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TURNING HER INTO A BUSINESS WOMAN

The impact of business training on microenterprise creation and empowerment among women without previous business experience

A Minor Field Study in Arequipa, Peru

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ABSTRACT

Poor rural women are among the most marginalised groups in the world today and entrepreneurship is by many presented as a possible solution for them to improve their situation. Business training is a popular tool and concept in entrepreneurship research and practice. Many microenterprise development programmes today include business training to improve the performance of entrepreneurs, increase start-up propensity or empower the participants, in order to reduce poverty or achieve gender equality. However, the results of business training are uncertain and theory on business training's effect on new, inexperienced entrepreneurs is difficult to find.

To investigate the effect of business training on a group of inexperienced female entrepreneurs a rural development programme in Peru was studied. Participants, coordinators and trainers in the five year long programme were interviewed during an eight-week stay in Peru. From the field study it was concluded that business training failed to create new microenterprises, but, it had effect on the empowerment of women. Plausible underlying causes are discussed. This study hence contributes with practical information about a specific case study as well as with findings relevant for the understanding of business training on inexperienced microentrepreneurs for poverty alleviation.

Key words: Business training, Empowerment, Microentrepreneurship, Women, Peru, Poverty Alleviation

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ABBREVIATIONS

ASDE	Acción Social y Desarrollo / Social Action and Development
CIED	Centro de Investigación, Educación y Desarrollo / Center for Investigation, Education and Development
CR-ESOA	La Coordinadora Rural ESOA / The Rural Coordinator ESOA
GEM	Global Entrepreneurship Monitor
MDP	Microenterprise Development Programme
NGO	Non-Governmental Organisation
PDR	Program de Desarrollo Rural / Rural Development Programme
SADA	Sociedad Agrícola de Arequipa / Arequipean Agriculture Society

DEFINITIONS OF KEY TERMS

Business Training	Often part of a programme directed to entrepreneurs with the purpose to teach them tools and skills in order to build human capital
Inexperienced entrepreneur	In this thesis this concept is used to describe those without previous business experience. It is in opposition to an experienced entrepreneur who already is or has been engaged in entrepreneurial activity.
Microentrepreneur	The owner of a microenterprise, i.e. a small business, a concept mainly applied in developing countries for necessity-based entrepreneurs
Microenterprise Development Programme	A programme with the aim of improving performance or creating new microenterprises, most often operated in a developing country by an NGO

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INTRODUCTION TO THE THESIS

In this introductory chapter the background of the thesis is delineated. Following is the problem discussion, the purpose of the thesis and the research questions. Initial delimitations and disposition of the thesis end the chapter.

According to the World Bank 1.29 billion people, or roughly 22 per cent of the world population, lived below the international poverty line of USD 1.25 per day in 2008 (World Bank, Poverty Reduction & Equity 2012). Poverty reduction is the first of the United Nations' eight Millennium Development Goals, and the objective is to halve the population living on less than USD 1 per day by 2015 (United Nations, We Can End Poverty 2015 2008). Both the World Bank and the United Nations use income-level approaches to define poverty in their work, which, in addition to similar material- or consumption-based approaches are common ways to define poverty (Singer 2006). But poverty is a multifaceted phenomenon, and to be poor also entails deprivation of power and of possibilities to make decisions (SIDA 2009) and capability-deprivation, i.e. deprivation of competences and confidence, and disempowerment (Singer 2006). It is generally agreed upon that poverty is the inability of an individual to address elementary human needs, such as clean water, food, access to healthcare and shelter (Bradley, et al. 2012). Moreover, economic poverty often implies human poverty in terms of low education and poor health.

Women and girls are much more affected by poverty and lack of legal rights than men and boys, and tend to be disadvantaged in comparison to men in most spheres. Kantor (2002) claims that women's ability to convert income into power in the household, market and state are less than men's, both in practice and by law. Equal opportunities are not offered to men and women, especially not when it comes to working, owning and earning money (Hill 2011). Poverty and gender inequality are consequently linked. Poor women belonging to marginalised groups lag even further behind (World Bank, Gender Equality and Development 2012). Rural women are inhibited by unequal access to productive resources and services and inadequate or inaccessible infrastructure. The limitations rural women stand before inflict huge social, economic, and environmental costs on society as a whole and rural development in particular (Hill 2011).

Entrepreneurship and microenterprise development programmes (MDPs) are often portrayed as the path to self-sufficiency and poverty alleviation. Every year much money is spent by governmental agencies, NGOs or other institutions on entrepreneurship programmes in developing countries. During recent decades entrepreneurship education and training has grown rapidly (Coduras Martínez, et al. 2010). Business training has become a popular concept within entrepreneurship programmes both in developing and developed countries, and although formal education often has been the focus of entrepreneurship research it is argued that business training increases confidence and provides valuable knowledge to the entrepreneur,

which are claimed to be critical for entrepreneurship performance. Although far from all studies on the link between entrepreneurship programmes, gender equality and poverty reduction are unequivocal, it is a popular concept (Strier 2010). Several studies do show that business training is more prevalent among entrepreneurs than among non-entrepreneurs in a population, yet, it is seldom studied how training more specifically has influenced the individuals. Wealthier people with better education are more likely to have received training in developing countries, and women are less likely than men to have received compulsory training. (Coduras Martínez, et al. 2010). Yet, addressing poor women is fundamental for poverty alleviation. Moreover, research on entrepreneurship contains also other limitations, e.g. many of those who begin the process of starting a new business fail to achieve their goal, and yet most research is directed at already existing businesses (Davidsson and Honig 2003). Start-up decisions are often investigated in retrospect; where the object of investigation started a business that survived long enough for it to become stable and viable, and those who did not start a business are seldom anything more than a control group. Retrospective studies complicate the possibilities for researchers to comprehend the actual start-up process and the importance of business knowledge, skills and confidence for the entrepreneur. Besides, research about business training in developing countries is often concerned with business training given by microfinance-institutions as part of a microcredit programme, or given to entrepreneurs via other institutions, and thus deals with individuals who already have an enterprise or at least have considered starting one. The entrepreneurs in many business programmes are consequently more or less experienced entrepreneurs already. Information about if business training is valuable and effective also for the inexperienced entrepreneur is however less accessible, although a recent study suggests that the inexpert and uneducated have most to gain from business training (Bjorvatn och Tungodden 2010). A study of business training for inexperienced entrepreneurs can therefore contribute to filling this central theoretical void.

I have chosen to study the rural development programme PDR in Peru, which is a microenterprise development programme with focus on business training for entrepreneurs without business experience, and hence, there is valuable insight to be gathered on how business training programs affect inexperienced entrepreneurs.

PURPOSE AND RESEARCH QUESTION

In the light of the background and the problem discussion it is important to understand the effects of business training on a population in a microentrepreneurship development programme. On a both a practical and theoretical level it is of central interest to study if the business training leads to the intended microenterprise creation and development, and,

consequently, poverty alleviation. Moreover, theory proposes that business training can have effect on the empowerment of women, which also is important for poverty alleviation. Further, a study of the effects of business training on entrepreneurs without business experience has the potential to contribute to theory on entrepreneurship for poverty alleviation. Thus:

How does business training affect the microenterprise creation among and the empowerment of women without previous business experience?

I will limit my thesis to business training within PDR in targeted rural communities around Arequipa in the south of Peru. Hence, I will not look at other business training programmes or conduct a comparative study. Moreover, the thesis focuses on the business training aspect of PDR with the aim of understanding this specific situation. Consequently the thesis will not address other aspects of PDR such as youth's information networks or microcredit offerings. Also, since women have been found to be exposed to poverty to a larger extent than men and considering the fact that Peru is a country where men traditionally have higher status, I will only look at female recipients of business training within PDR. A full account for the rationale behind the delimitations can be found in the methodology section.

DISPOSITION

Chapter 2: Theoretical Framework

In this chapter relevant research and literature within entrepreneurship and poverty is presented. Common entrepreneurship constraints are presented with emphasis on human capital constraints, followed by the by many researchers proposed solution of entrepreneurship (business) training. The specific relevance for female entrepreneurs is separately presented under each section.

Chapter 3: Methodology

In this chapter the research area of choice and the methodological approach is presented. It is explained how the informants were selected and how the interviews were conducted. Further, delimitations of the thesis follow, as well as a discussion about reliability and validity.

Chapter 4: Empirics

This chapter starts with a background of Peru, followed by an explanation of the chosen MDP, its target group, intention and method. Thereafter the impact of the programme is accounted for.

Chapter 5: Analysis

In this chapter an analysis of the empirical material on the creation of new microenterprises and the empowerment of women is the focus. The analysis will concern both the overall relevance for poverty alleviation as well as address the more specific practical implications and causes.

Chapter 6: Conclusion

The thesis ends with a summary covering the results and contributions of the thesis. Furthermore, suggestions of future research are presented.

THEORETICAL FRAMEWORK

This chapter presents the thesis' theoretical framework. The framework is primarily based upon previous research in the area of entrepreneurship. Further, the theoretical framework is centred on human capital in the representation of business training affecting start-up propensity and performance of an entrepreneur, with a specific focus on female entrepreneurs. Previous research on how business training relates to the empowerment of women is also presented.

ENTREPRENEURSHIP AND POVERTY

Although some parallels can be drawn between industrialised and developing countries in terms of women's relative situation or the general constraints facing an entrepreneur, the focus will remain on developing countries and on small entrepreneurial venture specifically, so called microenterprises. Since focus is on female microentrepreneurs a separate section under each headline will be dedicated to its relevance for women entrepreneurs.

ENTREPRENEURSHIP AND POVERTY ALLEVIATION

Many policymakers and academics agree that entrepreneurship is critical to the development of society as it spurs economic growth. Entrepreneurs are said to create jobs and speed up changes, introduce competition and consequently improve productivity (Kelley, Bosma and Amorós 2011). Ideally, the choice to become an entrepreneur is an individual occupational choice between employment and entrepreneurship, based on a calculation of future earnings. This remains however primarily an ideal, especially in developing countries, where traditional wage employment is dependent upon formal education or social networks, which excludes a large proportion of the poor population who consequently see no other opportunity than to start a business in an attempt to sustain themselves (Bradley, et al. 2012). This so called necessity-based entrepreneurship is prevalent in developing countries according to GEM, and GEM further reports that most developing countries have higher rates of entrepreneurship than developed countries (Kelley, Bosma and Amorós 2011). However, it is necessary to recognise that entrepreneurship does not impact an economy simply through a high number of entrepreneurs. Of importance are also quality measures such as growth, innovation and internationalisation. For long, the broad idea has been that opportunity-based entrepreneurship, i.e. entrepreneurial activity built on recognition of an opportunity, has higher growth and development value than necessity-based entrepreneurship since an entrepreneur with low education and few resources risk to be less productive (Amorós and Cristi 2010). Nonetheless, necessity-based entrepreneurship can help an economy benefit from microenterprises and self-employment when there are few other employment alternatives in place, as is common in many developing countries (Kelley, Bosma and Amorós 2011). Necessity-based entrepreneurship can thus be very important for the individual entrepreneur and contribute to human development and poverty

alleviation although these entrepreneurs may not have substantial impact on overall economic growth. Hence, necessity-based entrepreneurship is not per definition less successful than opportunity-based entrepreneurship, what matters is the performance of each respective initiative (Amorós and Cristi 2010). In developing countries where necessity-based entrepreneurship is prevalent, many microenterprise and business training programmes can be found. A central characteristic for successful poverty alleviation via entrepreneurship is however that there is coordination between interested parties, such as corporations, NGOs and governments (Singer 2006).

POVERTY AND THE EMPOWERMENT OF WOMEN

Women are often more affected by poverty than men, and poverty alleviation measures are therefore vital for women. One central aspect of poverty alleviation is empowerment. The importance of female empowerment for a sustainable development is also recognised by the United Nations via the gender empowerment measure used as an indicator of development (United Nations, Measuring inequality: Gender-related Development Index (GDI) and Gender Empowerment Measure (GEM) 1999). Greater gender equality instrumentally contributes to economic efficiency and other central development outcomes. Gender equality and female empowerment matter also intrinsically, because the ability to choose one's life and to live free of deprivation is a basic human right (World Bank, Gender Equality and Development 2012). Women's economic empowerment is essential as a means for guaranteeing families' secure livelihoods and overall well-being. Economic empowerment furthermore fosters increased self-confidence, status and respect, which leads to increased decision-making power in both private and public spheres. Economic empowerment is hence interconnected with both social and political empowerment (Hill 2011). There is both a strong business case for addressing women's economic empowerment, i.e. alleviating poverty and hunger, but there is also an argument for pursuing the goal of (rural) women's empowerment in itself (World Bank, Gender Equality and Development 2012).

Among poor women (in developing countries) entrepreneurship and self-employment is popularly perceived as a means of empowerment through which they can reduce their dependence on the state and male family members (Kantor, Gender, Microenterprise Success and Cultural Context: The Case of South Asia 2002). However, almost all around the world the incidence of female entrepreneurship is lower than the incidence of male entrepreneurship (Terrell and Troilo 2010). Women-owned businesses are one of the fastest growing areas of entrepreneurship in the world, and women entrepreneurs contribute to innovation, economic growth and employment. Nevertheless, women's entrepreneurship is still

understudied (Brush, de Bruin and Welter 2009) and a Western man remains the norm in entrepreneurship research and public discussion (Holmquist and Sundin 2002).

PERCEIVED OBSTACLES: ENTREPRENEURSHIP CONSTRAINTS

Microentrepreneurs in developing countries face a number of constraints on business growth. Probably, the most frequently discussed among practitioners and others has been the lack of access to capital, observable in the growing number of microfinance program (Oppedal Berge, Bjorvatn and Tungodden 2011). Yet, the microentrepreneur rarely has any formal training in for example business skills (Karlan and Valdivia 2009). Several studies have shown that although the opinion about microfinance programs generally is positive, success is not certain and it is no longer taken for granted that capital is the most binding constraint for microentrepreneurs in the developing world. Growth and entrepreneurial success depend also on other dimensions, such as business skills, background and mind-set of the entrepreneur (Oppedal Berge, Bjorvatn and Tungodden 2011). An entrepreneur with limited business skills and generally low human capital can be expected to yield lower returns. Lately, this concern with skills and knowledge has resulted in a new focus on complementary constraints of microenterprise development, such as human capital (Oppedal Berge, Bjorvatn and Tungodden 2011) and managerial capital (Bruhn, Karlan and Schoar 2010). Therefore, numerous microfinance organisations as well as other microenterprise development organisations now include training for the entrepreneur in their programmes, with the aim of increasing the human capital of the entrepreneur. Business training is one of the many add-on training programmes that are gaining popularity worldwide (Karlan, Harigaya and Nadel 2006).

