

# THE PLATFORM FOR EVALUATION AND LEARNING OF THE GRADUATION PROGRAM IN LATIN AMERICA



*Which indicators are  
we evaluating on the  
Platform?*

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A fundamental aspect in any evaluation exercise is to clearly identify the output variables that are going to be analyzed. The purpose of this note is to present the selection process for the measurement indicators which are evaluated on this platform.

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One of the aims of The Platform for Evaluation and Learning of the Graduation Program is to analyze and generate evidence of the effect of graduation-type programs on the beneficiaries' state of vulnerability and poverty. The platform's methodological strategy to approach this objective is through the implementation of an outcome evaluation, which consisted in the identification of possible changes fostered by the intervention that can respond to it either partially or exclusively.

To undertake an effective evaluation, three prior steps are required. The first is the limitation of the dimensions expected to be affected by the graduation-type program; this depends on the programs intervention components in each country, or the models adaptation to the needs of each context. Secondly, there is the selection of the indicators that will account for each dimension and allow their measurement. Finally, and once the indicators have been delimited, the quantitative and/or quantitative information gathering tools are designed. Conventionally, this translates into different questionnaires designed to capture the information necessary to calculate each indicator. In this note, we are going to look at the first steps: delimitation of the dimensions and

selection of indicators.

### 1. Delimitation of the dimensions

Currently, results evaluations are being carried out in three countries: Colombia (Transformando mi Futuro, TMF), Mexico (De la mano con Prospera, DMP) and Paraguay (Sembrando Oportunidades, SO), and the Honduras program, Emprendiendo una vida mejor, is in its design phase of a impact evaluation. In each country the graduation program adopted and/or complimented the typical elements of this type of intervention, which consist in: i) consumption assistance, ii) mentoring, iii) technical training, iv) the promotion of financial services, and v) the transfer of seed capital. For most of the interventions, there is a common denominator which includes: the transfer of the monetary asset, with the exception of the TMF program in Colombia-, technical training, mentoring, and the promotion of access to financial services. Consumption assistance for the participants or the inclusion of additional elements was adjusted depending on the needs of each country's target population (see Table 1).

**Table 1. Components adopted in each country taking part in the graduation program**

Components of the graduation program	Colombia: Transformando mi Futuro	México: De la mano con Prospera	Paraguay: Sembrando Oportunidades	Honduras (diseño): Emprendiendo una vida mejor
Consumption assistance	Partial	Partial	Partial	Partial
Mentoring	Yes	Yes	Yes	Yes
Technical training	Yes	Yes	Yes	Yes
Access to financial services	Yes	Yes	Yes	Yes
Seed capital	No	Yes	Yes	Yes
Other	No	Yes	Yes	Yes

Given these intervention components, certain outputs can be expected from the graduation program. Banerjee et al. (2015) carried out six impact evaluations<sup>1</sup> in different countries around the world in which the graduation program was implemented, in order to identify the effects of these interventions. In all of the cases evaluated, positive impacts were found which consisted in scenarios that showed that participants are making their way out of poverty (“big push”). This includes all types of outputs such as increased income, consumption, food safety, self-employment, and assets among other effects (Banerjee et al., 2015;

2016 and Bandiera et al., 2011). Although authors specify that it is the combination of program elements that fosters these effects, based on each intervention element, it is possible to infer the possible impact that each element may promote on the different dimensions. To determine these dimensions and the reasons to include them in the analysis, we have to take an in-depth look at the theory of change associated to be expected effects of the program.

*The outcome evaluation consisted in the identification of possible changes fostered by the intervention that can respond to it either partially or exclusively.*

The condition of poverty maybe a consequence of the existence of external and internal constraints. External constraints are those restrictions that are traditionally related as individuals’ causes of poverty. Normally, we talk about market failures such as credit restrictions, lack of liquidity and lack of education. However, an alternative vision has drawn attention to the influence of individuals’ internal constraints as factors<sup>2</sup> that cause the perpetuation of poverty (Lybbert and Wydick, 2015; Dalton et al., 2015). Specifically, these factors are understood as behavioral biases such as a weakness to aspire or a lack of willpower (Dalton et. al, 2015), which have a profound effect on individuals’ behavior and their inability to overcome poverty.

