

Behavioral Insights For Women's Sector Choice in Liberia's Youth Opportunities Project

Introduction

Throughout sub-Saharan Africa, employment prospects are worse for women than they are for men. Unemployment faced by women is consistently higher than that faced by men,¹ and women's earnings are systematically less than men's in many countries.² One reason employment prospects for women are worse than for men is that women often do not take up opportunities in fields that are traditionally male-dominated. **Despite the fact that studies have shown that working in traditionally male-dominated sectors can lead to better employment outcomes for women, such as higher earnings,³ the low number of women in such sectors in sub-Saharan Africa suggests that many women face barriers to entering such fields.** This is no different for women in Liberia's Youth Opportunities Project (YOP).

Behavioral science—the science of how people make decisions and take actions in the real world—can offer an innovative way to consider and address such challenges. The field of behavioral science has combined insights from economics, psychology, and other disciplines to build a more accurate picture of the ways in which people make decisions, take actions, and are influenced (consciously or unconsciously) by the context they live and operate within. Such research shows that seemingly small features of the environment or aspects of the context in which they are making decisions can have an outsized impact on the way people make decisions and act.

ideas42 has been working with the World Bank and the project management team (PMT) of the YOP to apply a behavioral lens to the Small Business Support (SBS) component of Liberia's YOP. This memo highlights key insights from that partnership about women's choice of what sector to start a business in.

SBS (small business support) component of YOP (Youth Opportunities Project)

Objective: Support Liberian youth to start a business in a small group

Intervention: Business and life skills training, mentorship, and cash grants

Target group: Youth 18-35 residing in Montserrado County, Liberia

¹ Chakravarty, Shubha; Das, Smita; Vaillant, Julia. 2017. Gender and Youth Employment in Sub-Saharan Africa: A Review of Constraints and Effective Interventions. *Policy Research Working Paper*; No. 8245. World Bank, Washington, DC.

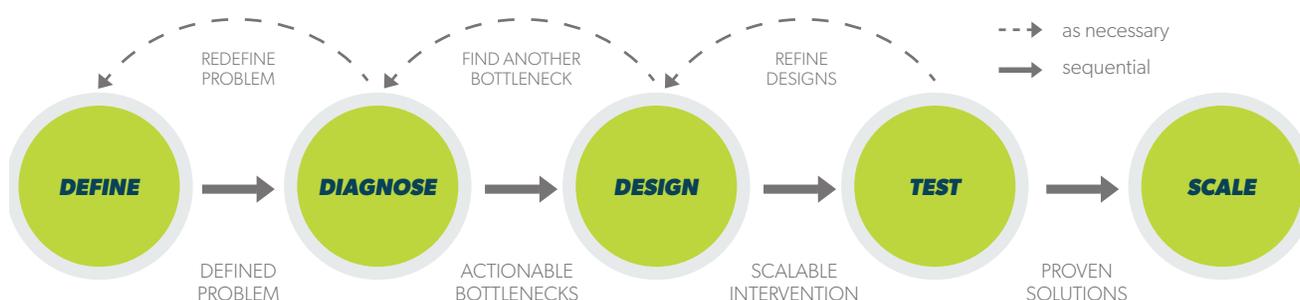
² Appleton, S., Hoddinott, J., & Krishnan, P. (1999). The gender wage gap in three African countries. *Economic development and cultural change*, 47(2), 289-312.

³ Alibhai, S., Buehren, N., Papineni, S., & Pierotti, R. (2017). Crossovers: Female Entrepreneurs Who Enter Male Sectors: Evidence from Ethiopia. *The World Bank*.

Women do not consider all potential business types

When taking a behavioral approach to understanding and tackling any problem, we follow a systematic approach (see figure 1). The first step to generating insights is to accurately define the problem, focusing entirely on a specific behavior. In defining the problem, we take steps to challenge or eliminate all assumptions about what may be contributing to the problem, and therefore what the solution might be. To this end, we reviewed program documentation and reports, analyzed data from previous rounds of the SBS component of the YOP, and had initial discussions with stakeholders at both the World Bank and PMT. Through this process, we found that one problem specific to women that hindered them from achieving optimal outcomes was that they did not consider all potential business types before selecting a business to open. In the second step, diagnosis, we explore how human tendencies interact with the context to form barriers that inhibit success. This diagnosis stage then informs design solutions, which are tested and scaled if they exhibit meaningful impact.