CONSTRAINTS ON FEMALE ENTREPRENEURS

Besides the adjustment of research about entrepreneurship constraints towards human capital, various studies have also revealed gender differences in the experience of ownership and the entrepreneur's self-image (Azam Roomi and Harrison 2010). Langowitz & Minniti (2007) show that individual, perceptual variables have a strong influence on women's entrepreneurial propensity and that it can explain a large fraction of the difference in entrepreneurial activity between men and women. Women across all countries tend to perceive themselves and the entrepreneurial environment surrounding them less optimistically than what men do, without regard to any underlying motivation of becoming an entrepreneur. Three perceptual variables were found to be of extra significance by the authors: perceiving the existence of opportunities, self-confidence in one's own entrepreneurial skills, and knowing other entrepreneurs. Also Kirkwood (2009) finds that women exhibit a lower level of self-confidence concerning their entrepreneurial abilities than men. Yet, feeling confident about having the relevant skills to run

one's firm is emphasized as imperative for self-employment performance (Davidsson, Nascent Entrepreneurship: Empirical Studies and Development 2006) and start-up propensity (Coduras Martínez, et al. 2010). Kirkwood (2009) also found that women relate less than men to entrepreneurship, even if they have established businesses, and feel less comfortable to call themselves entrepreneurs. The GEM study of Peru observe similar results among female entrepreneurs (Serida, Nakamatsu and Uehara 2009)

Men are the norm in entrepreneurship, which could contribute to the lower incidence of female entrepreneurs and the higher perceived constraints for women. So called trait approaches to entrepreneurship have for many years emphasized the importance of the individual human – the entrepreneur – for entrepreneurship performance and tried to identify characteristics that make an entrepreneur (Bygrave och Hofer 1991). A trait approach propositions that there is a specific personality type that engages in entrepreneurial activity, and the aim of the research field has been to isolate and define these traits. Common traits associated with the entrepreneur include result-orientation, creativity, self-confidence and independence, but also a need for achievement, a medium-high risk propensity and an internal locus of control (see for example Holmquist & Sundin (2002) and Figure 1 below) The list can however be made much longer, and the attempts to pinpoint the entrepreneur have not resulted in a clear definition (Gartner 1989); (Wahl, et al. 2011).

Entrepreneurial traits		
Innovative	Creative	Imaginative
Active	Change agents	Restless
Leaders	Independent	Risk-takers (moderate)
Persistent	Original	Result oriented
Flexible	Resourceful	Need for achievement
Self-aware	Self-confident	Aggressive
Adventurous		

FIGURE 1 CHARACTERISTICS OF THE ENTREPRENEUR (HOLMQUIST AND SUNDIN 2002) TRANSLATIONS FROM SWEDISH TO ENGLISH BY THE AUTHOR.

What the trait approach tells us however is that an entrepreneur is something an individual *is*, it is a person with these traits. Analogously, this should entail that a person who lacks these characteristics cannot be a successful entrepreneur. The trait approach has been criticized but still remains widely spread (Holmquist and Sundin 2002). In later year focus has however been somewhat shifted from the entrepreneur itself to the entrepreneurial process, see for example Gartner (1989) and Bygrave & Hofer (1991). This shift could have significant impact on the field of entrepreneurship and especially on how women's entrepreneurship is viewed.

Embeddedness theory concerns the entrepreneur's role within society and a social structure. Formal institutions such as gender or family condition the recognition and realisation of opportunity among entrepreneurs (Azam Roomi and Harrison 2010). Brush et.al (2009)

address the importance of context for entrepreneurial activity, and introduce two new concepts – “motherhood” and meso/macro environment – besides the conventional concepts of [access to] market, money and management. The article advocates a process view upon entrepreneurial activity, where entrepreneurship cannot stand separate from other parts of life. The metaphor of motherhood draws attention to the household and family context, which might have a larger impact on women than men (Brush, de Bruin and Welter 2009), which is also advocated by Holmquist & Sundin (2002). The macro/meso environment includes cultural norms and expectations of society, for instance the public description of the female entrepreneur. It can be assumed that traditions and historical patterns still are relevant for the public image of the entrepreneur, and that these may also explain why entrepreneurship is associated to men and masculine traits. Holmquist & Sundin (2002) give emphasis to the importance of language for individual, group and societal conceptions, offering the possibility that the identity of the entrepreneur may lay closer to men than to women. For some women, values attributed to the entrepreneur will also conflict with conservative feminine values (MacNabb, et al. 1993).

POSSIBLE SOLUTION: ENTREPRENEURSHIP TRAINING

In order to address the issue of human capital in entrepreneurship various kinds of entrepreneurship training have emerged. Education and training is often used as one parameter of human capital when explaining entrepreneurship performance and education of entrepreneurs is considered an effective method to reduce small business failure (Azam Roomi and Harrison 2010). Langowitz & Minniti (2007) mean that an entrepreneur is not born but made, and therefore, given proper incentives, any individual can become an entrepreneur. All people are said to have entrepreneurial talents, but the emergence of these talents and the creation of a successful company is dependent upon the development of them.

Education is seen as a general form of human capital, increasing the entrepreneur’s general theoretical knowledge which can be put into use in a variety of different situations, possibly relevant for the business’ performance. Education is a significant determinant for entrepreneurship performance (van der Sluis, van Praag och Wijverberg 2004). Business training is the less formal side of entrepreneurship training and human capital. Business training is often rather specific and aimed at improving business performance and start-up propensity with the help of special business tools and advice. Although formal education often has been the focus of research, it is argued that business expertise and training provides valuable knowledge and increases confidence in the entrepreneur (Bradley, et al. 2012). According to Nieman (2001) there are three main approaches within business training. Business skills training include the conventional business management areas, whilst technical skills training “address the ability to use knowledge or techniques of a particular discipline to

attain certain ends” (2001, 446). The third approach is called entrepreneurial training and includes entrepreneurial traits such as innovation and creativity, need for achievement and risk propensity. Also GEM appreciates that entrepreneurship training needs to be broader than just traditional business skills. Training can influence attitudes, and help participants think more creatively and become better at identifying business opportunities if done correctly, which could impact a possible entrepreneur’s motivation to do something that might have appeared too risky or difficult without supportive business training (Coduras Martínez, et al. 2010). Concerning teaching of business training, it should be oriented towards practical and experimental learning, so called “learning by doing”, rather than theoretical lecturing (Coduras Martínez, et al. 2010) Participation is also found to be of significance for a business training programme. Entrepreneurs with lower levels of formal education were found to benefit more from business training than other participants, and yet these entrepreneurs were less consistent in their participation (Bjorvatn och Tungodden 2010). Maintaining high levels of attendance is therefore essential.

TRAINING FOR START-UP PROPENSITY

Human capital theory – where business training is included – advocates that individuals with more or higher quality human capital are better at perceiving profitable opportunities, and hence at starting businesses (Davidsson and Honig 2003). It is believed that a person who perceives its skills and knowledge to be strong will be more likely to start a business (Coduras Martínez, et al. 2010). Women with higher educational level frequently demonstrate higher entrepreneurship-propensity than less educated women likewise in Peru (Serida, Nakamatsu and Uehara 2009). Well-educated women can be presumed to have stronger business management knowledge and business vision, as well as greater confidence in their skills and abilities for business accomplishment, which is inductive to start-up propensity as held by GEM. Langowitz and Minniti (2007) similarly find that role models, networks and knowledge from training programmes can increase start-up propensity of women. It is also claimed that training has the potential to change perceptions of difficulties and risk, which might encourage an individual to start a business (Coduras Martínez, et al. 2010). A field study by Oppedal Berge et.al claims that “the identification of new profitable business practices requires knowledge and understanding of how to best operate a business, whereas the decision to implement new business ideas requires the opportunity to do so and a mind-set that is conducive to business growth” (2011, 14). The authors note that business training has an effect on the mind-set of an entrepreneur, and find that training increased the confidence of the participating female entrepreneurs. Nevertheless, not all research is supportive of the many business training programmes that exist and GEM highlights that, especially in efficiency-driven countries such as

Peru, business training and education is often deficient. A Peruvian example is offered by Karlan and Valdivia (2009) who did not find any positive effects from business training on the propensity to start a new business, or on the propensity to increase the number of sales locations or innovate in the business.

TRAINING FOR BUSINESS PERFORMANCE

A growing number of microenterprise development programmes (especially microfinance programmes) are consequently attempting to improve the performance and longevity of the client microentrepreneurs by building human capital to progress poverty alleviation, on an overarching level. Business training has the potential to help entrepreneurs make the most within the financial or other constraints they face (Karlan and Valdivia 2009). Oppedal Berge et.al (2011) show in their study of Tanzanian microentrepreneurs that business training can have a strong effect on business performance since it produced an increase in both profits and sales for the studied male entrepreneurs. Their study concludes that human capital is a more binding constraint than financial capital for microenterprise performance and development. However, the study was contingent on gender and female entrepreneurs did not exhibit similar increases in profits or sales as did their male counterparts. Davidsson and Honig hypothesize that “human capital, representing tacit and explicit knowledge, will be positively associated with successful exploitation in terms of creating a viable business entity, as indicated by obtaining sales and achieving profitability” (2003, 307). However, they could not validate their hypothesis. Also Karlan and Valdivia (2009), as well as Karlan, Harigaya & Nadel (2006) discussing the same study of Peruvian microentrepreneurs, found only limited improvements in business knowledge and skills among the participants, and hence only limited effects on performance. Only knowledge in certain areas corresponding to certain activities taught in the programme was turned into practice by the microentrepreneurs. For example, results indicate that the participating entrepreneurs were more likely to reinvest profits in their business, keep sales records for their business and think proactively; strategies that seemed to have helped the microentrepreneurs to smooth out fluctuations between good and bad periods of time. However, the business training did not lead to a reduction in reported business problems, or increases in the number of participants who keep records of workers, register for formal business licenses or increase profit margins. In conclusion, the authors did nonetheless find that basic training can lead to higher profits and improved business results, mainly due to a levelling of income fluctuations. So although the results are somewhat inconclusive, there is support for business training improving the performance of microentrepreneurs. A business training recipient without a proper business at the time will encounter difficulties in applying a tool or advice, naturally. However, when a business is created such previous knowledge will contribute to

performance. Thus, although it is difficult to measure performance on inexperienced entrepreneurs – since there is no business at the time - one can assume that increased knowledge and skills will lead to better performance.

TRAINING FOR THE EMPOWERMENT OF WOMEN

Although there are different opinions about business training's relevance for gender equality and poverty alleviation there is support for women's empowerment in various forms. Entrepreneurial activity is expected to lead to economic empowerment, which can be followed by social empowerment. Lack of training is often used to explain the failure or under-performance of women entrepreneurs (Azam Roomi and Harrison 2010). Among women's entrepreneurship constraints one can observe lower self-confidence and identification, which complicate entrepreneurial activity. Training can help build the required self-confidence, awareness and motivation, as well as facilitate the acquisition of relevant management skills (Azam Roomi and Harrison 2010). Hence, there are several MDPs actively focused on women, offering training to teach women entrepreneurial skills. Behind such programmes is the very notion that improved business success could empower female microentrepreneurs in relation to their partners, involve them more in family decisions by increasing the women's control over their finances. The purpose of microenterprise development programmes in gender-marked cultural contexts is often to promote a process of empowerment, through which women can gain not only access to income but also status and power in community and households, and women may consequently have other motives behind their decision to engage in microentrepreneurial activity than men, including a desire of empowerment (Kantor 2002).

However, not all are convinced of the success of business training and other microenterprise development programmes for poverty reduction and gender equality. One common critique is that many programmes are evaluated quantitatively and focus on calculable economic outcomes, whilst neglecting the voices of the participants and ignore non-economic factors like changes in internal family division of labour, power relations within the household and gender roles (Kantor 2003). Strier (2010) finds that participants in an all-female business training programme including business training, empowerment workshops, preparation of business plans, financial management etc., fail to identify microenterprises and entrepreneurship activity as significant to collective poverty reduction and gender equality. Only a few participants managed to break free of class and gender constraints. Nevertheless, the participating women perceived microenterprises as a concrete alternative to personal, social and gender constraints, as well as a space for expression and self-definition. The choice of initiating a microenterprise was a choice to avoid the regular exploitive labour market, its devaluation of female traits and the incumbent gender oppression. Self-employment only

marginally improved the economic situation for the women - so the study did not find support for the poverty alleviating effects of such programmes – but it changed the women's life-stories and self-images for the better. Also Williams and Gurtoo (2011) realise that entrepreneurship can be a space for self-realisation offering valuable flexibility.

But, business training's effect is complex, and it is therefore also vital to comprehend that the wrong kind of support and training can be ineffective (Azam Roomi and Harrison 2010). Moreover, Karlan and Valdivia (2009) could also not observe any empowerment effects among the women in their target group in developing Peru. This could have been because the women already were active microentrepreneurs and thus, sufficiently empowered, according to the authors. The argument for this study of inexperienced entrepreneurs becomes stronger. Also essential for empowerment is the perception of a free choice to enter in microentrepreneurship. A woman who actively takes a decision to start a business, rather than being pushed into it, tend to ascribe more positive connotations to work and gain more in terms of power and status. A woman who is bound by restriction into opting for self-employment may not face the same empowerment potential (Kantor, Gender, Microenterprise Success and Cultural Context: The Case of South Asia 2002), which could have impact for the design and incentives in a MDP.

METHODOLOGY

In this chapter methodological queries are addressed. The research area of choice is presented, followed by a discussion on methodological approach and research methodology. Further, validity and reliability is critically assessed. Lastly, more detailed information about delimitations and disposition is presented.

RESEARCH AREA OF CHOICE

A personal interest in development projects, particularly development projects with reference to microentrepreneurship and gender issues, has motivated the choice of research area. Business training and education are popular themes within both developed and developing countries, and within entrepreneurship research and practice. The apparent complexity of the effects of business training and the always relevant debate on how aid programs should be designed for the best results warranted a deeper study about how NGOs work with business training in developing countries, with focus on female new entrepreneurs. A chance to make a contribution both on a practical and theoretical level was found, because of the contrasting results of business training and the lack of clarity on its effect on new female entrepreneurs. For that, PDR was found to be suitable in time and topic.

