



EVALUATION OF START AND IMPROVE YOUR BUSINESS (SIYB) CHINA PROGRAM



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Preface

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Full responsibility for the text of this report rests with the authors. The views contained in this report do not necessarily represent those of ILO, or of the organizations and people consulted during the evaluation.

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Abbreviations

BDS	Business Development Services
CETTIC	China Employment Training Technical Instruction Centre
CGF	Credit Guarantee Fund
CTA	Chief Technical Advisor
DFID	Department for International Development
EYB	Expand Your Business
GoC	Government of China
GYB	Generate Your Business Idea
ILO	International Labour Organization
IYB	Improve Your Business
M&E	Monitoring & Evaluation
MDG	Millennium Development Goal
MoJ	Ministry of Justice
MoLSS	Ministry of Labour and Social Security
NDRC	National Development and Reform Commission
NPO	National Program Office
PRC	People's Republic of China
PSD	Private Sector Development
PWD	People with Disability
QPR	Quarterly Progress Report
RMB	Renminbi (People's Currency – national currency of the PRC)
SIYB	Start and Improve Your Business Project
SME	Small Medium Enterprise
SOE	State-Owned Enterprise
ToE	Training of Entrepreneurs
ToT	Training of Trainers
ToMT	Training of Master Trainers
TVE	Township and Village Enterprise

1. Employment Creation, Self-Employment and New Venture Creation in China

- 1.1 The economic growth and emergence of China since the advent of the reform period in 1978 has transformed the scale and structure of its economy fundamentally. In 1978, enterprises were state- or collectively-owned, and the private sector was marginalized and officially not recognized. By 2006 the private sector accounted for as much as two-thirds to three-quarters of economic activity.
- 1.2 Successive reforms have led to liberalization of the economy and increasing integration with trans-national trade and investment. They have also increased the divide between those benefiting from this growth and those who have not.
- 1.3 This can be seen in China's gini coefficient, which measures relative income equality. In the 1980s, China's gini coefficient was less than 20, signifying distribution of income across most of the population. By 2001/2, the coefficient had risen to more than 44, and the richest 10% of the population were earning almost 20 times the income of the poorest 10%.
- 1.4 One dimension of these changes has been a shift away from employment security (the 'iron rice bowl' that guaranteed employment in state-owned enterprises) to greater levels of uncertainty in the labour market, increasing income gaps and a rise in unemployment.
- 1.5 The emergence of a more turbulent and uncertain labour market has been particularly evident for two groups. Firstly, changes in the nature of agricultural production have created rural unemployment and migration to urban areas.
- 1.6 Secondly, the restructuring of state-owned enterprises over the reform period, and most notably between 1996 and 1999, led to the laying off, and eventually loss of jobs, of circa 50 to 60 million workers.
- 1.7 In response to these challenges, the Government of China (GoC) has sought to stimulate and encourage alternative forms of employment. In the early days of the reform period, recognition of *getihu* ('single household enterprises') was a response to rural unemployment and the return of young people from the countryside to their urban homes following on from repeal of the earlier, pre-reform 'going down to the countryside' policy.
- 1.8 Self-employment, and business start-up more generally, have been encouraged as a policy instrument for creating employment opportunities and absorbing surplus labour

from the agricultural, state-owned and other sectors of the economy as they have undergone restructuring, reform and change.

- 1.9 The Ministry of Labour and Social Security (MoLSS) has taken a lead on self-employment as a means of creating employment. MoLSS has supported re-employment through business start-up and training programs at local level, and through the SIYB program and other initiatives, developed business start-up and self-employment programs targeted at laid-off workers.
- 1.10 The clear policy focus on self-employment as employment creation of GoC and MoLSS provides a particular context for donor projects and collaboration. It provides defined parameters and expectations for such a program, focused on numbers of new ventures started and numbers of individuals employed within these enterprises.
- 1.11 The focus on laid-off workers, and rural migrants, of MoLSS and GoC employment initiatives has also provided an explicit target for self-employment programs such as SIYB and its precursor PEP.
- 1.12 This is within a broader context of the nature and capacity of GoC's administrative structures. China has a 'strong' government, with well established mechanisms for policy formulation.

2. Overview: About the SIYB China Project and Program

- 2.1 The SIYB China Program was launched in July 2004. Over its three-year duration, the Program has received technical and financial support to test, adapt, introduce and consolidate the generic SIYB delivery approaches and tools, and incrementally roll out the program within China. After 2007, the Program is expected to cover the entire country and to be fully sustainable.
- 2.2 ILO, through its Office for China and Mongolia, has been managing the SIYB China Project as a multi-donor funded project in China since July 2004. The SIYB China Project has been implemented in partnership with the Ministry of Labour and Social Security (MOLSS), with the objective of enabling MOLSS to implement and manage the SIYB China Program.
- 2.3 SIYB has been funded by the UK Department for International Development (DFID) and the Japanese Ministry of Health, Welfare and Labour. The Japanese Ministry also funded PEP, the precursor to SIYB, through the ILO/Japan Multi-bi program for Asia which was established in 1988.

- 2.4 The overall Project objective is to contribute to poverty alleviation and employment creation. The immediate Project objective is to enable the unemployed to start and run their own businesses and to create quality jobs for others in the process
- 2.5 The SIYB China Project has been implemented in successive, annual financing stages (phases), each of which involved shifts in the technical and regional foci of support:
- Phase 1 (July 2004 - June 2005): Technical focus on laid-off workers and activities in 14 cities (Anshan, Baotou, Beijing, Jilin, Chengdu, Nanchang, Qingdao, Suzhou, Tianjin, Changsha, Urumqi, Yichang, and Zhangjiakou).
 - Phase 2 (July 2005 - June 2006): Technical focus on migrant workers and activities in 4 provinces (Guangdong, Guangxi, Sichuan, Yunnan).
 - Phase 3 (July 2006 - June 2007): Technical focus on special vulnerable groups and activities in 6 provinces (Chongqing, Gansu, Ningxia, Qinghai, Shaanxi, Shanxi).
- 2.6 Technical inputs have emphasized training capacity development, brand support, and quality control – three strategic considerations that are critical for the technical, institutional and ultimately financial sustainability of a country-wide SIYB Program. The SIYB China Project has also assisted with the development of other instruments, including local credit guarantee funds for SIYB participants, and has supported technical research on small business issues, including BDS and other market intelligence studies.
- 2.7 The target group focus has been on vulnerable groups, starting with the urban unemployed in phase 1, laid-off workers and migrants in phase 2, and three specific vulnerable groups in phase 3 (disabled persons, ex-convicts, and female migrants working in the entertainment industry).
- 2.8 MOLSS has set up a National Program Management Office (NPO) to work with technical support from the SIYB China Project and assist in its dissemination and delivery to local Program stakeholders at the provincial and local level.
- 2.9 The core service proposition of the NPO is the facilitation of access to the product family of SIYB business management training packages. As of mid 2006, the SIYB product family in China comprised four material based, modular training packages: "Generate Your Business Idea" (GYB); "Start Your Business" (SYB); "Improve Your Business" (IYB); and "Expand Your Business" (EYB). In addition, the NPO has launched a CD-ROM version of the SYB training course for self-learners.

- 2.10 During 2006, a mass media based program ('My future is not a dream') was developed which uses television to promote the concept of self-employment among migrant workers.
- 2.11 The NPO facilitates admission of local stakeholders to the SIYB trainer and master trainer development programs. The SIYB trainer development program aims to upgrade the skills of professional staff in local training organizations to effectively and independently deliver small business training, from service promotion, selection, training needs analysis, training and after-training support to quality control. After an initial 'training of trainers' seminar, SIYB trainers are equipped with instructor materials and receive continuous refresher training and on-the-job counselling support to practice and further develop their new skills up to certification level. High performing SIYB trainers may be admitted to the SIYB master trainer development program and eventually implement their own trainer development programs.
- 2.12 The NPO facilitates access of local stakeholders to information on international best practice in the provision of start-up training and other business development services. To this end, the NPO organizes study tours, workshops and conferences for training coordinators to enable them adopting international best practice in the provision of business support services.
- 2.13 The NPO also seeks to link training and credit providers at the local level and to facilitate a more conducive political and legal environment for small enterprises. For example, in mid 2005 the NPO sponsored a survey on how to customize the existing SME business start-up policy framework for the benefit of migrant workers, and through the Project supported technical support for Credit Guarantee Funds operators in selected cities to ease access of SIYB trainees to credit.
- 2.14 The NPO provides brand support and assists in the design and implementation of service marketing strategies. With technical support from the Project, the NPO has developed a unified national brand identity for the SIYB training program, and has designed a wide range of collateral to promote the brand throughout the country. At the time of the evaluation, the NPO was registering SIYB as an official trademark in the People's Republic of China (a process started in the second half of 2006).
- 2.15 The NPO is the national voice of the SIYB China Program and in this capacity organizes national media conferences and events, co-facilitates promotional workshops at local level, releases articles and publications on SIYB training, and maintains and operates the Program website. The NPO facilitates research on the

market for SME training, widely disseminates the market research data among stakeholders, and assists them to develop their own segment marketing strategies.

- 2.16 The NPO has established a national quality control system to ensure that the training services for entrepreneurs meet the international standards of the global SIYB program. The NPO monitors and evaluates the training activities of its partner organizations and uses the information to continuously further fine-tune the service processes for the benefit of the end users.

3. Aims and Objectives of the Evaluation

- 3.1 This evaluation seeks to form an overall conclusion and view as to the outputs and performance of SIYB as well as particular implementation measures.
- 3.2 The objectives of this evaluation are to
- Assess the outcomes of SIYB China and come to a conclusion as to their overall contribution to the priorities of the Government of China (GoC), the objectives of the ILO, and donor partner objectives
 - Identify and, where appropriate, make suggestions and recommendations on future practice and policy based on the findings arising from evaluation of the SIYB China Project, with a particular emphasis on questions relating to the long-term sustainability of the SIYB China Program

4. Scope of Evaluation and Qualifications

- 4.1 The scope of the evaluation and limitations arising from the approach and methodology adopted have a bearing on the analytical depth and comprehensiveness of coverage that is possible. The reader is asked to bear these in mind when interpreting findings, conclusions and recommendations from the analysis.

Scope and Limitations

- 4.2 The evaluation has been conducted within a tight time frame. The team began preparatory work in mid May 2007, spent one and a half weeks in the field and delivered a preliminary draft report in mid June.
- 4.3 The two week time period allowed brief visits to two locations outside Beijing – Ningxia Province in the South West of China and Tianjin on the eastern seaboard. In

Ningxia, the evaluation team met provincial Labour and Employment Bureau officials in the provincial capital, Yinchuan, and local officials, trainers and participants in Shizuishan city.

