

# IMPACT ASSESSMENT OF ENTREPRENEURSHIP TRAINING OF SKILLS 21 PROJECT

Prepared for



International  
Labour  
Organization



SK ALI AHMED  
FAISAL MAHAMMAD AHAMED  
ASMAR OSMAN

**Human Development Research Centre**

[www.hdrc-bd.com](http://www.hdrc-bd.com)

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Study Team Leader  
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## **ABBREVIATIONS AND ACRONYMS**

BDT	Bangladesh Taka
BEF	Bangladesh Employers' Federation
BIN	Business Identification Number
BTEB	Bangladesh Technical Education Board
COVID-19	Corona Virus Diseases 2019
EDT	Entrepreneurship Development Training
EUD	European Union of the Deaf
HDRC	Human Development Research Centre
HH	Household
ICT	Information and Communications Technology
ILO	International Labour Organization
KII	Key Informant Interview
NGO	Non-Government Organization
PWD	Persons with Disabilities
SIYB	Start and Improve Your Business
SSNP	Social Safety Net Programmes
TI	Training Institutions
TIN	Tax Identification Number
TVET	Technical and Vocational Education and Training

## EXECUTIVE SUMMARY

Bangladesh grapples with escalating unemployment rates as its workforce expands and opportunities for formal sector employment remain constrained. To tackle this issue, the International Labour Organization's 'Skills 21' project, supported by the European Union of the Deaf, introduced the Entrepreneurship Development Training (EDT) programme. This initiative aimed to empower self-employed and unemployed individuals, enabling them to start or improve their businesses.

In collaboration with 14 public and private Technical and Vocational Education and Training institutions and the SIYB Foundation, Skills 21 provided comprehensive business development training, including post-training follow-up, business counselling, and financial service connections. The project targeted 13,000 individuals for skills training and Recognition of Prior Learning (RPL) assessment, with 1,401 youths already participating as of September 2021.

The current impact assessment study utilised a mixed-method approach, combining quantitative and qualitative data and evaluating the effectiveness of the EDT. The study involved 621 respondents divided into Intervention (218), Control 1 (206), and Control 2 (197) groups. The baseline survey, conducted in September 2021, covered 792 respondents, measuring pre-training knowledge, skills, employment status, market linkage, and income. Despite some challenges in reaching the same respondents for follow-up—primarily due to change of location and not-reachable cell numbers—the assessment team successfully gathered the most participants from each group, adequately sufficient to come up with statistically credible estimates. The assessment also conducted 20 in-depth interviews with EDT completers and 10 Key Informant interviews with training instructors for the qualitative component. This comprehensive approach allowed for a thorough investigation of EDT's impacts on participants' lives and livelihood outcomes.

The selection process of the EDT recipients demonstrates the intent to ensure diversity and inclusivity. However, the demographic distribution of actual participants does not fully reflect the intended diversity, especially in terms of disability inclusion and representation of ethnic minorities. Moreover, the desire for more specific, practical skills related to individual business interests was expressed by several participants—which indicates a need for a more tailored approach and more precise communication.

The study found that most respondents (94.5%) attended the EDT to develop business skills, with 80.6% expecting successful business management post-EDT. There was a slight increase in business initiation and continuation from 16.5% to 17.7% after training. While the EDT programme demonstrated promise in promoting entrepreneurship and enhancing participants' confidence, challenges in securing initial capital and accessing business support institutions were identified. 45.7% face challenges in gathering start-up funds, and 42.9% struggle to obtain loans on favourable terms. Additionally, there was a marked increase in participants, indicating a lack of access to business support institutions and difficulty establishing a customer base.

Participants exposed to both EDT and Technical Vocational Education and Training (TVET) experienced a higher enterprise success rate, suggesting that TVET can enhance the likelihood of entrepreneurial success when combined with EDT.

The intervention also brought positive shifts in income distribution, significantly increasing income from agriculture and business. The intervention positively impacted the income distribution of the group earning between BDT 100,001 – 500,000 annually, with a notable 12.4% increase. The 'No Income' category decreased by 10.1%, indicating successful income generation improvement. Also, individuals earning less than 50,000 experienced a decrease, suggesting movement to higher income brackets due to the intervention. The intervention group saw an increase in the average household

income from BDT 75,609 to 89,776 annually—an increase of BDT 14,167. Comparatively, Control 1 and Control 2 saw an increase of 8,527 and 6,077, respectively. The intervention thus yielded a more significant positive impact on average household income than the control groups.