METHODICAL APPROACH: THE CASE STUDY

The base of this thesis derives from already existing theories. There has been no aim to create new theories but rather to understand a specific situation. Existing theories have therefore been complemented with own empirical findings and observations in a deductive approach.

Why a case study?

Case studies are frequently used within social science research, as well as in thesis and dissertation research within various fields, including business and economics. Yet, it is only one of the possible research strategies within social sciences, together with for example surveys or experiments. A case study is often used when wanting to answer *why* or *how* questions, when the investigator has little control over the events and “when focus lies on contemporary phenomenon within some real-life context” (Yin, Case Study Research: Design and Methods 2003, 1). Case studies are intended to capture the complexity of an individual case (Johansson 2003). Since the aim of my study is to understand a specific situation, i.e. how a population has been affected by a particular business training programme, a case study can be argued to offer the best alternative. Case studies also have the major advantage of being able to deal with a full variety of evidence, such as observation, documents, interviews and artefacts (Yin, Case Study Research: Design and Methods 2003), or as Johansson (2003) explain: case studies (can) combine various research methods, such as qualitative or quantitative ones. Case studies have been criticised, yet, at a minimum, a case is a phenomenon specific to time and space (Johansson

2003). A case study can aim to highlight or present this single case, but case studies can likewise be made with the purpose of making generalisations (Yin, Case Study Research: Design and Methods 2003)

Why Peru and PDR?

This thesis have argued for the importance of understanding how microenterprise development projects within business training influence a target population and if it leads to microenterprise creation. In order to understand these effects it is necessary to conduct the field research in a developing country where such programmes exist and where access to the target population can be gained. Peru was chosen because of its characteristics as a developing country with a large number of NGOs and development projects. Peru has seen good economic development recently but it still has a large rural population which remains very poor, and where sustenance alternatives are few. It is also a country where Swedish organisations have been present for a long time. The official government aid to Peru ended in 2009, yet several organisations and projects continue on. For example, Peru has received between SEK 8 and 30 billion in financial aid from SIDA during the last years (Openaid 2011), but Peru also received financial aid via non-governmentally funded programmes, such as PDR. Peru is also interesting from a gender perspective since women are well represented in the TEA in Peru, and constitute almost half of all entrepreneurs (Serida, Nakamatsu and Uehara 2009). For every 100 male entrepreneurs in 2010 there were 86 women. In total, almost 24 per cent of women are involved in some kind of entrepreneurial activity in Peru, which stands out as the highest number in relation to comparable countries. Although the female representation is large, there are fundamental dissimilarities to be found. The typical entrepreneurial venture in Peru is small, but women are slightly less prone to large ventures than men and 49 per cent of all female businesses are self-employments with no other employees. Men also express higher growth expectations than women, and 21 per cent of the female entrepreneurs do not expect their businesses to grow at all. Women discontinue their business because of personal and emotional reasons more often than men, whilst men often base that decision in profitability or other business-related reasons. Furthermore, 22 per cent of the female entrepreneurs in Peru identify household work as their main activity, a number not found among males, and in total 34 per cent of women name other doings as their main activities, including also studies or retirement (Serida, Nakamatsu and Uehara 2009). This could be due to the fact that a small business represents only part of total family income, but still it can be concluded than women many times fail to identify with the image of the entrepreneur and think more negatively about their future business growth. Considering these and also the cultural and social differences between men and women, Peru makes an interesting case.

PDR is the five year long rural development programme funded by Svalorna LA, and executed in conjunction with several local NGOs. It was an easy decision to address Svalorna LA as a partner for this research since the organisation has worked in Peru for over 50 years and, hence, count on deep knowledge and understanding of the country's specific situation and culture. Also, Svalorna LA has the necessary networks and can gain access to relevant actors. Svalorna LA is a religiously and politically independent organisation. Svalorna Peru's projects are funded by 10 per cent own fundraising and 90 per cent by Forum Syd. As many development-focused NGOs, Svalorna LA has implemented a gender focus in its work. PDR was also well positioned in time for a field study. It had recently ended and was consequently estimated to have produced the expected results, and it was close enough in time to be well remembered. Several follow-up evaluations and dialogues were moreover still taking place. PDR was also suitable since it first and foremost concerned inexperienced entrepreneurs and had a clear gender focus.

RESEARCH METHODOLOGY

The research idea was to conduct interviews with women in the target group and various programme officials until saturation had been reached. However, in the first meeting with Svalorna LA in Peru it was made clear that it would not be possible to interview as many women in the target group as assured beforehand, since the women had been interviewed too many times already and had no desire to participate in further time-consuming interview sessions. Naturally, this was at first a disappointment. On the other hand, it is well known that field studies often contain an unknown component and problems do frequently arise when in the field. It is argued that relevant information still have been gathered for this thesis via first-hand interviews complemented by previously recorded interviews. Below I will explain the research methodology in detail.

THE INTERVIEWS

In total, eight women from the target group were interviewed during a focus group meeting. Also as six trainers, coordinators and NGO representatives have been interviewed. Besides these formal interviews there were many opportunities to discuss the programme in informal meetings and encounters with various interested parties. Interviews were conducted with the coordinators and trainers from the local NGOs and Svalorna LA until saturation was reached and no new information was given. The coordinators and trainers expressed similar views in most cases, but there were some interesting discrepancies of as to why PDR had not resulted in more microenterprises that will be explored further in the analysis. The focus group interview was conducted with one productive organisation in Majes working with textiles.

The interviews have all been recorded with permission of the interviewees and later transcribed by the author. All interviews were conducted in Spanish and were translated into English during the transcription. The interviews have been conducted mostly individually, but the target group was interviewed in a group setting. To avoid any misinterpretations only those who have actively participated and expressed their opinions will be considered when analysing the answers, as to avoid any interpretative issues of non-verbal meanings. The individual interviews have lasted between 30 to 75 minutes, with an average length of approximately 45 minutes. The group interview lasted approximately one hour, but there are discrepancies between the time each woman in the target group participated. In an attempt to involve all women in the conversation, the women already present were asked to quickly inform newcomers about our topic and ask them their opinion on the matters. This did involve all of the women in the discussion and they expressed their opinions on the topic. On a personal initiative one of the restaurants and several of the villages along the Loncco Tourist Route in La Cuenca were visited to gain an understanding of their situation, work and progress.

Sample Characteristics

The sample – although altered from the initial plan – was strategically chosen, and interview objects were selected because of an interest to get the greatest possible qualitative content. Hence, it is not a representative sample. Strategic samples are preferred when the sample is small and it is a commonly used method for informant interviews. The goal has been to gather the most accurate information and those who have been believed to possess the deepest knowledge about PDR have therefore been interviewed. The programme coordinators have key positions in the implementation process as well as good knowledge about the intention, execution and impact of PDR. The local programme coordinators count on extensive knowledge about the target areas in terms of culture, economic and political systems, socio-economic composition and daily activities. The interviewed coordinators have represented ASDE, SADA, CIED and Svalorna LA, thus, covering the two regions as well as all three local NGOs¹ and the main programme sponsor and overall responsible. Based on a recommendation from the programme coordinators and the country representative of Svalorna LA two trainers were also contacted and interviewed. Such a sampling method is often related to as the snowball effect. This is also how the target group women were selected, since they were proposed by the representatives in Majes as a group that had encountered various problems, as opposite to the secondary interviews that were carried out also with a very successful group.

¹ The three that remained in PDR until its completion in 2011.

Interview design and analysis

Semi-structured interviews which allows for the interviewees as well as the interviewer to follow-up on interesting comments and side-tracks have been applied. Questions have been based on both theory and PDR-specific material to ensure that all the relevant aspects are covered. With each interview new insight was gained and subsequently used in the following interview. The questions have been designed to be open-ended non-leading questions. For the interview with the target group women the language of the questions was slightly changed in order to ensure that the questions were concrete and easy enough for the target group to understand. There has been a different set of questions for the programme coordinators, the trainers and the women. The underlying idea was to use the same basic protocol of questions to ensure reliability and comparability, but to add some specific questions for each group in order to be able to dig deeper and achieve a greater understanding of their experience. The questions in the secondary interviews have not been influenced of course, but they have been consistent with the primary approach, as they have been of a general kind, mostly open-ended and aimed at truly understanding the experience of the involved.

The majority of the interviews were scheduled for and took place in March 2012, but the possibility to conduct further interviews with the representatives of Svalorna LA to clarify anything if found necessary was kept open. After having completed the first round of interviews in late March all interviews were transcribed and a document of all protocols and answers were compiled, and the relevant information from the secondary interviews was added. As the goal was to understand the overall impact of the business training within PDR patterns of similarities or differences were studied. One last interview with a representative of Svalorna LA was conducted in mid-April, for the chance to probe the tentative conclusions from the on-going analysis. This was a valuable opportunity and it provided evidence for the developed thoughts.

SECONDARY MATERIAL

The secondary material has been able to complement the first-hand interviews and observations well, as it has been able to confirm or refute what has been said in the interviews, and to gain a deeper understanding. Because of the recent completion of PDR, Svalorna LA and the collaborating local NGOs had all conducted some form of up-to-date evaluation or follow-up. In the case of Svalorna LA, several interviews (both in groups and individually) had been recently conducted. Eight such different interviews were accessed. Six of them were individual interviews and two of them were focus groups with five interviewees respectively. These interviews were conducted by Svalorna LA's programme intern in Spanish and lasted between 25 and 60 minutes. Because of the unbiased nature of these original recordings and the corresponding transcriptions – i.e. they were not edited or analysed – it was possible to make

personal interpretations about the meanings expressed (it was possible to perceive hesitations, pauses or other interjections that might alter the meaning of what is expressed verbally).

Additional material included several yearly, both qualitative and quantitative, evaluations by ASDE and CIED about their work in their respective geographic areas and a complete programme systematization developed by one of the chief programme coordinators together with Svalorna LA's country representative, as well as two external evaluations of the programme. This material contained rich details about the on-going process, executed activities and perceived results. In conjunction, this material has provided a solid understanding of the intention, progress and process of PDR, of its impact and of its overall result. The written material have provided information about quantitative measurements, gathered opinions from the target group women and involved NGO personnel, and aided the understanding and interpretation of information. However, since this material was summarised and an already analysed product it has been treated with great care and the analysis is primarily based on the primary interviews.

REFERENCING

To clearly separate the primary from the secondary interviews they will be referred to differently throughout the thesis. The quotes drawn from primary interviewees will be referred to by first name (target group women) or by title (officials, coordinators and trainers). The interviewees cited in interviews accessed via recordings and transcriptions will be referred to as IP 1, IP 2, etc. The government or programme officials will also be referred to by title in the secondary interviews. In the reference section in the end of the thesis detailed information about the interviewees is listed.

METHODOLOGICAL SIGNIFICANCE

Reliability and validity are two concepts most often associated with quantitative research. However, these concepts are also relevant for qualitative research methods. Qualitative research differs from quantitative research in that it is not seeking prediction, causal determination and generalisation of results but rather understanding of situations of similar character. Consequently, the meaning of reliability and validity change slightly. Often in qualitative research one can instead use the words such as credibility, trustworthiness and transferability (Golafshani 2003).

The validity of a study is divided into external and internal validity. Internal validity denotes generalisation of conclusions within a study, whereas external validity refers to the ability to generalise the findings further than the present study (Yin 2003). Thus, if the findings of the effects of business training (in PDR) are true and the thesis properly has

identified what have generated those results then the study is advocated to have high internal validity. If the results can be generalisable for a larger population then the results also are proposed to have high external validity. A rather small sample of target group women have been interviewed, which could negatively influence the validity of the findings. However, representatives from all relevant organisations who confirm what the women express and add to the understanding of their experience have been interviewed. Therefore it is argued that the real experience of the women have been captured, and thus that the study contains trustworthy and accurate results. Since several cultural constraints and features are discussed in the study, it is plausible that the findings are difficult to generalise beyond the rural areas of Peru, or even the rural areas of Arequipa, as is common with case studies. However, several of the cultural features can be found also in other Latin American countries and it is therefore possible that the findings could be applied elsewhere. Further, the findings about business training methodology are rather general and their validity also in other developing countries can be argued for, although one must remember the specific contextual issues.

Reliability is quantitative research concept related to the extent a study's results can be repeated or replicated, and if the study's results are consistent over time (Golafshani 2003). The thesis has tried to procure reliability via the use of open questions, an open-minded interpretation and a desire to understand rather than prove any theories. Hence, the women have been let to express their opinions and feelings without much intervention. Timing can be considered one of the most crucial issues concerning reliability in this study. Interviews were conducted in March 2012, just after the official culmination of the programme. This assured that the interviewees still had their experience of the programme close in mind, but their opinion was also most likely influenced by how well their business was going in that very moment. High-performing business-owners expressed a more positive attitude towards the programme, whilst the opposite was true for the low-performing women. Their personal experience was either influenced by their individual result, or the high-performing women had a more positive attitude towards the programme from the beginning and invested more energy and time into it. What is true only the women know, but there is probably truth in both. However, via the interviews with programme coordinators and trainers it has been possible to complement the information given by the target group women, and from that draw conclusions, which should increase the reliability of the findings.

DELIMITATIONS

This thesis is the outcome of several demarcations with the underlying intention to produce more trustworthy results. First, the thesis focuses only on business training within PDR received by mainly women and youths in rural communities around Arequipa in the southeast of Peru.

Since entrepreneurship and business training programmes aim at poverty alleviation this target group allows for an analysis on the poorest fractions of the population. Also, the intention of this thesis is to increase the understanding of this specific programme, as is the nature of a case study. Second, the thesis focuses solely on objective 2 of PDR: microenterprise development and improved economic situation for rural women and youths. Objective 1 is consequently not considered. I have also chosen not to look at microcredits or other aspects in PDR apart from the business training, since those aspects are secondary to the core of the programme. Also, the trial data is very limited since only seven entrepreneurs did apply for microcredits. Of course there are risks with excluding part of a development programme. Possibly, such exclusion could bring about missed or mal-interpreted effects since the target group received training and information also about objective 1. However, business training as provided by PDR is intended to include personal training as well pure business training, and the training is principally directed to microenterprise organisations and entrepreneurs.

