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Notes from the field: Peru "Graduation" Pilot

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I am Adam Kemmis-Betty and I work at [Innovations for Poverty Action \(IPA\)](#) where I'm responsible for coordinating the randomized impact assessment of the [Peru Graduation Pilot](#). I recently coordinated the baseline survey of the initial status of those eligible to participate in the pilot. This allows us to see how those who will actually participate will fare compared with others at the end of the program.

The survey has already shown its value by revealing that, despite their isolation and lack of access to finance, the people in the pilot project may indeed be poorer than other Peruvians but surprisingly they have higher incomes than families being assisted in other [CGAP-Ford Foundation Graduation Program](#) pilot efforts. In short, the baseline survey is finding that the families we looked at in Peru have a diverse range of crops and animals, relatively good access to health and education services, and some were in fact saving even without access to a formal financial institution. Here's how we approached the survey and what we found in detail.



Over the summer, the Peru Pilot implementation team composed of [Asociacion Arawiwa](#) and [PLAN Peru](#) selected participants for the program. They used a scorecard based on their knowledge of the area, observations, and interviews to identify the 86 poorest villages in the zone. Within each village they then asked the community to identify their poorest members during a participatory wealth ranking exercise. Through this process, they came up with a list of the poorest 3,200 poorest families in the area.

That's when [IPA](#) stepped in: in order for the randomized impact assessment to take place, we randomly assigned villages and families into treatment and control groups. The pilot is now working with a treatment group of 826 families. And there is a control group of 802 families within treatment villages and another control group of 792 families within control

communities. Having control groups within villages where some families are participating in the program will allow us to see if the pilot has any indirect impact on those who don't participate in the program but who live in communities where it is being implemented.

We have just completed the baseline survey with treatment and control groups. The preliminary results from the baseline survey are confirming that this pilot stands out for the remoteness of the villages. Eighty-two percent of villages are only reachable by dirt track and only 32 percent of communities are accessible with public transport more than weekly. However, access to health and education services is relatively good: 84 percent of villages have a primary school, 29 percent have a secondary school and 24 percent have a health post.

The initial results from the baseline survey are also showing that mixed subsistence farming is the main economic activity of the project families, with 61 percent of families selected dependent primarily on farming. It is common for families to hold a diverse range of crops and animals in the area: 97 percent of families grow potatoes, 80 percent grow barley, 73 percent grow fava beans and 32 percent grow corn. Plots are on average only 0.34 hectares, although with significant variation according to the zone and altitude. Eighty-one percent of households have at least one cow, 76 percent have sheep, 65 percent guinea pigs (mainly for fattening and eating) and 79 percent chickens. Migrant labor is common in the zone. Over half of families have a least one member that engaged in wage labor in the past 12 months, typically done outside of the communities: common activities include casual work for the municipality, agricultural labor on large farms and gold mining in the rainforest.

The initial results from the baseline survey are also confirming that access to formal financial services among eligible households is limited. Although 30 percent of families reported having some monetary savings, nearly all these families keep their cash at home.

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