FIGURE 1: ideas42 Methodology Graphic



Initial research on the SBS component of the YOP revealed that some features of the context of the program might make it difficult for participants to complete the steps of the program as intended. **One particular place where participants face challenges is considering all potential business types to select the optimal business to open.** Consideration of all potential options is important as it can allow individuals to ensure they select the optimal sector for them- whether that is the sector with the highest returns, one that they enjoy, or provides a needed service in their community. In thoroughly considering all sectors, participants may discover that they have transferrable skills and would need only a small amount of training to work in a sector with higher returns than the sector they had previously considered, or may determine that a sector they had not previously considered has higher returns due to high demand in the community. In addition, if the occupation they thought of first is truly the optimal choice, consideration of all options can provide participants with clear information to be sure of their decision.

For participants in previous rounds of SBS, barriers to considering all viable business types included that the business sectors that participants could choose from were sometimes perceived as limited. Some guidance can be useful to direct participants to consider sectors that are profitable and needed in their community and to ensure they aren't overloaded and overwhelmed by the number of potential options.

However, in previous rounds of the YOP, the **types** of sectors participants could start businesses in were perceived as limited—both intentionally, as participants were sometimes given a menu of potential sectors,⁴ and unintentionally, as some participants were encouraged to enter a sector where they had previous experience or were influenced by a group member with previous experience. **Women may be disproportionately impacted by the step of selecting a sector, as they often have exposure to fewer business types or limited perceptions of what business types they could be successful in, ultimately causing them to not thoroughly consider all potential sectors.**

These observations are in line with the data from previous rounds of the YOP. **Among women who entered round 1 of the YOP, only about 1% expressed that they were interested in jobs related to producing or selling building materials or working with electronics (traditionally thought of as male-dominated), compared to about 21% that expressed they were interested in businesses such as beauty salons and restaurants/catering (traditionally thought of as female-dominated).** Among males, about 20% expressed interest in traditionally male-dominated sectors, compared to 5% who reported interest in traditionally female-dominated sectors. The remainder expressed interest in petty trade (35% of females, 26% of males), retail of clothes, footwear, dried goods, etc. (16% of females, 19% of males), other businesses (marketing, charcoal, driving, ‘other non-specified business’, or said they did not know, 27% of females, 30% of males). It should be noted that demand in the construction sector in Liberia has been increasing and is expected to continue doing so due to infrastructure investments,⁵ which likely makes it a profitable sector in many communities. This information suggests that women who joined the YOP were not thoroughly considering all business sectors, particularly those that were thought to be traditionally male-dominated.

There are many challenges women may face along the steps to opening a business that can make it difficult to complete, such as considering family responsibilities, considering encouragement from family or the community, and considering childcare needs, if they have a child. **Within the step of fully considering all business types, there are numerous decisions and actions at play—women must be provided with the resources to learn about all potential sectors they could start a business in, determine what skills, training and resources each business type requires, and understand the potential returns to each to fully consider every sector.** Challenges such as lack of previous experience in certain fields, limited perceptions of what jobs are meant for women, and encouragement from their families or communities to focus on specific sectors can lead women to not fully consider all potential business types available to them.

⁴ The ‘menu’ of potential sectors was not designed to be exhaustive—the purpose was simply to provide ideas of potential businesses. However, some community animators presented the menu as an exhaustive list, thereby limiting the choices participants could make about the type of business they opened.

⁵ <https://www.fhi360.org/sites/default/files/media/documents/resource-liberia-labor-analysis.pdf>

What hinders women from considering all potential business sectors and how can it be overcome?

In this section, we explain human tendencies that interact with the specific context to form key **behavioral bottlenecks** for women, or roadblocks that deter women from considering all potential occupational choices. For each bottleneck, we also propose design principles rooted in behavioral science that may be able to help women overcome the bottlenecks they face, ultimately leading them to consider all potential sectors and achieving optimal occupational outcomes.

The bottlenecks we present were identified by applying insights from behavioral science literature to findings from primary research—interviews with key stakeholders of the YOP including female and male participants, the PMT, community animators, and community outreach committee (COC) members. These interviews and focus groups were completed in January of 2020. The design principles proposed draw from the literature with a specific focus on the context of the SBS component of the YOP.

