

Webinar #1: Enhancing Poverty Alleviation Performance: The Importance of Implementing Multidimensional Metrics

Presenters:

- Heather Esper, Program Manager for Impact Assessment- WDI
- Yaquta Kanchwala Fatehi, Research Associate- Impact Assessment- WDI
- Julie Peachey, Director of Social Performance Management- Grameen Foundation

This webinar is part of a larger series “**Assessing Multidimensional Poverty Impacts: Techniques that are Easy-to-Implement and Customizable**”.

Schedule of events:

- Webinar #2: Enhancing Poverty Alleviation Performance: Amplifying the Voice of Local Stakeholders – JUNE 17, 11 AM-12 PM EDT
- Webinar #3: Enhancing Poverty Alleviation Performance: Quantifying Changes Experienced by Local Stakeholders – JULY 18, 10 AM-11 AM EDT
- Impact Assessment Hands-on Workshop: OCTOBER 22-24, 2014, Ann Arbor, MI

Register at: <http://wdi.umich.edu/research/bop/webinar2014>



William Davidson Institute

AT THE UNIVERSITY OF MICHIGAN



1. The value of capturing multi-dimensional outcomes of poverty - WDI
2. Guest speaker – Grameen Foundation
3. Contact information
4. Questions from the audience
5. References

What do we mean by multi-dimensional outcomes?

Multi-dimensional outcomes

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graph TD; A[Multi-dimensional outcomes] --> B[Local stakeholders]; A --> C[Poverty alleviation indicators]; A --> D[Both positive and negative changes];
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Local stakeholders

- Producers
- Customers
- Distributors
- Employees
- Broader community

Poverty alleviation indicators

- Economic well-being
- Capability well-being
- Relationship well-being

Both positive and negative changes

- Is cash cropping increasing the risk of reduced food diversity for the farmer's household?
- Does creating jobs for women in the community alter cultural norms which are disliked by village elders?

Why is it important to speak with all local stakeholders?

Multi-dimensional outcomes

Local stakeholders

- Producers
- Customers
- Distributors
- Employees
- Broader community

Why is this important?

“What is missing from the many evaluation reports ... [is] feedback from beneficiaries themselves.” *Nicholas van Praag, Advisor- World Development Report 2011*

What do we mean by multi-dimensional poverty alleviation indicators?

Multi-dimensional outcomes



Multi-dimensional poverty
alleviation indicators

- Economic well-being
- Capability well-being
- Relationship well-being



Why is this important?

“The whole question hinges on one’s definition of impact. If impact equates to scale, say jobs created, then it is little surprise that you’d find financially well-run businesses deliver bigger impact. The assessment is biased by using a narrow, output-based metric...” *Tom Adams, Acumen*

What do we mean by economic well-being outcomes?

Economic Well-being

- +/- Income/Revenue
- +/- Income stability
- +/- Savings/Assets
- +/- Debt
- +/- Economic risk
- +/- Cost to engage with venture
- +/- Productivity
- +/- Expenditure

Examples of other organizations/frameworks who track economic well-being

1. United Nations (UN) Human Development Index
2. Committee On Sustainability Assessment (COSA)
3. Grameen Foundation
4. IRIS (output indicators)
5. Measuring Impact Framework, from WBCSD with IFC
6. Business Call to Action (BCtA) Results Reporting Framework, from the UNDP
7. Poverty Footprint Methodology from Oxfam
8. Global Reporting Initiative (GRI)
9. GEMI (mainly output indicators)
10. Environmental and Social Impact Assessment (ESIA) used by the Cement Sustainability Initiative at WBCSD
11. USAID Poverty Assessment Tools (PAT)

What do we mean by economic well-being outcomes?



Economic Well-being

- +/- Income/Revenue
- +/- Income stability
- +/- Savings/Assets
- +/- Debt
- +/- Economic risk
- +/- Cost to engage with venture
- +/- Productivity
- +/- Expenditure
- +/- Consumer surplus

Why are these indicators important?