- 4.4 In Tianjin, the team visited the Tianjin Business Start-up Training Centre, which provided an opportunity to inspect a training institution as well as SIYB courses being held at that time. The team also met with municipal officials from the Labour and Employment Bureaux, and with trainers and participants in SIYB.
- 4.5 In Beijing, the evaluation team met with ILO Beijing staff (Head of Office, SIYB CTA, SIYB International Training Expert), with the funding donor (DFID), MoLSS (on two occasions), and with the China Disabled Persons Federation and the Ministry of Justice. The National Project Office, co-ordinated by the China Employment Training Technical Institute (CETTIC), attended both the meetings with MoLSS. MoLSS and CETTIC officials also attended the meeting with the Ministry of Justice.
- 4.6 Tianjin was selected because it was one of the cities involved in Phase 1 of SIYB (2004-5) and Ningxia because it is involved in Phase 3. Although this allowed for comparison and contrast between two phases of SIYB, it represents a very small cross-section of the municipalities and provinces involved in SIYB. These visits provided examples and cases that should be regarded as illustrative, rather than indicative of SIYB implementation in other parts of China.
- 4.7 The extent of secondary data that informed the evaluation has been limited. Although some data have been forthcoming from Government of China (GoC), comprehensive information, broken down at local level, was not made fully available to the evaluation team within the evaluation period.
- 4.8 SIYB Participants were consulted in small groups, and were selected by the local government counterpart. This approach was undertaken because of the tight time constraints, which precluded extensive consultation with individual beneficiaries at a scale that allowed for some confidence in the 'generalisability' of the findings.
- 4.9 Given the diversity across geographical locations in China and the limited geographical reach of the field work, any beneficiary level findings and any related inferences on results and impact must be treated with caution and will not necessarily be generalisable across the full geographical reach of each project.
- 4.10 On a general level, respondent bias is also expected given: (a) Chinese cultural norms whereby criticism is not openly expressed, especially to outsiders and; (b) the selection of participants by SIYB staff who could have an interest in presenting the

success of the programme. Even with triangulation, it is expected that a level of consistent positive bias is built into the limited primary data we collected.

- 4.11 These considerations, when combined, mean that the evaluation focused primarily on a broad level of analysis using triangulated interview data where possible along with existing (and available) secondary data. Our approach was to test the feedback and views of those consulted during the evaluation and seek to use triangulation to extract patterns and trends.
- 4.12 The emphasis of the evaluation is on analysing strategy, design, influence, outputs and, to some extent, implementation. This reflects the broader nature of the evaluation, and its terms of reference; which concern themselves with assessing the overall impact and significance of the SIYB China programme.¹

5. Evaluation Approach and Methodology

5.1 The evaluation involved the following key stages:

1. Review and assessment of project and related documentation (desk research and in-country data collection and analysis).
2. Acquisition of data from GoC partner (MOLSS)
3. Orientation and consultation with ILO, MOLSS, and DFID China
4. Stakeholder consultation (Beijing, Municipal)
5. Project participant consultation (municipal partners, delivery agencies, beneficiaries / SIYB participants).

5.2 **Review of project documentation.** The evaluation reviewed the following documentation: project log frames, evaluations of Phases 1 and 2, Quarterly Progress Reports (QPRs), market and impact assessment and related reports. The log frame and overall objectives were assessed against project QPRs, each of which made explicit commentary on progress against objectives. External documentation was also considered and analysed, relating to the project and to the wider institutional, policy and employment contexts in China.

5.3 **Acquisition of data from GoC Partner.** As part of the evaluation, data were requested from MOLSS through the ILO Office for China and Mongolia. The evaluation team will use these data from MOLSS as part of the overall assessment of

¹ Previous evaluations focused on Phase 1 and Phase 2 of SIYB.

the SIYB China Program. Although some data were reported verbally to the evaluation team, no data were provided for analysis in spreadsheet or similar format. The team has therefore used reported data from the consultation interviews as the basis for the analysis.

- 5.4 **Orientation / Consultation with Project Partners.** In-depth and ongoing discussions were held with the ILO Beijing Office and with the partner Ministry, MoLSS, and the National Project Office, located in CETTIC. In the cases of ILO and MoLSS, initial views and thoughts on the evaluation were fed back to these two organizations while the evaluation team was conducting the on-country analysis, in order to allow for input and commentary from the two lead project partners.
- 5.5 **Stakeholder Consultation.** Stakeholders and intermediaries were interviewed both in Beijing and in two cities that have been involved in SIYB China. In Beijing the following stakeholder organisations were interviewed:
- China Employment Training Technical Instruction Centre, CETTIC (along with MoLSS SIYB project office staff)
 - China Disabled Persons Federation
 - Ministry of Justice
- 5.6 The evaluation team visited Tianjin, a city involved in Phase 1 of SIYB, and Shizuishan and Yinchuan municipalities in Ningxia Province, which is involved in Phase 3 of the project. In both locations, the evaluation team met with a range of project participants and stakeholders, including:
- Local Labour and Social Security Bureau, as well as Employment Bureau authorities
 - Centres providing SIYB training (within the Labour Bureau in Tianjin, and independent in Ningxia)
 - SIYB Trainers and Master Trainers
 - Focus groups of SIYB participants / beneficiaries (one in each location)
 - Visits to companies that have staff who participated in SIYB (one in Tianjin, two in Ningxia).

6. Project Evolution

- 6.1 The origins of the SIYB China program can be traced back to the ILO/Japan Multi-bi Program, financed by the Japanese Ministry of Health, Welfare and Labour, which was initiated in 1998 in Thailand and the Philippines with the overall objective of creating employment and income generation opportunities for un- and under-employed individuals in developing Asian countries. From 1993 to 2007, the program focused on Bangladesh and Pakistan.
- 6.2 ILO/PEP was established in China in 1997. Phase 1 (1997-2001) targeted the un- and under-employed rural workforce in 23 counties in 3 provinces (Gansu, Hebei, Jiangxi).
- 6.3 Phase 2 of ILO/PEP (2001-2004) re-focused on laid-off workers from state-owned enterprises in urban areas with high dependence on the state sector. This phase was implemented in partnership with local labour bureaux in three pilot cities: Baotou (Inner Mongolia); Jilin city (Jilin province); and Zhangjiakou (Hebei).
- 6.4 During the second phase of PEP, the SYB training package was introduced, based on an earlier version developed in Vietnam, along with a Credit Guarantee Fund. PEP was implemented in partnership with MoLSS, and was managed through local Labour Bureaux in the pilot cities. The success of PEP established the SYB module of SIYB as a credible and effective instrument to address the Ministry's objective of job creation, and in particular re-employment of laid-off workers. This explains, in part, why the Ministry and its local offices have continued to focus on and emphasise SYB.
- 6.5 The transition from PEP to SIYB was based on a move from a focus on SYB, as the start-up component of the portfolio, to the full SIYB program. During the SIYB China program, GYB and IYB were introduced and delivered, at lower numbers of participants than SYB. EYB (Expand Your Business) has not yet been introduced, although a pilot program involving 13 entrepreneurs was run nationally through selected local labour bureaux (including Tianjin, which trained 4 entrepreneurs).
- 6.6 The SIYB portfolio has been developed over two decades and across approximately 90 countries. By the time it was introduced into China, it had been refined and developed into a coherent package of training materials that had been tested and validated in multiple development contexts and countries. The experience base of establishing SIYB and launching it in many countries, along with expertise in training trainers in process facilitation and counselling techniques, provided a sound and credible base for the SIYB China program.

- 6.7 Credit Guarantee Funds were also established at local level, to provide access to finance for participants in SIYB. These funds were designed as a 'lever' to encourage entrepreneurs to participate in SIYB training, as well as a response to a lack of finance for new and small ventures starting in the private sector. CGF funding was restricted to SIYB participants.
- 6.8 The project therefore has an evolutionary timeline that can be traced back to the broader context of collaboration between the ILO and Japanese government on employment creation in East and South East Asia. The focus on new venture creation came from earlier work, mainly in rural areas, through PEP China and the Phase 1 focus on laid-off workers was driven by GoC priorities. The emergence of SIYB therefore can be traced back to convergence between: (1) donor practice on employment creation within a broader strategic collaboration between ILO and a funding donor; (2) proven ILO China experience of employment creation through business start-up before SIYB; (3) a highly developed and validated product and methodology that was proven to stimulate employment creation through new venture creation. Of greatest significance was the strong fit with the central remit of MoLSS at a time when GoC was particularly concerned with re-employment and labour absorption.

7. Design

- 7.1 SIYB China was designed and established within the broader context of a national programme of restructuring of state-owned enterprises, driven at national level by a cross-government Commission. Although the enterprise-focused dimensions of this reform and restructuring process had been completed in almost all cases by the advent of the SIYB programme, significant numbers of laid-off workers continued to be unemployed when SIYB was established.² The project design focus in Phase 1 on laid-off workers from SOEs therefore addressed a major policy concern as identified by GoC.
- 7.2 As has been noted in the previous section, the 'roots' of the SIYB programme lay in the ILO PEP pilot funded by the Japanese Ministry of Health, Welfare and Labour. PEP initially targeted the rural workforce, and was then extended to incorporate both laid-off workers and surplus rural workers. This design component, and legacy, was

² Field visits to Ningxia identified a continuing population of laid-off workers who were seeking re-employment. In addition, the time-bound nature of 'laid-off worker' status suggests that individuals who have been laid-off (*xiagang*) have been re-categorised as 'unemployed' (*jiuye*) over time, thus masking the scale of the re-employment challenge for former employees of SOEs.

relevant to policy and contextual considerations for Phases 1 and 2 of SIYB. Migrant workers, which were the target group focus for Phase 2, have also been a primary concern for GoC, supporting the high level of 'fit' between project design and GoC target groups.

- 7.3 This 'fit' was less apparent for Phase 3, where an explicit focus was placed on "highly vulnerable target groups (people with disabilities, female migrants working in the entertainment industry, female migrants working as domestic helpers, and ex-convicts). These groups were confirmed through discussion between ILO, MoLSS and the project funding partner, DFID, as a central focus for Phase 3.
- 7.4 MoLSS expressed concerns about these groups when initially proposed. Of particular sensitivity to MoLSS were female migrants working in the entertainment industry, because of the generally illegal nature of this type of work. There has been little progress in targeting this group, reflecting MoLSS' concerns as well as challenges in engaging with individuals on self-employment.
- 7.5 Of the other vulnerable groups, there has been progress with people with disability and ex-convicts. Phase 3 targets for both these groups have been exceeded, and in the case of the Ministry of Justice there is strong support for extending SIYB beyond the Phase 3 locations and output targets.
- 7.6 MoLSS has identified additional groups that are seen as suitable targets for SIYB, including ex-military personnel and University graduates. There appears to have been a growing focus on these 'new' groups during Phase 3 by local Labour Bureaux.
- 7.7 For the programme as a whole, almost all participants have fallen into the category of 'laid-off and unemployed', with only a small proportion of total participants coming from Phase 2 and Phase 3 target groups.
- 7.8 In Phase 3, there have also been some specific design issues that have arisen. These relate to Output 1 (A systematic understanding of the main value chains of rural surplus labour). The first relates to the use of value chain mapping, which has proven inappropriate for the 'local social services industry', which has no real value chain that can be mapped. This has been resolved by re-allocating the value chain mapping methodology to Output 5 (business counselling).
- 7.9 The second relates to the definition and conceptualization of the term 'social service sector'. Chinese partners defined this sector as private providers of services to individuals, i.e. to services provision to households. The project document conceptualization of social services focused on social enterprises and in particular

private and non-governmental organizations that offer social welfare and related services on a commercial or quasi-commercial basis.

