs) and other donors to microenterprises, management training was relatively under-emphasized (while provision of credit, marketing assistance, training in specific skills or use of new technologies, and other technical back up support were far more common). Management training, thus, was chosen as the missing component which WEMTOP could provide. This was to be a "package completion" approach, particularly significant where women already had other interventions supporting their work. Later empowerment training was added to the courses to enable women to improve their business managerial capacity and, concomitantly, their status and authority in their families and communities. Training was to be offered in the pilot stage both for training VO staff in Enterprise Support Teams (TEST) in Grassroots; Management Training (GMT) and (by the trained VO staff) for assetless women.

This study analyses the impacts of GMT on the village women who participated in the pilot period based on the results of a field survey administered in the project areas in June-July 1996. This is one component of a four-part evaluation process. Simultaneously to the inception of the pilot impact survey in April, another team was sent to India for three weeks to produce an evaluation which stressed institutional aspects of the WEMTOP project, specifically how well Udyogini and the three Partner Training Institutions (PTIs) it selected (to develop training programs and to train agents of selected Voluntary Organizations) had delivered their project. This team based their analysis on interviews with trainers, staff members of the PTIs and Udyogini, and women trainees as well as documents and perspectives provided by experienced personnel from other (non-WEMTOP associated) VOs and donor agencies. A separate Washington-based analysis of the overall costs and benefits of the project was also to be done. Eventually, in the fall of 1996, a fourth group was to produce a summary evaluation of WEMTOP taking into account the findings of all three separate analyses.

For this survey, a set of six hypotheses was established as the basis for evaluation of the impacts of GMT on village women in India. We hypothesized that GMT: i) increased individual and family incomes and improved family well-being, ii) increased enterprise profitability, improved and expanded enterprise markets, and increased employment, iii) empowered women as measured primarily by their decision-making power in matters of importance to them and to the family, iv) added to the effects of access to credit to make businesses more profitable than they would be with credit only, v) varied in impact depending on the type and amount of training given, and vi) had a greater effect on the poorest women. The final survey on which this study is based included 430 respondents divided between GMT trainees and a "Match" group chosen for their socio economic and demographic characteristics and similar economic activities to the GMT women. The major findings in regard to these hypotheses are summarized in the Table following this summary.

At the outset it is important to stress that certain limitations may inhibit our ability to draw definitive conclusions as to the impacts of GMT. Most importantly, GMT training was begun for groups of village women in 1994. Many women had not begun their training until late 1995 and had not completed it until the end of that year. Other women began GMT training in the second wave of training (following a self-evaluation by Udyogini), which started in 1996 and was not completed when this survey was undertaken in June of 1996. This means that the longest lapse since training was completed was a year and a half. This is far from enough time to observe the impact of a program in full.

Secondly, the VOs which gave the GMT did not have in place before the training a common package of interventions supporting women's enterprises (including financial services among others). Many did not even support their women clients' business activities. Given the wide variation in what the VOs did for their women clients, the final results must be interpreted with care, not only for the recentness of the training experience but also because we can not fully eradicate the effects of the widely different backgrounds of the trained respondents in the impacts observed. In the absence of a true experimental approach - where a baseline study has been carried out on both future trainees and a control group with full knowledge of their prior types and levels of experience - this type of survey can only be an indication of the kinds of impacts which this training program may have, an indication which should be verified by a later study undertaken several years after the first training was held.

Our preliminary findings are listed below:

1 -In regard to the first hypothesis, the original concern was to show whether GMT combined with other types of supports had a positive impact on the poor women who received the training measured by increased incomes, increased savings, increased family and individual assets, and improved family well being in terms of more and better food and more education. The results from this survey indicated that, combined with other types of interventions, GMT did lead to increased individual income and net profits. Differences in business management style and business performance also emerge in the data. GMT women are distinctly more likely to keep adequate accounts of their business expenses. GMT women were also more likely to have access to credit and savings accounts. In regard to access to credit, however, this was a benefit included along with GMT training rather than a result of the training itself. Participation in savings was also made a part of the overall program among those who offered GMT. However, a greater ability to save does seem to result from GMT (and is so reported by the respondents).

2 -In regard to employment and marketing, the results are not definitive. There is some, but incomplete, evidence that increased employment resulted from the GMT training. The results also show that GMT women are more likely to have changed their marketing pattern and to sell beyond their home villages but this is because many VOs themselves began marketing the women's products and not because the women learned to go out and seek new markets.

