

Impact Evaluation for Business Training in Rural Area

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Abstract

Lack of job opportunity in the city and recent growth in the rural area due to microfinance programs have increased the number of female enthusiast entrepreneurs in the village regions of Indonesia. However, despite abundance of natural resources, capital and workforce around them, their business growth still considered lacking or mediocre. Thus, a new approach is needed to improve their effectiveness in managing their newfound business. Using MFIs (microfinance institutions) as acting agents, we measure the effect of marginal impact by adding business training to certain groups of female entrepreneurs, including marketing and micro entrepreneur management. Each treatment groups will receive sixty-minute entrepreneurship training in each session for half a year from the MFIs. They also have to attend a monthly banking meeting over a period of one to two years. Control groups will remain as they were before, they will still meet at the same frequency but they will not involve in loan withdrawal and only savings payment. This study contributes to the literature to measure the best teaching method in business training to improve small or micro enterprise in rural area of Indonesia. The benefits for people who live in rural area is to eradicate poverty and encourage welfare for low-income economies. Within this, they can be increasing their productivity at business, being able to feed more nutritious food to their family or sending their children to higher education.

Keywords: Business training, female entrepreneurs, Microfinance Institutions (MFIs)