➤ BEHAVIORAL BOTTLENECK 1 **Perceptions of other women’s occupational choices limit women’s perception of their own potential business choices.**

Descriptive norms are perceptions of what is occurring in a society—they are descriptions of how people typically act.⁶ We are all heavily influenced by what we see others doing and how others around us are acting, and people tend to do what is most common. In communities where SBS operates, it is common to see women working in businesses such as selling food or braiding hair. **Descriptive norms** can be particularly powerful when

“Restaurant businesses are for girls. I see a lot of women in the market selling food.”
—Male participant

an individual has to make a decision—if the individual is unsure of what to do, they are likely to look to see the decisions of others they relate to, and act accordingly. For example, women SBS participants may see many women in their community or their family in businesses that include braiding, tailoring, or selling food. Women doing such jobs is common and often more salient to SBS participants than women in jobs such as block making or construction. This may cause women to overestimate the prevalence of women in occupations such as hair braiding and selling food. They may believe that such sectors are the norm, and not thoroughly consider other viable businesses. On the other hand, the lack of salience of women participating in business such as brick-building or selling construction materials may cause women participants in SBS to underestimate the prevalence of women in such fields, and be less likely to consider these businesses for themselves.

However, individuals’ behaviors are not always publicly visible, so what we think is the norm because of what we see in public or what is most salient to us may not actually be the norm. In such cases, making a positive but hidden, or less salient, norm visible can make a powerful difference. **Research in behavioral science shows that often, rather than a dramatic cultural shift, highlighting positive behaviors or choices that are already occurring can encourage participants to consider such behaviors or choices.** For example, while many SBS participants expressed that they thought certain jobs were meant for women, seeing other women who are successful in a field they

⁶ Cialdini, R. B., Reno, R. R., & Kallgren, C. A. (1990). A focus theory of normative conduct: Recycling the concept of norms to reduce littering in public places. *Journal of personality and social psychology*, 58(6), 1015.

previously believed was male-dominated can change their beliefs and cause them to think that they could be successful in that field. This is especially relevant when the background or previous experiences of those women are similar to theirs.

➤ DESIGN PRINCIPLE 1 **Highlight women successfully working in male-dominated fields**

Providing examples of women working in traditionally male-dominated fields can bring out hidden social norms and increase awareness of successful women in traditionally male-dominated fields. This can show SBS women the range of possibilities for occupations, and can encourage them to fully consider all potential fields. It is important to use images or examples of women that the SBS participants can relate to, so images or examples of previous women who participated in the SBS should be used whenever possible.

“My group wanted to do block making, but I didn’t know girls could do that. When we did the market survey, we talked with a woman who had a block business, and I saw that women can make blocks, too.”

—female participant in block making

Design ideas that utilize this principle include:

- ▶ Visual examples or posters that show women working in fields such as brick making, construction, electronics shops, or other traditionally male-dominated businesses that can be placed in visible areas at the orientation site and included in program materials such as the orientation manual (example in Appendix A)
- ▶ IVR (interactive voice response)/SMS (short message service) messages sent to women that give examples or tell stories of previous SBS women who started a successful business in a traditionally male-dominated field

➤ BEHAVIORAL BOTTLENECK 2 **Previous business experiences or the previous experiences of group members cause women to not fully consider all potential business types.**

When we receive new information, the way we store (and later retrieve) that information is influenced by past experiences and prior knowledge—this is often referred to as a **mental model**.⁷ The way we make sense of and make decisions in the world around us is affected by these **mental models**. They guide the way we process new information and perceive our environment, effecting how we make inferences or evaluations when making choices. Women in the SBS component of YOP often have skills that they learned from their mothers or other women in their life from a young age, such as hair braiding. They may have formed **mental models** that those are the skills where women excel, and that they should stick to those skills when considering employment.

“I learned braiding and plaiting from my mother when I was young.”

female participant who opened a beauty salon

⁷ Brewer, W. F., & Nakamura, G. V. (1984). The nature and functions of schemas. *Center for the Study of Reading Technical Report*; no. 325.

Status quo bias is our tendency to select or prefer a default option, causing us to ultimately stick with the status quo either because it is what is most comfortable or to avoid making an active choice.⁸ This bias is especially relevant at times when there are many choices or when an individual has weak preferences. When women have **mental models** that they should stick to businesses that require skills they already know and that their exposure to certain sectors such as hairdressing or catering means those are likely the best for them, they may exhibit **status quo bias**—instead of thoroughly considering the other potential sectors available to them, they opt to stick with what they know. **If women don't have a clear preference about what business type they are interested in, they may be more likely to refer to what they were doing before instead of making an informed choice regarding what type of business to open.**

"Two of us already knew how to do hair – I can do weaving and she can do braiding. That's why we decided to do a beauty salon"

-female participant who opened a beauty salon

In addition, participants start their businesses in a group, and they often form groups with individuals who have previous experience in a specific business type. It is often the case that some group members are more passionate or persuasive than others with regards to the type of business they wish to open. In such cases, participants with less strong preferences may go along with their group members recommendation to minimize conflict without critically evaluating the decision—a phenomenon sometimes referred to as **groupthink**.⁹ **Groupthink often causes groups to engage in decision making without thorough consideration of alternatives and risks, and in this case, this means that the decision about what business type to open may be determined by the group without full consideration of other potential options.**

"I was interested in soap making, but one person in my group had experience running restaurant before and wanted to open a restaurant business, so our group is opening a restaurant."