SOMETHING ABOUT THE FUTURE DISPOSITION

Although a disposition already has been offered, there is a need to further explain the actual choices in the following parts of the thesis. Regarding the empirics section it commences with a background and description of Peru, followed by a thorough explanation of PDR's intentions, methodology and general features that have been discovered during the field study. The impact of PDR is then described, based on the field study material. The section addressing impact starts with an account of the effect of business training on the creation of new microenterprises and performance, in accordance with the theoretical framework. Thereafter, the impact section describes the effects the business training has had on women specifically, in terms of personal and social bearing, also in line with the theoretical framework presented earlier. Lastly, the target group reached is presented. Just to keep in mind, the theoretical framework accounted for how business training was found to have the possibility to influence start-up propensity, performance and also contribute to certain empowerment aspects for women.

In order to support the same line of thought yet return to the overarching and specific problems this thesis wants to address, the analysis section is divided into two main subdivisions. First, the analysis of impact on microenterprise creation and performance is united under the notion of poverty alleviation and include the problems and issues that PDR has faced, and discusses how and if they have influenced the result. Thereafter, under the notion of entrepreneurship for women's empowerment, the both intended and collateral effects of business training on the target group women is similarly analysed. The analysis is thereafter summarised in a conclusion.

EMPIRICAL RESULTS

In this chapter the results from the case study and the qualitative research are offered. To understand the specific situation a background on Peru and PDR is presented first.

COUNTRY BACKGROUND IN SHORT

Peru is a developing country in Latin America with almost 30 million inhabitants (World Bank 2012). Peru has seen stable and rather rapid economic growth over the last 10 years and it has been the fastest growing country in North and South America during the last few years, with an overall improving macroeconomic situation. Yet, a notable part of the population still lives in poverty and malnutrition (Swedish Trade Council 2011). In 2010, approximately 31 per cent of the population lived below the national poverty line, but in some areas the rate passed above 60 per cent. As many developing countries do, Peru exhibits a high level of entrepreneurial activity and the percentage of the total population involved in entrepreneurial activity is among the highest in the world (Kelley, Bosma and Amorós 2011). Furthermore, Peru is concluded to have the second highest percentage of the population with intentions to start a business in the following three years. However, Peru exhibits a comparatively high rate of business discontinuance (Serida, Nakamatsu and Uehara 2009). Peru is a country of social and class conflicts, severe gender inequality and deep regional differences. For example, a notable educational difference can be found between urban and rural children, where the secondary school completion rate is substantially lower in rural areas (World Bank 2010). This is also an issue of ethnic dimensions, since most poor and rural families are of indigenous origin. The rural or indigenous population often belongs to the lowest social classes, and constitutes almost half of the country's population. Women within this socioeconomic sphere are often even more marginalised, and have few alternatives for sustenance. Entrepreneurship as well as regular employments are for many in the rural population only a distant concept.

Because of high poverty rates the many NGOs and development programmes with the aim of increasing the income of the poorest groups in Peru come as no surprise. During the 1970s as well as during the 1980s Peru saw two NGO booms, and in spite of last decades more restrictive politics, there are approximately 3,000 NGOs active in Peru today (Collins, Dan; BBC News, Lima 2006).

THE RURAL DEVELOPMENT PROGRAMME

In the Andes and the rural areas surrounding Arequipa in the southeast of Peru, four out of five people live in poverty, and close to half of these live in extreme poverty. The rural areas are characterized by a poor economic situation and a weak and uncoordinated institutional capacity. The problem of a poor economic situation stems from deficient knowledge about

entrepreneurship and business, low market competitiveness, lack of (access to) capital and lack of information. The weak institutional environment stems from a high centralisation where the possibilities for local influence are limited and the cooperation between organisations and governmental institutions is faulty, increasing the marginalisation of the population (Svalorna LA "Programa de Desarrollo Rural en el Perú" 2006). The still very traditional economic activity keeps small business-owners from adapting to and using new technologies and shifting mind-sets, and consequently impedes productivity and efficiency.

THE TARGET GROUP

PDR's target group was defined as marginalised groups in the society, with a special focus on women and youths. Peru's rural population is among the most marginalised in society and commonly exhibits the highest poverty rates in the country. The mountainous rural areas are even more plagued by poverty than the lower coastal areas and the target area was consequently selected to the region of Arequipa, with a population of 1,140,810 in 2005. Out of these, approximately 148,300 live in rural areas. The four main provinces selected for the PDR programme have the highest poverty indexes in the region and are located in the Andes (Svalorna LA "PDR 2007-2011 Anexo 1" 2006). For a map of the target area please refer to Appendix A.

Women's work is rarely valued in the rural areas, and they are seldom represented in public programmes or users' associations, and hardly ever participate in political activities or exercise their democratic voice. Further, women often have double or triple roles, dividing their time between the household, agricultural activity and work in communal eateries. Domestic violence is a serious issue and it is estimated that eight Peruvian women per month are killed by their family or other people close to them, and over 90 per cent of the women in Peru have been victims of violence. In rural areas these problems are often more pressing since there are no basic institutions for the attention and prevention of domestic violence. Moreover, 75 per cent of the analphabetic population in Peru is female and women's reproductive rights are scarce. Because of women's exposed situation a vicious circle of low self-esteem and social discrimination affects women's economic, politic and social situation. Although women are the focus of PDR, the programme will not be exclusively directed towards them. It was decided that it was key to work with an integrated view of the family, in spite of women and youths facing the greatest discrimination, since family remains a fundamental concept in these both geographically and democratically distant zones. A majority of the target population has not finished basic education, and the numbers are particularly high for the adult and old population. The main economic activities are agriculture and livestock and in the higher zones breeding of South American camelids (such as alpacas, llamas and vicuñas). Both forms of production are

very sensitive to climate and market fluctuations. For example, hail is reoccurring phenomenon severely disturbing production and hence, a family's chances to sustenance, but because of the poor economic circumstances the population has no possibility to make investments to protect their production. The target group in 2006 was identified to consist of 7.291 men and women, with 38 per cent of them being youths (Svalorna LA "PDR 2007-2011 Anexo 1" 2006). The plan was to intervene with 1.766 people (955 women and 821 men) directly, and the rest indirectly. See Table 1 below for a representation of the target group composition and the responsibilities of the local collaborating NGOs.

Direct agents			Indirect agents	Total	% Youths	NGO
<i>Total</i>	<i>Women</i>	<i>Men</i>				
491	270	221	2,625	3,116	23 %	ASDE
440	220	220	560	1,040	30 %	CR-ESOA
365	215	150	1,150	1,515	65 %	CIED
470	250	230	1,150	1,620	50 %	SADA

TABLE 1. TARGET GROUP COMPOSITION

THE INTENTION

The overarching goal of PDR was poverty alleviation, via business training and promotion of microenterprises. Microenterprise creation was hypothesised in PDR to improve the economic situation and increase a woman's status in the family realm as well as in society independent of the actual financial success of the enterprise (Interview with Programme coordinator, Svalorna LA 2012). Business training was chosen as the main tool within the goal of microenterprise development. The process of microenterprise development consisted of three sequential parts, representing PDR's three roles. The first was information, via which PDR aimed to make as many as possible of the target group aware of the opportunity of microenterprise creation as a viable alternative to traditional bread-winning activity. The second role of PDR was to train and prepare the target group to run a business. This second step was intended as a filter sort out those who were interested in receiving business training. The third role was to accompany the target group onwards after creating a microenterprise, a final step also aimed to serve as a filter through which only those sufficiently motivated and committed would pass through. For those who decided to carry on with their microenterprise PDR offered support in two ways. First, technical assistance once a week was offered. Second, the possibility of being granted a microcredit was introduced and PDR offered to aid the interested party with necessary requirements and information.

Furthermore, it was decided that PDR should work with organisations and not individuals. In other words, the women had to belong to a kind of business association to receive business training. The idea behind this was to have such organisations work as both social and productive units. PDR expected to find already existing organisations in the target area to work with (Interview with Programme coordinator, Svalorna LA 2012). To measure the success of the programme a number of indicators were developed. These indicators were intended to be representative and comprehensive measures of how well the business training and PDR's presence in the target area have had the desired effect on the promotion of microenterprises. The indicators were quantitative and corresponded to the various sub-goals and expected results of the programme.

THE BUSINESS TRAINING

Business training, within the so called Business Management School, was the main tool for PDR to reach its goal of microenterprise creation and development. The content was decided upon jointly by the participating NGOs ASDE, CIED, SADA and CR-ESOA² to include classic business management theory and practice, such as record-keeping, marketing, logistics, and key business concepts such as supplier and customer, income and expenses. It also included technical training from experts on e.g. cooking and knitting techniques. Further, leadership and public speaking training, and several empowerment workshops were also included. The business training was given in modules, subject by subject, to the target group. ASDE and CIED was given the responsibility of the execution of the business training. ASDE is somewhat experienced in this matter whilst this is a new responsibility for CIED. The goal was to achieve both an increased *number* of microenterprises in the area, but also to improve the business knowledge of the entrepreneur, and hence, the *quality* or performance of the microenterprise (Interview with Programme coordinator, Svalorna LA 2012).

THE PDR METHODOLOGY: LOGICAL FRAMEWORK APPROACH

To reach the overall objective of the PDR program Svalorna LA and the local NGOs made use of the Logical Framework Approach (LFA), a common tool in the design, monitoring and evaluation in various types of development projects and often used by NGOs and aid agencies all over the world, for instance by Swedish SIDA (Örtengren 2003). It is a goal-oriented approach built upon a logical model in the form of a series of connected propositions, where activities, outcomes and purposes of the programme are linked together in logical statements. According to LFA, what justifies a development project is that "the service and products delivered by the project answers to people's (the target groups) needs" (Örtengren 2003, 3). A basic idea in LFA is that

² For more information about these local NGOs refer to Appendix D.

one should not start discussing what one wants to do, but rather what one wants to achieve, what change the target group wish for (goal or objective). Hence, the programme design starts with the formulation of objectives (goals) which later are linked with purposes and activities that are believed to support the achievement of the desired objectives. In the case of PDR, there is one overall objective, two project objectives, several underlying purposes and a number of activities, as already mentioned. For each objective, purpose and activity one or several quantitative indicators have been determined to serve as measurements of the progress of the programme.

To achieve the goal of PDR an action plan was developed for each year. In the action plan activities corresponding to each purpose were designed, keeping in mind the central axes and strategies for each one of them. Training, technical and organisational assistance and advice were believed to assure the handling of instruments and management plans, projects and programmes in the best manner. Activities were executed on provincial or regional levels for major impact, whilst others were directed at the target group on a district level. The combination of methodologies and strategies were used in the execution of the program with the aim to support a culture of participation, coordination, information and political incidence in the target area.

IMPACT OF PDR

An impact evaluation is about inputs and outcomes. The outcome is used to describe changes in for example behaviour, relating to the goals of a programme. In this particular study outcomes derived from the PDR programme are of interest. An estimation of the programme effects is therefore the aim. Often within the compounds of international development the term programme evaluation is used also to include insights about the implementation process (Nilsson 2007). Summarising the theory, business training's anticipated impact on the number of microenterprises is founded on the creation of a higher start-up propensity among those who receive training. Business training is supposed to contribute to increased start-up propensity via e.g. its promotion of stronger business management skills, clearer and more accurate business vision, higher self-confidence, and the support of an adequate mind-set for business growth. It is also often mentioned that business training – as mostly carried out in groups – provide role models and networks for women, which is central for positive start-up decisions to be made. After an initial, general account for the number of new microenterprises and their economic performance these various anticipated impacts guide the structure of the following sections.

CREATION OF NEW MICROENTERPRISES: START-UP DECISION AND PERFORMANCE

Only a rather small number of microenterprises have been created in Majes and La Cuenca as a result of the business training within PDR. Solely a total of 30 to 50 individuals are engaged in the third step, i.e. actively running a microenterprise (Interview with Programme coordinator, Svalorna LA 2012). This represents a lower number than anticipated.

I am content with step 1, I think we reached and informed a good number. I am not happy with step 2 or 3./ Programme coordinator, Svalorna LA

It was a failure that we did not manage to create more microenterprise and organisations./ Programme coordinator, SADA

Shifting the attention to the quantitative measures this disappointing picture is in most aspects confirmed. As observable in the Table 2 below, the microenterprise development was in the programme associated with a number of indicators. Out of all the indicators, the first two indicators are plausibly the most suitable for capturing the creation of microenterprises. The number of business plans is anticipated to offer a proxy for how many organisations and individuals have participated long enough to reach the final parts of step 2, i.e. prepared a business plan for an enterprise in their area of interest, and thus are prepared to continue on to step 3, the actual creation of a microenterprise. As observable, short of 30 business plans were formulated, this corresponds to the low number of people passing on to the last phase of the programme.

Indicators	Outcome
40 viable business plans are formulated	15 (CIED) + 13 (ASDE)
25 productive units are implemented and operating	41 (CIED) + 44 (ASDE)
Annual income increases of the productive units	100 % (CIED) + 5-10 % (ASDE)
3 production chains are implemented	0 (CIED) + 4 (ASDE)
3 second-level organisations of rural micro-enterprises are formed and strengthened	2 (CIED)

TABLE 2: INDICATORS. SOURCE: CIED“INFORME ANUAL PERU 2011 EXCEL” ANNUAL REPORT OF PDR, EXCEL SPREADSHEET, AREQUIPA: 2011

One can further observe that approximately six “umbrella”-organisations with productive units have been created in La Cuenca, where the number within parenthesis represents the number of productive units or associates: ASMEAS (10), ASTUSAQJ (3), ADETRUL (17), Sogay (7), MUYAS (1) and Belambe (1). In Majes, a similar number of productive units within umbrella-organisations have been created. Although the number of productive units within the umbrella-organisations in Majes and La Cuenca might seem substantial the enterprises remain rather

weak. In La Cuenca it is only really the four organisations³ associated with the so called Loncco Tourist Route (La ruta de Loncco) that have potential to become strong and viable businesses in the near future in La Cuenca (CIED “Informe Anual Peru” 2011). In Majes there are similar differences between the various organisations in terms of solidity, performance and potential, where some stand out as viable microenterprises, whilst others have hardly taken a first step to commercialisation of their products although they are counted in the quantitative results. There is disappointment among the NGO-staff about the low number of new microenterprises, as we can see from the above quotes. There is no doubt that the methodology and the business training was estimated to result in a higher number of new enterprises.