1. “Financial services ... are essential to leading a better life...Poor people need such services more than anyone, because in developing countries, poverty does not just mean low income, it means volatile income.” *David Roodman, Center for Global Development*
2. “Study of a BRAC program that provides capital, coupled with training, for Bangladeshi women ... found... after two years these [earnings per hour] are not significantly different from the baseline, but at four years they are: 15% higher.... This suggests productivity gains that manifest over time.” *Markus Goldstein, World Bank*

What do we mean by capability well-being outcomes?

Capability Well-being

- +/- Physical health
- +/- Psychological health
- +/- Knowledge
- +/- Skills
- +/- Self-confidence
- +/- Self-efficacy
- +/- Self-worth
- +/- Empowerment
- +/- Contentment
- +/- Dignity
- +/- Aspirations

Examples of other organizations/frameworks who track capability well-being

1. UN's Human Development Index
2. COSA
3. BCtA Results Reporting Framework, from the UNDP (human capital development)
4. GRI
5. IRIS (output indicators)
6. Poverty Footprint Methodology, from Oxfam
7. Measuring Impact Framework, from WBCSD and co-branded with the IFC
8. GEMI (mainly output indicators)
9. ESIA used by the Cement Sustainability Initiative at WBCSD

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- +/- Aspirations

Why are these indicators important?

1. “In Malawi, ...we show that increases in income under the UCT arm caused large improvements in adolescent mental health and decreased the risk of sexually transmitted diseases among adolescent girls. The effects on mental health seemed to be due partly to increased consumption, leisure, and family support for education...” *University of Otago*
2. “The economic poor also often exhibit low levels of psycho-social health and functioning...” *Jed Friedman, World Bank*

What do we mean by relationship well-being outcomes?

Relationship Well-being

- +/- Social support
- +/- Social networks
- +/- Relationship with spouse
- +/- Relationship with family members
- +/- Support to family members
- +/- Interactions with family members
- +/- Roles/status
- +/- Access to formal institutions
- +/- Values and beliefs about society
- +/- Local environment
- +/- Ecosystem outcomes
- +/- Home environment

Examples of other organizations/frameworks who track relationship well-being

1. COSA
2. BCtA Results Reporting Framework, from the UNDP (sustainability)
3. IRIS (environment and sustainability output indicators)
4. Measuring Impact Framework, from WBCSD and co-branded with the IFC
5. B Impact Ratings System, from B Lab (environment and community)
6. Poverty Footprint Methodology, from Oxfam (environment)
7. GRI (environment)
8. GEMI (environment output indicators)
9. ESIA used by the Cement Sustainability Initiative at WBCSD (environment)

What do we mean by relationship well-being outcomes?

Relationship Well-being

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Why are these indicators important?

1. A March 2014 National Bureau of Economic Research (NBER) working paper found that “using individual level data on domestic violence we find evidence that increased property rights for women did increase the incidence of wife beating in India.”
2. “Taken all together, [in] the program [Chile Solidario] ... increased access [to subsidy programs for poor households] translates most directly into improvements in the quality of housing as well as in formal ownership of housing...and younger households are less likely to experience family dissolution.” *Jed Friedman, World Bank*

Why is it important to track negative changes in well-being?

Multi-dimensional outcomes

Why is this important?

1. Only measure results that look good? “In the private sector, we call that fraud.” *Jason Saul, Mission Measurement*
2. “The word failure appears 27 times in the report [Development Effectiveness Overview-2013], compared to just 22 times for the word success. This doesn’t mean that IADB is in any way a failing institution. Quite the opposite.” – *Howard White, 3ie*

Both positive and negative changes

- Is cash cropping increasing the risk of reduced food diversity for the farmer’s household?
- Does creating jobs for women in the community alter cultural norms which are disliked by village elders?

Output data is useful but not sufficient!

Outputs	Outcomes
<ul style="list-style-type: none"> • What is the immediate output from an activity? • Easier to measure • Does not measure changes in lives of stakeholders 	<ul style="list-style-type: none"> • Tells us about changes in stakeholders' lives in the short, medium and long term • Changes in skills, knowledge, attitudes and behaviors are outcomes of an activity
EXAMPLES	
# of beneficiaries receiving female empowerment services	<ul style="list-style-type: none"> • Δ Gender equality • Δ Conflict over gender roles <ul style="list-style-type: none"> • Δ Mental health
Revenue from sales of exports	<ul style="list-style-type: none"> • Δ Income for sellers • Δ Access/prices for locals
# of bed nets sold	<ul style="list-style-type: none"> • Δ Incidence of malaria • Δ Income of consumers

Poverty Metrics

Julie Peachey

Director, Social Performance Management

May 28, 2014



A man in a white shirt and yellow apron is holding a large bunch of green bananas. He is standing in a market stall with wooden beams and other produce visible in the background. The text "OUR MISSION" is overlaid on the image.

