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Qualitative Economic Impact Evaluation in Microfinance: The Use of Diary Methods

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Key Words!

- impact evaluation
- economic impact
- qualitative methods
- financial diary
- time-use diary
- poverty
Impact Evaluation
Quantitative VS Qualitative
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Problems

Money is fungible by nature..

Micro enterprises are part of the informal sector..

Solutions

Evaluating consumption smoothing that requires frequent observations!

Flexible surveys that require continues monitoring!
Two different objectives...

Two different definitions of impact evaluation!

Long term outcomes vs. Attribution

Qualitative
Why the intervention could have led to the observed impact?

Quantitative
Is there "statistically" an impact or not?
Social Impact and Impact..

Financial impact

Economic well-being

Economic development

And Social Impact
The household economic portfolio model

Human

Physical

Financial

Activity Outcome

Capital Input

Consumption

Investing

Production
Proposed relations between the capitals
Using Time-Use Diaries can complete the portfolio

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- Time-use diaries in microfinance research

- Time-use diary to complete the broken portfolio?

- Time-use diaries in poverty research
pre-post Statements

Before the loan

Intervention of MFI

After the loan

Cashflow statements \(_0\)

Timeflow statements \(_0\)

Cashflow statements \(_1\)

Timeflow statements \(_1\)
Why diaries??

Overcoming two difficulties:

• The aggregation error (especially financial)

• The recall error (especially time)
Thank You