Overall validity of design

- 7.10 Overall, the design of SIYB China fitted closely with GoC/MoLSS priorities and the identified prioritization of self-employment and new venture creation as a means of creating new jobs to absorb unemployed and laid-off individuals. This was particularly the case in Phases 1 and 2, where the target groups were laid-off workers and migrant workers.
- 7.11 However, there has been divergence in focus in year 3. The design of Phase 3 was not closely aligned with GoC priorities over target groups. In addition, there was divergence in understanding and definition of the notion of social services between the project and MoLSS.
- 7.12 The evaluation team's view is that the design of Phase 3 reflected a shift from responding to GoC priorities towards addressing donor objectives and motivations to fulfil MDG goals. This has had mixed success.

8. Project Effectiveness

- 8.1 Overall, the project has been effective within project phases and locations, training many more entrepreneurs and trainers than the Project Document's logical framework indicators of achievement. This, combined with the national roll-out of the SIYB methodology and materials, indicates that the program has been highly effective in influencing local employment creation and enterprise development through new venture creation across China.
- 8.2 When compared against the Project Document Log Frames, the project has achieved its immediate objectives completely or to a large extent in almost every case (Table 1).
- 8.3 The wider effectiveness of the project's poverty alleviation development objectives can be inferred based on the following logic. The principal success of SIYB has been the re-employment, through self-employment and new venture creation, of laid-off workers and in its later Phases the unemployed. This major achievement is highly likely to have had a positive effect on poverty alleviation. Laid-off workers initially receive a small monthly stipend (typically around 180 to 200 RMB, or approximately \$24 USD per month) and before privatization continued to receive rental subsidies.

The loss of these benefits and the lack of a fully developed social welfare payments system has placed large numbers of former SOE workers on low or marginal incomes at or near the international poverty benchmark of \$1 USD per day.

- 8.4 Re-employment through self-employment or via ventures started and sustained by SIYB participant entrepreneurs has been a major outcome from the project, with almost all participants (743,000 out of 760,000) being laid-off and unemployed workers. The positive impacts on almost three-quarters of a million laid-off and unemployed workers, living on minimal allowances and without wages, is highly likely to have enhanced their income and so reduced poverty (relative and absolute).
- 8.5 A positive contribution by SIYB China to equitable growth can be inferred as well, but less strongly than the logical case for poverty alleviation made above. Reaching laid-off workers and migrant workers, both of which are economically vulnerable groups, is likely to increase their future income generation potential. The counter-logic, however, is that rapid rates of economic growth across China, and especially in more developed areas, may out-strip the income gains of SIYB participants, leading to increased rather than reduced inequality.

1. Evaluation Assessments of Overall Development Objective for Each Phase

Phase	Development Objective	Assessment
1	To contribute to poverty alleviation, employment creation and private sector development.	<ul style="list-style-type: none"> Phase 1 Evaluation: Yes in terms of employment creation and private sector development. Cannot determine effects on poverty alleviation Clear and substantial impact on employment creation and PSD, with strong inferred effects on poverty alleviation.
2	To contribute to equitable growth and the alleviation of urban poverty in South West China.	<ul style="list-style-type: none"> Phase 2 Evaluation: <i>focuses on outputs only.</i> Strong inferred effects on poverty alleviation, supported by high levels of employment creation. Positive effect on equitable growth can be inferred, but less strongly.
3	To contribute to more equitable economic growth through small enterprise development in secondary cities of Western China.	<ul style="list-style-type: none"> No evaluation commissioned to focus on this specific phase. Strong inferred effects on poverty alleviation, supported by high levels of employment creation. Some positive effect on equitable growth can be inferred.

2. Assessments of Outputs for each Phase

Phase	Assessment
1	<ul style="list-style-type: none"> Phase 1 Evaluation: outputs were achieved. However, the nature and scope of the programme's strategic development plan was questioned and there is no indication that this has been addressed through the remainder of the project. There continue to be concerns and ambiguity about the nature of the Chinese version of the SIYB training materials.
2	<ul style="list-style-type: none"> Phase 2 Evaluation: outputs broadly achieved. However, there are still two outstanding areas where outputs have not been achieved in Phase 3 and so are unlikely to be achieved within the project period: (1) under output 6, training of EYB trainers and entrepreneurs, 6.10 to 6.14 have not been achieved; (2) M&E methods are under-developed throughout the project, placing doubt on outputs 7.1 and 7.2.
3	<ul style="list-style-type: none"> This Phase is still in process and so definitive comment cannot be made on achievement of outputs. At the time of the evaluation, MoLSS identified a list of materials that had not been produced.³ The Ministry also indicated that M&E tools for business counsellors had not yet been developed and the delay in delivering EYB has prevented training of EYB Master Trainers.

Business start-ups

8.6 The SIYB China project has led to the creation of more new businesses as a result of the program, and in particular the extensive dissemination and use of the SYB package. SIYB start-up businesses are exposed to some extent by the under-development of IYB, a post-start 'survival' program for new ventures that has the potential to optimize prospects for survival and reduce risks of termination.

Job creation

8.7 The program has had a major impact on job creation. It has also had a likely positive impact on safeguarding jobs, given that a significant proportion of SYB participants had already started their own ventures before attending, and attributed improved survival rates of the these ventures to SYB.

Indirect job creation of linkage firms

8.8 This has not been assessed, either in technical research commissioned through the SIYB China program or as part of this evaluation. The value chain mapping methodology introduced in Phase 3 has the potential to map indirect job creation

³ According to MoLSS, outstanding documentation that had not been published at the time of the evaluation included: business counsellors' guide; 'People and Productivity' module in IYB; collected proceedings of the SIYB China project; training manual on HIV/AIDS; various technical guides (SIYB game guide, finalized SYB Master Trainer's guide, IYB trainer's and Master Trainer's guides, EYB trainer's and Master Trainer's guides, EYB game guide and trainer's game guide).

effects, but this module has been introduced relatively late in the project cycle, and the re-positioned within the Phase 3 activity schedule (from Output 1 to Output 5).

Increased economic activity among economically excluded groups

8.9 The target groups for all three Phases of the project have been economically excluded groups, located in less developed parts of China where economic exclusion is a major development challenge and constraint. The focus on self-employment and new venture creation as means of stimulating economic activity within these groups has been one of the substantive achievements of SIYB China.

Focus on laid off workers and migrants

8.10 Laid-off workers have been the primary beneficiaries of SIYB China. Based on the data provided, the program has had a positive effect on large numbers of laid-off workers. Although a much smaller percentage of participants have been migrant workers, 50,000 have participated in the program.

8.11 The development and transmission of the 'soap opera' dramatizing the SIYB program – My future is not a dream – has been a real success, both in terms of viewer audiences and in stimulating interest in new venture creation and self-employment.

8.12 However, there are no plans for further roll-out nationwide. The reason given for this was the commercial cost and the structure of the series (12 episodes was seen as too short a 'run' for other broadcasters to be interested).

Recommendation: Pursue regional and municipal roll-out of the program.

HIV/AIDS

8.13 Materials have been developed and disseminated on HIV/AIDS prevention through the SIYB program. This has proven an effective way of communicating this prevention message through a strong dissemination channel.

People with Disability (PWD)

8.14 The training of People with Disability undertaken with the China Disabled Persons' Federation has involved 51 participants, of which 29 were entrepreneurs, in three workshops. All participants were offered GYB, with 30 going on to participate in SYB and 21 in IYB.

8.15 These pilot workshops only included people with disability, indicating that there was no 'mainstreaming' by offering open programs attended by people with as well as without disabilities.

- 8.16 There is an opportunity for PWD to be trained under the 'unemployed' category if they have no work, thus introducing them into groups made up of individuals with diverse backgrounds and characteristics.

Recommendation: Mainstream PWD training material into SIYB training through case studies and additional exercises.

Ex-convicts

- 8.17 The Ministry of Justice collaboration with MoLSS has exceeded output targets for ex-convicts and, based on stated intention from the Ministry of Justice lead on this part of the SIYB program, looks likely to be extended across the Ministry and its network.
- 8.18 The Ministry is exploring the potential for offering SIYB to ex-convicts during a one-month orientation program immediately before their release.

Engagement by women in SIYB

- 8.19 There was little explicit focus on women in the early documentation for SIYB China. In spite of this, overall female participation has been high throughout the project, and according to MoLSS has been at 60% through the first two phases of the project.
- 8.20 Gender proportions of SIYB Master Trainers are equal, and there have been more female than male SIYB trainers (54% to 46%).
- 8.21 However, there has been no real engagement with female migrants in the entertainment industry or domestic workers in Phase 3, even though this was a key target group. This appears to reflect GoC counterpart concerns around the nature and status of employment of women in these industries.
- 8.22 Overall, more women have participated in SIYB than men and there are more female than male SIYB trainers. Consultation with participants suggests a relatively high proportion of business starters in the SIYB areas visited were women.
- 8.23 High levels of female participation in SIYB China can therefore be seen as a positive, if unplanned, outcome from the project.

9. Strategic relevance of the intervention

ILO corporate objectives

- 9.1 The SIYB China program promotes job creation through small enterprise development, and so is strategically relevant to ILO corporate objectives (Recommendation 189: Job Creation in Small and Medium-sized Enterprises).
- 9.2 The overall approach of the SIYB China program has been to develop markets for Business Development Services (BDS), through stimulation of a network of Trainers and Master Trainers, and the embedding of SIYB training capacity in training organizations. This has generated genuine potential for sustainable development of BDS providers and a BDS market for new ventures and SMEs.
- 9.3 However, approximately 90% of the provider organizations are subsidiaries or affiliates of the local Labour Bureaus that have responsibility for implementation of SIYB at municipal level. The BDS market emerging from SIYB China, as a result, is closely linked with local government rather than the emergence of commercially viable private providers.
- 9.4 The target groups associated with each Phase of the SIYB project have ensured a socially sensitive approach to enterprise restructuring and development, in that each Phase has targeted groups that have been adversely affected by enterprise restructuring and growing inequalities.
- 9.5 The only area where there is some risk of non-alignment with ILO corporate objectives is likely to revolve around future development of the Ministry of Justice program for ex-convicts. There was some indication that the success of the pilot program has encouraged the Ministry to consider extending the training to convicts, which would not cohere with ILO objectives and policy. However, this is likely to occur outside the mainstream prison system: ex-convicts undergo a final period of re-orientation in what is effectively a 'half way house' before reintegration into society.

