

Socio-Economic Welfare Index – SEWI: Case study 1

Training and coaching for Micro-Entrepreneurs Project, Comuna 18, Cali, Colombia.

The goal of the project was to improve the living conditions of 550 micro-entrepreneurs in the Comuna 18 (La Ladera) of Cali, through skills-oriented and entrepreneurial training, which would allow them to strengthen their technical and managerial competences, and therefore to increase their disposable income.

The project comprised two phases: in the first phase, the training center was built and installed, after which the training courses and consulting services would begin.

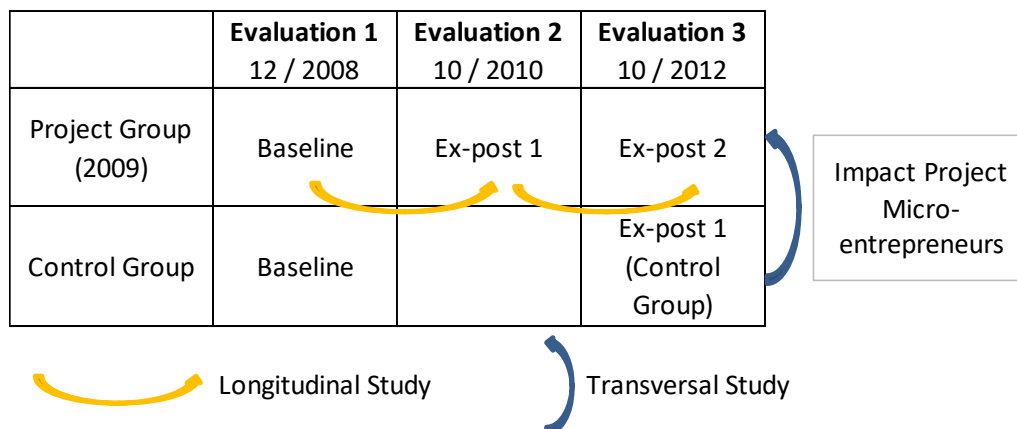
The project was carried out by the Carvajal Foundation of Cali, with the co-financing of ACTEC (Brussels) and the Limmat Foundation (Zurich).

At the end of 2008, shortly after the start of the training activities, data was obtained from the first cohort of beneficiaries, which constituted their baseline. As control group was chosen a population of micro-entrepreneurs living at the Comuna 12 (Bellavista). The surveys proved that both groups were comparable.

In 2010, a first ex-post survey was conducted on the project group (longitudinal study).

In 2012, a third evaluation was carried out for the project group, and at the same time another one was performed for the control group.

The diagram below shows the timing of the evaluations:

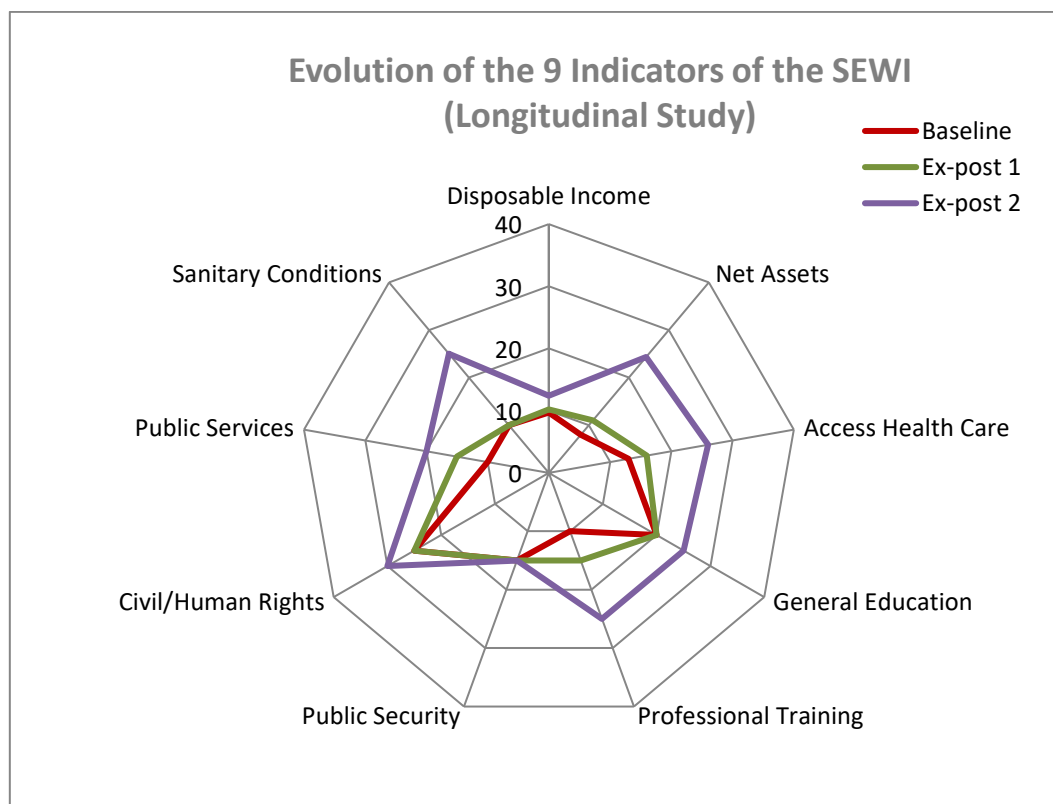


The results of the three evaluations carried out for the project group (longitudinal study) are shown in the table below:

Micro Entrepreneurs F. Carvajal, Cali	2008	2010	2012	
	Evaluation 1	Evaluation 2	Evaluation 3	
	Baseline	Ex-post 1	Ex-post 2	Δ Ev3 vs Ev1
Disposable Income	9.7	10.2	12.4	2.7
Net Assets	8.0	11.0	24.3	16.3
Access Health Care	13.0	16.0	26.0	13.0
General Education	20.0	20.0	25.0	5.0
Professional Training	10.0	15.0	25.0	15.0
Public Security	15.0	15.0	15.0	0.0
Civil/Human Rights	25.0	25.0	30.0	5.0
Public Services	10.0	15.0	20.0	10.0
Sanitary Conditions	10.0	10.0	25.0	15.0
TOTAL SEWI	12.9	14.8	21.4	8.5

The longitudinal study shows an improvement of 8.5 SEWI points.

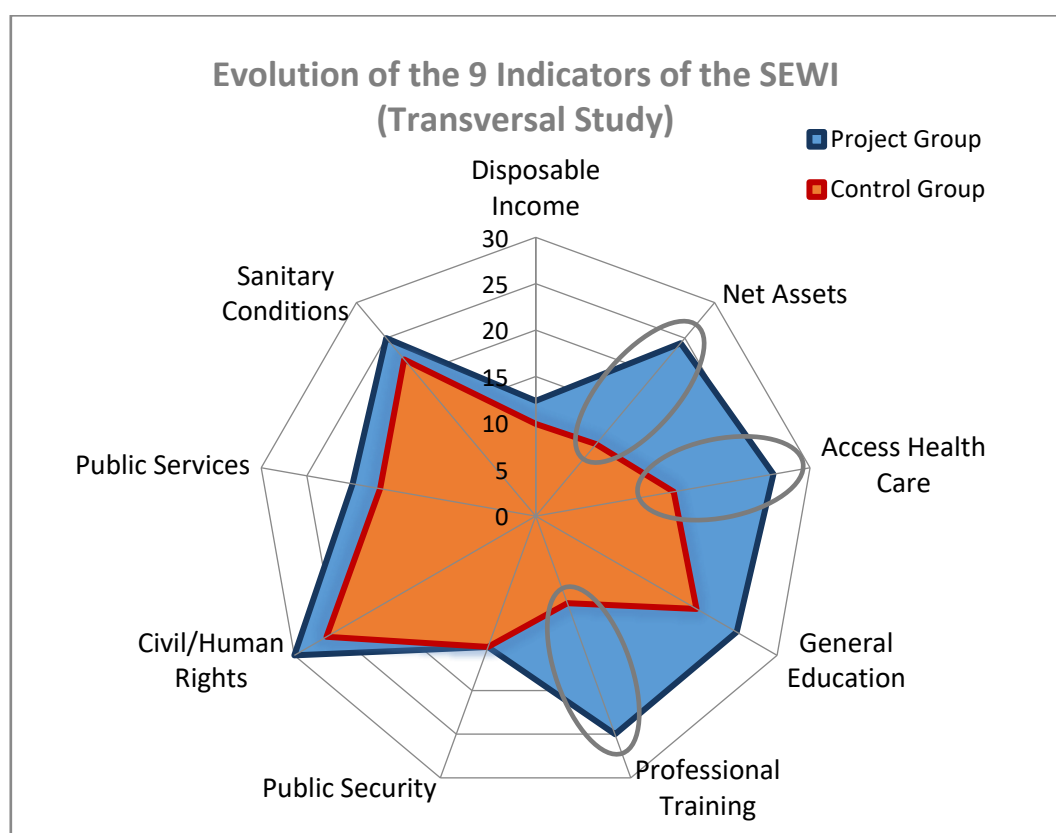
The following chart shows the evolution of the three evaluations of the longitudinal study:



