

The short-term impacts of SKS' ultra poor program

Jonathan Bauchet
Jonathan Morduch
Shamika Ravi

October 21, 2010

Who are the ultra-poor?



Who are the ultra-poor?

- Most women are illiterate, single, in charge of > 3 household members on average.
- Average income \approx PPP\$0.58/person/day.
- Own very few assets (85% do not own a chair).
- 72% of households had an outstanding loan (most of them from SHGs).
- 60% of households were saving.

SKS ultra-poor program

- Modeled after BRAC's CFPR-TUP, with adaptations to the local context.
- Implemented by SKS-NGO, not SKS-MF.
- 3 components:
 1. Selection of activity, training, and asset transfer.
 2. Essential health-care.
 3. Social development.

The impact of BRAC's CFPR-TUP

- Short term (Ahmed et al, 2009; Rabbani et al, 2006):
 - Increased asset ownership, social integration, likelihood to hold savings and loans, and improved food security.
 - No impact on children schooling.
- Longer term (Das and Misha, 2010):
 - Most short-term results held 3 years after program.

Our impact evaluation design

- Randomized controlled trial
 - Post-program differences between participants and non-participants are *caused* by the program only.
- Randomization at the village-level.
- Analysis with difference-in-difference method.
- Randomization failed on several indicators.

Data

- 197 villages.
- 1,065 households surveyed in 2007.
- 1,015 households re-surveyed in 2009.
 - Attrition: 4.7% of households lost. Not different for treatment and control groups.
- Short-term impacts, immediately after the program.
 - Another round of surveys (under way) will measure longer-term impacts.

Income composition shifts, but not total

Outcome/Dep. var.:	Total income	Ag. labor income	Livestock income
Post*Treatment	41 (140)	-172** (69)	64** (32)
Post	697*** (104)	408*** (51)	6 (24)
No. of observations	1,746	1,739	1,746
Mean of dep. var.	954	491	8

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. T-statistics in parentheses. Regressions include village fixed effects and 5 binary variables controlling for differences between treatment and control groups at baseline.

Asset ownership unchanged

Outcome/Dep. var.:	Acres owned	Assets index	Ag. assets index
Post*Treatment	0.036 (0.117)	0.092 (0.191)	0.395*** (0.145)
Post	0.208** (0.087)	-0.203 (0.142)	-0.225** (0.109)
No. of observations	1,727	1,706	1,583
Mean of dep. var.	0.41	0.126	0.009

*** p<0.01, ** p<0.05, * p<0.1. T-statistics in parentheses. Regressions include village fixed effects and 5 binary variables controlling for differences between treatment and control groups at baseline.

Govt. safety nets still matter

Outcome/ Dep. var.:	Household sought or received ...			
	govt. housing	BPL ration	public work	subsid. goods
Post*Treatment	-0.086** (0.042)	-0.077*** (0.029)	-0.060 (0.039)	-0.005 (0.018)
Post	0.078** (0.031)	-0.098*** (0.022)	0.385*** (0.029)	0.000 (0.013)
No. of observations	1,742	1,744	1,744	1,744
Mean of dep. var.	0.169	0.931	0.338	0.1634

*** p<0.01, ** p<0.05, * p<0.1. T-statistics in parentheses. Regressions include village fixed effects and 5 binary variables controlling for differences between treatment and control groups at baseline.

No impact on children's schooling

Outcome/Dep. var.:	Time spent learning (min)	Any child attends school	Days at school in last week
Post*Treatment	-20.2 (32.9)	0.017 (0.074)	-0.3 (0.5)
Post	92.3*** (24.2)	0.114** (0.054)	0.3 (0.4)
No. of observations	759	761	700
Mean in dep. var.	247.5	0.700	5.6

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. T-statistics in parentheses. Regressions include village fixed effects and 5 binary variables controlling for differences between treatment and control groups at baseline.

More likely to save, less likely to borrow

Outcome/ Dep. var.:	Household has loan(s) outstanding	Total amount outstanding	Household saves	Total savings balance
Post*Treatment	-0.032 (0.040)	-5,922*** (1,695)	0.133*** (0.037)	288 (302)
Post	-0.011 (0.030)	5,248*** (1,261)	0.116*** (0.027)	1,681*** (225)
No. of observations	1,743	1,729	1,744	1,741
Mean in dep. var.	0.719	7,029	0.610	112

*** p<0.01, ** p<0.05, * p<0.1. T-statistics in parentheses. Regressions include village fixed effects and 5 binary variables controlling for differences between treatment and control groups at baseline. Amounts are in Rupees.

Less likely to borrow from moneylender

Outcome/ Dep. var.:	Household borrowed from ...			
	moneylender	cooperative	SHG	MFI
Post*Treatment	-0.158*** (0.058)	0.073*** (0.026)	0.057 (0.062)	0.011 (0.009)
Post	-0.016 (0.044)	0.062*** (0.020)	0.056 (0.047)	-0.000 (0.007)
No. of observations	1,256	1,256	1,256	1,256
Mean of dep. var.	0.355	0.087	0.353	0.003

*** p<0.01, ** p<0.05, * p<0.1. T-statistics in parentheses. Regressions include village fixed effects and 5 binary variables controlling for differences between treatment and control groups at baseline.

Take-away points

- No dramatic short-term increase in income and assets.
 - But less borrowing, more saving.
- No measured impact on children's schooling.
- Program shifts households towards self-employment.
 - Still modest livelihood
 - More sustainable?