GoC priorities and stated objectives

- 9.6 **MoLSS.** The Ministry has lead responsibility for the “program and policies with regard to the lay-off and redeployment of retrenched workers from SOEs”, and the “employment of surplus rural labour as well as orderly interregional migration of rural labour”. The Ministry is also responsible for the reemployment of unemployed and laid-off workers (a single statistical category).
- 9.7 The SIYB program directly addresses reemployment of unemployed and laid-off workers, and has a clear focus on labour absorption from SOE restructuring and rural

surplus labour, making it strongly consonant with MoLSS priorities and stated objectives.

- 9.8 **Ministry of Justice.** The Ministry of Justice has engaged in SIYB Phase 3 because of the problems that ex-convicts experience when seeking employment, or reemployment, following their release from prison. The stigma attached to being a prisoner is widely held in China, making most employers reluctant to take on ex-convicts. The Ministry sees self-employment as a viable and attractive option for ex-convicts, many of whom are excluded from employment opportunities.
- 9.9 **Other GoC Stakeholders.** Although not directly involved in the SIYB program, the State Development and Reform Commission (*Fagaiwei*) may have an interest in and possible future alignment with the project. The Commission (NDRC) has been tasked with establishing SME Support Systems at municipal and county level across China, and to support the establishment of BDS providers within this system. The providers established and developed through SIYB therefore offer a means of achieving this legislative stipulation and policy objective for the NDRC. In addition, the proven nature of the SIYB product range allows for dissemination and capacity-building at local level as part of development of SME Support Systems.

Objectives and corporate priorities of partner donors

- 9.10 The phased structure of SIYB has ensured that the priorities and objectives for each annual phase have been assessed by partner donors. Indeed, the short timelines for each phase provide a means for partner donors to shape the objectives and targeting for each phase of the SIYB China program. Each year has been consistent therefore with donor priorities.
- 9.11 The focus of Phase 2 on migrant rural workers aligned with a focus in the ILO-PEP program funded by the Japanese Ministry of Health, Labour and Welfare on rural agricultural workers, and so can be seen as consonant with this donor's priorities.
- 9.12 However, a year-on-year phasing of SIYB China has created variation in priorities and targets between phases. Donor priorities have changed for each phase, and therefore the project has been internally inconsistent.
- 9.13 This is particularly evident in the changes from phase to phase of target groups. Our fieldwork indicated that there are still laid-off workers participating in SIYB because they have not found employment following on from SOE restructuring. Laid-off workers on SYB courses continue to make up the vast majority of participants in SIYB training.

9.14 The focus in Phase 1 on reducing the social impact of the SOE restructuring (laid-offs) continued into Phases 2 and 3. Similarly, the focus of Phase 2 on developing the private sector to benefit marginalized migrants has followed through into Phase 3, albeit at lower levels than the focus on laid-off workers.

9.15 The central concern of Phase III to support specific vulnerable groups has not been as successful as the targeting in Phase 1, and to an extent Phase 2. There is, in terms of Phase 3 target groups, a mismatch between DFID concerns with Millennium Development Goals concerned with particularly vulnerable groups and the poorest of the poor⁴ and actual targeting by Employment and Labour Bureaux and training providers on the ground.

10. Impacts: Participation in SIYB China

10.1 The overall results of the SIYB China program have been impressive. According to MoLSS, the total number of participants based on latest figures was 760,000.

10.2 Almost 98% of participants undertook SYB training:

- GYB = 15,000 participants
- SYB = 743,000 participants
- IYB = 3,151 participants
- EYB = 13 participants

3. Summary of SIYB Participant Results, Phases 1 to 3

Phase	Within focus areas of the SIYB Project	Nationally
1	32,000 (13 cities)	170,000
2	43,000 (4 provinces)	280,000
3	23,000 (6 provinces) *	310,000*
Total	98,000	760,000

* Year to date (July 2006-March 2007).

10.3 Across all 3 Phases of SIYB, the focus was on laid-off workers.⁵ This group accounted for almost all participants in SIYB training, not only in Phase 1 but

⁴ DFID China Country Action Plan 2006-2011.

⁵ The statistical categorization of laid-off workers changed

throughout the project. The primary effects of SIYB China have therefore focused on laid-off workers throughout all phases of the program, even though the overall development objectives and associated targeting has varied between project phases.

- 10.4 The targeting of Phases 2 and 3 has been somewhat effective for the rural migrant labour group that was the emphasis for Phase 2, but there is no indication that the vulnerable groups highlighted in Phase 3 have been targeted in significant numbers. Indeed, graduates – a group of particular concern in 2007 to MoLSS – accounted for more participation in the program than individuals from named Phase 3 target groups (mainly through GYB training).
- 10.5 Of the 760,000 participating in SIYB, the breakdown by target groups is as follows:
- 91.3% laid-off workers
 - 6.7% rural migrant workers
 - 0.8% graduates
 - 1.2% other.
- 10.6 Almost all businesses started (90%) were registered as individual household enterprises (*getigongshanghu*). 5% were registered as private enterprises and 5% in other forms of ownership (typically partnerships and joint stock companies).
- 10.7 In terms of sectoral breakdown, almost all participants were in retail and catering:
- 55% retail and wholesale
 - 30% catering
 - 10% manufacturing
 - 5% other

Estimated Cost per Participant

- 10.8 The mean cost per participant for the project can be calculated, based on project funding per phase divided by total number of SIYB project participants (see Table 2 below). Costs were calculated based on donor funding only (amended in Phases 1 and 2 based on the carry-forward identified in the Project Documents) and based on total cost (donor funding ‘plus’ GoC contribution).

4. Calculated ‘Delivery’ Cost per SIYB Project Participant**

Phase	Donor Funding only	Donor + GoC Contribution

1	\$83	\$204
2	\$24	\$57
3	\$56*	\$118*
Mean	\$51	\$119

* Year to date (July 2006-March 2007). ** Excluding credit.

- 10.9 Total costs per participant ranged from \$41 USD in Phase 2 to \$195 USD in Phase 1. This is significantly lower than the 'cost per trainee' calculated within the Phase 1 evaluation. The variation can be explained by the high local government contributions used in the Phase 1 evaluation, based on the inputs section of the Project Document (p.47). We have used the stated direct contribution by GoC from the front page of the Project Document because our field work indicated that in-kind, local contributions were not at the higher levels.
- 10.10 'Delivery' cost for the national program, as rolled out by MoLSS to areas outside the SIYB project, is more difficult to estimate. No detailed costings were provided during the evaluation period.
- 10.11 However, field visits indicated that there has been significant local investment through Labour and Employment Bureaus and training providers affiliated with these entities. In addition, MoLSS at national level indicated that the inputs and impacts of SIYB were broadly equivalent both within the SIYB project and in its wider national roll-out to non-project locations: "Inputs and impacts are the same whether in the phase focus of the project or not."⁶

Businesses started

- 10.12 Calculations of numbers of businesses started as a result of SIYB are based on the following assumptions, all of which have been provided by MoLSS:
- 743,000 of the 760,000 participants undertook SYB training
 - 90% of participants complete SYB training
 - 60% establish a business following on from SYB training.
- 10.13 Based on these working assumptions, the following numbers of businesses were started:

5. Estimated Numbers of Businesses Started

⁶ Interview with MoLSS, Beijing, May 24th, 2007.

Phase	Within SIYB Project	Nationally
1	16,893	89,747
2	22,701	147,818
3	12,142	163,656
Total	51,736	401,220

10.14 However, the Phase 1 evaluation, and the impact assessment study both found that a proportion (around 40%) of SYB participants were already running businesses when they started a course.

10.15 If we use this finding to assume that 40% of starters were already running their own business when they participated in SYB, then the numbers of businesses started can be reduced to the following levels:

6. Revised Business Start-Up Calculations to Capture 'Net' Creation Rate

Phase	Within SIYB Project	Nationally
1	10,136	53,848
2	13,620	88,691
3	7,285	98,193
Total	31,042	240,732

10.16 Although these estimates are lower, they still point to a large number of new businesses being created through SIYB.

Estimated Job Creation Effects

10.17 The SIYB impact assessment report calculated that approximately 2 to 3 jobs were created for each start-up.⁷

10.18 MoLSS has estimated that the mean number of jobs created per start-up was between 2 ½ and 3, providing a comparable basis to the SIYB impact assessment report (indeed, the report may have informed MoLSS calculations). We can therefore use the MoLSS estimate as an indicative baseline assumption for calculating the overall job creation effects of SIYB in China.

7. Estimated Job Creation Effects

⁷ Summary Overview of SIYB Training Impact in China, February 2005.

Phase	Estimate 2.5 jobs per new venture		Estimate 3 jobs per new venture	
	Within SIYB	Nationally	Within SIYB	Nationally
1	42,234	224,366	50,680	269,240
2	56,752	369,545	68,102	443,454
3	30,355	409,139	36,427	490,967
Total	129,341	1,003,050	155,209	1,203,660

10.19 **‘Gross’ creation rates.** The job creation estimates that are generated based on these assumptions indicate that between 130,000 and 155,000 jobs were created (or safeguarded) within the SIYB China program areas over all three phases. Nationally, between 1 and 1.2 million jobs were created (or safeguarded) through the roll-out of the SIYB program to non-project areas.

10.20 This equates to between 1.3 and 1.6 jobs created per SIYB participant within the SIYB project areas and nationally, i.e. almost identical proportions of jobs created per participant within and outside the SIYB project areas.

10.21 **‘Net’ creation rates.** Table 6 suggests that the ‘net’ job creation rate for the SIYB China project, within project areas, was lower, at between 77,605 and 93,126. This table also indicates that ‘net’ creation rates ranged between 601,830 and 722,196 nationally.

8. Estimated Cost per Job Created**

Phase	Estimate 2.5 jobs per new venture		Estimate 3 jobs per new venture	
	Donor Funding only	Donor + GoC Contribution	Donor Funding only	Donor + GoC Contribution
1	\$62.71	\$154.34	\$52.26	\$128.61
2	\$17.91	\$42.93	\$14.92	\$35.77
3	\$42.81*	\$89.59*	\$35.67*	\$74.66*
Mean	\$38.38	\$90.26	\$31.98	\$75.21

* Year to date (July 2006-March 2007). ** Excluding credit.

10.22 The calculated costs per job are much lower than those from other SIYB programs, and other donor activity in China. They are also lower than previous calculations from an evaluation of the early stages of the project. The cost per job, net of credit, is between \$75 USD and \$90 USD, compared with \$231 calculated for Phase 1.⁸

A Comment on Data Robustness

The coincidence that proportions of jobs created per participant within and outside project areas have been the same raises some questions about the data collected by local Labour Bureaux. Our fieldwork found that data on new business creation was likely to be incomplete, because these data were provided on a voluntary basis by SIYB participants providing a copy of their business registration certificate to the local training provider or Labour Bureau. In most cases, this was done in order to acquire funding through the CGF component of SIYB. However, we assume that not all SIYB participants who started a new business acquired finance through the SIYB CGF (indeed, several entrepreneurs who were interviewed during the field trips indicated that they had not acquired finance this way).