OUR MISSION

To enable the poor, especially the poorest,
to create a world without poverty.

GRAMEENFOUNDATION.ORG

What is poverty?

- Poverty can be defined in many ways. Here are a few examples:
 - Insufficient access to basic services
 - Inability to consume a minimum number of calories per day
- A common way to express a household's poverty status is by whether the household expenditure is under the daily amount set by a given poverty line.

Why measure poverty?

"While 77 percent of MFIs rank poverty reduction as a development goal, less than 20 percent of them can actually report poverty figures of their clients."

-Mix Market blog post May 2014

Poverty measurement is an important part of a socially-oriented organization's monitoring and evaluation program:

- Are we reaching our target clients?
- Are we meeting our target clients' needs?
- Are we changing the lives of our target clients?

Adapted from *SPM Essentials Resource Handbook*, SPTF, 2012.



NGO programs and social businesses need household-level poverty data

Process for Poverty Alleviation Programs



Process for Social Businesses Helping the Poor



At each step, the organization needs objective poverty data on the clients it serves in order to **assess their performance** and **develop strategies for improvement**.



Benefits of household-level poverty measurement

Organizations that work directly with the world's poor can do better by collecting and analyzing poverty data from the families they serve.

Questions answered

How many poor people are we reaching?

- Assures practitioners and donors that services are being used by the intended demographic

What needs or characteristics do the poor share?

- Helps practitioners tailor services to the needs of the poor
- Helps practitioner evaluate how current services are performing among the poor

How are poor households progressing over time?

- One of many factors that contribute to an impact evaluation

Benefits to business

Direct vs. Indirect Poverty Measurement

- Everyone is familiar with direct measurement
 - How much money do you earn?
- However, there are problems with direct measurement:
 - Hard to verify
 - Often inaccurate
- Grameen Foundation uses an indirect approach
 - non-financial indicators are considered in order to measure financial poverty

|||| The Progress out of Poverty Index®

The PPI® is...

- A country-specific poverty assessment scorecard
- 10 questions in length
- Completed in less than 10 minutes
- Easy to use
- Reliable
- Tied to poverty lines




PPI® Scorecard for Colombia

Entity	Name	ID	Date (DD/MM/YY)
Member:	_____	_____	Joined: _____
Field agent:	_____	_____	Today: _____
Service point:	_____	_____	Household size: _____

Indicator	Value	Points	Score
1. How many household members are 18-years-old or younger?	A. Four or more	0	
	B. Three	5	
	C. Two	11	
	D. One	17	
	E. None	23	
2. What is the highest educational level reached by the female head/spouse?	A. None, or pre-school	0	
	B. Primary or middle school	3	
	C. High school	6	
	D. No female head/spouse	8	
	E. Post-secondary or college (1 to 4 years)	9	
	F. Post-secondary or college (5 years or more)	17	
3. How many household members spent most of the past week working?	A. None	0	
	B. One	9	
	C. Two or more	14	
4. In their main line of work, how many household members work as wage or salary employees for a private firm or the government?	A. None	0	
	B. One	4	
	C. Two or more	11	
5. What is the residence's rate class for electricity?	A. No class or zero (no connection, pirated connection, or generator), one, or two	0	
	B. Three	4	
	C. Four, five, or six	9	
6. What fuel or energy source does the household usually cook with?	A. Firewood, wood, charcoal, coal, electricity, gasoline, petroleum, kerosene, alcohol, or waste material	0	
	B. LPG from a cylinder or tank	2	
	C. Natural gas from a public network	3	
	D. Does not cook	6	
7. Does the household have a working clothes washing machine?	A. No	0	
	B. Yes	4	
8. Does the household have a working refrigerator or freezer?	A. No	0	
	B. Yes	3	
9. Does the household have a working DVD?	A. No	0	
	B. Yes	4	
10. Does the household have a motorcycle and/or a car for its own use?	A. None	0	
	B. Motorcycle only	3	
	C. Car (regardless of motorcycle)	9	

