Evaluation of MOVE

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Introduction

Livelihood programmes traditionally focus on one dimension of income development, such as credit linkages, manufacturing skills or resource availability. A one dimensional approach to livelihood development leaves participants untrained on concepts like market trends and supply and demand, and so they may struggle to navigate the marketplace. In an attempt to equip people, with a special focus on women, in rural areas on business skills, Best Practices Foundation (BPF) designed and implemented their livelihood development model, Market Oriented Value Enhancement (MOVE) in 2003-04. Since then, around 1000 participants have been trained with MOVE, and over 250 businesses established. Over time, various marginalized sections of the society including sexual minorities and people living with HIV have also received the training.

The MOVE training model is conducted in modular training sessions through experimental live methods, games and visuals to teach basic business concepts and strategies. The interactive and participatory nature of the training program allows vulnerable population, such as illiterate women and landless poor to engage with the training sessions. Once participants establish what micro-enterprise they individually want to pursue they are linked to technical skill training or credit sources if applicable.

Since its inception MOVE has routinely been evaluated by both internal and external entities. Data for the most recent evaluation was collected in 2011 and the assessment report was written in 2012-13 (MOVE Assessment 2012-2013).

This report combines the findings established from the MOVE Assessment 2012-2013 with data collected of the same participants in 2015-16 to provide a longitudinal analysis.

Methodology

Random sampling

The assessment from 2012-2013 incorporated a stratified random sampling method with a 50 percent sample of listed established businesses to measure outcomes and impacts. Businesses could only be picked once, but participants could be selected more than once provided they had two or more enterprises. Random sampling was selected because it allows for more rigorous control that allows for findings to be applied to the whole population studied[1]. The same participants were surveyed again in 2015-16.

Sample Selection

A total of 373 participants were trained from the SDTT, DF1 and DF2 MOVE project. At the time of data collection for the MOVE Assessment 2012-2013 185 were reported to have started a business and of these 90 were selected for the evaluation. A total of 76 interviews were collected for the MOVE Assessment 2012-2013. From the 76 individuals who were interviewed initially, follow up with 46 of them was completed in 2015-16.

Survey instrument

A survey instrument was designed, piloted and refined for the 2012-13 MOVE assessment to elicit responses of a largely, though not exclusively, qualitative nature and it looked at the following categories: Livelihood Portfolio and Income, Income Generation, Household Expenditure, Credit, Improvements after MOVE, and Business Information. Interviews were conducted at the respondent's house, and generally took between one and two hours to complete.

The same instrument was later adapted to include new categories such as Individual Expenditure, Assets, Savings, Vocational Training, and Decision-making for the survey in 2015-16. This time, questions were primarily quantitative in nature, with a few open ended questions.

The questionnaire was written in English, but the respondents were asked the questions in Kannada through the use of a translator. The translators were given the survey instrument prior to data collection and a session was held to clarify any questions they might have. A pilot was also conducted to test the new questionnaire.

Qualitative

Outside of the random sample, a number of case studies were conducted to highlight successful example of micro-enterprises. Interviews for the case studies were held primarily at the respondent's home by the BPF research staff. The interviews were conducted in Kannada.

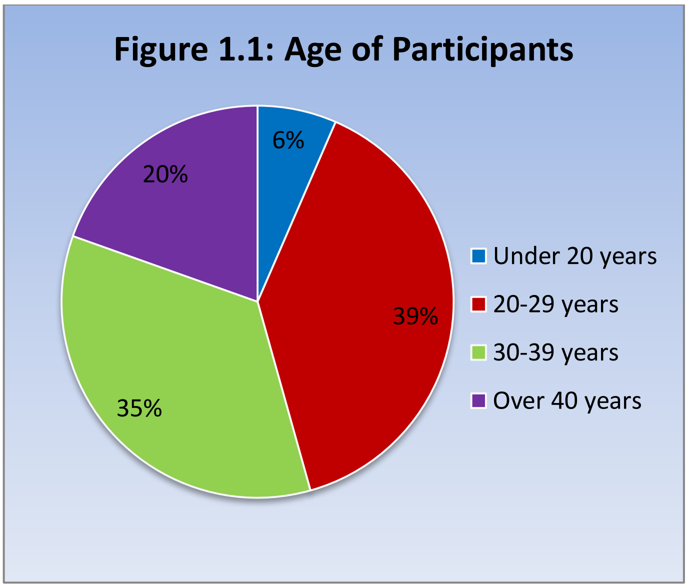
Respondent's Profile

Gender of interviewees:

Out of the 46 respondents, 31 (67%) were female and 15 (33%) were male.

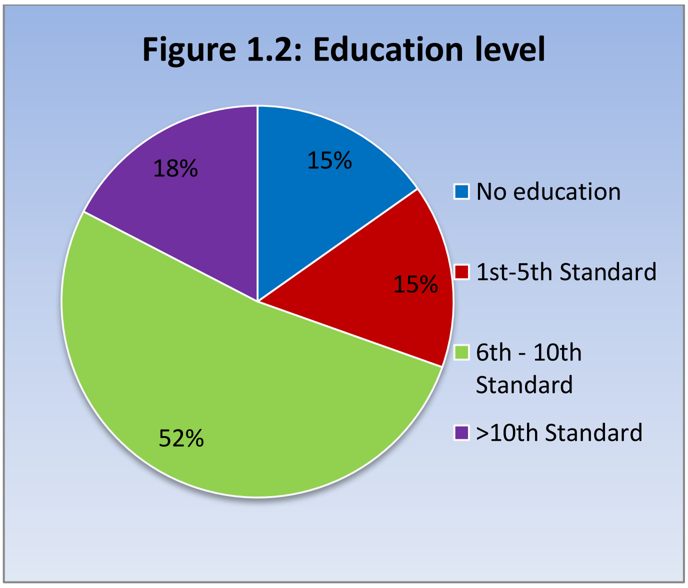
Age:

The average age of the 46 participants was 31 years at the time of data collection in 2011. 3 people were below 20 years of age, 18 were in their twenties, 16 in their thirties, and 9 were over 40 years old.