The second and fourth hypotheses were much more difficult to deal with. They explored whether GMT itself has a "package completion effect", that is whether it led to improvements in income, increases in employment, expanded markets for the enterprises and improved access to credit and extension services **beyond** what the existing package could provide. Because there was no consistent package of interventions offered to the women who got GMT in the period before they were trained, the exact contribution of GMT was difficult to ascertain. However, a quick review of the regression model presented in Section M shows there is evidence that GMT had a significant positive impact on income (and net profits) separate from positive impacts associated with age, access to credit, family income, percentage contribution to family income and start date (and size of family). In looking at relative impact, credit has the largest impact followed by family income, percentage contribution to family income, start date, GMT and age. That GMT has less of an impact than these variables is predictable: training in itself can not overcome all other major factors. It works with them, not independently.

In regard to the fourth hypothesis, GMT impacts do go beyond the results of access to credit or savings according to the findings. Among women who have access to financial services,

the difference in annual profit for those who had GMT as opposed to those who did not is 5% of the average individual annual income of those women with access to financial services - indicating a discernible improvement over the positive effects of credit alone.

The third hypothesis dealt with empowerment. We asked whether GMT led to increases in women's status and authority in family decisions or participation by these women in community politics. Analysis of the data indicated little support for GMTs having a significant impact in the area of decision-making except when family income was controlled for. In the latter case, among women above the poverty line GMT did predict to increased authority in decisions on the use of the women's own revenue. In regard to action in the community, however, GMT was more broadly significant and was strongly related to the likelihood to take an active role in community decisions.

The fifth hypothesis dealt with differential impacts which might result from different emphases in the training modules. In this study, owing to the absence of necessary data on what training the women respondents in fact received, we could not test this hypothesis. However, we did show one interesting fact: the widely different overall type and orientation of the three PTIs predicts to significantly different patterns of impact.

Finally, the sixth hypothesis dealt with the extent to which GMT would have greater - or lesser - impacts on women who were poorer than on women who were slightly better off. The findings were quite revealing although this hypothesis could not be proven as stated. When we consider net profit alone, the impact of GMT is greater among those women above the poverty line compared to those below. However, when we consider net profit as a percentage of income, the difference is more significant among the poorer group. In fact, the net difference in profits for the women in poverty who had GMT was 34% of the average of their individual family income, while among the better-off women, this difference was only 17% indicating that GMT may have been more important for the poorer group.

Overall, this summary of impacts suggests that GMT achieved in the pilot phase many of the major goals for the training set forth by EDI in the planning stage. This is an impressive achievement given the choice of VOs who had no set package of business supports in place, a choice of three distinctly different PTIs to develop the training, a slow development of training modules which were not initially consistent across the three PTIs, and a late start of the village level training program leading to a maximum of only two years having passed since training was started when this evaluation took place. These impact findings are significant and should be used in the fourth phase of this evaluation process when all the different approaches to evaluating WEMTOP are combined. However, a major caveat needs to be reiterated here. What is presented in this report should be utilized with much caution. It is evident that until more time has passed, impacts will not have been fully registered. It will take several years at least to know if the women who were trained have permanently changed their patterns of business management and the performance and profitability of their enterprises, as well as their status and participation in family and community decisions. It will take at least this time to know if the new businesses established in the training period are viable and sustainable or if women have been sufficiently trained so they can move into new and more profitable lines of business as needed, change their markets, seek out loans etc.

Hypothesis Tested	Evidence
1) GMT combined with credit and other support services leads to: <ul style="list-style-type: none"> i) increased income for the woman entrepreneur in the survival and microenterprise economy from the total of her economic activities ii) increased savings for the woman entrepreneur iii) increased personal and family assets iv) improved family well being (measured by greater family consumption of nutritious food and increased education for children). 	Yes Yes No No
1) GMT leads to: <ul style="list-style-type: none"> i) improved access to credit and to extension services and ii) expanded markets (beyond the immediate local market) for microenterprises iii) increased employment iv) increased enterprise income. 	Yes ⁱ Partially Partially Yes
1) GMT leads to: <ul style="list-style-type: none"> i) Empowerment – the ability of a woman in the level of survival or microenterprise economy to have a respected and influential position in decisions in her family ii) Empowerment – the ability of women to take a larger and more decisive role in the community as well as in family decisions. 	Partially Yes
1) Women who have had access to credit and/or other support services, but not to GMT will show smaller levels of improvement than women with GMT (who have also had access to credit and/or other support services) in the dimensions specified in hypotheses 1 and 3.	Yes
2) Type of GMT Training (degree of emphasis on each of the following: marketing, human resource management, finance and credit), and amount of (number of days) of GMT and follow-up will lead to different degrees of impact measured by the dimensions identified in hypotheses 1 and 3.	No
3) Impacts of GMT (as measured in hypotheses 1) – 3) will be greater the poorer the entrepreneur (measured by family and individual income and assets).	Partially

ⁱ Participation in the GMT Program results in greater access to credit but this is not a result of training as such but is a resource provided by the VO along with the training.