Concerning an improved economic situation for the women in the target area, microenterprises are for most people still not a viable alternative for sustentation, not in Majes or in La Cuenca. If income from the microenterprise, i.e. profitability and returns, can be considered an indicator for performance of the microenterprise it is evident that there is much work left to do. Even the productive organisations mentioned as leading success examples, such as AMASEN, ASMEAS or ADETRUL have still not turned into profitable full-time businesses for the women involved, even though PDR is now over. Since the vast majority of the target group was unfamiliar with microenterprises before the introduction of PDR, the statistical increase in income reported in Table 2 above is partly explained by the fact that they had no initial income from microenterprise activity to begin with. All of the between 30 and 50 women that have gone through the PDR business training and created a microenterprise does it as a complementary activity on the side (Interview with Programme coordinator, Svalorna LA 2012).

Although my company is doing well, it is just only enough money to live and pay for the children's school. I also have a little farm where I breed and sell pigs, and my husband also has another job. / IP 2

Even though no one is dedicated 100 per cent to their business, the income they receive can be considered valuable (enough) (Interview with Programme coordinator, Svalorna LA 2012). Even small increases in income have made a difference for many of the women involved, since these women now can participate and contribute to the household economy which they were previously unable to do.

Now the women feel needed and useful. Now they are not just at home doing things, but they have proved that they can also have an income and contribute. They have an income and can use their skills./ Trainer 1, CIED

³ The four organisations are ASMEAS, ASTUSAQJ, ADETRUL and MUYAS

The indicator related to the introduction of production chains was included in PDR because of the link between improved commercialisation of products in combination with better decision-making, and hence, improved microenterprise performance. However, in La Cuenca no production chains have been implemented. In Majes, things do look a bit better. Although there are no full-feathered production chains, at least there are four value chains (Interview with Programme coordinator, ASDE 2012). Again, the results are somewhat disappointing. Svalorna LA and the local NGO's had expected stronger economic performance and income generation from the microenterprises.

Business management skills and business vision

The women as well as the coordinators express different opinions about PDR's business training and the actual knowledge increase. A few of the interviewed women in the target group are very positive and claim to have learnt a lot, whilst others hardly can remember what the training sessions have been about. One of the more successful women is very content with the training she has received:

The training has been very good; it has helped my business forward. I want to grow and manage my business better. /IP 2

The president of a successful productive organisation in Majes expresses her opinion about the business training as follows:

My dream has always been to sew. With the sewing I have made my children grow. I feel I can lead my organisation now after the training. I am not going to let them down, this is my field. PDR taught us new models, new stitches: now one can manage. It was not only about sewing though, we have had classes about leadership, social environment, about - what is it called - how to run a business, how to organise. I do not remember more now. But I have liked them and it is sad they are over. But now I am ready to continue on by myself. / IP 3

The quote by IP 3 illustrates that although they might be content with the training, even the more successful women are not familiar with business terminology. A woman belonging to a less successful organisation in Majes describes what she has learned like this:

They have taught us how to keep records of income and expenses, how much to produce, investments in time and money, and pricing, to keep it the business profitable and stay alive. Our trainer said we practically were ready to sell to the market now, but we have to get the product perfect first. / Luz Maria

She, as well as the majority of the members in the same productive organisation are not selling on a regular basis yet, but they do consider themselves microenterprise owners. However, others within the same organisation have other experiences:

I do not remember anything./IP 4

I thought it was easy in the beginning - that I understood all - but then I forgot all! I have another job to go to, so I miss many training sessions. / IP 5

The trainers and coordinators confirm these individual differences in the target group, and estimate that approximately 80 per cent of the women have applied some of what they have learnt in their enterprise and use it to take better decisions (Interview with Programme coordinator, ASDE 2012). Some of the coordinators agree that the business training has provided the women with the tools and knowledge it should have, and that it is individual choices that differentiate between those who are successful and those who are not.

Something negative then: Not everyone will concretise their business but they have gotten the push they needed, and the dream. And if they decide not to continue it is their own choice, it is not because they lack training. / Trainer 1, CIED

Others are generally more critical of the results:

In Majes incomes have not increased. Sales and production is very sporadic. They lack all kind of business awareness. They spend all the money they earn, so they cannot buy new materials. In La Cuenca the situation is similar. All is very sporadic. They have improved in cooking, but for example, when I saw them at a fair, they had a long queue but they had no business cards, no way for interested people to contact them: they lacked all kind of marketing! Hence they are not applying what they have been taught. / Temporary country representative, Svalorna LA

The great majority most probably belongs to the description by the Temporary country representative, Svalorna LA. Observably, the women similarly express this, and only the most successful women seem to be applying (more than) dispersed fragments of the business training. Further, when deepening the interviews with the coordinators and trainers even the most positively inclined ones admit to low levels of knowledge and can only with difficulty mention more than one or two themes or skills the women have applied in their businesses.

Confidence and mind-set

PDR has struggled with changing the women's mind-set and confidence. In general, it appears that the general confidence level has risen. The women value themselves and their work more, but they still hesitate to take the risk into something unknown. Many still prefer to do what they have done before, although they are somewhat more confident.

You have to have charisma to start a business; no one will buy from you if you don't have it. You have to smile and respect. You have to be social. Some men will shout at you./ IP 1 Programme Coordinator, Majes

It is embarrassing for us women to start a business, we think: What will they say? But you get used to and you advance./ IP 6

PDR helped the women in the right direction, not to do just what their family has done before. Change the way they think. Help them find their self, what they can do and produce. See their value./ IP 7 Mayor of Majes

However, there is still much left to do. As mentioned above, self-doubt is still prevalent among some of them, which is a severe obstacle to start-up propensity.

They have been given the tools, they have learned from us you can tell. But, it is just as when you finish an education: you do not feel you know everything, right?. You will always have to learn new things. PDR did plant the seed for them to continue. So if they do not continue it is more about motivation, taking the risk, daring. We all know that some business will fail, but we have tried to motivate them, get them to believe in it. They must want to move forward themselves. PDR has helped as far as they can; now it is their turn. / Trainer 1, CIED

They think they need more support, but they will have to find it themselves then. Get ahead and deal with their weaknesses, what they identify as weaknesses/ Programme coordinator, SADA

Another expected result from business training according to theory regards a change in mind-set. But, changing mind-sets was found to be extremely difficult. The target group remains alien to business and good quality, the society is depicted as one that still does things half-heartedly. Commitment and reliability remain low. Some of the coordinators consider the mind-set of the individuals the sole most significant reason as to why there are so few new microenterprises.

It is not the training that has been the problem, it is the mind-set. The BT has been ok, but they just need to stand out, emphasize quality. They have enough BT, they know how to run a business and sew, and otherwise they can just go to store and see how others do it. They just need a new mind-set. But this is a cultural thing. We do not think as business people in Peru, we do not see businesses like that. We do it semi-well, but a product needs to be optimal, that is how you get more business and recommendations. We need new eyes: we need to think about competition and capacity! If a European store opens here we have no chance to match the quality. The women need to step up to match them, because people now go the new, nice malls instead. You need to see further, you cannot just stay in you little world, with the local market. / Programme coordinator, SADA

She continues:

But PDR failed in the business aspect. It is not only about them doing something; it is about them doing something as a business! The women have to see themselves as business women, as enterprises. They need to see the market and enter it as an enterprise, not as an individual, even if it is a small enterprise. Have a vision of employing people maybe, thinking that they will not sew forever but that they will grow and become instead bosses and administrators in their company./ Programme coordinator, SADA

This demonstrates that the business training did fail in changing mind-sets and attitudes about business. As mentioned, out of all the productive organisations started, only a small fraction has the potential to become successful. The others lack commitment within the organisations, produce with too low quality or face other, mainly attitudinal, issues.

Networks and role models

The organisations have not functioned as networks and the women within the target group do not view each other as role models. Because of the programme design the women belonged to productive organisation within a certain productive field. These organisations were highly local, so the women often lived and worked close to each other as well. Thus, they had several natural forums for exchanging experiences and meet, both at the actual training sessions but also in their internal meetings as well as in non-business settings.

I saw the programme as a help and as a social forum. I do not want to sit at home, but chat and share my day with my friends. / IP 6

THE EMPOWERMENT OF WOMEN

Women in the target group almost with one voice express that they have changed for the better. They express that the training sessions in PDR have improved their self-esteem, and they now value themselves and the work they do higher than before the programme. Also, they express a positive effect from sharing their stories with other women in the realm of PDR as well being active outside of the house more than before.

We have changed a lot. A lot. We have lost the fear, we have learnt. The women before were shy and did not speak because of lack of training and experience. So did I. Now we are strong. / IP 3

Now we feel trained, that we have rights. We are not afraid to speak anymore. Now we can speak for the organisation. The husbands are generally more positive now. Now I like to talk, to have an opinion. I would like to do that more, and tell other women what I have learned: that a woman does not have to stay in the house, that we are allowed to do things too. / Kenya

Everything that has to do with production, training, life-quality of these people, higher self-esteem for many are positive impacts of PDR. Especially in the terms of gender equality since women has been so dependent upon the men before. Also, the development of leaders, earlier we did not see them as leaders but now they have become leaders, both youths and women./.../ The women are not to be recognized, they are happier, more secure, they themselves make handicraft that they sell, they have faith/ IP 8 City councilwoman in Majes

Another valuable outcome stemming from the training is the diminished domestic abuse and maltreatment many of the rural women suffered from (Interview with Yolanda). The women's positions within the family has been reinforced both because of the ability to make (although small) contributions to the family economy but also because of an increased awareness of their rights as women and as citizens. Women are participating more in the community, as active citizens, and partake in decision-making of socio-economic relevance

"The men did not want their women to go to the training session; they would doubt what it was good for. Like all Peruvian men they were sexist and said the women were wasting their time /.../ But now they support us, now they see that we are selling." / IP 3

The men told us to take care of the children and the home, but now the husbands tell us to go to the organisation. The men thought we were just going to chat./ Paulina

The Mesa distrital de la paz y buen trato⁴ has been important, we work against abuse. We used to have very bad indices. Discrimination is still a problem. Many men still do not believe in women, that we can manage. There is also the question of jealousy. There was trouble with men not wanting the women to go to classes, but now men are actually sending their women because they see the change in them. But not all of course. / IP 8 City councilwoman in Majes

We have had a tradition of machismo but now women have the same rights as men. But women are still abused so we have to help them out of it. It is a never-ending job, we will always have a situation of abuse and differences. It is culture. But the programme has helped. Now women who have been trained are now also training others, you have decentralised which is good. No, if there is a problem the women come out immediately and act. / IP 7 Mayor in Majes

The women have appreciated the training in leadership and self-esteem. Other areas of training within the area of empowerment included workshops about gender issues and perceived differences (what is female and male, what traits can be found in an entrepreneur and why, etc.), education about women's rights and how women together with the local government can work against domestic abuse, how the women can interact with their spouses in difficult situations and how they can support each other. Increased knowledge of business management and technical skills has contributed to the increased general confidence and self-esteem, strengthening women's position. Also, in the productive organisations the women have come in contact with politicians – via for example the mesa distrital de la paz y buen trato – which demonstrated for the women that they are paid attention to in the community when they do dare to speak up. Some of the women also received basic training in computation and IT, which, although not particularly useful at the moment, at least made the women believe they can learn new things and that the world of technology is possible to enter also for them. In general the women do not seem to think that it has been difficult to understand or remember these areas of the business training. Rather, when asked what it is they remember the most or what they have appreciated the most, many of them – almost half of them – mention one of the sessions above, that should be considered part of the empowerment-focused business training. Further, the women have been strengthened in their roles as business women and have gained an understanding of their importance for the success of the business. Just like many women the

⁴ Which translated into English means the Local Round Table for Peace and Good Treatment.

target group women did not identify with the entrepreneur before the programme, and most of them did not consider entrepreneurship a mean for sustentation. Yet, today several of them are at least part-time entrepreneurs. The few women who already were producing something when PDR started, such as the dried potato-business, would not have made it this far without PDR (Interview with Programme coordinator, ASDE 2012). In general the women express a lot of gratitude towards PDR and see themselves as empowered both economically and personally.

TARGET GROUP REACHED

PDR has operated in La Cuenca and Majes, two areas that differ between them in terms of history and traditions. ASDE in Majes has reached a larger target group than CIED in La Cuenca. To obtain a full account of the target group reached by all objectives of PDR please refer to Appendix C. For a more specific number on those who have been involved in entrepreneurial activity and business training, it is precise to return to PDR's three phases, or functions, mentioned in the introduction. In the first phase, PDR is estimated to have reached between 1000 and 3000 people, a good number according to the Programme coordinator for Svalorna LA. The inaccuracy is a result of inadequate and different measurement and follow-up techniques. Between 100 and 200 persons are appraised to have continued on to actual business training, whilst only between 30 and 50 have continued on to the last phase of actually starting a microenterprise of some kind. This illustrates rather high drop-out rates from the programme.

At each meeting I would say that about 70 per cent of those in the organisations show up. But in the beginning the groups were much bigger, say that each organization had between 20 to 30 members; today maybe 8 remain in each. People left because they did not believe that they could develop within an organisation, or they did not believe in PDR. So more than 50 per cent of those initiating left the programme and the organisations during the five years, but now some of them want to come back because they see that it works well. Yet, it is better that the most motivated stay and the others can leave; better to focus on quality than on quantity. We have always tried to make the most committed come to each meeting/ IP 1

In relation to the above mentioned drop-out rates are attendance rates, which have been lower than expected. There are no clear records of attendance but it is clear that it was an issue. Estimations by one trainer put forward that a majority of the members did participate in at least 50 per cent of classes, whilst one coordinator estimates that approximately 70 per cent of the members on average showed up. Other changes that can be worthwhile mentioning is that, from 2009 and onwards, the provinces of Caylloma, Condesuyos and la Unión were excluded from the programme when the NGO La Coordinadora Rural left PDR, which altered programme design and budget. Overall, 2007 and 2008 were rather complex years both due to incoherence between programmed and actual resources, as well as a period of inter-institutional renovation when La Coordinadora Rural left. PDR also reports rather high levels of personnel turnover during the first years.

ANALYSIS

In this chapter the results presented in the empirics section are analysed. The chapter aims at identifying and presenting the underlying causes of impact and contribute to explaining the effects of business training in PDR on inexperienced female entrepreneurs.

From the impact section it can be established that PDR have done poorly in its attempt to create new microenterprises and well-performing entrepreneurs, which was the main objective of the programme. The inexperienced entrepreneurs seem to remain just that. There is therefore a need to deepen the analysis to fully comprehend the outcomes, and also to address the questions of why and what have been the main causes to the poor results. Nonetheless, although it might seem as a failure at first sight, tentative results and quotes from the target group women offer positive encouragements as well; hence, the second part of the analysis will focus on understanding those. In sum, the first part will focus on the effects related to poverty alleviation – performance and creation – and the second on business training for microentrepreneurship in the light of women’s empowerment.