Education level:

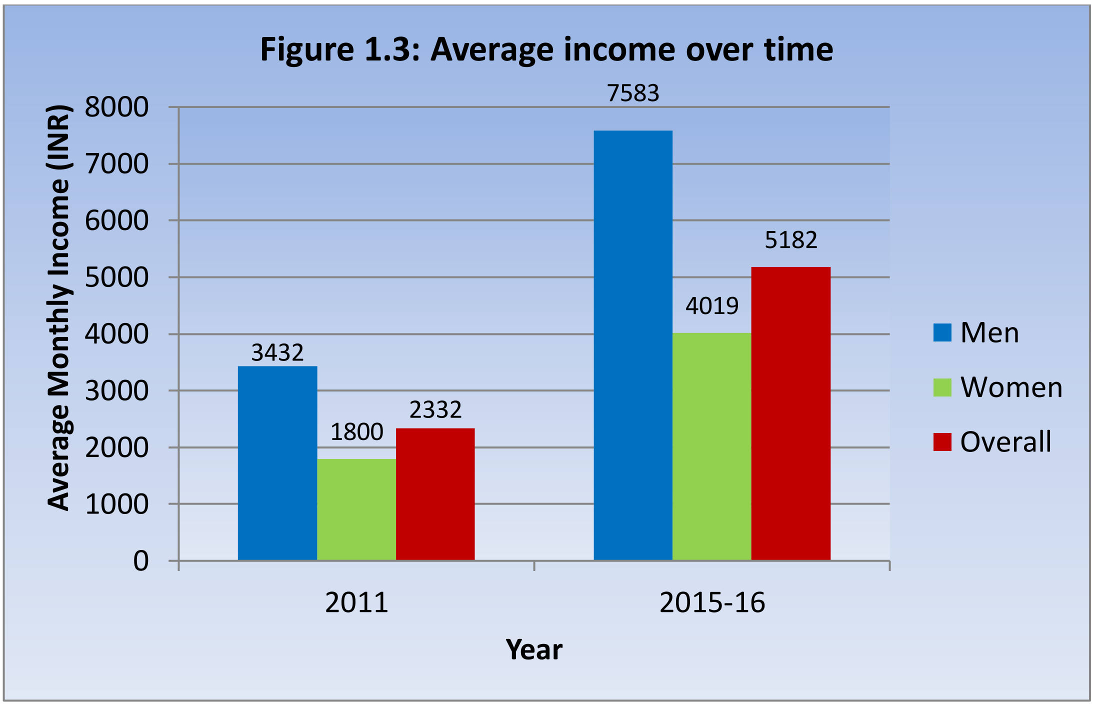
The majority of respondents (85%) had received some form of education. 8 people (18%) had studied beyond 10th standard.



Businesses and Employment

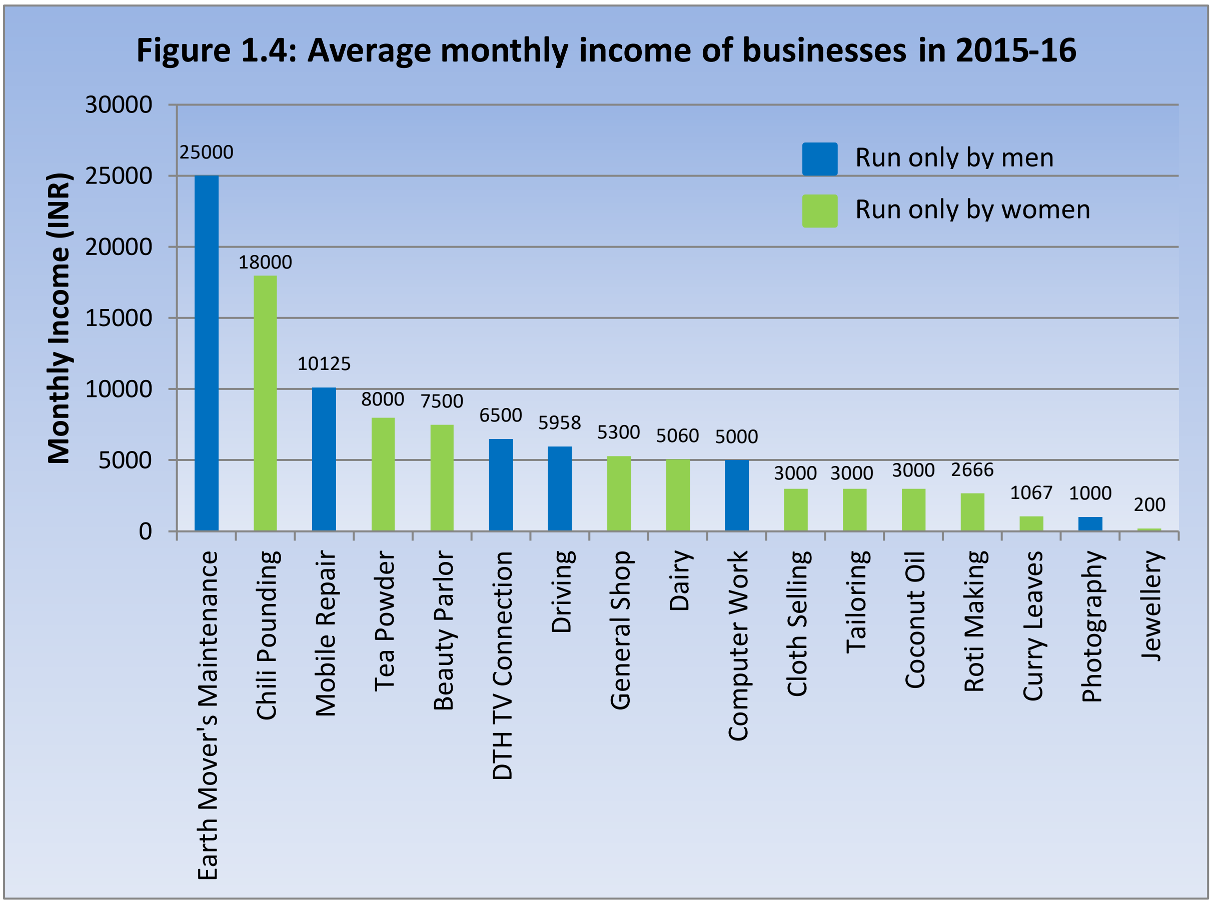
Income:

The entrepreneurs reported opening a variety of businesses, including mobile repair shops, chilli pounding, beauty parlours, driving, and tailoring. The average monthly income from these businesses has more than doubled from INR 2332 in 2011 to INR 5182 in 2015-16. In the same time period, averaging over all businesses, women's earnings have gone up from INR 1800 to INR 4019 – an increase of 123%. Monthly incomes for men have increased by 121% from INR 3432 to INR 7583. However, on average, in 2015-16 women still earned 47% less than men.

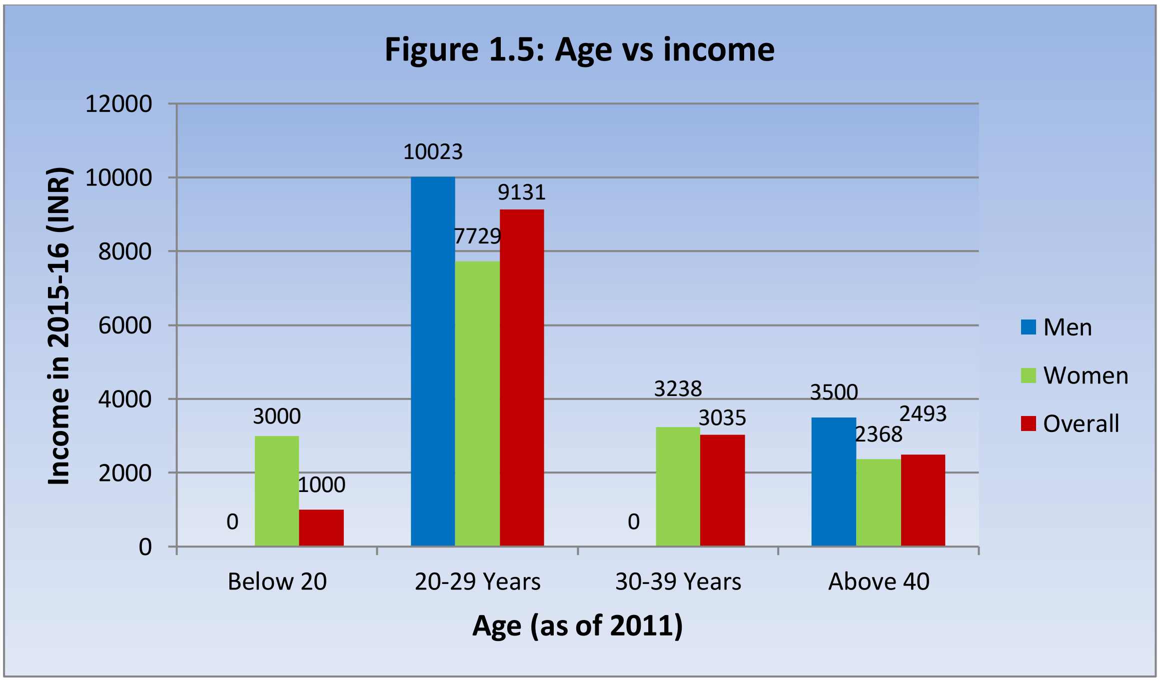


Now, one of the possible reasons for this gender income disparity is the kind of businesses run by men and women. Some businesses, such as mobile repair shops and driving, have been established solely by male entrepreneurs; and some, such as chilli pounding and beauty parlours, solely by female entrepreneurs. Surprisingly, there is no business that is no business that has been set up by both men and women. This may be a reflection of existing biases in society which dictates the kind of work that men and women can do.

