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Assessing the Impact of Microenterprise Services (AIMS)

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MICROFINANCE CLIENTS IN LIMA, PERU: BASELINE REPORT FOR AIMS CORE IMPACT ASSESSMENT

June 1999

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This work was funded by the Microenterprise Impact Project (PCE-0406-C-00-5036-00) of USAID's Office of Microenterprise Development. The Project is conducted through a contract with Management Systems International, in cooperation with the Harvard Institute for International Development, the University of Missouri, and the Small Enterprise Education and Promotion Network.

ACKNOWLEDGMENTS

The author wishes to acknowledge the contributions of numerous individuals. This research is part of a team effort and has benefited from the insights of several members of the AIMS team: Carolyn Barnes, Marty Chen, Monique Cohen, Elaine Edgcomb, Jennefer Sebstad, and Donald Snodgrass. In addition, an earlier draft of this report was reviewed by Carolyn Barnes, Adolfo Bravo, Ronald Chua, Monique Cohen, Nancy Horn, David Hulme, Jennefer Sebstad, and Arturo Vela, resulting in many valuable suggestions for improvements. At the University of Missouri, J. Gordon Arbuckle, Erin Holleran, William Matthews, and Shiori Yanagishima worked long and hard to analyze the data, construct the tables, create graphics, and improve the content and presentation of the report. All of these individuals contributed to the quality of the report. However, any remaining errors or omissions are the sole responsibility of the author.

A special thanks is due to Acción Comunitaria del Perú (ACP) and to Mibanco for their full cooperation and keen interest in the study. Despite the demands of operating a financially sustainable and growing microfinance organization, the personnel of ACP/Mibanco responded promptly to many requests for information. In particular, Adolfo Bravo served as an able and effective liaison with the AIMS Project.

The author also wishes to express appreciation for the support and encouragement of Eduardo Albareda of USAID/Peru. In addition, the personnel of the Cuanto Institute, particularly Rosario Cespedes and Melva Bernales, were important partners in the field research. Finally, a special acknowledgment is due to the hundreds of Lima entrepreneurs who willingly contributed their time and shared their knowledge during the design and implementation of the study. This work is dedicated to them.

EXECUTIVE SUMMARY

Introduction

This working paper describes the context, design, and findings of a baseline survey conducted in Lima, Peru, as one component of an overall impact evaluation. The purpose of the overall impact evaluation is to understand and document the impacts of microfinance program participation on clients, their microenterprises, and their households. The data for the baseline survey were collected in August 1997 from 701 entrepreneurial households in metropolitan Lima. Conclusions about the impacts of program participation will be available after the second round of the survey, which is scheduled for August 1999. The purpose of this working paper is to describe what the baseline results reveal about the characteristics of Lima microentrepreneurs. These baseline results provide extensive information on both microfinance program participants and on a sample of microentrepreneurs who do not receive microenterprise credit from either microfinance programs or banks.

Microenterprise in Peru

Microenterprises[1] provide 70 percent of Peru's employment and are estimated to generate about 40 percent of Peru's gross national product. According to estimates by Peru's Ministry of Industry, three million microenterprises operate in Peru, providing approximately 5.3 million jobs. About half of the three million microenterprises are located in urban areas, while the other half operate in rural areas. Of the urban microenterprises, 40 percent are in Lima.

ACP Lending Program

Acción Comunitaria del Perú (ACP), the microfinance organization that participated in the baseline survey, is the largest of more than 30 organizations providing microfinance services in metropolitan Lima. The ACP lending program began in 1982. At the time of the baseline survey, ACP had approximately 30,000 active clients in metropolitan Lima.

ACP loans range from 500 to 20,000 soles (US$188 to $7,530) and are extended for periods ranging between a one-month minimum and a twelve-month maximum. ACP offers working capital loans according to three modalities: 1) group credit; 2) individual credit with co-signer; and 3) individual credit without co-signer. ACP provides loans to microentrepreneurs in the commercial, service, and industrial sectors, but the majority of ACP clients have commercial microenterprises. As long as the client repays promptly, credit renewal is virtually automatic. ACP offers its clients long-term access to microenterprise credit at a market interest rate.