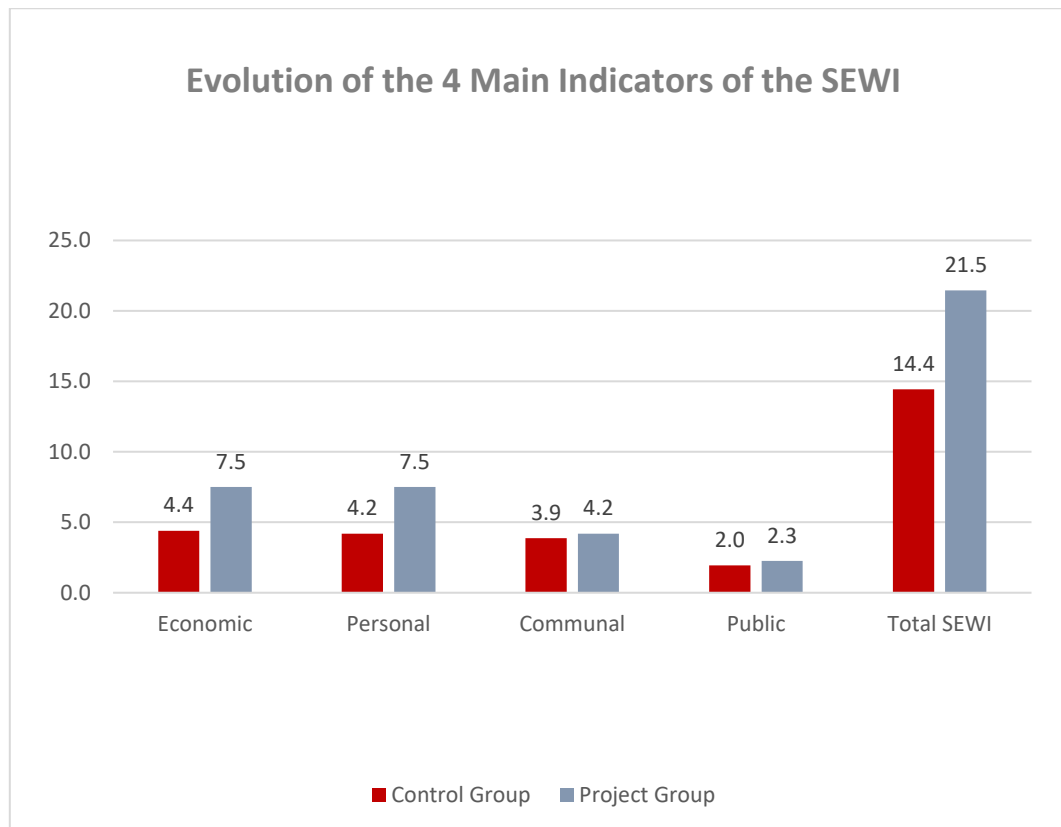
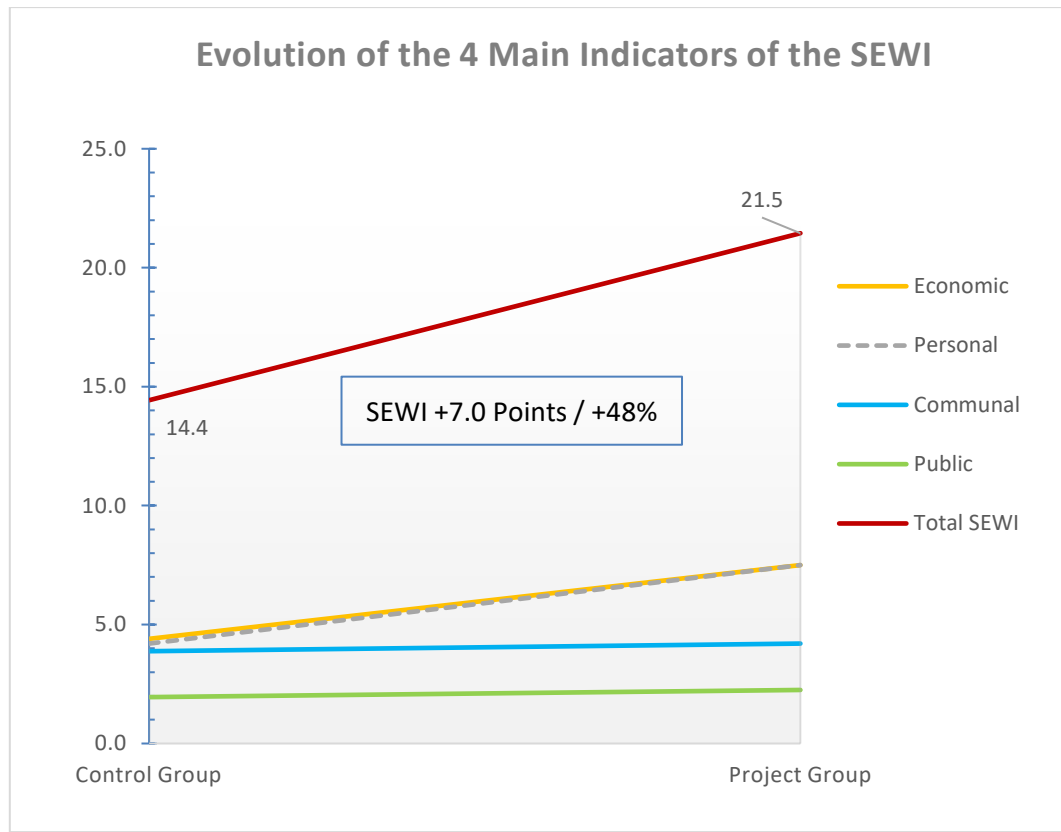
When the control group is introduced into the data analysis, it is seen that not all improvements in the SEWI indicators are attributable to the project. The following table shows the values of the nine indicators at the time of the evaluation 3.