The national figures for jobs created per participant and per new businesses therefore cannot be considered completely reliable. Instead, these figures provide a broad estimate, or quantitative guide to, the impacts of the SIYB program on re-employment and employment.

These results should be seen as indicative, therefore, for the following reasons. Firstly, discussions with MoLSS – both nationally and locally – indicate that the M&E component of the program has not been fully implemented. It is not apparent, as a result, how these data were collected and whether the numbers of participants have been corroborated.

Secondly, the multiplier used to calculate jobs generated appears to be based on the 2005 Impact Assessment study and so has not been updated for Phases 2 and 3 of SIYB. Our field visits suggested that these indicators are useful, and if anything, cautious measures. However, more detailed field research would be needed to formulate a more robust multiplier for calculating job creation effects through start-up.

And, thirdly, the cost per job created does not include detailed costings for MoLSS inputs and activities. These cost calculations therefore are indicative rather than definitive.

⁸ *Evaluation of the Start and Improve Your Business (SIYB) China Project*, August 2005, p. 10.

11. Training results and impacts

Generate Your Business (GYB)

- 11.1 The primary concern of MoLSS with stimulating greater levels of new venture creation has led to local delivery focused on SYB as the primary product. In addition, the inclusion of aspects of GYB in the SYB training materials has reduced demand for and provision of GYB within the product portfolio.
- 11.2 GYB has been particularly targeted at particular groups where MoLSS has identified, or perceives, there to be a need to raise awareness of the possibility of business start-up. GYB has been offered to unemployed University graduates, for example. GYB was seen as particularly useful for this group in presenting self-employment or business start-up as an option for graduates who have been unable to secure employment.
- 11.3 During Phase 3, GYB has also been targeted at individuals classified as 'surplus rural labour', i.e. people residing in rural areas who cannot find employment. This group has become a policy concern as loss of rural land to development has pushed farmers 'off' their land – a trend that has existed throughout the reform period, but is becoming increasingly evident and prevalent.
- 11.4 For both groups, GYB is used as 'awareness-raising', to determine interest in starting a business or becoming self-employed.
- 11.5 No data were provided on the impacts of GYB on graduates or other types of participants. However, consultation with GYB participants in Ningxia indicated that the main benefit of the program was the development of skills to assess the viability and potential of a particular business idea.

Start Your Business (SYB)

- 11.6 SYB has accounted for the majority of SIYB training in China throughout the project period. This reflects the continuing focus on laid off workers through the period.
- 11.7 Overall, participants found SYB helped them to structure their new ventures and to increase the prospects for successful start-up and survival. Many had already decided to start a new venture, or were already running a business when they enrolled on their SYB course.
- 11.8 This supports the evaluation of Phase 1 of SIYB China, which found that many participants in SYB had already started their ventures or had been running their own businesses for some time. This raised questions as to the actual new venture and

related employment creation impacts of SIYB, given the focus of the program on enabling individuals to start their own ventures.

- 11.9 The evaluation team examined this issue during field visit meetings with SYB participants. As with the Phase 1 evaluation, we found that a proportion of participants were already running their own businesses when they started SIYB.
- 11.10 However, we also established that the majority of those who had already started a business before participating in SYB were experiencing difficulties in either growing or maintaining their business. A key motivation for attending SYB therefore was to ensure the survival and future growth prospects of these ventures. Following on from participation in SIYB, these individuals indicated that the prospects of their ventures improved markedly, ensuring survival and enhancing future prospects for growth.
- 11.11 This finding suggests that the value of SYB was two-fold. Firstly, it fulfilled its intended objective of helping individuals to start their own ventures, generating new employment opportunities. Secondly, SYB enabled existing ventures to survive. As a result, the impact of SYB can be seen to be jobs 'safeguarded' or 'sustained' as well as jobs created. Without participation in SYB, participants believed that their ventures had low prospects for survival and growth. This second, unintended consequence of SIYB China is broadly positive, but was not a planned part of the project logframe or outputs.

Improve Your Business (IYB)

- 11.12 There is a lack of data on the impact of IYB, because this package was introduced in Phase 2 but only launched in Phase 3 of the SIYB program. It is not possible, as a result, to comment on the overall impact of this package.
- 11.13 Participation levels in IYB have been low; at 3,151 according to MoLSS.
- 11.14 According to MoLSS, the reason for these low participation levels has been the capacity of SYB trainers to become IYB trainers: "It has been difficult to find trainers with the right education and experience to run IYB and EYB courses."⁹ However, the view of MoLSS nationally and the local training and government agencies is that there is a need for this course, and demand.
- 11.15 There is some indication from field and stakeholder interviews that local promotion and marketing campaigns could be developed that would stimulate greater demand from likely participants, indicating the opportunities that would arise from developing a more market-facing approach when implementing SIYB locally.

⁹ Interview with MoLSS, May 24th, 2007.

- 11.16 Pricing policy for SYB may have adversely affected demand for IYB. SYB has been offered for a minimal fee or without charge in most cases. IYB, however, has been charged at a semi-commercial fee.
- 11.17 There is also some evidence that the non-publication of the 'People and Productivity' module of IYB has created an impression amongst trainers and training providers that the package is incomplete.

Expand Your Business (EYB)

- 11.18 There has only been one national pilot of EYB, attended by 13 entrepreneurs put forward by SIYB centres. The evaluation could not, as a result, acquire sufficient detail and data on this package to consider impact and results.

Summary

- 11.19 Effectively, SIYB China has been a large-scale SYB program, with almost all participants being trained in this package. The SYB component has been particularly successful, training almost three-quarters of a million people over the three phases.
- 11.20 The impact of IYB has been low, in terms of take-up levels, and only one pilot EYB program has been run. This reflects a focus by MoLSS on employment creation through business start-up and self-employment; policy concerns that have affinity with the SYB component of SIYB.
- 11.21 The benefits to clients of participation in SIYB were clear. Interviewed entrepreneurs indicated that they would not have developed as well without SIYB.

12. Impact on policy and regulatory environment

- 12.1 SIYB China has achieved clear and attributable impacts on policy development in China. The imminent Employment Promotion Law makes reference to employment creation through self-employment and start-up. The experiences of SIYB that MoLSS has been involved with at national level, along with the project and its development in various parts of China and the national roll-out beyond the project, constitute an experiential foundation that has informed MoLSS thinking and practice.

Efficiency

- 12.2 Value for money in terms of cost per job should not be seen through the eyes of the ILO project budget alone, but also through the total amount spent by the Government Reemployment Fund on training subsidies. This Fund provides around 2.5 billion

RMB each year to local Labour Bureaux, and SIYB implementation has been funded through part of this income stream. Incorporating such funding into estimates of cost per participant and per job will increase the actual cost. If all of this local subsidy was used to fund local government inputs into SIYB, the total investment through this source would be circa \$60 USD. Based on feedback from MoLSS, most of this Fund not was spent on SIYB. We can therefore estimate that MoLSS funding was at most equal to SIYB China project funding, and more likely to be less than donor finances.

Effectiveness

- 12.3 The project has produced many outputs, each of which has informed and enabled practice 'on the ground'. However, MoLSS has identified several outputs that are waiting to be finalized at the end of project and has expressed concerns that these should be delivered before termination of the project (now extended from June 2007 to December 2007). If these outputs are not produced in published format, the achievements and overall reputation of SIYB China may be affected and the prospect of working them into the MoLSS SIYB portfolio reduced.
- 12.4 The priority in terms of policy impact effectiveness is to develop sustainability within the NPO and MoLSS to take SIYB China forward after termination of the technical inputs from MoLSS. This can be achieved by sustaining some form of ongoing engagement from ILO in SIYB China. It can also be supported through capacity-building at national level by MoLSS.

Recommendation: A long-term engagement by ILO on continued capacity building, through ToMT, is developed and confirmed.

Recommendation: MoLSS develops a national resource centre for SIYB to sustain its implementation and roll-out beyond the project period.

Sustainability

- 12.5 The major conclusion from the evaluation in terms of sustainability at a national, policy level is that the Trust Fund facility has not worked. Although published materials are reaching local Labour Bureaux and trainers, the arrangements do not appear to include revenue payments by local providers and facilitators. Materials, in effect, are provided for free, indicating a further national subsidy of local SIYB activity

Cross-cutting Considerations

- 12.6 **International Labour Standards.** There was little indication that these standards had been addressed through SIYB China. However, this does not suggest that the

project has been contradicting or working against these standards. It merely indicates that they have not been 'factored in', explicitly, to project implementation.

- 12.7 **Equality and Gender Issues.** All research commissioned and undertaken by ILO China has used gender disaggregated data. This provides an empirical basis for monitoring gender distributions and patterns across the project.
- 12.8 In total, 60% of SIYB participants were female and 40% male. Coincidentally, the two project cities visited had inversed proportions, i.e. 60% male and 40% female.
- 12.9 It is not clear that gender has been a particular focus for MoLSS and local Labour and Employment Bureaux during the project. For participants, there may have been scope for a more vigorous approach to engaging women participants.

13. Training Materials

- 13.1 The SIYB program is a materials-based training program and as such it is essential that high quality manuals are available to the trainees.
- 13.2 The material distribution system by MOLSS seems to be functioning well, but not on a commercial basis. At each training provider we visited, there were ample stocks of training materials and each participant in the classes that we observed had the appropriate materials in published format. In the three training locations that were visited printed versions of the GYB and SYB manuals were being used, and were provided by MoLSS's printing division. The EYB manual has not yet been printed.

GYB and SYB

- 13.3 During the PEP project that preceded SIYB the SYB manual used was based on a Vietnamese version. The Vietnamese version had two main sections. The first section enabled the potential entrepreneur to develop a business idea and the second section guided an entrepreneur with a business idea step-by-step in how to develop a business plan to start a business.
- 13.4 In the period between introduction of the Vietnamese version of SYB into China and the start of the SIYB project, the global SIYB program developed a new manual - Generate Your Business Idea (GYB). This was an expansion of the business idea generation section of the earlier version of the SYB manual.
- 13.5 The new manual enabled the program to better segment business start-up clients. Those who already had a business idea could move directly to participation in an SYB course, and so would be trained in how to develop a business plan and start a

business using a revised SYB manual that did not incorporate a business idea generation component. Those without a business idea could go through a 2-3 day business awareness and idea generation training to assess whether they had some entrepreneurial characteristics and to come up with a *feasible* business idea (GYB).

- 13.6 When the SIYB China project started in 2004 the new approach of differentiated business idea (GYB) and business start-up (SYB) training packages was introduced as the proposed structure of the program.
- 13.7 However, discussions with MOLSS, trainers and entrepreneurs, show that the PEP version of SYB is still being used. The SYB manual used in the project therefore incorporates the business idea generation principle and components that underpin the global GYB package.
- 13.8 The reason for this is unclear. MOLSS indicated that it is working towards revising the existing PEP version of SYB.

Recommendation: ILO China and Mongolia office liaises with MoLSS on revisions to the training materials to support introduction of the new materials.