-female participant who opened a restaurant

While there are many situations where going along with group members' previous experiences limits potential options, there can be situations where this can lead to participants considering or going into a new field. There are some cases where being in a group where the decision about business type is swayed by an individual with previous experience can lead to group members who had not previously considered that field because they did not have experience considering the field. In some situations, group members may be able to gain training or experience in a new field because of the preferences of their group members.

"A friend in my group learned soap making before from her mother. In the group we decided we wanted to do soap making, so we meet up on Tuesday and Friday and she teaches us."

-female participant in soap making

⁸ Samuelson, W., & Zeckhauser, R. (1988). Status quo bias in decision making. *Journal of Risk and Uncertainty*, 1(1), 7-59.

⁹ Turner, M. E., & Pratkanis, A. R. (1998). Twenty-five years of groupthink theory and research: Lessons from the evaluation of a theory. *Organizational behavior and human decision processes*, 73(2-3), 105-115.

➤ DESIGN PRINCIPLE 2 **Provide tools that guide women to consider multiple potential businesses before making a decision**

Encouraging participants to consider new sectors, including those they may not have thought or heard about previously, along with examples that illustrate people like them finding success in such businesses can help participants consider a wider range of options. Guidance in evaluating these potential business types can help ensure that they thoroughly consider all businesses based on a full set of information. In addition, guidance for participants to consider the previous experience of potential group members can help expand the number of business types they consider. While such design principles are relevant for all SBS participants, they have the potential to be particularly powerful for women, as they can limit the influence of their previous experiences which are disproportionately in fields like tailoring or cooking. Design ideas that enact such principles include:

- ▶ IVR and SMS messages sent to women that give information and examples of the earnings of previous SBS women participants or other women in Monrovia in fields such as brick making, construction, and electronics shops and examples of women who successfully learned new skills to enter those fields
- ▶ Tools that guide participants through considering and systematically evaluating a wide set of options before choosing a business type—in the SBS component of YOP, an example of such tool could be an updated version of the ‘Best Business for Me’ worksheet that is completed as part of the orientation workshop (Appendix B)
- ▶ Re-structuring the orientation schedule so that participants complete a market analysis on a randomly chosen business type and present to the orientation class before completing the ‘Best Business for Me’ worksheet
- ▶ A tool that guides participants to form groups with systematic consideration of the prior experience of potential group members who may be able to provide training can create a channel to learn from that other participant—in SBS, an example of such tool could be a ‘Finding My Business Partners’ worksheet that is completed during the orientation workshop (Appendix C)

➤ BEHAVIORAL BOTTLENECK 3 **Women perceive that they would not be able to follow through with opening some business types, so they do not consider them.**

The **mental models** women have formed about sticking to businesses they have skills for along with perceived social norms around what businesses are meant for women and what jobs women often do can deter women from considering specific businesses, particularly in sectors that are typically male-dominated and may require additional training.

Some business types that SBS participants can open, such as block making, require some basic level of training, and women are less likely than men to have this kind of training. **Hassle factors**, such as the need to find someone to train them or sign up for a training, can be a barrier to women considering such fields.¹⁰ **Particularly if women already believe that it is easier to start a business in a field where**

¹⁰ Bertrand, Marianne, Sendhil Mullainathan, and Eldar Shafir. (2006). “Behavioral economics and marketing in aid of decision making among the poor”. *Journal of Public Policy & Marketing*, 25(1), 8-23.

they already have previous experience, seemingly small hassles such as figuring out how long the training will last or how to sign up can have an outsized impact.

Even if women know how to obtain training, additional barriers may still stop them from considering the types of jobs that require training. The costs of obtaining training likely include time costs, financial costs, and potentially psychological costs of beginning training in a sector in which they perceive women don't often participate. These costs must be incurred upfront, whereas the benefits of the training—the high returns

"Before I got training in brick making, I had stress because I didn't know if women could do it."