The intervention positively impacted business planning, improving knowledge and practical implementation of marketing plans, product/service production, materials/services requirements, and legal documents for starting a business. However, improvements in staff requirements, product costing, and start-up capital requirements were moderate. The intervention group showed significant improvements in understanding and using business-related documents, particularly in company registration and handling Tax Identification Number/Business Identification Number (TIN/BIN) documents. However, some aspects of business planning, such as staff requirements and start-up capital, showed moderate improvements, suggesting areas for further refinement.

Regarding occupational safety and health, the intervention improved understanding of health hazards and safety measures in the workplace, with notable progress in workplace cleanliness, ventilation, pollution control, and emergency response tools.

In green business practices, the intervention group significantly improved their understanding of recycling, reducing, reusing, electricity management, and safe water usage. In practice, they showed remarkable improvements in recycling, energy-efficient lighting, and efficient water usage. However, electricity and waste management saw less significant improvements, indicating areas for future refinement of the intervention strategy.

The EDT encouraged businesses to adopt a hybrid physical and online sales model faster. This trend indicates a gradual shift towards integrated business models, even as traditional selling methods remain prevalent. Additionally, digital tools such as software for business accounts and record-keeping saw a marked increase in the intervention group, highlighting the growing significance of technology in business operations.

The intervention encouraged larger investments, with significant shifts in equity capital and total investment patterns. However, mixed results were found in borrowing behaviours, suggesting more targeted strategies were needed. The intervention group showed a diversified range of credit sources, with Micro Finance Institutions (MFIs)/NGOs playing an increasingly important role.

The findings underscore the potential of the EDT to contribute to women's empowerment by promoting self-employment and income generation. Surveyed women in the programme revealed that 62.0% from the Intervention group and 32.2% from Control-1 decided to enrol in the training course and participate in business operations and financial management. Remarkably, the 'Investing Personal Savings' category showed a 5.1 percentage points improvement after intervention.

Success stories collected during the assessment exemplify how entrepreneurs, especially from low- and middle-income families with secondary or higher education, benefited significantly from the knowledge gained through the EDT.

While the impact assessment revealed promising results, the study recommends further focusing on tailored approaches, improved communication, and enhanced support mechanisms to optimise the EDT's positive outcomes and address challenges in capital access and sector-specific growth. By leveraging the insights from this assessment, the 'Skills 21' project can continue its transformative journey, empowering more individuals to prosper in entrepreneurship and economic empowerment.

## Recommendation

The study has generated a set of recommendations to enhance the effectiveness of the EDT program and its role in fostering entrepreneurial development. These suggestions aim to address challenges, seize opportunities, and tailor the programme to cater to diverse participant groups.

- I. **Strengthening Selection Process:** Implement a robust needs assessment during the selection process to ensure that only genuinely aspirant entrepreneurs are chosen for the EDT program.
- II. **Tailored Course Durations:** Develop two distinct courses of varying durations (six and fifteen days) to cater to the specific needs of both established business owners and aspiring entrepreneurs.
- III. **Rural Representation:** Increase the participation of individuals from rural areas, particularly in sectors like farming, livestock, and fishery, to unlock untapped potential in entrepreneurial development.
- IV. **TVET Integration:** Design an effective integration mechanism for the candidates with prior Technical and Vocational Education and Training (TVET) experience for the EDT program, considering their higher enterprise success rate.
- V. **Business Support Networks:** Establish Business Support Networks to give participants access to initial capital and post-training support, including financial resources, advice, and networking opportunities. Collaborate with financial and business support institutions to achieve this.
- VI. **Women's Inclusion:** Advocate for greater inclusion of women in decision-making processes related to joining the EDT program, operating businesses, and managing finances.
- VII. **Focusing on green business:** Strengthen the focus on green business practices, with particular attention to areas like electricity and waste management, to further optimise the environmental impact of businesses under the intervention.
- VIII. **Encouraging hybrid sales model:** Encourage businesses to adopt a hybrid physical and online sales model, embracing the trend towards integrated business models while continuing to support traditional selling methods.
- IX. **Stimulating digital tools and technology:** Promote digital tools and technology, such as software for business accounts and record-keeping, to further streamline business operations and enhance efficiency.
- X. **Promotion of Success Stories:** Utilise the success stories of past participants as powerful motivational tools and learning resources to inspire and encourage future participants.

In conclusion, the insights from the impact assessment hold immense significance for the future of the EDT programme. Leveraging the findings and recommendations, stakeholders can continuously improve and optimise the programme's design and delivery, empowering individuals with the skills to thrive as entrepreneurs. The programme can impact Bangladesh's entrepreneurial landscape by refining participant selection, institutionalising business support and financial access networks, embracing green business practices, and leveraging digital tools. Staying attuned to evolving needs and opportunities, especially for women, the EDT programme remains a driving force for Bangladesh's economic growth, self-empowerment, and sustainable development.