- 13.9 GYB is being delivered to a limited audience as business awareness training, differentiating it to some extent from comparable material within the SYB package. For example, university graduates in Tianjin and Ningxia have been offered GYB training in order to raise the possibility of self-employment and business start-up as an alternative career option. In contrast, SYB continues to be used as the universal 'solution' for potential business starters.
- 13.10 This has created some confusion and overlap between the two products. Participants with a business idea have been offered business idea generation training as part of SYB, even if they do not require these inputs. In contrast, the primary focus of GYB on awareness-raising has meant that individuals without a business idea get less time and technical support to assess their entrepreneurial potential and to generate and evaluate promising business ideas.
- 13.11 Trainers are using the PEP trainer guide, which gives instructions on how to use the manual. However, the PEP guide does not incorporate the systematic approach to training that underpins the newer SIYB trainer manual. The PEP trainer guide does not consider fully the wider functioning of the program and the market development principles that the newer manual proposes.

Recommendation: the SIYB programme in China should adopt the updated GYB and SYB manuals and approaches, and trainers should be helped to replace PEP trainer guides with guides for the updated SIYB integrated approach.

- 13.12 Views on the SYB manual in Tianjin and Ningxia reflected project phasing and the overall capacity of institutions and trainers. In Tianjin, which was a Phase 1 participant in SIYB China as well as being a well developed institution with strong local government support, the trainers found the manual a little too basic for business starters. In Ningxia province, trainers felt that the financial section is too advanced.

Improve Your Business (IYB)

- 13.13 Feedback from trainers and master trainers indicates that, in their view, IYB is not localised/adapted enough to local circumstances, in terms of the vocabulary, figures and content used within the materials.
- 13.14 The IYB People & Productivity module has not been introduced yet, but demand for the module appears to be high, according to the trainees involved in focus group discussions in Tianjin and Shizuishan.

Recommendation: There is a need, and opportunity, to promote IYB as a 'next-step' module within the SIYB package.

EYB

- 13.15 The EYB manual is finalized, but has not yet been printed and was only available in 'final proof' format to the trainers who have gone through Training of Trainers for this product.
- 13.16 The case study which supports the EYB manual was finalized in Phase 2, apart from an outstanding contract with an accounting firm to develop the financial scenarios. These financial scenarios have not been finalized in Phase 3. Without the complete case, the manual becomes less accessible and less useful.

Recommendation: The EYB materials need to be finalised and printed for circulation.

HIV/AIDS

- 13.17 An output in the third phase of the project was to mainstream HIV/AIDS in all four training packages of the SIYB program. To achieve this, manuals were developed for entrepreneurs and trainers at the beginning of Phase 3 that have been handed over to the NPO. Our fieldwork indicates that this manual has not been made

available to trainers, potentially limiting the impact of mainstreaming awareness and prevention training on HIV/AIDS within SIYB China.

Delays in getting training products to “market”

- 13.18 Shifting project priorities from Phase to Phase have not allowed a long term planning horizon to emerge. Each phase has therefore had insufficient time to produce specific materials as outputs within each phase. There are, as a result, outstanding materials that from Phases 2 and 3 that are specific outputs that have not yet been published.
- 13.19 There also appears to be some ambiguity, as well as difference in opinion, on the format and content of certain materials, including the business counselling guide.

The SIYB Business Game

- 13.20 The SIYB business game was introduced with the SIYB project. Extensive capacity building was needed to enable the GYB and SYB trainers to facilitate the game, and this seems to have been achieved.
- 13.21 The SIYB business game guide has not yet been printed. There is an old game guide available, but it does not provide the same support to the trainers as the new one.

Recommendation: Outstanding materials to be ‘signed off’ by MoLSS and the NPO and then printed.

14. Training cycle

Marketing

- 14.1 GYB and SYB are subsidized training products, with most participants not paying for attending these two training programs. There was evidence, however, of differential or inconsistent pricing for SYB, with some participants in the Tianjin trainees’ discussion group indicating that they had paid and others indicating that it was free of charge.
- 14.2 The re-employment fund provided to local government by central government appears to be the source for funding subsidized SYB training.

- 14.3 IYB is 50% subsidized in Tianjin. The future target price is to charge RMB 1,200 for a 5 to 8 days IYB training program. Each of the six current modules¹⁰ is priced at RMB 100.
- 14.4 Training institutions are marketing SIYB training through TV advertisement and direct marketing within the local communities. However, there was no awareness of how to segment these markets and create unique service propositions for different market segments.

Participant selection and training needs analysis

- 14.5 There appears to be some inconsistency in terms of selection of participants and analysis of their needs.
- 14.6 We found that a proportion – approximately 20% in Tianjin – of participants were already running their own business when they started SYB training. This is a lower proportion than the 39% reported in the 2004 Impact Assessment study.
- 14.7 Based on our field work, we found that participants that were identified as not having a good business idea were not accepted for SYB. However, SYB in its current form includes a business idea generation section. It was not clear that individuals not accepted on to SYB for this reason were automatically referred to a GYB course.
- 14.8 In addition, ‘progression’ from course to course was variable. Although all attendees at GYB workshops for PWD went on to further SIYB training some – those that were entrepreneurs running their own businesses – received IYB training and others SYB training.
- 14.9 IYB is complementary to SYB as it helps micro and small enterprises to consolidate and sustain their business. IYB therefore has the potential to secure the benefits of SYB by strengthening the prospects for survival and growth amongst new ventures that move from SYB to IYB training. There appears to be scope therefore for more explicit consideration of the benefits of IYB, as well as/or instead of SYB as an option – for individuals who have already started and are running their own businesses.

Training

- 14.10 In discussions with entrepreneurs in both Tianjin and Shizuishan, the unanimous view was that the training methodology was “good” and “innovative”. The result of the training methodology was, according to participating entrepreneurs, improved learning outcomes and confidence building.

¹⁰ People & Productivity has not yet been introduced.

- 14.11 An indirect result of the “new” training methodology is that it is now being applied in other programs run by the partner organizations. The “ripple effect” of the approach is a change in training style in many of the partner organizations.¹¹
- 14.12 The SIYB training standard in terms of having two trainers and one training organizer at each training workshop was a common practice in both provinces visited. However, in Shizuishan some trainers had not facilitated all parts of the SYB manual, which points to insufficiently developed trainer competence in all aspects of SYB.
- 14.13 In terms of developing trainer and institutional capacity, the Tianjin Business Start-up and Support Centre offers examples of good practice that could be taken up elsewhere. There are regular meetings between trainers and master trainers to discuss and exchange facilitation techniques and explore issues encountered during training.
- 14.14 The centre also encourages trainers to sit in at each other’s session and give feedback to trainers in order to further improve their training skills.
- 14.15 It should be noted, however, that Tianjin is a well resourced training centre that has a strong staff base. This means that the capacity of the Centre, with support from Tianjin Labour Bureau, appears sufficient to ensure continuation and development of SIYB. New and revised materials and training tools are the only two areas where the municipality is reliant on outside support.
- 14.16 This is in contrast to the Ningxia province and in particular the Shizuishan municipality bureau, where resources are limited and the SIYB program has been more recently introduced. There are signs of reliance MOLSS to provide future direction and support, even though the province has enough capacity to run its own trainer development program.

Follow-up services

- 14.17 Evaluations of PEP and SIYB have highlighted the need to build the follow-up/counselling capacity of the trainers and/or training providers. In Phase 3, the project has an output dedicated to developing the counselling capacity of the program. To date, 100 persons were trained in counselling techniques. This is a limited sub-set of the 4,800 trained trainers and 2,000-2,500 active trainers.
- 14.18 The general feedback from trainers was that the counselling training was useful. The ILO book “Management Consulting” was provided together with a short set of guidelines on counselling.

¹¹ This was observed ‘in action’ by the evaluation team.

- 14.19 The evaluation team did not have the opportunity to check the effectiveness of the selection in which approximately 50% were trainers and the other half were future organizers of training. The activity rate or impact of both groups could not be verified. This is partly because the M&E system that was a part of the output was not delivered.
- 14.20 Follow-up services vary by training product and target group. In particular ex-convicts need a more intensive follow-up system to succeed with a business start-up. The MoJ identified follow-up as a key constraint in the delivery of SYB to ex-convicts.

Recommendation: Scaling-up through ToMT workshops will enable this development.

Monitoring and Evaluation (M&E)

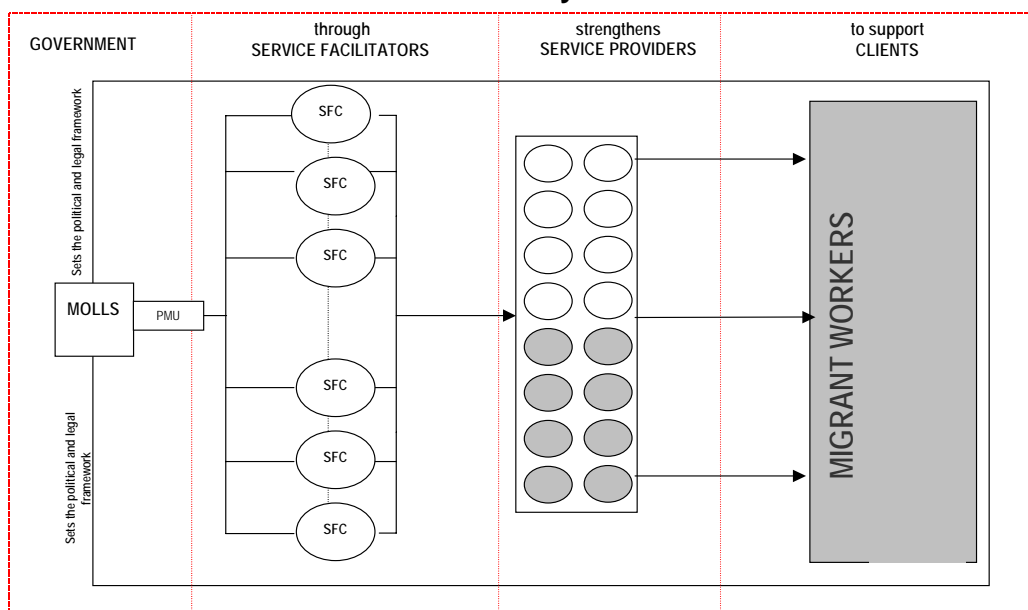
- 14.21 The M&E system of the SIYB China program has been well designed, and builds on a balanced scorecard approach to monitor the programme's progress in achieving the vision of a sustainable program operating with a market development approach.
- 14.22 The system was supposed to be fully online, with the possibility of "real time data" on aspects of learning and innovation, internal processes, customers, and financial performance.
- 14.23 However, actual use of the M&E system was not extensive, with SIYB trainers and provider institutions either demonstrating a lack of empathy with and understanding of the M&E system, or indicating a lack of will to use the system. As a result, data collection and compilation appears to be a time consuming effort at higher levels. The accuracy of the data can also be questioned, as a result (see discussion box on robustness of data earlier in this report).
- 14.24 At local level, the standard SIYB M&E system is used and seems to working. However, methods for generating aggregated data had not been explained to service facilitators, and were not in place and working.
- 14.25 The purpose of an M&E system in other SIYB countries is to use data to improve the management of the program. This does not appear to have happened to the same extent in China.