ENTREPRENEURSHIP FOR POVERTY ALLEVIATION

Entrepreneurship have the potential of poverty alleviation (Kelley, Bosma and Amorós 2011), and under this notion one could sort in microentrepreneurship creation and performance as two central aspects for the reduction of poverty. Regarding these aspects PDR was a disappointment. From the inexperienced target group few new microenterprises have emerged. Solid performance is observable only among a small number of businesses and no microentrepreneur truly makes a respectable living on their business. Several key observations were made in the field, and contribute to forming a complex picture which includes both social and cultural aspects, methodological issues and content analysis. Below, aspects with perceived significance for the effectiveness of business training are analysed, based on the empirical findings, starting with content and methodology, and their impact on business training success.

CONTENT AND METHODOLOGY

Knowledge is critical to performance and perceived skills are also essential for the confidence to start a business (Bradley, et al. 2012). It is therefore of utmost importance that the business training manages to transmit knowledge to the participants and that the knowledge transmitted is applicable and relevant for the participants’ businesses. Only then can an entrepreneur make the most under the constraints her or she faces, and perform as well as the person can. It is conceivable that one of the causes of failure is an inability to create sufficient knowledge and applicable skills. The first query is then if the women have grasped and applied what they have

been taught. During the interviews this question has proved difficult to answer directly. Answers have been indecisive or altered over the course of the interview, which ascertains that this is a complex issue. In general though, the overall opinion has been that the women *should* be prepared to create and run a business today, but that the limited microenterprise creation and performance show that majority is not. Therefore, the next section will go into detail about the content of the training, the actual execution of the content and also look into any other contextual factors that might have influenced the women

Content – the what

Lack of training is a common explanation of underperformance and failure (Azam Roomi and Harrison 2010), but the wrong kind of training can be equally ineffective. PDR encompassed business training in several modules of various themes and the appreciation and perceived relevance of the different themes varied much among the target group. Unsurprisingly, some themes were perceived as easier and more fun than others and were for that reason more valued. In line with what Nieman (2001) claimed, technical skills training was the most appreciated form also in PDR.

I think for the women the technical training has been the most important. Those that have been trained in gastronomy, breeding of small animals, recycling, etc. What gives them economic benefits is what they most value./ Trainer 2, CIED

Technical skills training if done well is directly applicable and show obvious benefits for their work, i.e. they cook better food, and they sew or knit more advanced products. However, technical skills-training is only one part of the overall business training in how to create and run a company (Meeting with de León 2012). This is also in line with what Nieman (2001) claims. The second part of business training, the so called business skills training (Nieman 2001), saw mixed results and it was subject to a lot of differences of opinions between the interviewed. The most popular themes were marketing and sales classes whilst less popular sessions included record-keeping which was considered rather tedious and unfruitful and consequently had low levels of attendance. The problem with low attendance and class participation is that subsequent knowledge gaps are created. Abstention from the uninteresting classes leads to blank areas, i.e. areas where the target group have no knowledge, which could impact the start-up propensity as well as performance of a microentrepreneur. As mentioned above, it is not surprising that some training themes are more popular than others. Hence, PDR should have been better at explaining the relevance of each module and create a setting for it. PDR should have done something in order to get the women to participate in all sessions, not just those they thought would be relevant. All the same, popularity is not equal to understanding or successful application of the knowledge, just as perceived irrelevance not necessarily equals actual irrelevance. Even the

more popular themes, such as marketing, were found to be only rarely applied by the women, just as the more complex themes, such as record-keeping, are perceptible only among a handful. This is in line with Karlan and Valdivia's (2009) findings on selected or limited application of skills. The women showed clear signs of not being able to or wanting to apply all content, indifferent of it was a conscious choice, disinterest, or inaptitude to do so behind it. Business skills training was in general more difficult for the women to grasp and to remember than the technical skills training, which asserts that was more complex and more difficult for the women to immediately relate to. However, the training is estimated to have covered all the relevant areas and themes one could expect in a business training programme. The general belief among the trainers and coordinators is not that the business skills training lacked a certain component or a theme, but rather than it lacked in repetition and continuity, as well as in depth. The women are in agreement with this, and emphasize the need for repetition and recapitulation, especially with reference to the more difficult themes. This offers some explanation to the weak evidence of application of knowledge. Probably, it was a combination of both individual inaptitude to apply the knowledge and content unsuitable in its complexity for the target group – in the form it was given - that affected the outcome negatively. I will return to how in the next section.

The third part of business training described by Nieman (2001) is called entrepreneurial training and contains entrepreneurial qualities such as need for achievement, creativity, innovation and risk propensity. As realised also by GEM, entrepreneurship training should be broader than just business skills, and a main insight is that training can influence a person's motivation to strive for what otherwise could have seemed too difficult. Thus, training can create positive perceptions and fortify the will to start a business (Coduras Martínez, et al. 2010). In PDR it is difficult to find any examples of training within this area (one could maybe include the popular self-esteem or leadership training) and the women do still exhibit rather low risk propensity, they do not seem to have a high need for achievement or do the ever mention innovation or creativity as central entrepreneurial traits. Thus, it can be established that PDR did poorly also in this central area.

There is a lot of fear among the women, about taking the risk to invest and try with their business./
Programme coordinator, SADA

The GEM study in combination with quotes and observations indicates that (Peruvian) culture and mind-set are influential features that have been difficult to work with in PDR. Accordingly, it is speculated that the women might have actively *chosen* not to participate or apply the knowledge because of an innate culture of disinterest for matters of that kind. The women were not prepared to make great efforts if they thought they could survive more easily in other ways, which would include keeping doing what they have always done or only do things half-

heartedly. Also, they are alleged to lack ambition to produce quality goods. It is difficult to understand to what degree this has affected the results of PDR, but from the interviews with both the women and the PDR personnel it can be argued that this is an important aspect, which severely affected the outcome of the programme. In general, PDR has not been concerned with creating an entrepreneurial or business mind-set of quality and performance. PDR has focused on promoting skills, but have not prepared the women to use these skills in more than a superficial way. Furthermore, as mentioned, women only apply part of the business training. The business training has made the women more able to produce within their respective areas of textiles, gastronomy, handicrafts etc. However, in order to create a successful business one must involve all of the parts. There is a need to have goals and a clear route to follow, to keep going even when it is tough: keep on registering sales, market their products etc. (Interview with Trainer 1, CIED 2012). Strong commitment and dedication was scarce. There are studies advocating that business training is more difficult to succeed with in efficiency-driven countries such as Peru, where the institutional surrounding is less supportive (Coduras Martínez, et al. 2010). This could also be one main – and external - reason as to why it has been difficult for the women to apply their new business skills which have to be taken into account. Yet, a focus on changing mind-sets about entrepreneurship would have been necessary.

Moreover, PDR's business training has also encompassed empowerment workshops and training in women's rights, which have been positively narrated by the women. This is not completely unusual in business training programmes directed strictly towards women, at least not in developed countries (Strier 2010). In general, these themes seem to have been easier to remember than other parts of the business training, probably because they are perceived as highly relevant for the participants and easily applicable on their own lives, and will be further discussed under the second part of the analysis. Even so, some themes on the border between empowerment and business training, such as self-esteem training and leadership, are well worth mentioning since I believe they have had an effect on the microenterprise development as well. Increased self-esteem and appraisal of one's work is a central facet of quality and could hence influence the business mind-set. Women who value themselves higher will put more value into their work, and self-esteem and confidence are main reasons behind entrepreneurial activity for women (Kirkwood 2009).

Teaching method – the how

It is not only about what is being taught but also about how it is being taught. An unproductive method of teaching might just as well as irrelevant content lead to ineffective training and lack of results. Training must be given on the right level in the right way, and offer access to the tools and advice relevant for the target group. In general, heterogeneity of the target group was a

problem in PDR. Heterogeneity was recognised by Bjorvatn and Tungodden (2010) as a possible complication, since some participants will find training too easy and others will find the same training too difficult. This could inhibit both learning and participation. The different levels of cognitive skills, age and even formal education created a problem in the group. Moreover, PDR is built upon modules but the trainers and local NGOs had control over the actual execution of the training. The local control has resulted in differences between the two target areas and the PDR programme board have not had insight into details about the actual execution of the training. This had several implications for PDR's business training. For one, the trainers selected by the local NGOs were fairly inexperienced. This prejudiced the quality of the training, and led to too theoretical training sessions for the majority. The GEM study finds that practical and experimental training is the most effective (Coduras Martínez, et al. 2010) and yet it is clear that PDR's business training was not offered on a suitable level for poorly educated women.

Well, the women are not used to university-like theoretical courses. They have not been in school for many years. They get bored if you are too theoretical. Therefore, the business training has to be practical! But that means change the methodology for us and for all micro-development programmes in the whole world, this is a common issue. If women hardly like to read the trainer cannot give them long texts, but she show images and make a role play, a theatre, which they can analyse and understand. / Programme coordinator, SADA

It is very important to break free from how we used to execute the business training; the teacher cannot just stand in front of class and talk. We wasted many hours just doing that, we were very inefficient, we did not have the knowledge of how to do this, and so we did it badly. It works much better with interactive classes, with role plays, videos or games. / Programme coordinator, Svalorna LA

The business training's complexity and inadequate level of difficulty became evident when the initial trainers resigned from the programme and PDR officials instead hired other local experts in business training for marginalised groups. The new experts immediately simplified the sessions and achieved better results (Interview with Programme coordinator, Svalorna LA 2012). However, these experts only remained in the programme for a month. Temporary personnel and short employment periods were symptomatic for the programme and problems with staff turnover were severe. During the interviews it became clear that the new, third group of trainers believed that they executed the activities on an appropriate level, i.e. business training as recommended by GEM theory. So did also certain coordinators. This must however be questioned. Nonetheless, slight improvements seem to have been made after the first major personnel changes in the programme's early years, and during the last years the business training took off. Even so the level of difficulty and theoretically deserve critique.

A second reflection interrelated to personnel turnover, but foremost to the design of the modules, concerns repetition and continuity. During PDR's early moments the target population in La Cuenca were subject to repetitive themes and uncoordinated classes because of

inter-organisational incongruities. ASDE was at first responsible for business training also in La Cuenca, since it had previous experience of such training. However, ASDE did not fulfil their engagement in La Cuenca which resulted in a late start of the programme. The lack of coordination between the parties further caused unproductive duplication of classes, which disappointed the target group. There exist several examples of women who were imparted identical themes during several separate classes by various trainers. Oppositely, there are also examples of sessions with complex themes where women in the target group expressed a need for repetition, for example at the beginning of the following class, to help them remembering. Such repetition did however not take place. Also the trainers indicate that repetition of key concepts in the more complex themes would have been beneficial for the target group. Although it would have been beneficial it was not done. The trainers had little room to alter the schedule and it was difficult to delay the programme to include repetition.

They lacked continuity and repetition/ Trainer 1, CIED

It was hard in the beginning, before we got to practice. They have to make us remember them. This is not all we think about. They should remind us of the last training when starting a new./ IP 3

Related to the issues of continuity and personnel turnover is the fact that the local NGOs responsible for the business training outsourced a large fraction of the training session to third-party trainers (Interview with Temporary country representative, Svalorna LA 2012). The third-party trainers were regularly well-educated and experienced business trainers; yet, their participation had implications concerning not only follow-up and monitoring of the programme, but moreover for the actual focus of training during business training sessions. These external, third-party trainers have not necessarily shared PDR's prioritisations and goals and there have been reports of classes with another focus than desired by PDR. Third-party trainers were found to focus on for example his or hers personal or other professional areas of concern, rather than PDR-preferred areas. When the external trainer fails to comply with the requirements and follow the desired business training plan this will of course affect the outcome of PDR. The use of external trainers also hindered follow-up and referencing since the following trainer lacked insight into what already had been covered and to what extent the women are trained on certain matters. Other methodological issues related both to the in-house and external trainers concerned unauthorised changes in the business training plan. Individual trainers altered the initial plan to better suit them, as illustrated by the quote below.

We had issues like this, the trainer decides to instead of the five planned sessions in different locations make one session in one place, thinking that the participants can just travel there to participate. But this does not happen. And what about budget? The trainer will probably not make that session five times as big, and then the budget is altered./ Temporary country representative, Svalorna LA

This negligence for programme design and guidelines visible both in this example, in the high staff turnover and as well in the outsourcing of more than 50 per cent of the classes resulted in lower procedural quality, affecting the value of the business training as experienced by the target group. When the personnel is not committed to delivering first class training it is not likely that participants will strive for first class microenterprise performance. In one sense, this is in line with the GEM study which claims that education and training programmes in countries like Peru are less effective and of lower quality (Coduras Martínez, et al. 2010).

PARTICIPATION AND ATTENDANCE

PDR suffered from low participation. A participation problem was however not only present during the actual business training sessions, but also in the start-up phase of the program when PDR tried to create a target group. This initial participation problem was rather complex and formed part of a larger contextual situation. In Peru, one can observe a societal phenomenon called *asistencialismo*⁵. This phenomenon stems from governmental or other authorities' and non-governmental organisations' aid program, where the population was given access to benefits without a corresponding claim to give something in return, inferring an expectation to get help without making an effort to justify it. This has been a feature of Peruvian politics during the last decades which has left marks among the population, especially since it under president Fujimori was rather exploitive. A new political era initiated at the same time PDR started, with the elections of 2006, which brought new hope to a population marked by the corrupt and degrading Fujimori-era of *asistencialismo*. Suddenly, Peru faced a more open business climate and a consequent hope of making it oneself started to be nurtured among the population. As a result, NGO development programmes of PDR's kind were no longer as appreciated as before and it became problematic to recruit the projected number of voluntary target group participants.