As we can see in Figure 1, the components of the intervention of the graduation program may have effects on internal and external restrictions faced by individuals who live in poverty. For example, the transfer of assets or seed capital effects external constraints by alleviating liquidity restrictions, which

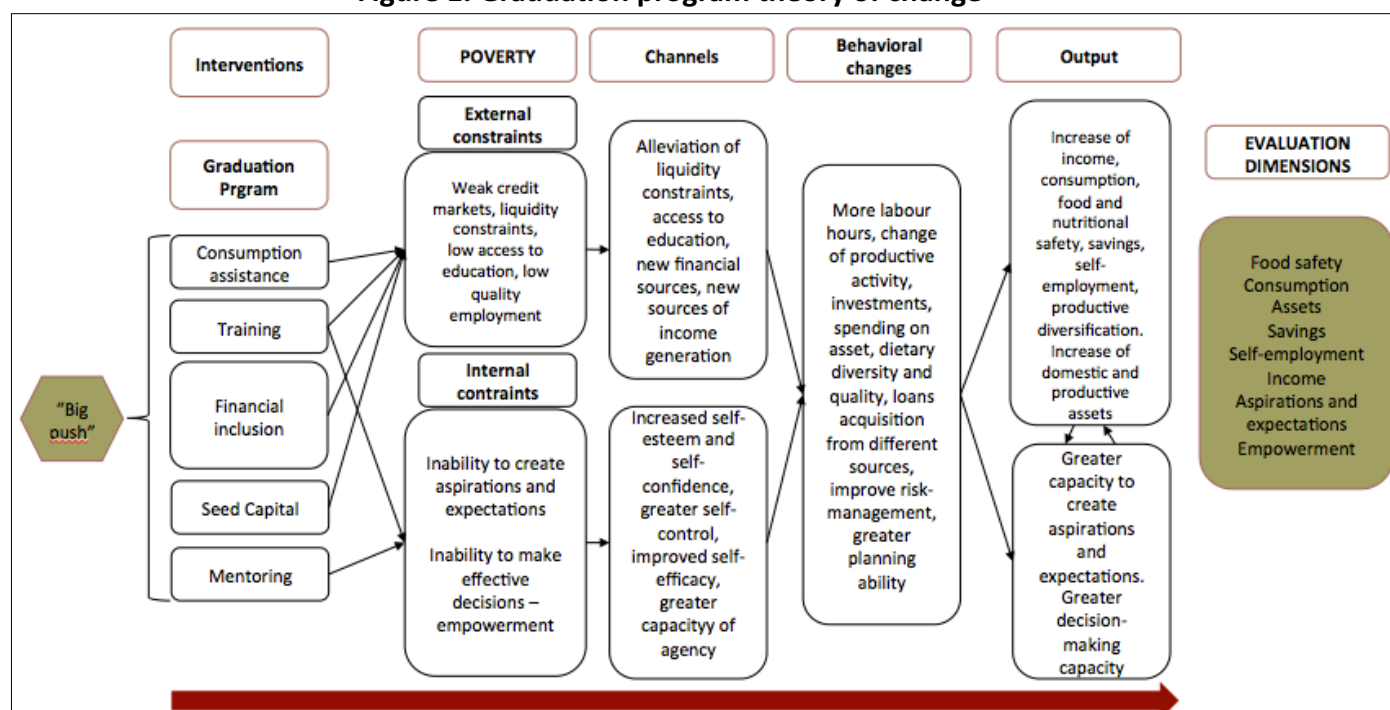
may trigger behavioral changes such as the implementation of saving practices and increased consumption or purchasing of production assets in the future. Internal constraints, mentoring and technical training can, on the other hand, through raising self-esteem and trust, improve participants’ capacity to have new goals and motivate their actions towards achieving them. The goals may include the purchasing of productive assets or the increased consumption of food within the household.