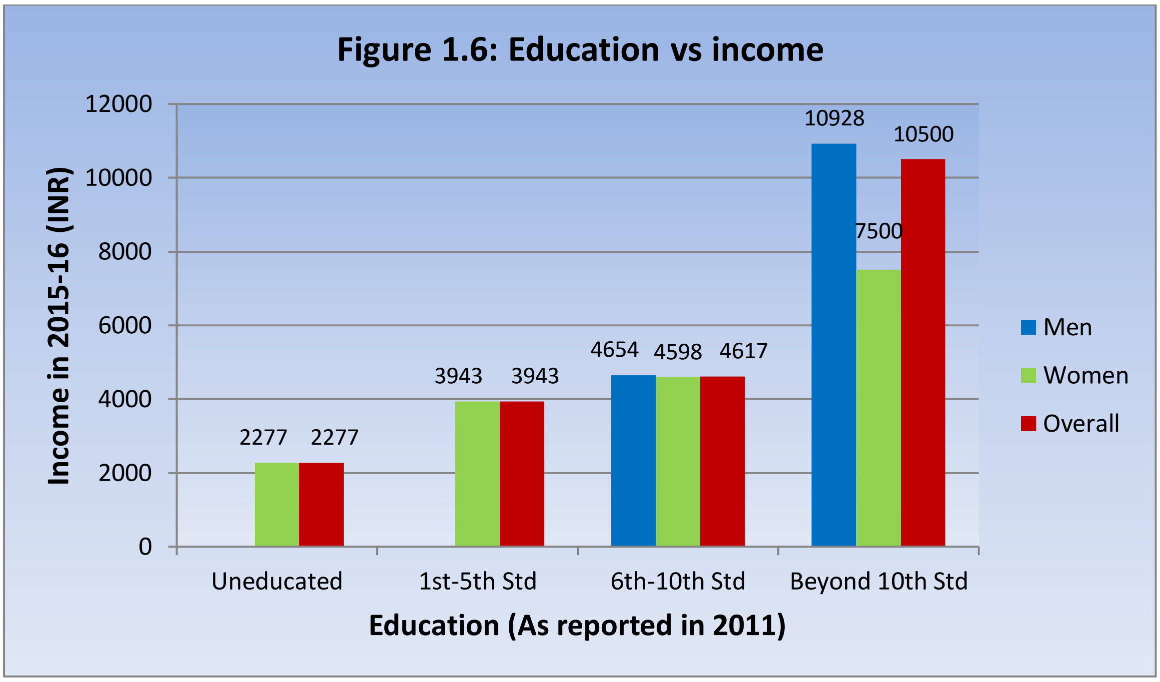
Overall, in 2015-16, the most popular business among men was driving (43%), for which they earned nearly INR 6000 per month on average. Among women, the most popular business was tailoring, with 31% of the women in the sample choosing it as their profession. The monthly average income from tailoring was INR 3000. As Figure 1.4 depicts, most of the businesses that yield lower incomes, such as tailoring and roti making, are run solely by women. The exception to this is photography, which is the business of choice for one man.



Age also seems to have an effect on income. At the time of the survey in 2015-16, younger entrepreneurs (with the exception of those who were below 20 years of age in 2011) reported higher incomes than older ones. This effect was seen in both men and women. In the sample, there are 2 men below 20 years of age, and 1 man between 30 and 39 years who report no income in 2015-16.



Entrepreneurs who were more educated also made more money. This can also be seen in both men and women. All the men in the sample have studied at least till Standard 6th.



Sustainability:

Of the 46 businesses that were reported in 2011, 29 were sustainable (still operational in 2015-16). 4 people (2 men and 2 women) had closed their old businesses and opened new ones. 11 of the remaining 13 were engaged in other livelihood activities such as agriculture, and the other 2 were unemployed. Figure 1.7 shows which kind of businesses are still running, and which have closed.

As illustrated in Figure 1.8, 84% of the female-run sustainable businesses report an increase in monthly income. Of these, 58% report a greater than 50% increase in monthly income between 2011 and 2015-16. In comparison, only 60% of the male-run sustainable businesses report an increase in monthly income with 40% of them reporting an increase greater than 50% during the same time period.

Additionally, a greater percentage of service oriented businesses such as tailoring and mobile repair shops have survived from 2011 to 2015-16 as compared to product oriented businesses such as bangle selling and incense sticks. 62% of the service oriented businesses that were functioning in 2011 were still operational in 2015-16 while only 53% of product oriented businesses lasted that long. This may partly be because product oriented businesses require constant reinvestment to produce their goods, and so may become prohibitively expensive to maintain. On the other hand, service oriented businesses require relatively less investment and so represent less risk for entrepreneurs.

Moreover, in service oriented businesses, the entrepreneurs are in constant contact with the customers, and so it is simple for them to get feedback. For example, in a tailoring shop, the tailor has to interact with customers when working on their clothes. This makes it easy to understand if the customers' needs are changing. In contrast, as a product oriented business expands, the person making the product may not always be the one selling to the customer. Thus the entrepreneur may need to put in extra effort to obtain feedback from her customers.

Figure 1.7:

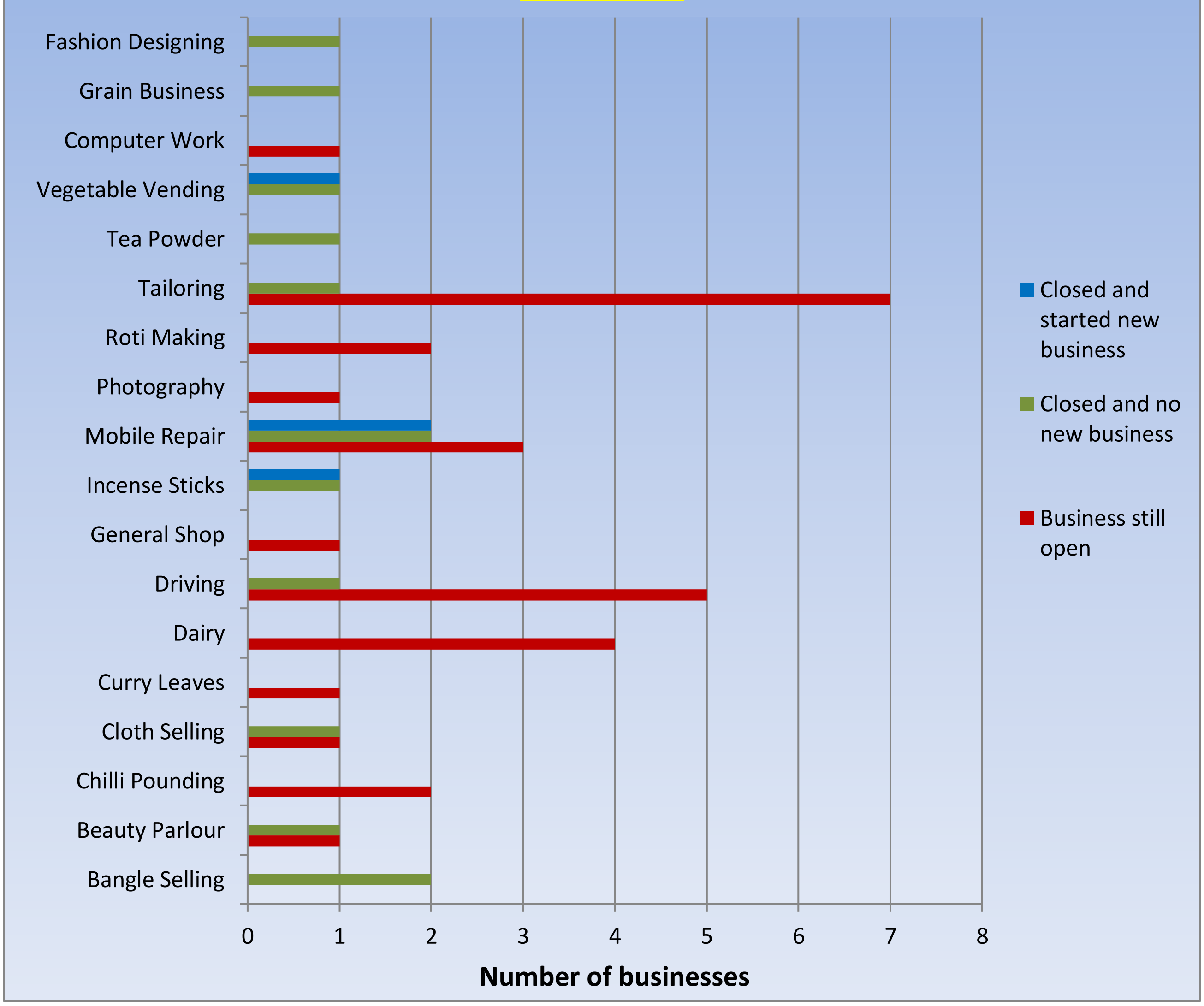
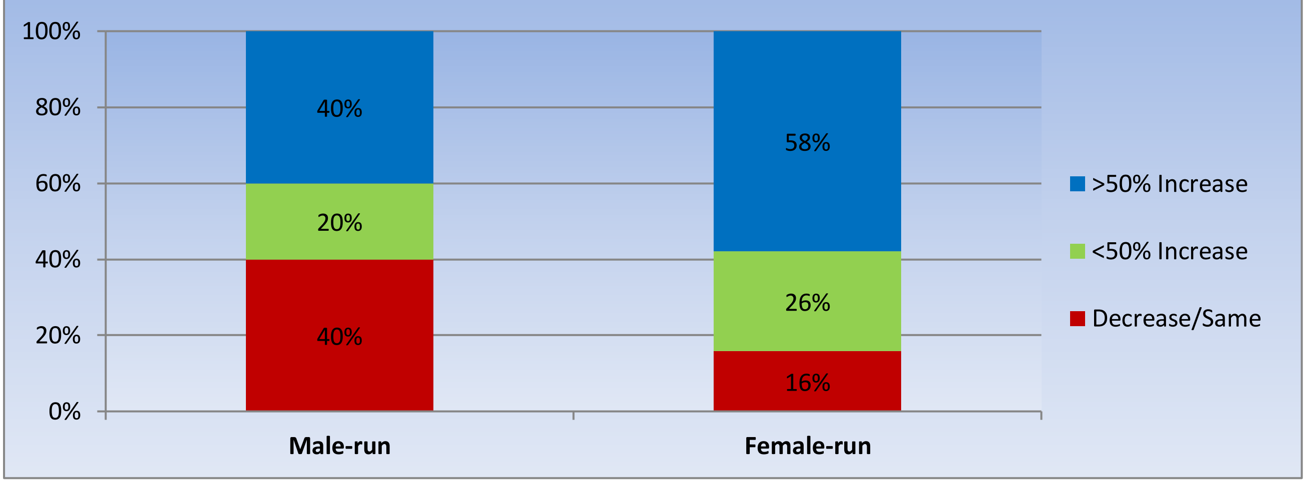
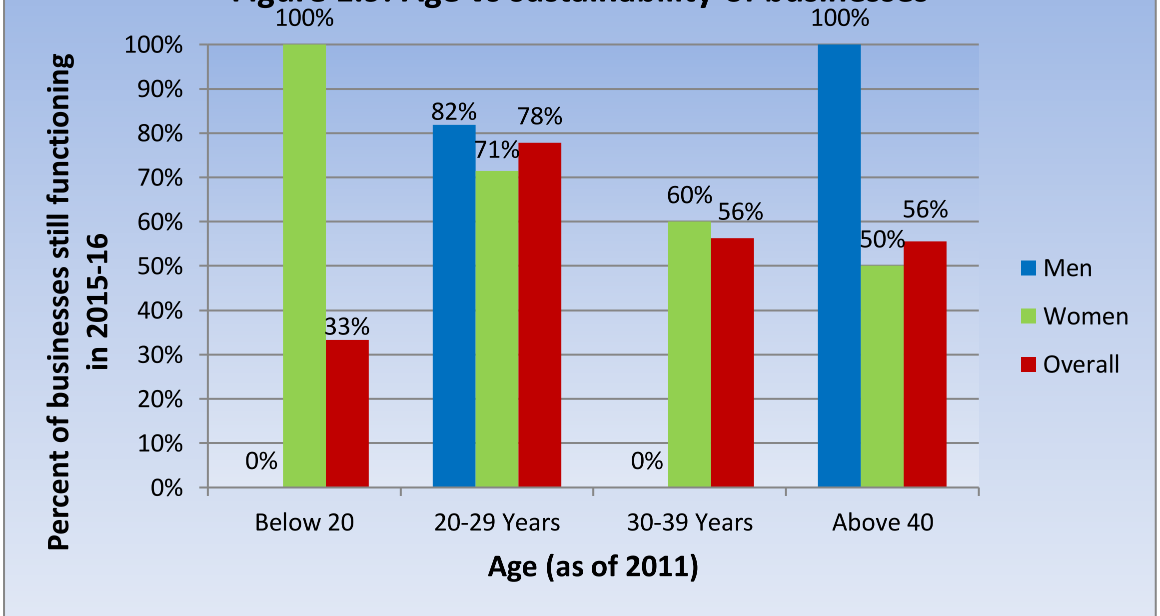


