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BULLETIN

POLICY BULLETIN [SEPTEMBER 2015]

ABDUL LATIF JAMEEL Poverty Action Lab

BUILDING STABLE LIVELIHOODS FOR THE ULTRA-POOR

A multifaceted livelihood program that provided ultra-poor households with a productive asset, training, regular coaching, access to savings, and consumption support led to large and lasting impacts on their standard of living across a diverse set of contexts and implementing partners.

Key Results of the Graduation Approach:

A holistic livelihood program targeted at the ultra-poor helped them shift into more stable self-employment that increased their standard of living both two years after the productive asset transfer, and three years after the asset transfer—a year or more after all program activities ended.

The Graduation approach caused broad and lasting economic impacts. Pooled data from six sites show Graduation households' consumption increased 5.8 percent relative to the comparison group two years after the asset transfer. Graduation households' consumption increased 7.3 percent in Bangladesh, 16.4 percent in Ethiopia, 6.9 percent in Ghana, 13.6 percent in India, and 10.2 percent in Pakistan relative to the comparison group, though there was no impact on consumption in Honduras or Peru. Households experienced similar improvements in food security, asset holdings, and savings. Most positive impacts on participating households were consistent three years after the asset transfer—one year after all program activities ended.

The improvements in well-being were mostly the result of increases in self-employment income. Injecting a combination of productive assets and relevant skills training led to an increase in basic entrepreneurial activities, primarily concentrated on livestock and activities like petty trade.

Graduation led to some improvements in psychosocial well-being. Happiness, stress, women's empowerment, and some measures of physical health and political engagement improved for participants at some sites. The effects on women's empowerment and physical health were no longer statistically significant one year after all program activities ended.

These effects were consistent across multiple contexts and implementing partners. The program's positive results on economic well-being, which range from very economically significant to moderately so, are not driven by any one country.


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CONSTRUYENDO MEDIOS DE SUBSISTENCIA ESTABLES PARA LOS MÁS POBRES

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