Microfinance Risk Management, L.L.C., <http://www.microfinance.com> Total score

This PPI was updated in November 2012 based on data from 2009. For more information about the PPI, please visit www.progressoutofpoverty.org

■ PPI Indicators are multi-dimensional

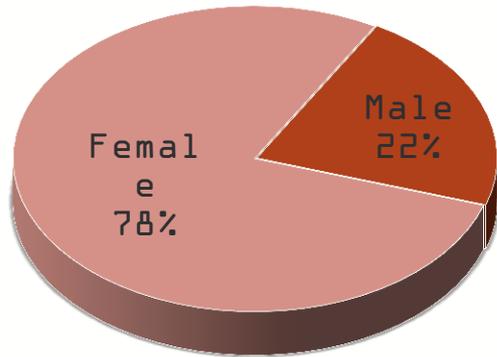
- Based on national household income-expenditure survey
- Contains questions on:
 - Household income or expenditure;
 - Housing condition and characteristics;
 - Education;
 - Household composition;
 - Ownership of durable goods; and
 - Employment status.



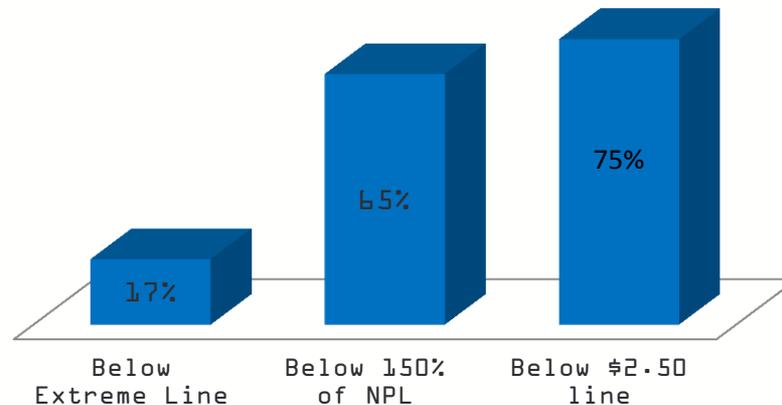
Case Study

E-WAREHOUSE: BASELINE DATA

Farmer gender



Poverty Outreach



- Widowed females represented half of the registered female farmers (51%), and had the highest poverty rate (82.4% under the \$2.50 line)



E-WAREHOUSE: BASELINE DATA

How long did farmers wait to sell? Is this different across poverty levels?

(q70) _53._how_long_after_harvest_did_they_sell * PPI_class Crosstabulation

			PPI_class			Total
			poorest	mid	less poor	
(q70) _53. _how_long_after_ harvest_did_they_sell	1-4 weeks	Count	728	1353	110	2191
		% within PPI_class	62.9%	50.9%	42.6%	53.8%
	2 months	Count	288	721	59	1068
		% within PPI_class	24.9%	27.1%	22.9%	26.2%
	3 months	Count	137	528	54	719
		% within PPI_class	11.8%	19.9%	20.9%	17.6%
	4 months	Count	2	33	23	58
		% within PPI_class	.2%	1.2%	8.9%	1.4%
	5 months or more	Count	3	24	12	39
		% within PPI_class	.3%	.9%	4.7%	1.0%
Total		Count	1158	2659	258	4075
		% within PPI_class	100.0%	100.0%	100.0%	100.0%

- Most farmers sold their crops in the first month after harvest (53.8%)
- Among the poorest farmers, 62.9% sell within the first month, compared to 42.6% of the less poor farmers