Figure 1.8: Change in income of sustainable businesses from 2011 to 2015-16

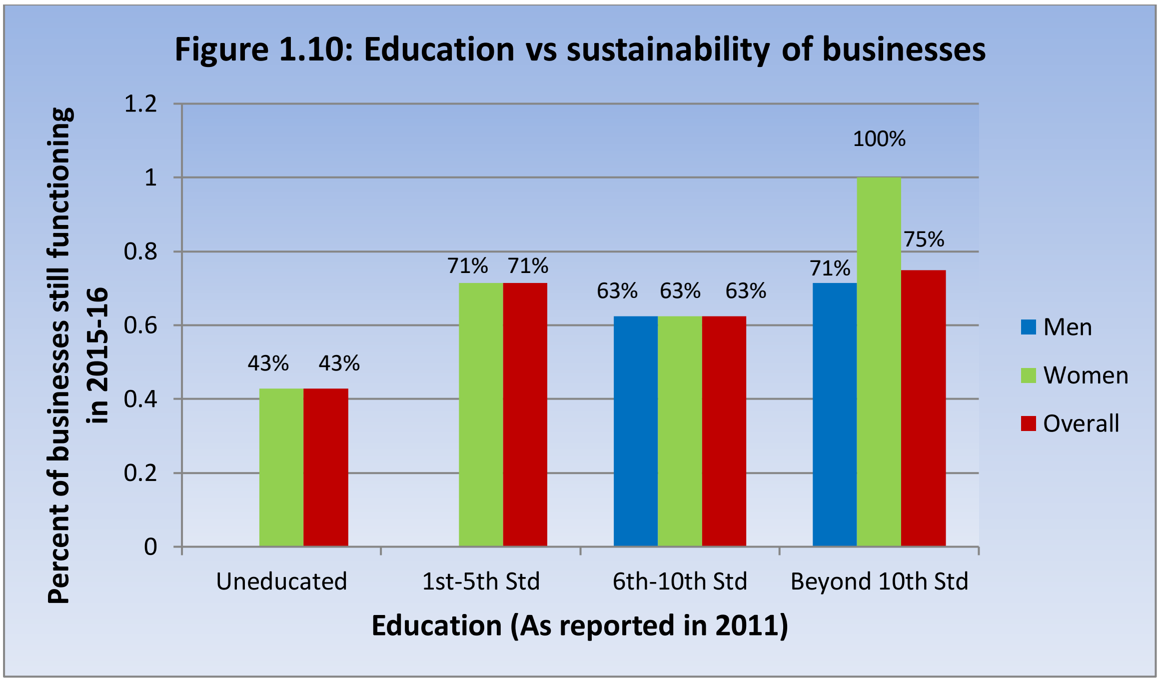


Age of the participant also seems to have an effect on sustainability of businesses. Businesses run by people who were aged between 20 and 29 in 2011 can be seen to more sustainable than businesses run by people of other age groups. There is only one woman below 20 years of age, and only one man above 40 years, both of whom are still running their respective businesses.