15. Institutional Development and Capacity-Building

BDS market development principles

- 15.1 BDS market development principles promote the importance of ensuring, and seeking to 'design in', long term sustainability for SIYB and the value of private providers establishing commercial offers within the program.
- 15.2 Progress in market-based sustainability through the principle that the user pays a fee is not particularly evident in SIYB China. Of the 760,000 SIYB participants as reported by MoLSS, 757,000 participated in fully, or almost fully, subsidized GYB and SYB training programs. The remaining 3,000 participated in semi subsidized IYB training (typically on a 50-50 fee-sharing basis).
- 15.3 Of the total number of training organizations, only 10% are non governmental and most are not private. Of those that are private, most have close relationships with government and some are government spin-offs.
- 15.4 In most countries, market development principles are about increasing outreach by commercial transactions without government support. In China the opposite has occurred, i.e. large outreach with subsidies and small outreach on commercial basis. This reflects the strong match between SIYB and the re-employment through new venture creation policy agenda of MoLSS. It also reflects a 'strong government' national context, where tax revenues are increasing and there is financial support from central government to pay for employment and re-employment initiatives at local levels.

The institutional delivery mechanism



Key:
 MOLSS= Ministry of Labour and Social Security, PMU = Program Management Unit, SFC= Service Facilitation Centers (here Municipal Labour Bureaus),
 ○ = Private sector

SIYB Program Delivery Channels

15.5 The institutional configuration of SIYB China, as summarized in the diagram below (taken from the Phase 2 Project Document) has worked in broad terms, with local Labour and Employment Bureaux functioning as service facilitators and typically their subsidiaries operating as service providers. The ‘value chain’ of SIYB China program delivery is within government, rather than ‘in society’, pointing to a reduced impact on BDS private market development through the project.

Trainer and Master Trainer Development

15.6 Nationally, a large number of GYB/SYB trainers have been trained. Of the 6,800 trained, however, only a small proportion have been certified (2,400 out of 6,800). There appear to be several reasons for this.

15.7 Firstly, training participants have included local government officials from the Labour and Employment Bureaux, who have attended in order to familiarize themselves with the SIYB program and product portfolio. In most cases, these individuals attended in order to better understand and develop empathy with the SIYB program, rather than as a means to establish themselves as SIYB trainers or master trainers.

15.8 Secondly, there appears to have been a relaxed selection policy within SIYB China program areas. This has served to encourage interested individuals to participate in ToTs, but has also meant that many participants in these ToT sessions have not been fully committed to becoming an SIYB trainer. Participation has helped their personal development, and may in certain cases have helped them find employment elsewhere.

15.9 Thirdly, China’s labour market for skilled workers tends to be dynamic, leading to turnover of staff in most professions. Being trained as an SIYB trainer appears to have a positive effect on the employment prospects of participants.

9. Trainers and Master Trainers Trained and Certified Nationally

Trainer type	Trained	Certified	Active	% women/men
GYB/SYB Master Trainers	116	58	Approximately 50% in Tianjin	Roughly equal (slightly more men)
GYB/SYB Trainers	6800	2400	N/a	54.3/45.7

- 15.10 Field work indicated significant variation in activity levels of certified trainers. In broad terms, there appear to be trainers who have become full-time, or close to full-time SIYB trainers, and see this as their profession. However, there are also trainers who are not as actively engaged in training. Based on discussions in both Tianjin and Ningxia, a reasonable assumption appears to be that close to 50% of certified trainers are actively training.
- 15.11 No functioning performance evaluation system of trainers was identified by the evaluation team, however, making more precise assessments impossible.
- 15.12 There has been no substantive development and emergence of a cohort of IYB trainers. The slower rate of development of IYB trainers, and master trainers, appears to have occurred because of a lack of experienced trainers who have sufficient business knowledge to provide IYB (a 'value-adding' product that enhances the survival and growth prospects of established small and micro enterprises).

10. Trainers Trained within Project Areas

Phase	Trainers trained in project areas
Phase 1	507
Phase 2	704
Phase 3	259

Partner Organizations

- 15.13 As has been noted, the majority of provider organizations are affiliated with MoLSS (90%). Of the remaining 10%, most are linked with government, and typically take the form of quasi-public organization (*shiye danwei*).
- 15.14 There appear to be a small number of genuinely private partner organizations. In Ningxia, which was seen within the SIYB network as being innovative because of the involvement of private partner organizations in delivery, the network had emerged from participation in SIYB, and tended to be associated with government agencies or bodies. Of the three partner organizations (POs) interviewed, only one could be described as a dedicated provider of training and professional development services.
- 15.15 Centralised information on the nature and constitution of service providers at local level appears to be low, raising questions about quality assurance and M&E.

- 15.16 The selection criterion of partner organizations is among others that the organization should have established SIYB trainers. Non partner organizations can thus send people for SIYB training of trainers. This approach goes against the SIYB principle of selecting partner organizations first and then SIYB trainers in those partner organizations. The current system in China faces the risk of having underperforming partner organizations or organizations that do not communicate or participate in the SIYB programme development. As a result the programme could face a risk of variable quality as well as difficulties in monitoring the quality of the programme.
- 15.17 Private providers, where they exist, have performed well since they have business experience and a client base. However, private providers make up only a small proportion of all organizations delivering SIYB – the majority are either within or 'leaning on' (*kao*) government.
- 15.18 The development and success of private organizations is influenced by, and often dependent upon, their relationship with local government. Local approaches to the emergence of private providers and their relationship with government, are arrangements and institutional developments that require additional input and formulation. Overall, there is scope to develop strategies and mechanisms for greater private sector engagement in SIYB.

Facilitator organizations

- 15.19 There appear to have been some positive external effects on facilitator organizations as a result of involvement in SIYB China. Tianjin labour bureau noted, for example, that: "The working style of the department has become more impact oriented thanks to the SIYB approach."

NPO capacity building

- 15.20 PO capacity for IYB and EYB needs strengthening. Indeed, a future development need for SIYB as a whole is to develop greater capacity around IYB and EYB, and to develop a mechanism to renew the trainer and master trainer base around the whole product portfolio once the project has completed.
- 15.21 Although the M&E system has been designed and the NPO trained in using this system, there is little evidence that this has been implemented and is being used as an information-gathering mechanism nationally.
- 15.22 The strengths of the NPO within the project have been in project co-ordination and administration. There is less technical capacity within the NPO, however. For

example, there is no established cohort of Master Trainers work within the organization to roll out ToMT sessions across the country.

- 15.23 There is a need therefore to develop a national resource centre to capture and continue to develop expertise in SIYB training and associated support. For SIYB China to be fully sustainable, this centre will need to establish itself as the national expert in SIYB, and over time develop international linkages and experience.

Recommendation: Develop a national SIYB Resource Centre to function as a provider of expert guidance and ongoing trainer and master trainer development within China.

16. Conclusions

- 16.1 Overall, SIYB China has been a highly successful program. It has introduced effective new BDS and employment creation practices and techniques into China. It has positively affected unemployment and contributed to the re-employment and absorption of laid-off and surplus labour. It has also influenced national thinking and approaches to employment creation through private sector development.

Impact at the macro (national) level

- 16.2 At national level, the program is seen as a successful example of employment creation by MoLSS. Although the impacts of the program are impressive by donor standards, and when compared to other national SIYB programs, the overall impact of the project is still relatively small for China as a whole, given the scale of the country and its employment/re-employment needs.
- 16.3 However, MoLSS see SIYB as a means of removing dependency on government, through business start-up and hence the 'privatisation' of employment creation.
- 16.4 SIYB China has also influenced legislation at national level, and is likely to inform the promulgation of the impending national Employment Promotion Law.

Impact at the micro (pilot area and enterprise) level

- 16.5 Within each phase of the program, local outputs in terms of participation in ToE and ToT have exceeded target.
- 16.6 In addition, there has been substantial and ongoing support for SIYB China beyond involvement in the program. To a large extent, this has been enabled by the national Re-Employment Fund, which has allowed local Labour Bureaux to continue to

support SIYB training and, in cases like Tianjin, to fund the continued operation and development of a dedicated local training centre.

- 16.7 However, the impact of SIYB China can be seen in the continued allocation of these centrally provided funds to SIYB. This is particularly notable because of the other 'calls' on limited funding that local governments are likely to experience in China.

Impact at the local level (beyond the pilot areas)

- 16.8 Through roll-out of the SIYB approach beyond the pilot areas for each phase, as well as the continuation of SIYB activities in cities and provinces involved in earlier phases, SIYB China has been established across most parts of China.
- 16.9 The scale-up of SIYB activity nationally beyond the project has been one of the major achievements of SIYB China.
- 16.10 We expect that there will be benefits arising from the scale of roll-out in terms of: developing credibility for the SIYB approach; expanding the network of provision into what has effectively become a national program; enhanced access to resources and expertise within this network.

Institutional development

- 16.11 Most of the institutional development through SIYB China has happened 'within government' (*neibu*), and particularly within or close to MoLSS.
- 16.12 Although this contradicts the market development approaches underpinning international donor practice in BDS, the particular context of China both explains this phenomenon and suggests that this was more likely to occur than in countries where government is less 'strong', institutionally and in terms of capacity.
- 16.13 GoC continues to be an important 'player' in economic and institutional development, and has a track record over the reform period of sustained economic growth through market liberalization and dilution of direct state control over the economy.
- 16.14 The emergence of SIYB training and service centres within or close to local Labour Bureaux therefore can be explained and understood in these terms
- 16.15 It can also be considered in the light of the broader policy context of economic, and in particular private sector, development. The 2003 SME Promotion Law explicitly requires local governments to establish 'SME Support Systems' made up of BDS and SME credit finance institutions. In most parts of China, these institutions and systems are under-developed.

16.16 The SIYB centres established by Labour Bureaux therefore represent local BDS institutions that can address this dimension of GoC policy.