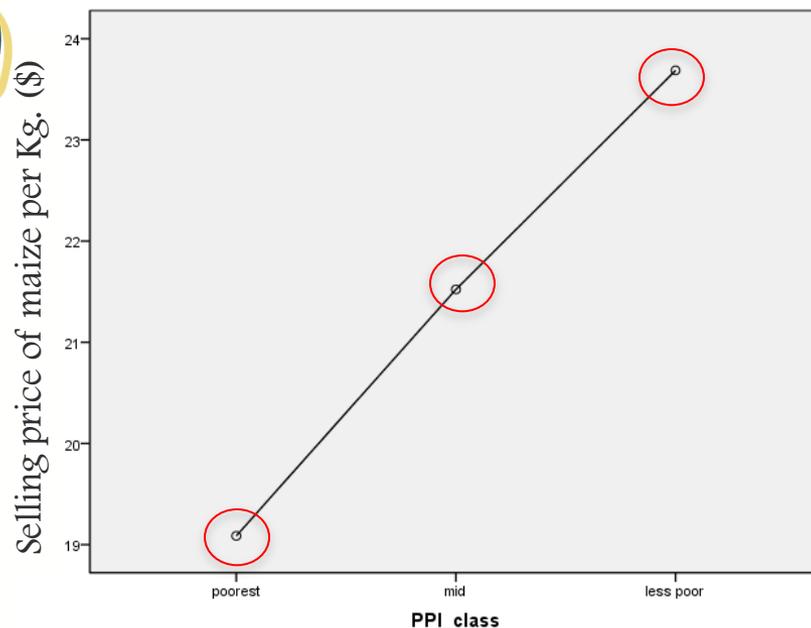
E-WAREHOUSE: BASELINE DATA

Does the selling price of maize differ by poverty level?

Does the type of buyer differ by poverty level?

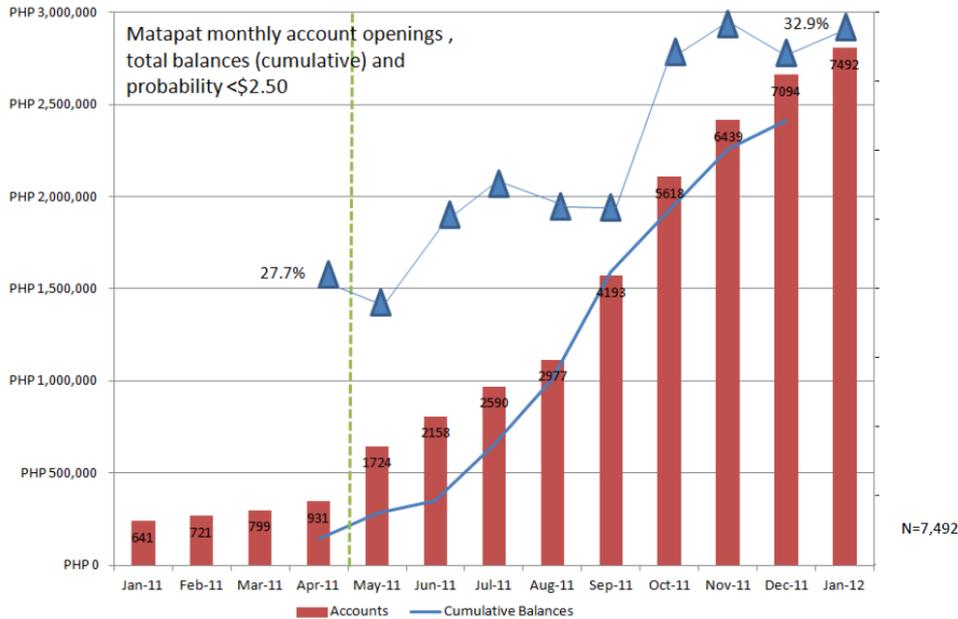
	poorest	mid	less poor
Broker	55%	53%	36%
Retailer	36%	40%	57%
Wholesaler	9%	7%	7%
Institutional Customer	0%	0%	0%
Processors	0%	0%	0%
Total	100%	100%	100%

The poorest farmers tend to sell more to brokers than retailers – while the less poor sell more to retailers than brokers



Poorer farmers sell their maize at significantly lower prices

Case Study: CARD Bank



- CARD Bank is the largest microfinance provider in the Philippines and it collects PPI data from all customers.
- Management wanted to test the effect of lowering the opening balance for its savings product.
- **Lowering the opening balance resulted in more people below the poverty line opening an account.**



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Link to Webinar Series:
<http://wdi.umich.edu/research/bop/webinar2014>

Questions?

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