Figure 1.9: Age vs sustainability of businesses

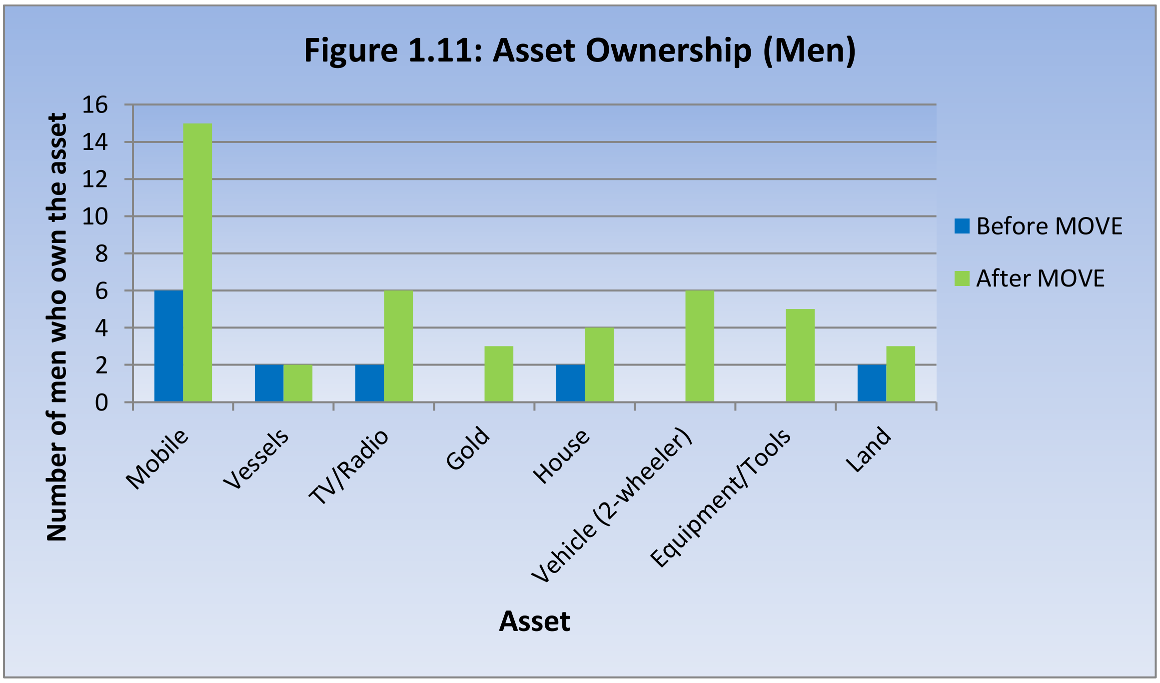


The impact of education on sustainability is not that clear. People who have not studied at all seem to have the least sustainable businesses. However, in the rest of the sample, there does not seem to be a clear relationship between education and the percentage of sustainable businesses. In the sample, there is only one woman who is educated beyond 10th standard, and her business was still operational in 2015-16.



Ownership of Assets:

Ownership of various assets has increased for both men and women. The most commonly owned asset among men are mobiles, and among women are vessels. However, after MOVE training, ownership of mobiles has increased by the greatest number among all assets for both men and women.



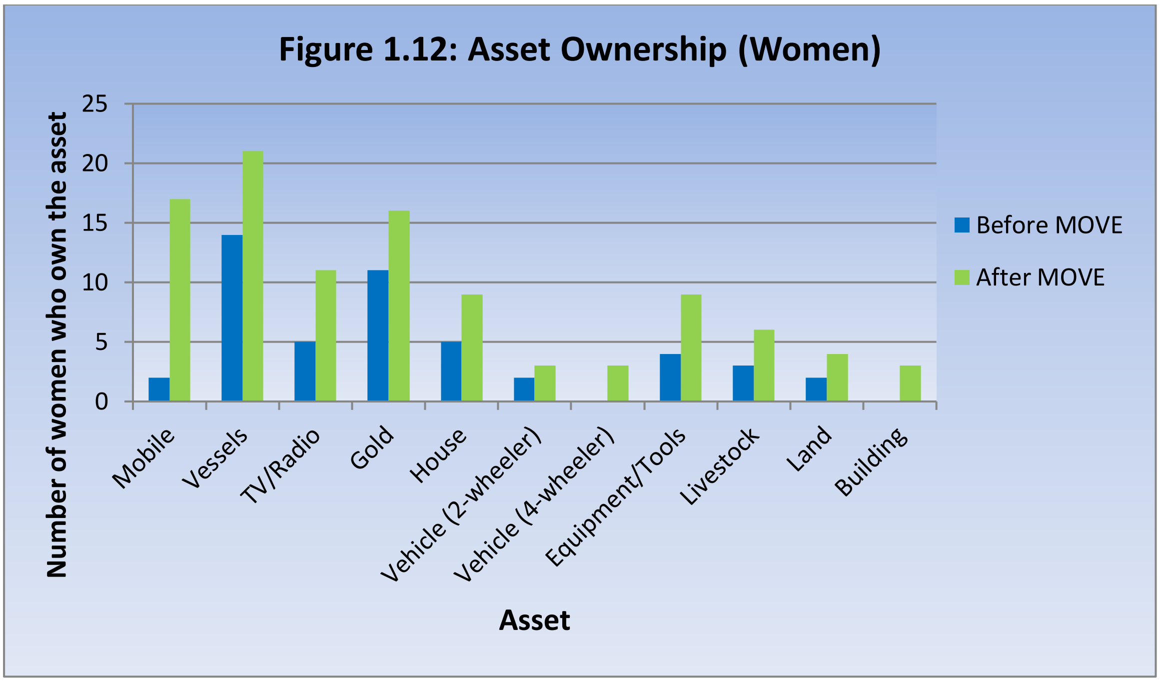


Figure 1.12: Asset Ownership (Women)
Number of women who own the asset
0
5
10
15
20
25
Mobile
Vessels
TV/Radio
Gold
House
Vehicle (2-wheeler)
Vehicle (4-wheeler)
Equipment/Tools
Livestock
Land
Building
Asset
Before MOVE
After MOVE

Recommendations:

The following recommendations are aimed improving the efficiency, effectiveness and equity of the MOVE program. The three criteria can be measured by:

Efficiency: Time and resources spent per established business.

Effectiveness: Percentage of participants who open businesses after MOVE training, and the sustainability of these businesses.

Equity: Whether the program manages to reach those who need the most help, and ensuring that an intervention does not disproportionately negatively impact a particular group.

These three criteria may at times be in conflict with each other, and a choice may have to be made if these recommendations are implemented.

Recommendation 1: *Showcase previously successful businesses during the MOVE training:*

Businesses that are being run successfully (with high income and sustainable) by previous MOVE trainees can be showcased during the training. This may inspire the participants to establish similar businesses which may also being successful. As part of this process, a few successful entrepreneurs can also be invited to speak to the current trainees, and answer any questions they might have. The trainees would get direct exposure to someone who has successfully used the MOVE training. While the format-free and formatted market visits also provide an opportunity for the trainees to understand the practicalities of a business, it is possible that the entrepreneurs may speak more freely about their businesses as part of a training session in a closed room rather than in the middle of the market.