	Control Group	Project Group	Δ PG vs CG
Disposable Income	9.9	12.4	2.5
Net Assets	10.1	24.3	14.2
Access Health Care	15.1	26.0	10.9
General Education	20.0	25.0	5.0
Professional Training	10.0	25.0	15.0
Public Security	15.0	15.0	0.0
Civil/Human Rights	26.0	30.0	4.0
Public Services	17.0	20.0	3.0
Sanitary Conditions	22.0	25.0	3.0
TOTAL SEWI	14.4	21.4	7.0

The graphic representation of these two series of values is the following:



The evolution of the 4 main indicators of the Socio-Economic Welfare Index is the following:



Findings and recommendations of the impact evaluation

- 1) The overall improvement in the living conditions of the project beneficiaries was 7 SEWI points. This result is significant, and shows that the project was successful, for it was able to improve the living conditions of the project group by 48% in three years.
- 2) Of the nine indicators evaluated, four showed improvements of more than five points, which is statistically significant. This proves that the impact of the project went beyond the objective established at the time of its formulation.
- 3) Although increasing disposable income was the specific objective of the project, this indicator was one of the least improved. This can be partly explained by the fact that the beneficiaries decided to invest in access to health care, since being independent workers, they were not part of the public health care system.
- 4) However, the Foundation will have to implement activities that promote the increase of income, such as trade fairs or marketing actions, to improve the sale of the products produced by the microentrepreneurs.
- 5) It is interesting to note that the beneficiaries increased their level of general education, although this was not at all part of the project's objective. The reason is that they understood that, in order to be good microentrepreneurs, they somehow had to improve their basic skills.
- 6) The fact that the security indicator has not moved is worrying and requires the attention of the institution implementing the project to improve it. This can be done by implementing its own activities or by establishing partnerships with other institutions.