As such, the dimensions of interest for the effects evaluations in the platform are directly related to the program components and its specific effects on the participants’ internal and external restrictions. The right panel of Figure 1 lists the eight dimensions selected for evaluation.

<sup>1</sup> Six random control tests were carried out in Ethiopia, Ghana, Honduras, India, Pakistan and Peru.

<sup>2</sup> It is not clear whether internal restrictions are the cause of the consequence of poverty (Dalton et al., 2015).

Figure 1. Graduation program theory of change



As we can see, the platform's effective evaluation includes, within the dimensions of analysis, the conventional or a direct effects such as income, consumption, food safety, saving, etc. Nevertheless, given the governmental adaptations which include a different target population to the traditional one, as well as the recent literature which highlights the importance of the individuals psychological and emotional aspects as causes of poverty (Lybbert and Wydick, 2016), the following additional dimensions were included for evaluation: aspirations and expectations, and empowerment (see Table 2).

Table 2. Studied dimensions with regard to adapted intervention components

Dimensions vs. components program	1. Consumption assistance	2. Mentoring	3. Technical training	4. Promotion of access to financial services	5. Seed capital
1. Food and nutritional safety (SAN)	✓				✓
2. Consumption	✓				✓
3. Assets		✓	✓	✓	✓
4. Savings		✓	✓	✓	✓
5. Self-employment		✓	✓	✓	✓
6. Income		✓	✓	✓	✓
7. Aspirations and expectations		✓	✓		✓
8. Empowerment		✓	✓		✓





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## 2. Definition of indicators

With the hypothesis on the possible effects of the graduation programs and the defined dimensions, the indicators to be observed can be determined. In the platform, eight dimensions were determined, which, as mentioned earlier, are related to individuals internal and external constraints (table 2). Each dimension has at least one indicator. The indicators were defined following the CREMA methodology exposed by DNP (2012), where it is established that the indicators must be:

- Clear: precise and unequivocal.
- Relevant: they are appropriated for the specific outcome of interest.
- Economical: with reasonable calculation costs.
- Measurable: susceptible to external validation.
- Adequate: they must offer sufficient information to estimate the performance.

Table 3 shows the list of indicators established within the platform. Depending on the elements, which make up intervention, some of the indicators

are applicable in all cases, and others only in specific evaluations. For example, the indicators related to the dimensions of household assets and food and nutritional safety are specific for the cases of Mexico and Paraguay where the interventions have defined elements that affect these dimensions.

Finally, it is necessary to consider the direct or indirect nature of the effects of the program on the dimensions of interest. Colombia, with the Transformando mi Futuro program, is a specific case, where there is no transfer of assets, meaning that any effect observed in the dimensions of income, consumption, savings, and work will be indirect effects of the program brought about by mentoring and technical and financial training. Thus, the direct effects will appear in the dimensions of aspirations and expectations, and empowerment. For the other cases, it may be inferred that all the dimensions receive a direct effect by the program as a consequence of all of the program's intervention elements.

**Table 3. Evaluation dimensions in indicators**

Dimensions	Indicators	Country
1. Income	Percentage change in income per capita	All
2. Consumption	Percentage change in per capita consumption. These may be differentiated by type of goods and services.	All
3. Food safety	A change in the ELCSA food safety scale.	Mexico and Paraguay
4. Household assets	Changes in the total value of household assets. These can be differentiated by domestic and productive assets.	Mexico and Paraguay
5. Savings	Changes in terms of savings (formal and informal) of the participating households	All
6. Work	A change in the offer of employment	All
7. Expectations and aspirations	Changed perception on household well-being.	All
8. Empowerment	Percentage change in empowerment as an end	All

Source: adapted from <http://plataformagraduacionla.info>

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