17. Lessons Learned and Recommendations

SIYB activities elsewhere

- 17.1 **Working with a 'strong' government.** In projects defined by a committed and strong counterpart the dynamics of the project are very different from projects where the local counterpart is weak, institutionally as well as in terms of capacity and/or capability. In China – where government is strong and confident – the parameters and context of implementation of SIYB are determined by this context.
- 17.2 A highlight and critical success factor for SIYB China was the fit between GoC priorities around re-employment and the SIYB methodology of employment creation through new venture creation. Without this level of fit, it is unlikely that MoLSS support for SIYB China, at national level and in terms of local implementation and roll-out, would have been as committed.
- 17.3 As well as 'fit' between priorities and interests, the timing of donor engagement with MoLSS was also significant. SIYB was presented to the Ministry at a time where self-employment and business start-up was emerging as a recognised option for absorbing labour laid off from state-owned enterprises, the collective sector and the rural economy.
- 17.4 When working with a strong Government it might be better to support the Government's core agenda and seek to mainstream specific donor-driven and poverty alleviation messages within the broader policy direction of the partner government.
- 17.5 This can be seen particularly in Phase 3 of SIYB China, where the donor focus on vulnerable groups diverged from MoLSS concerns with ex-military personnel, 'surplus rural labour' (as opposed to rural migrant workers), and University graduates. The outcome has been some success with people with disability and potential future development of SIYB with ex-convicts (because of the strong fit with Ministry of Justice concerns), within the context of continuing focus on laid-off and unemployed workers by MoLSS, and GoC more widely.
- 17.6 Rather than seeking to divert project attention to more explicit donor priorities, the SIYB China experience suggests that mainstreaming specific messages and

embedding donor priorities within GoC policy agenda is a more effective strategy. Joint research, training and development of success cases can all be used to mainstream difficult messages such as HIV/AIDS or people with disabilities.

- 17.7 **Innovative work with ex-convicts.** Findings from China on GYB and SYB training of ex-convicts, as well as work in other countries with ex-convicts, are so encouraging that this should be explored in more detail, through (action) research and or pilot testing elsewhere.
- 17.8 **Strengthening EYB.** The Chinese EYB version has further developed the approach of sustainable enterprise through balancing financial and non financial goals for sustainable competitiveness. This approach is in line with ILO organizational objectives and could well be used as the latest reference material for future EYB adaptations.
- 17.9 However, EYB is under-developed within the SIYB China program. In order to secure the potential for sustainable development of EYB, there is a need for MoLSS and in-country Chinese partners to develop greater capacity in EYB ToT and ToMT, as well as market development.
- 17.10 EYB requires different trainer and master trainer experience and expertise than GYB, SYB, and to a slightly lesser extent, IYB. Trainers and master trainers for GYB can more easily progress to training on SYB and then IYB. When developing, and rolling out, EYB, there will be a need to ensure that a cohort of trainers and trainers emerges that is appropriate. This is likely to lead to emergence of EYB trainers as a distinct group, rather than graduation of GYB, SYB and IYB trainers into EYB training. It was not clear whether sufficient numbers of individuals who would be suitable for EYB training existed, either within the SIYB China network, or more widely in China.
- 17.11 **Social enterprise or services with a social dimension?** Interventions dealing with social enterprise development must be well defined with the implementing partner. In China there was no common understanding of the term and therefore the Government ability to apply SIYB to non-governmental provision of social welfare and supporting services has been limited by these definitional and conceptual differences in understanding. There is a need for explicit and formally stated resolution of these differences.
- 17.12 There may also be scope to consider how SIYB can engage with the 'third' sector as deliverers of training – to voluntary and civic organizations, as well as to (and perhaps through) NGOs.

- 17.13 **Balanced scorecard.** Using the Balanced Scorecard as a means of monitoring progress and performance is innovative. However, the application of this approach across SIYB China is not conclusive, and there is indication that the 'centralisation' of data collection and analysis is still needed to ensure such strategies for M&E work fully and effectively.
- 17.14 The shifting priorities from Phase to Phase made M&E more challenging through the project, as did the variation in target groups across Phases.
- 17.15 Longitudinal analysis of outcomes and outputs from previous Phases would have developed a robust basis for understanding and assessing actual impact, and effect, of SIYB China over the project period (and beyond, if so commissioned. Use of 'tracking' studies, for example, would have provided a clearer basis for understanding how participants used and benefited from SIYB China training and associated inputs beyond the programme and its immediate aftermath.
- 17.16 Innovative strategies for monitoring should be encouraged in other projects to test and refine the approaches developed within SIYB China.

SIYB roll-out in China

- 17.17 **Business counselling capacity-building.** There is a need to continue capacity building on business counselling. Successive studies and consultations have established a strong demand for follow-up counselling services to SIYB participants, and SIYB training providers perceive these services to be effective means of maintaining a client relationship with trainees.
- 17.18 **Full introduction of IYB.** There is a need to ensure full introduction of IYB, including publication and dissemination of the People and Productivity module. To achieve this, it is likely that emphasis will need to be placed on: (1) attracting individuals with experience in business development into the SIYB delivery network; (2) developing skills and expertise within high performing GYB/SYB trainers and master trainers.
- 17.19 **Publish outstanding materials.** There is ambiguity around finalization and publication of some materials that support the SIYB product portfolio. Our recommendation is that during the closing period for the project, ILO Beijing's SIYB team ensures that a priority list of finished or almost finished outputs is established.
- 17.20 **Fully integrate the HIV/AIDS module.** From the evaluators point of view it would be highly beneficial to the SIYB program and China if the HIV/AIDS module is fully

integrated into the training through functioning material distribution and capacity building of all certified trainers.

- 17.21 **Develop EYB as a distinctive offer.** Development of EYB capacity and construction of a platform for delivery of this product has not occurred within the SIYB China program. Given the distinctive nature of EYB, and its focus on a separate target client group, there is scope to develop this product and build the capacity to offer it as a specialist BDS, perhaps with reference to work being undertaken on developing local SME Support Systems.
- 17.22 We recommend development of a clear mandate for EYB roll-out. This will require identification of potential strategic partners for EYB, which might include NDRC, other ministries (such as the Ministry of Commerce), or a private sector entity.
- 17.23 **Build on the work with ex-convicts.** The Ministry of Justice has identified clear benefits in extending SIYB to more areas in China, and sees the program as a means of securing improved prospects for income generation, and hence rehabilitation, for released convicts.
- 17.24 We believe that there is potential in continuing the innovative work undertaken to date by extending SYB training to convicts that are in their reintegration phase and not participating in labour activities.
- 17.25 **Develop a national resource centre and centre of expertise for SIYB in China.** There is a need to develop and sustain a national centre of expertise in SIYB training and related activities, that builds on the experiences of organizations and individuals involved in SIYB (and PEP). There is significant scope to share and exchange the extensive knowledge and experiences of implementing SIYB – nationally and locally – to inform development of a national resource centre.
- 17.26 This centre represents an extension, and change, from the current activities and remit of the NPO, in that the focus would be on capacity-building, capturing good practice and experience, and developing new knowledge and practices that can be disseminated to local providers and trainers.
- 17.27 The mission of this centre should be to continuously build the capacity of the SIYB program through master trainer capacity building, and capacity building of POs as well as facilitator organizations.
- 17.28 The technical nature of this organization will require investment in specialist staff over the longer-term within the centre, i.e. retaining and developing as well as appointing expertise.

- 17.29 The organization would benefit from being funded by MOLSS, but in the view of the evaluation team should be separate from the general MOLSS decision-making structure.
- 17.30 The organization must have a governance structure and procedures that ensure the trust of the stakeholders. The centre, in other words, will work if it operates in the interest of and for the development of stakeholders, both at national level and locally.
- 17.31 **Rolling out the TV program.** The success of the TV program, combined with the investment in filming it, is a resource that should be used beyond the project period. There is real potential to stimulate demand for business start-up training among migrants and rural surplus labour by building on the successful concept of “My future is not a dream” through partnerships with local TV stations in provincial capital cities following recommendations from the evaluation of the media intervention. The evaluation team’s recommendation, therefore, is for a series of localized transmissions of the program, rather than a major national launch.
- 17.32 **Ongoing ILO input and support.** ILO should commit to an annual TOMT with 2 senior Master Trainers for at least 6 days. Given 3 days for a TOMT, such an intervention could host 4 seminars, pushing through 60-80 Master Trainers, which is more than the current amount of certified Master Trainers.
- 17.33 ILO should ensure that there is an SIYB liaison officer in the Beijing office, who can link up with the SIYB specialists in other parts of the world including Geneva and provide information to and from the Enterprise Department’s Resource Platform.

Start-up and self-employment programs in China

- 17.34 **Roll out IYB nationally.** IYB is complementary to the GYB/SYB start-up products and should be rolled-out nationally through the network developed through the SIYB China program and its extension nationally.
- 17.35 **Use CGFs as drivers of change in SME financing.** The CGFs can function as an effective mechanism for changing attitudes to funding new ventures and small and micro enterprises. There is a need not to take the CGF set-up as given and static, but ensure that it is a way of changing the financial industry to start catering to business start-ups.
- 17.36 **Establish provincial and municipal funding for start-up support.** To sustain SIYB, and the broader approach of employment creation through business start-up,

one approach would be to establish at provincial and municipal level budget support for start-up support in various forms.

- 17.37 **Develop specialist resources targeted at priority groups.** The Government of China is continuously identifying new target groups for start-up training and awareness-raising, such as ex soldiers, university graduates, and rural surplus labour. GYB and SYB can serve these target groups in a generic sense. However, to increase the impact of targeted interventions, MOLSS is encouraged to develop specialist reference materials and resources for trainers working with specific target groups. These could include success cases, common issues for that target group, and lists of supporting institutions.

Wider implications for ILO

- 17.38 **Working with strong governments.** In countries where government has capacity and resource to effect action and change, it is important to ensure that corporate objectives are aligned with and work within that government's priorities and objectives. For example, instead of trying to reach sex workers, which was not supported, more efforts could have gone into HIV/AIDS mainstreaming through SYB.
- 17.39 **Integration or focus in interventions?** There is a trend in the ILO as in the development sector as a whole to operate within more integrated approaches combining several disciplines for better impact. The SIYB China project shows that it is not integration that is key to impact, but rather the ability to show success in a specific area. Successful project implementation and delivery is the key to influencing other policy areas such as the enabling environment, HIV/AIDS mainstreaming, and to a certain extent the CGF and SME financing.
- 17.40 From this perspective, project design should not necessarily always try to respond to all issues, as this will reduce the demonstration effect of each component. Instead, a more focused approach may be effective – as was the case with SIYB China. In these cases, additional resources can be used to address in-country partner concerns and priorities as they change and develop. This more responsive approach can also assist in mainstreaming specific donor priorities and key messages.
- 17.41 **Wrapping process around products.** Building well defined processes around tangible products has proven successful in China. A particularly innovative aspect of SIYB has been combining proven products with state of the art processes. SIYB has matured over 20 years within the ILO, and so benefits from accumulated experience and institutional expertise.

- 17.42 SIYB China has demonstrated the strength of letting products evolve and mature over multiple projects, and in different contexts. For SIYB China, the experience of the original CTA, who had worked on SIYB programs in other countries, was invaluable. This experience was supported by ILO institutional capacity through SEED, so providing back-up to the in-country technical lead from ILO.
- 17.43 **Continuity versus responsiveness?** In hindsight, shifting objectives, in particular related to target groups, in each phase was detrimental to the efficiency of the project. One year phases were too short for focusing SIYB China on large target groups and on new and emerging agendas.
- 17.44 Many outputs were half finished at the beginning of the new phase and there was not always funding to see them through. There is a need to balance the need for short term spending goals with overall development goals. Longer periods to address the multiple key development agendas and target groups would have enabled improved implementation and assessment of impact.