Additionally, if these businesses are selected carefully, they may also motivate some women to start enterprises that they would not have ordinarily thought of. As the data reveals, a lot of the businesses that yield low incomes are female-run and there is a significant gap in the income generated by men and women. If women were to establish businesses that have historically made more money, this gender income disparity may reduce.

In this entire process, the trainers must be careful that they do not inadvertently push any of the participants towards any certain business. The participants must eventually select their own businesses, and these sessions should only serve as inspiration at most.

Analysis: This recommendation works towards increasing equity by potentially reducing the income gap between men and women. It also increases the effectiveness of the program by increasing the exposure that participants get to businesses. It can also increase efficiency if paired with recommendation 2, as mentioned below.

Recommendation 2: *Conduct a market visit towards the end of the training, after the participants have selected which business to run.*

Currently, two market visits are prescribed in the modules – the format-free and formatted market visits. These visits happen in the middle of the training, before many of the participants have decided which business they would want to establish. Thus, a lot of the questions asked during the market visits are generic, and not specific to particular businesses.

Additionally, the eatery game, which happens after the market visits, trains the participants on several important concepts such as the 7Ps, and the difference between services and products. Since the market visit happens before this module, the trainees would not be able to quiz the entrepreneurs on these concepts.

The program can possibly be made more effective by conducting a market visit close to the conclusion of the training, after all the participants have decided their businesses. Participants could then target their chosen businesses during the visit, and they may ask questions that would prove to be more helpful. Scheduling this visit after the eatery game would also allow participants to ask questions relating to the 7Ps.

Analysis: This recommendation can improve the effectiveness of MOVE by enabling participants to ask more targeted and specific questions to their chosen businesses during the market visit. Additionally, this can also improve efficiency in combination with recommendation 1. If both recommendation 1 and recommendation 2 are implemented, then the formatted market visit can possibly be eliminated. Identification of profitable businesses, which is one of the objectives of the formatted market visit, is possibly not fulfilled here. However, most of the trainees would normally visit market regularly, and would generally be aware of the kind of businesses that exist in a marketplace. Therefore, the objective of identifying profitable businesses may be redundant.

This recommendation has no foreseeable impact on equity.

Recommendation 3: *Modify the participation selection process to select people who are more likely to open businesses, as shown by past data*

According to the data from this sample, businesses set up by MOVE trainees in the age group 20-29 years had the most income on average: around INR 9000. Businesses set up by this group also had a higher chance of being sustainable, with 78% of such businesses surviving from 2011 to 2015-16, the most of any age group.

Education also seems to affect income, with more educated people making higher incomes. Additionally, businesses set up by people who had any education at all had a much higher chance of surviving than businesses set up by those who totally uneducated.

These trends in age and education hold true for both men and women. Therefore, it seems that the greatest benefit of the MOVE program goes to youth who have received some education, with incomes increasing as their education level increases.

Since MOVE aims at helping illiterate, asset-less people in earning their livelihood, excluding uneducated people would be against the spirit of the program. However, to increase efficiency, during selection of participants, younger people could be targeted and given greater preference since their businesses tend to generate higher incomes, and are also more sustainable.

Analysis: Selecting participants who are more likely to establish sustainable businesses will inevitably increase the effectiveness of the program since more businesses will be opened which will survive for a longer time. Since more businesses would be established while the cost of the training remains constant, this recommendation also makes the program more efficient.

However, targeting on a specific group of people is automatically exclusionary towards other groups. Additionally, while young men and women may establish more successful businesses, they are not necessarily the most needful group in society. Therefore, this recommendation is inequitable towards older people.

Recommendation 4: *Conduct periodic follow-up visits with businesses to help them constantly grow and evolve*

To stay competitive, businesses constantly need to evolve by either offering new products, or by adding value to their existing products and services. Often the entrepreneurs may not have the required expertise or know-how to understand how to expand their businesses. Therefore, the trainers must step in to act as counsellors and regularly provide advice to the entrepreneurs on how to maintain and grow their businesses. This can be achieved by conducting scheduled periodic visits to each business. These visits may need to happen frequently, maybe quarterly, in the first year of the business since that is when the most support is needed. Gradually, as the business becomes stable, the frequency can be reduced to annual or semi-annual, as considered necessary by the trainer and the entrepreneur together.

Analysis: Implementing this recommendation would increase the effectiveness of the program, assuming that the periodic visits help the businesses become more profitable and sustainable. The effect on program efficiency is not as clear, since the added visits would simultaneously increase cost and help businesses perform better. There does not seem to be any impact on equity, assuming that all businesses are served equally well by the follow-up visits.

Limitations of this study:

The limitations of this study stem mainly from selection bias, and potentially inaccuracies in the data, as explored below.

Selection bias: This study was limited to people who reported setting up businesses after MOVE training, and can thus be considered successes of the program. It ignores the effect of MOVE, if any, on trainees who did not eventually establish businesses. The data does help in understanding what worked for the people in the sample. However, it does not reveal the challenged faced by people who eventually did not become entrepreneurs. Conducting a future study on such trainees may provide more insights into how the program may be modified so as to help more people to establish businesses.

Inaccuracies in data: The data collected for this study is entirely based upon information provided by entrepreneurs. It does not account for any possible inaccuracies in that information. These inaccuracies may be due to an unwillingness of a respondent to provide certain details, such as amount of credit. In some cases, the respondents may themselves be unsure of the answer. For example, the entrepreneurs may find it hard to calculate how much income they make on average per month, given that a lot of the businesses are seasonal and income may vary from month to month. Additionally, a lot of the questions are subjective, such as those related to decision-making power and therefore rely on the judgment of the respondent.

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http://www.fairfaxcounty.gov/demogrph/pdf/samplingprocedures.pdf (accessed 13/06/12)