Secondly, disappointing levels of attendance to the business training classes was a concern. Sadly, no clear records of attendance were kept but estimations by one trainer determine that a majority of the members did participate in at least 50 per cent of classes, whilst one coordinator estimates that approximately 70 per cent of the members on average showed up. As evident from the quotes below PDR was however mainly regarded as a secondary activity to attend in case of time, when household, family or other income-generating activities were completed. Furthermore, participation depended on the theme of the class and if was considered interesting or not. This problem has been acknowledged by Bjorvatn and Tungodden (2010) but it remains a serious deficiency also for PDR. Many women abstained from class since they either

⁵ A Spanish term which is difficult to translate into English, but which roughly describes a charity mentality, a culture of dependency or "hand-out-ism".

believed they already knew the theme and had the skills it was intended to promote, or because they found the theme irrelevant. Considering Karlan and Valdivia's (2009) finding that those women who were initially the least positive towards the training actually benefitted the most in terms of performance, this is a serious issue. Also Bjorvatn and Tungooden (2010) found participation to be an essential aspect, since those who did not participate are likely to have needed it the most and stood to benefit the most.

They came to some sessions and then not, so there was always a different group. People only showed up when they thought the theme of the session would serve them./.../ But this has been a problem. We did try a lot with getting people to come, but the people did not feel that it served them./ Trainer 2, CIED

Not all absence was self-elected. Several of the women were restricted from going by their husbands, who either believed the woman was wasting time in an ineffective programme, or simply did not consider it suitable for a woman to participate in such activity. Other women were effectively restricted by acute family matters, especially the single-parents, who found it difficult to leave children and day-jobs to take part in the classes. Nevertheless, apart from being an individual problem for the women absent, resulting in problematic knowledge gaps, failure to participate and such scattered appearances had collateral effects. First, the rhythm of the classes was interrupted since the trainer had to turn attention to the woman who had missed a previous class to get her up to date. This required time and effort, which should ideally have been directed to the participants who continuously attended class. It also proved to be demoralising for trainers. Trainers doubting their role and capabilities were less able to transmit the energy and motivation the women needed to take the leap to microentrepreneurship.

ORGANISATIONAL AND DESIGN ISSUES

PDR was designed based on an idea of collectiveness rather than individuality. It meant that before joining PDR each woman had to be part of an organisation within a chosen production area. For instance, a woman interested or already active within gastronomy would gather up with other women in a similar situation or with similar interests. Organisation was believed to strengthen the commitment among the women, as well as benefit them in terms of sharing of experiences and belonging. PDR and the NGOs did however make a main mistake as they believed that a number of organisations of this kind would already be in place, and that the rest would be easy to form. Initial research in the target areas proved to be faulty. There were no existing organisations in the target areas. In Majes the problem ran even deeper as there was no culture of organisation and there was a general distrust between people in the area. Majes is an artificial community built in a former desert during the 1980's. All inhabitants are consequently migrants from different parts of Peru and there is no historical or cultural bond between the inhabitants. If you do not trust your neighbour on a daily basis you are not likely to trust her

when it is about money or business either. The lack of existing organisations delayed the programme and the general distrust caused malfunctioning new organisations. This design choice also ensued organised women to be dependent upon others. A motivated woman had to be “lucky” enough to end up in a group with other motivated women in order to be able to achieve something. Although the idea behind PDR might have been to create groups who internally inspire and motivate their members and bring forward those less-motivated members, the actual outcome resulted counterintuitive. Individual deficiencies of low motivation and lack of commitment negatively obstructed the entire group. Probably a central part of the explanation as to why some organisations performed better than others is to be found here. All interviewees corroborate that the nature of individual members and especially of the president mattered greatly for the success of the organisations. A couple of the interviewed go as far as to remark that the groups that have performed well have done that in spite of PDR, not because of it, which establishes that success may only be dependent upon the individual associates.

The high drop-out rates from the organisations and consequently from the programme diminished the size of the organisations radically. The remaining participants had to adjust to changing groups and fluctuating members. This was also a sign of the groups being inadequately composed. A quote from the empirics section by the Programme coordinator, ASDE raises an essential question about the design and idea behind PDR. Irrational or equivocal target numbers, of for example how many to involve in business training, may be the explanation to these low levels of attendance to class and soaring drop-out rates, as those who lacked initial motivation but still conceded to participate initially failed to meet their own or others’ expectations and consequently dropped out. Even women who could have been motivated in a different setting were discouraged by the lack of commitment from others, inducing further unwarranted drop-outs. For the performance of the productive units and organisations, motivated and committed colleagues that actively participate are essential. The programme design choice with compulsory creation of organisations should therefore with right be questioned, as it can have forced a higher number of women then called for to drop-out.⁶ The quote similarly infers a preoccupation with numbers, and leads the analysis onto the measurements used in PDR. The indicators of the business training were criticised during the interviews and mainly two lines of criticism were expressed. The first concerned the indicators’ level of ambition. PDR managed to implement most of the planned business training activities, yet, it did not reach the goals of microenterprise development. Several indicators and various measurements demotivated and stressed the trainers and coordinators with their high ambition

⁶ A curious fact is that Svalorna, the main financiers and initiator of the programme, for its new development programme PDR II have decided to eliminate this feature. Women are free to participate as individuals.

level⁷. The indicators could have, should have according to some, been adjusted during the course of the programme to instead mirror feasible goals, as soon as it became clear they the initial goals were too ambitious, in order to have goals as motivational factors. When the trainers attended to requests by the participants they did not contribute to the achievement of the indicators, leaving them in a difficult situation of prioritisation. The second line of criticism was directed towards the relevance of the indicators, as they were regarded as too quantitative or simply inadequate. Some of the best results, such as the increased self-esteem, were not even considered among the indicators.

Some of the things we did best were not measured as indicators, like self-esteem. All other results depended on that the self-esteem improved, but that did not count in the programme design / Temporary country representative, Svalorna LA

Bearing in mind the relevance of the actual indicators, business plans offers an interesting example which illustrates the two lines of criticism. PDR managed to reach the desired number of business plans. However, this did not parallel a corresponding number of viable businesses. The business plans were only produced as paper-products, and businesses were not launched. PDR's focus on a specific number of business plans did also result in precipitated and incomplete products. Target group women were expected to produce a business plan although they had no actual business at the moment; they were just expected to fill out the business plan form so that it would count in the indicators. The business plan example illustrates just how wrong PDR went when deciding upon these indicators. A quantitative indicator does not guarantee an actual qualitative result since it fails to capture the nature or quality of the product. For necessity-based entrepreneurship performance is central, not the number of entrepreneurs or enterprises, for it to impact the economic situation (Amorós and Cristi 2010). Also personnel issues are illustrated since the personnel had to try to align programme design requirements with women's requirements, and instead ended up in situations where it might have been more beneficial for them to let unfinished or inferior products and activities be reported as completed in order to reach quantitative numbers.

A different programme design issue worth looking into concerns the lack of monitoring and follow-up during the programme. Several of the problems mentioned could have been mitigated if PDR had allowed for continuous follow-up and improvement during the programme. A routine for monitoring and follow-up could have discovered mediocre or questionable outcomes, improved training early on to reduce drop-out rates and attendance problems, reduced waste of resources and positively altered the negative outcomes. Business training is a flexible subject, where changes are possible from class to class. Hence, both content

⁷ Not all indicators are presented in Table 2.

and methodology could have been adjusted during the programme had only PDR dedicated more resources to the monitoring and follow-up, and had the courage to admit to having problems and taken necessary decisions to change the programme. Instead, the programme was left to end as planned although the personnel early on realised they were making mistakes.

ENTREPRENEURSHIP FOR WOMEN'S EMPOWERMENT

There are several potential features of entrepreneurship for empowerment, such as increased status and respect because of economic empowerment (Hill 2011) or less dependence on men or society (Kantor 2002). Since women more often than men lack confidence in the early phases of a start-up process (Kirkwood 2009), entrepreneurship could have impact also here. Yet, it has also been claimed that the relationship between empowerment, gender equality and poverty alleviation on a higher level is very complex (Strier 2010). A related case study in Peru found no empowerment effects on female entrepreneurs engaged in a MDP who received business training (Karlan and Valdivia 2009). However, that target group consisted of experienced entrepreneurs who might have been empowered already, which makes the outcome and analysis of PDR more interesting. The PDR case study puts forward that the unaccounted for empowerment effects of business training have been the most successful achievements of PDR. Below I will therefore focus on what the actual empowerment effects have been and if and how these have transformed the life of the women. As expected, the focus remains on what role microentrepreneurship and business training have played in this. The section will as opposite to the above section start with the context of business training and end with the specific method and content.

PROGRAMME CONTEXT AND SOCIAL ASPECTS

One evident programme mistake which affected PDR's training was based on the erroneous preliminary research of the area, as discussed above. Granted that the NGOs were aware of the inexperience of the women they even so over-estimated their confidence level, and instead found that the women had no confidence at all only after initiating PDR. The women did not speak in public, or during class, and they would hardly address the trainers in the beginning. PDR had not anticipated this subordination and the programme had to adjust the class content and training session methodology to suit the reality of the situation. Considering this one could nonetheless argue for a surprisingly decent impact. Although the women are not running successful businesses the business training and PDR have created an awareness of an alternative world, where the target group women have realised that they can diverge from tradition and contribute to a household economy in their own way. The ability to choose one's life is by the World Bank (2012) viewed as one of the main reasons to promote female empowerment.

Although many constraints remain, PDR have managed to grow this notion among the women which is a great achievement. A process or embeddedness view upon entrepreneurship as proposed by for example Brush, de Bruin and Welter (2009) can moreover offer explanatory value. PDR was intended for the specific situation of rural Arequipa, where a majority of the businesses can be considered to be based on survival and self-employment, and spring out of necessity. A contextual and process-oriented view is suitable for necessity-based entrepreneurship since it highlights how the overall society and culture impact, in this case, women's propensity and possibility to create and run an enterprise. It can be concluded that the women have faced problems not only related to the business training inadequacies, but also in terms of explicit disbelief from partners and society in general. The women who created microenterprises in many cases had to face men who - as well as other women - found it hard to accept their decisions. Especially the question of motherhood and women's primarily responsibility for household and children inhibited them to participate and dedicate their time to enterprise management, as claimed by (Brush, de Bruin and Welter 2009). Several women in PDR chose to join in on activities they could carry out in the comfort of their household, whilst simultaneously taking care of children and home. Others have faced problems with partners forbidding them to leave the home. Many women have also dealt with their own conceptions of what a woman can and should do, which most likely have inhibited several of them to take the leap into something new. Likewise, the embeddedness view helps us understand some of the positive effects. Traditionally, women have higher responsibility for home and family and cannot effortlessly abandon such duties. But, the possibility to combine those responsibilities with entrepreneurship is superior to day-jobs in the field. Sewing, knitting, cooking or other handicraft can be executed at home, whilst the small-animal breeding and farming initiatives are operated just outside the house. A possibility to combine entrepreneurship with household duties of that kind is also mentioned by Strier (2010) as a vital personal achievement for women. The women in her study appreciated being able to combine family and individual work, at home. She also stated that this is something a man rarely would mention as a reason to become an entrepreneur, which accentuates the fact that women might see other advantages of being self-employed than men, as claimed by Kantor (2002). Women experience benefits from electing an alternative way of sustenance. These women have been able to create their own space, where they can do something for themselves, which makes them feel more secure and better about themselves, yet still contribute to the family household in various ways. Strier's (2010) findings are reinforced in PDR.

The purpose of microenterprise development programmes in gender-marked cultural contexts is often to promote a process of empowerment, through which women can gain not only access to income but also status and power in community and households (Kantor

2002). However, such programmes most often need also the support of surrounding institutions as described by Singer (2006). Regional and local governments are needed to back the programme and reinforce improvements. For instance, in order for the women to improve their status and participate more in societal and communal activities there is a need for them to gain access to such forums and be able to interact with authorities. Authorities must provide good examples visible for the community in order to support the change of the traditional mind-set and roles of the population. PDR counts on both good and bad experiences in this area. The planned, large governmental change in 2010/2011 confounded PDR. PDR officials did not know how to deal with the change and how to involve the new authorities. This turbulence affected both the objective 1 (democracy) in PDR as well as objective 2 that this thesis focuses on. The microenterprise development was based on the social productive organisation. Especially in La Cuenca it created problems where knowledge transfer and recent activities disappeared in the vacuum that the governmental change created. In Majes, the reality was opposite. The new mayor had already received training from PDR before and was consequently very supportive of PDR's activities and of the microenterprises. The importance of having the support of the government cannot be neglected, since weak governmental recognition deteriorates what can be provided to the microentrepreneurs and to the production chain. Governmental support creates an echo in the community (Interview with Temporary country representative, Svalorna LA 2012). The importance of having institutions facilitating entrepreneurship is recognised by GEM (Coduras Martínez, et al. 2010) and is here also found to be of importance for entrepreneurship for women's empowerment.

Furthermore, it can be noted that some of the women lived under so difficult life-constraints that they might have seen microentrepreneurship as a last opportunity; yet, we also have evidence of the opposite reality in la Cuenca, where day-to-day survival was a non-issue. Kantor (2002) puts forward that empowerment effects are less discernible when women are forced into entrepreneurship. In PDR there were elements of being forced into microentrepreneurship such as the women were not free to choose the form in which to enter - collectively and not individually - or do what they wanted to do. The women were fitted into a model rather than the model being adjusted to the women. The limited options of productive activities were also all within typical female professions, such as gastronomy, textile production or small-scale animal breeding (Interview with Programme coordinator, SADA). I believe this was another mistake by PDR. Compelling the women into organisations as well as productive areas leaves little room for innovativeness and creativity and it risks inhibiting women who otherwise could have been successful. It also confines the women to remain within the realms of the gender stereotype. As observed by Strier (2010) only a minority of the women – in her study as well as in PDR – challenged traditional gender stereotypes after business training. If the aim

of training is to achieve gender equality one can argue for the need to alter stereotypes in these communities.

CONTENT AND METHODOLOGY

After PDR, women were found to exhibit higher self-esteem, and value their work and their persona higher. The interaction between pure business training and empowerment workshops demonstrate mixed results as apparent. The pure empowerment training, such as the informative and practical sessions on women rights have increased the women's knowledge about how to act in situations of abuse. Women are collaborating and observing each other, especially within the productive organisations. In general the women have become less dependent upon the men in the community, in line with Kantor (2002) but nevertheless an essential and a leading achievement. During one of the interview sessions it became evident that the more active women were trying to liberate their fellow participants, and empowerment classes in combination with productive organisations and women's groups have created a bond between women who earlier did not associate. Hence, the women are no longer alone with their doubts and issues and although domestic abuse is still a pressing problem it is now a subject open for discussion and resistance to a larger extent than before. Although networks effects and role models often are mentioned in relation to start-up propensity (Langowitz and Minniti 2007), the main benefit in PDR from networks and role-models have come in personal empowerment spheres, and not in microenterprise creation as established earlier. Women within an organisation often faced similar personal and economic situations, where practically none of the members had any previous experience of either production or business management. This could explain the focus on friendship rather than on professional networks or role models, since the women could not exchange much information or experiences. Several organisations also faced severe problems, such as high dropout rates as mentioned above, low levels of commitment and even internal conflict, which might also have limited the positive network and roles model effects of belonging to a group. The few exchanges of information and experiences between organisations seem to have been more valuable for the less successful women, and the organisations that are doing well do function as role models for those who are not. Contrary to theory it is thus not the successful women who report networks or role models as important for their start-up decisions or success, but rather it is the less successful women that have mentioned the groups during the interviews. Female participants principally remember personal parts of PDR since those have been easier to relate to, similarly to what was established in regard to microenterprise creation. Many of the negative aspects of PDR's business training are less visible under these more personal themes.