-female participant in block making

they can make—would not be realized until the future. Individuals are often **present biased**,¹¹ meaning that they overweigh immediate costs relative to potential future benefits. **When women in the SBS component of YOP face the immediate costs of training in unfamiliar sectors, but the benefits of completing that training will not be realized until the future, they may exhibit present bias and avoid considering such sectors.**

➤ DESIGN PRINCIPLE 3 **Provide truthful, simplified information about occupations and training and reduce hassles to obtaining training**

Clear and truthful information about women working in different sectors can have an effect on employment and training aspirations and achievements. Providing SBS women with truthful information about earnings for women in traditionally male-dominated fields as well as the training needed may be able to address their mental models of such fields and encourage them to consider those fields. In addition, reducing hassles to obtaining training or reducing the initial investment they have to make can make women more likely to consider fields that require additional training.

Design ideas that include these principles are as follows:

- ▶ Messages from role models or previous SBS women participants sent to women or presentations from these women as part of the orientation sessions that provide clear and truthful information about returns and training needed for different fields, including the time needed for the training and where or how training can be obtained
- ▶ Match women to experiences in fields where they lack exposure, potentially by automatically providing trainings for fields in which they don't have previous experience or setting up sessions where they observe an existing male-dominated business for a certain period of time

Next steps

ideas42, the World Bank, and the PMT intends to test the design ideas provided for women as part of a larger test of behavioral interventions designed to improve outcomes of the SBS component of the YOP. The details and schedule of testing are currently being adapted and finalized due to the ongoing COVID-19 crisis.

¹¹ Loewenstein, G. and D. Prelec (1992), "Anomalies in Intertemporal Choice: Evidence and an Interpretation", *Quarterly Journal of Economics*, 107, 2, pp. 573–597.

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Appendix

Appendix A: Women's sector choice poster

Youth Opportunities Project (YOP)
Small business support (SBS)





Best Business for Me Activity

Instructions: First, you can use this worksheet to take notes on the business you visit during the market analysis. Keep this worksheet and bring it back to orientation, because after the market analysis you will use it to rank potential businesses.

+

Proposed Business	Interest My level of interest	Do I have the skills and knowledge? How much and what kind of skills and knowledge are needed? How would I get it?	Start-up difficulty Is their demand for the business? How many people in the community need this? How many customers does the business have?	Is the start-up cost high or low? What kinds of materials or tools are needed to start the business? How much do they cost?	Potential What are the potential profits? How much do the supplies cost? How much would people in the community pay for the product or service?	Total score: (Count up the diamonds below each response you circled. Consider businesses with the highest scores)
Example: selling used clothes	* (*) ** (**)	* (*) ** (**)	* (*) ** (**)	High (*) ** (**)	\$ (*) ** (**)	10
My comments:	I am not very interested	I have some training and a month of experience.	I visited a shop that has 10 customers per day.	Costs a lot of money to start because you have to buy clothes in advance	The supplies are cheap, but I can sell them for a high price so I would make a high profit.	During the market survey, the shop owner I visited told me that there is competition for customers.
(Market analysis business- write in here)	* (*) ** (**)	* (*) ** (**)	* (*) ** (**)	High (*) ** (**)	\$ (*) ** (**)	
My comments						

Appendix C: Finding My Business Partners worksheet



Finding My Business Partners

Instructions: Fill out this tool for each potential member of your business group, and find the final score for each person.
Based on the score, you will select your group.

	Are they interested in the same business as you?	How close do they live to you?	Do they have experience in the business type you are interested in?	Do you think they will work hard to build the business, put in effort, and be committed?	Score: (Count the apples below responses. Consider people with the highest score.)
_____ (Potential Member 1)	Yes (🍏🍏🍏) () No () ()	Very close (🍏🍏🍏) () Middle (🍏) () Far () ()	Yes (🍏) () No () ()	Always (🍏🍏🍏) () Mostly (🍏🍏) () Never () ()	
_____ (Potential Member 2)	Yes (🍏🍏🍏) () No () ()	Very close (🍏🍏🍏) () Middle (🍏) () Far () ()	Yes (🍏) () No () ()	Always (🍏🍏🍏) () Mostly (🍏🍏) () Never () ()	
_____ (Potential Member 3)	Yes (🍏🍏🍏) () No () ()	Very close (🍏🍏🍏) () Middle (🍏) () Far () ()	Yes (🍏) () No () ()	Always (🍏🍏🍏) () Mostly (🍏🍏) () Never () ()	