



Entrepreneurship Training and Self-Employment among University Graduates Evidence from a Randomized Trial in Tunisia

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Country	Tunisia
Organizing Theme	Economic Opportunities and Access to Assets, Education and Skills
Status	The program is ongoing but the analysis is complete
Intervention Category	Training
Sector	Education
Abstract	<p>In economies characterized by low labor demand and high rates of youth unemployment, entrepreneurship training has the potential to enable youth to gain skills and create their own jobs. This paper presents experimental evidence on a new entrepreneurship track that provides business training and personalized coaching to university students in Tunisia. Undergraduates in the final year of license appliquée were given the opportunity to graduate with a business plan instead of following the standard curriculum. This paper relies on randomized assignment of the entrepreneurship track to identify impacts on labor market outcomes one year after graduation. The analysis finds that the entrepreneurship track was effective in increasing self-employment among applicants, but that the effects are small in absolute terms. In addition, the employment rate among participants remains unchanged, pointing to a partial substitution from wage employment to self-employment. The evidence shows that the program fostered business skills, expanded networks, and affected a range of behavioral skills. Participation in the entrepreneurship track also heightened graduates' optimism toward the future shortly after the Tunisian revolution.</p>
Gender Connection	Gender Informed Analysis
Gender Outcomes	Gender disaggregated outcomes: entrepreneurship, labor force participation, vocational knowledge or skills, access to credit, aspirations, non-cognitive skills
IE Design	Clustered Randomized Control Trial (Clustered at University Level)
Intervention	<p>In 2009, the Ministry of Education and Higher Education initiated reforms that created an entrepreneurship track into tertiary curriculum. The new policy allowed students to graduate if they submitted a business plan instead of a traditional thesis. Campaigns were introduced to increase the awareness of the new track. Once in the entrepreneurship track, students were offered support for developing a business plan through business training and personalized coaching. The entrepreneurship track provided students with: (i) entrepreneurship courses organized by the public employment office; (ii) external private sector coaches, mainly entrepreneurs or professionals in an industry relevant to the student's business idea; and (iii) supervision from university professors in development and finalization of the business plan.</p>
Intervention Period	The intervention occurred during the 2009/2010 school year. The entrepreneurship track was between Feb-June 2010



Sample population	In 2009/2010 18,682 students were enrolled in their 3rd year at Tunisian Universities. 1702 students applied to be part of the new entrepreneurship track: 1310 students applied individually and 392 applied in pairs. 66% of the applicants were female.
Comparison conditions	Control (Standard school Curriculum)
Unit of analysis	Individual Level
Evaluation Period	Follow up interviews occurred about a year after the intervention.
Results	The program had a positive effect on self-employment reported over the previous year. For those who completed the program, the program increased the likelihood of being employed by 5%. The program had no effect on overall probability of employment; thus there was a decrease in wage employment. The program also did not promote higher quality jobs but the program did increase the reservation wage for private sector jobs, but not for public sector jobs. The self reported business skills of the treated students were significantly higher. The treated group were more confident in their ability to get credit, but were no more likely to actually receive credit or have the knowledge of how to do so. Treated groups do report higher optimism toward the future and score higher on tests of big-five personality traits.
Primary study limitations	The design of the evaluation does not allow the researchers to disentangle the effects of the entrepreneurship track from the start-up capital. The follow up survey was also conducted shortly after the Tunisian revolution.
Funding Source	Gender Action Plan, Spanish Impact Evaluation Fund
Reference(s)	Premand, P., Brodmann, S., Almeida, R., Grun, R., & Barouni, M. (2012). Entrepreneurship Training and Self-Employment among University Graduates: Evidence from a Randomized Trial in Tunisia. World Bank Policy Research Working Paper No. 6285
Link to Studies	http://elibrary.worldbank.org/content/workingpaper/10.1596/1813-9450-6285
Microdata	