As also mentioned before, the business training sessions made up of business skills, technical skills and entrepreneurial skills had positive effects on the women as well, in the sense that it intended to open their eyes and strengthen their business skills, which is central to confidence and self-esteem (Bradley, et al. 2012). The combination of modules, combining empowerment and business training sessions was claimed to work well together and reinforce each other. Increased self-esteem from an empowerment class can easily be visible and applied in a following cooking class, where the women who feels better inside also produce higher quality food and is more committed, and opposite (Interview with Trainer 1, CIED 2012). Of importance is that the class supports the woman in that she is capable of running her business and have the choice to do so, however, such classes are not the core reasons behind empowerment according to several of the interviewed.

The fact that you make the organisations aware of violence and the importance of being active citizens implies that 1) their persona is reinforced and 2) the organization is reinforced. Women that before said that they could not come to business training because they had to take care of the children now feel more empowered. The more social-political themes are instruments to open up, so that women are autonomous. It is not only social and political autonomy, but economic autonomy. Autonomy and economic independence does not come from business training on marketing. It is the other things that mattes. To get a woman to say that "I am going out to work" is not from the marketing sessions, it is because she has become aware of that she is a citizen and that she can support her family. / Trainer 2, CIED

Although it has faced fewer problems, the empowerment-focused business training has not been omitted from PDR's methodological complications. Participation, repetition and incongruence have been issues similarly in this area. For example, the order of intervention and themes can be discussed.

In PDR's programme and intention description the positive effects of microentrepreneurship creation also for women's empowerment were mentioned. Yet, there were no indicators in the programme to measure such changes. Such focus on economic measurements has been observed and criticised in earlier research (Kantor 2003). On paper, PDR is not considering these effects. It is peculiar that although awareness existed, the programme board did not take empowerment effects into account via some form of qualitative indicators. This is a mistake often mentioned by the programme officials, and one that have created discontent among the personnel who have wanted acknowledgement for these results. Because of the empowerment effects being one of the few truly positive aspects of the programme, the existence of such indicators would have instilled more confidence and pride in the staff during the course of the programme.

CONCLUSION

This last chapter summarises the thesis' main conclusions. The chapter ends with ideas of further research.

IS BUSINESS TRAINING THE SOLUTION?

This thesis has focused on the effects of the microenterprise development programme PDR and its main tool business training on a female target group without previous business experience. It can be concluded that the rather ambitious objectives of microenterprise development have not been achieved, however, new initiatives and a certain business capacity and societal advocacy has been promoted. PDR has not succeeded in developing efficient production chains or formalised the desired number of microenterprises, but it has “planted the seed” for skilful business management and production chains, at least according to the PDR officials, and there are empirical results showing that small business owners do believe more in themselves and in the value of their businesses. Although the official measurements of PDR imply failure, since the women have not started new enterprises in the amount expected, the underlying, but not measured, hypothesis in microenterprise development concerned with women’s social empowerment through entrepreneurial activity is supported. The organisational and official focus on the failure of microenterprise creation and performance excludes positive effects on the women, which should not be forgotten or reduced in importance. The target group women demonstrate various signs of social and political empowerment. The women are more self-confident and their status has increased, possible effects claimed by for example Kantor (2002) or Azam Roomi and Harrison (2010) and in PDR visible through for example the participation in gastronomic events, successful chocolate production and various textile projects, and they now experience that they are listened to and take part in decisions more than before. The training has provided the women with the knowledge of their rights and how to exercise them, with social support from other women and with a small number of actual tools of how to run a microenterprise. Entrepreneurial activity and business training have contributed to a transformed self-image, and offer a space for self-realisation, which was similarly found by Strier (2010) in her study of Israeli self-employed women. This knowledge together with the small economic contributions some of the women have been able to make have empowered those women within the family.

Yet, PDR failure is prevalent in other areas. The main critique is still that the number of enterprises and empowered women is too small and that resources have been wasted. Possible causes for the failure to create the expected number of microenterprises can be attributed to disappointing business training both concerning content and methodology and several organisational issues that were presented in the analysis. The human capital constraint (Oppedal Berge, Bjorvatn and Tungodden 2011) was not resolved via the business training in

PDR without problem, since many of the women still believe they lack knowledge and skills. PDR suffered from low participation and was by many viewed as a secondary activity. A necessary urgency for change did not exist and incentives were not created. Since those entrepreneurs with lower levels of attendance have been found to benefit the most from business training (Bjorvatn och Tungodden 2010); (Karlan and Valdivia 2009) this was a serious drawback of PDR. PDR's actual content and the teaching methodology in PDR should be criticised. Inexperience, outsourcing and organisational issues are to blame for the low participation and – at least part of - the difficulty the women had to apply the content in reality. The PDR example shows how important it is for MDPs to adjust the training to the actual context both in terms of content and methodology and to create a situation where the training's benefits are evident to the target group, where the information is easy to take in and where the practical connection to their lives and hence the usefulness of the training session is evident. The target group's individual attitudes, in combination with the Peruvian culture and the rural context have influenced the outcome in this sense, and PDR was not prepared to address this issue. Thus, an important realisation when engaging with entrepreneurs without previous business experience is that business training must take in mind-set. The opportunity to use education and business training to change attitudes, as proposed by the GEM-study (Coduras Martínez, et al. 2010) must be seized. Referring to the three approaches presented by Nieman (2001), the PDR case study emphasises the need for entrepreneurial training. In a programme with already operating entrepreneurs, conditions are different since the target group already has made a conscious choice towards self-employment, and hence, business and technical skills might be sufficient. Programmes directed towards new, inexperienced target groups must realise that the knowledge of enterprises, economy and markets most likely is very low, but also that business training must be adjusted to include all kinds of training. Changes in mind-sets and attitudes were visible in the empowerment of women, hence, business training is confirmed to have the potential to change attitudes and beliefs, yet, with a stronger focus on the essential issues of attitudes and intentions the training could most likely have achieved more. Especially in developing countries where institutions or surroundings may not facilitate entrepreneurship the individual's determination and attitude become central. The PDR programme was therefore not good enough.

On an overarching level the PDR has not particularly contributed to poverty alleviation. The majority of the target group have for the most part not particularly changed their living conditions. Hence, one can conclude that economic development does not automatically follow from entrepreneurship and microenterprises, since performance is central for economic development (Kelley, Bosma and Amorós 2011). With reference to individual poverty alleviation or human development the business training have had more effect on the

human capital side, which nonetheless can be of importance. Business training might still have the potential to contribute to improved performance but PDR has not managed to take advantage of its five years of presence and activity. Only a small step on the way has been taken in turning the farmer into a business-owner and few women have managed to break free of the gender stereotype, due to various reasons. Strier's (2010) findings are reinforced and the thesis correspondingly offers insight into the impact also in developing countries. Yet, the importance of gender equality for economic development and poverty alleviation has been discussed throughout this thesis and it can be concluded that positive results in the realm of empowerment can come from business training.

SUGGESTIONS FOR FUTURE RESEARCH

Further research in the area of business training is necessary. Business training's influence on attitudes and ambitions is imperative for policy makers, especially when coming to programmes directed towards inexperienced entrepreneurs. Considering the large number of NGOs working with various forms of business training and MDPs in developing countries a complete understanding of effective methods and approaches is essential for the success of such initiatives. Therefore, continued investigation of how best to design such a business training programme and what to include is of value. On a more general level, future exploration of the definitions of success would also be of interest. PDR is said to have failed when considering the official measurements, yet various positive effects on the target group women could be observed. In my eyes, increased self-esteem and social empowerment is not failure. If researchers can contribute to stimulating the discussion of what is considered success or failure I think the programmes could be better constructed. NGOs, in many cases, have ready-made solutions which – evidently – are not one-size-fits-all. It is of importance to discuss which values we consider and accentuate. Although microentrepreneurship in developing countries most often is expected to contribute to economic development and/or poverty alleviation, the more personal effects are in many cases equally important, or more so. Empowerment can come both in economic or social and political variations, and all variations should be taken into account when designing and MDP. It is also of value to discuss why and how MDPs and business training should be used, and what it should include. Further, more studies on the teaching methodology would likewise be of value I believe.

One can also discuss the value of directing business training to inexperienced entrepreneurs. Naturally, it is easier to deal with already active entrepreneurs and it is possible that the effects are stronger and hence resources are more effectively deployed. Yet, among the poorest population and many women the mind-set conducive to entrepreneurship creation is difficult to find. Gender stereotypes and perceived obstacles hinder many women from engaging

even in necessity-based entrepreneurship. Business training could be a valuable resource to instil confidence as we have seen proof of. Therefore I would argue for the need to address also those that are unaware of the possibilities of entrepreneurship: the inexperienced entrepreneurs that have not taken the leap already. Of course, not everyone can or should become entrepreneurs. Business training can thus offer a screening opportunity and be used also to create commitment from the participant. But there is a need to realise that such business training programmes must be designed differently.

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PRIMARY INTERVIEWS

Target Group:

Alvarez Huanca, Yolanda, 2012-03-17
Aymara Delgado, Lorena, 2012-03-17
Barrera Taco, Luz María, 2012-03-17
Chambi Luque, Paulina, 2012-03-17
Quellca Pino, Victoria, 2012-03-17
Rengifo Rengifo, Kenya, 2012-03-17
Subeleta Sacsi, Lucila, 2012-03-17
Suní, Sonia, 2012-03-17

Officials, Coordinators and Trainers:

Díaz del Olmo Muñoz, Rosa (Programme coordinator, SADA) 2012-03-20
Figueroa, Emir (Programme coordinator, Svalorna LA) 2012-03-26
Garzón, Edith (Temporary country representative, Svalorna LA) 2012-04-19
Lopez Gonzales, Frida (Trainer 1, CIED) 2012-03-20
Marmanillo Aguayo, Roberta (Trainer 2, CIED) 2012-03-22
Timaná Tabuada, Irma (Programme coordinator, ASDE) 2012-03-22

OTHER INFORMANTS

Neiderstam Castro, Paola (Country representative, Svalorna LA)
Borja Murillo, Miriam (External consultant responsible for follow-up of PDR in Majes)
Eberto de León (External consultant responsible for evaluation of microcredits)

SECONDARY INTERVIEWS

Target group:

Chaquehuayta Bejar, Juana, 2011-11-09	IP 6
Huancamamani, Toribia, 2011-11-09	IP 4
Layme Layme, Aurora, 2011-11-09	
Quispe Arhuire, Alejandrina, 2011-11-09	IP 5
Salas Ramos, Estefania, 2011-11-10	IP 2
Yauri Carpio, Irene, 2011-11-09	IP 3
Focus Group interview, Manos Creativas	

Officials, Coordinators and Trainers:

Hurtado Retamoso, Elard (Mayor of Majes), 2011-11-10	IP 7
Marmanillo Aguayo, Roberta (Trainer, La Cuenca) 2011-11-24	
Timaná Tabuada, Irma (Programme Coordinator, Majes), 2011-11-10	IP 1
Villavicencio Ayala, Margarita (Regidora in Majes) 2011-11-09	IP 8

SECONDARY WRITTEN MATERIAL

Aire U., Alfonso & Paola Castro Neiderstam. "Sistematizando el PDR en Arequipa, Peru." *Systematisation of PDR*. Arequipa: Svalorna LA, 1 January 2012.

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ASDE, "Informe Narrativo Anual Peru 2011" *Annual narrative report of PDR*, Arequipa: 2011

CIED, "Informe Anual Peru 2009" *Annual report of PDR*, Arequipa: 2009

CIED, "Informe Anual Peru 2011 Excel" *Annual report of PDR*, Excel spreadsheet, Arequipa: 2011

CIED, "Informe Anual Peru 2011" *Annual report of PDR*, Arequipa: 2011

De León, Eberto, "Borrador Informe Microcréditos", *Draft Microcredits Report*, March 2012

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Svalorna LA, "Resultados Medición Final 2011", *Final measurement results*, 2011

APPENDICES

APPENDIX A: MAP OF PERU



APPENDIX B: PICTURES



APPENDIX C: PDR PARTICIPANTS

The complete number of participants in PDR is presented below in table 3 and 4 below. The men in these tables have mainly been involved in democratic and informative aspects of PDR, not in business training or entrepreneurial activity. However, these tables do not give a completely accurate numeric view of the situation since there has been no universal measurement technique among all organisations; yet, they do show the relative different in size between the two areas and offers a good overall estimation.

	Women	Young women	Men	Young men	Total
Direct target group	100	44	19	51	214
Indirect target group	300	40	50	58	448

TABLE 3: TARGET GROUP REACHED IN LA CUENCA

	Women	Young women	Men	Young men	Total
Direct target group	573	550	313	550	1986
Indirect target group	500	850	500	850	2700

TABLE 4: TARGET GROUP REACHED IN MAJES

APPENDIX D: PARTICIPATING NGOS

NGO	General description	PDR role
ASDE	Focuses on cooperative programmes and projects in health, agriculture and livestock production, fishing, commercialisation and education. Active since 1987.	Responsible for the microenterprise development objective in PDR. Has experience of teaching business training.
CIED	Founded in 1973 and active on a national level with focus on sustainable human development and improved life-quality in various areas of Peru.	Responsible for the democracy objective of PDR. no real experience of business training
CR-ESOA	Organises farmers and agrarian institutions in Peru and was founded in 1992. It is a mix of rural farmers' organisations together with private institutions promoting development, active and free participation and it works mainly for the small Andean farmer.	During its participation up until 2008 it worked mainly with the democracy-objective
SADA	Works on behalf of the farmers in the region of Arequipa with the aim of improving the life of the rural farmers.	Involved transversally as responsible for information and communication technology.