[1] In Peru, the official definition for a microenterprise is that it have ten or fewer workers, annual sales of US$50,000 or less, and fixed assets of US$200,000 or less. The official definition includes both agricultural and non-agricultural enterprises.

Design of Baseline Survey

The research design was guided by a set of impact hypotheses at the household, the microenterprise, and the individual (entrepreneur) levels. The hypotheses are based on a conceptual model that views the microenterprise as embedded in the overall household economic portfolio (Chen and Dunn 1996). The conceptual model is defined in terms of three elements: 1) the human, physical, and financial resources of the household; 2) the production, consumption, and investment activities of the household; and 3) the circular flow between resources and activities. Credit is fungible within the household economic portfolio and, along with other household resources, may be used to help household members implement their economic strategies.

For the baseline survey, a total of 701 households were selected, of which 400 were ACP clients and 301 were non-clients. The design includes a non-client sample to permit a comparison of changes in the impact variables between clients and non-clients. Complete information was collected on up to three microenterprises associated with each household in the sample, resulting in a database of 1,008 microenterprises. In order to select the sample of households, a two-stage sampling approach was used. In the first stage, two regions within Lima were selected as most representative of ACP's operations and the overall ACP client base. The second stage consisted of random selection of the client and non-client households. The data for the baseline survey were collected in August 1997.

The client and non-client samples had similar characteristics in terms of distribution by gender and sector. Approximately 61 percent of the primary respondents (427 respondents) were female and 39 percent (273 respondents) were male, which is consistent with the gender composition of the ACP client base at the time of the survey. The sectoral distribution of the non-client sample was constrained in the selection process to mirror the sectoral distribution of ACP clients: 78 percent in the commercial sector; 14 percent in the service sector; and eight percent in the industrial sector.

Summary of Results

The baseline results reveal many of the characteristics of Lima's microentrepreneurs. The average respondent is 42 years old, married, and has completed at least some secondary education. The typical respondent household has five members, with two or three of those members being economically active. Approximately 61 percent of the respondents are females. Virtually all children between the ages of seven and 16 are attending school.

The findings of the baseline survey are presented according to the elements of the household economic portfolio model. A summary of these findings can be organized according to the order of the research hypotheses at the household (H), enterprise (E), and individual (I) levels.

1. Household-Level Results

H-1: Income. Client households have an average annual income of 24,690 soles (about US$9,300), which is over 50 percent higher than the income of non-client households. Per capita income within

client households (4,785 soles or $1,800) is also significantly higher than the per capita income of non-client households (3,495 soles or $1,316). The incidence of poverty for the non-clients in the sample (41 percent) is approximately the same as for Lima households in general (38 percent). However, clients are less likely to have incomes below the poverty line, with only 28 percent falling below the poverty line. The households of male and female respondents have similar income levels.

H-2: Income Diversification. The baseline results indicate that households in the sample are diversified, with 86 percent of households in the sample reporting two or more sources of income. One-third of the households have four or more income sources. Clients report more income sources (3.3 compared to 2.8) and more microenterprises (1.8 compared to 1.5) than non-clients. Households that have participated in the ACP program more than two years show the highest level of diversification, with almost half of these old clients reporting four or more income sources.

H-3: Household Assets. Home ownership is common among the microentrepreneurs in the sample (79 percent), who are likely to have made some type of recent housing improvement, often financed with microenterprise income. Investments in housing and investments in enterprise fixed assets each represent six percent of annual household income. The baseline results provide evidence that clients, compared to non-clients, have higher levels of housing investments, more appliances and vehicles, and a higher value of enterprise fixed assets.

H-4: Educational Expenditures. There is a high level of school enrollment and educational attainment for all children in the sample, with over 97 percent of children ages seven to 16 attending school. Households' average annual investment in education is seven percent of annual household income. Client households spend 603 soles (US$227) per student, which is almost 20 percent more than spending by non-client households (508 soles). Similar levels of expenditures were made by households of male and female respondents, and similar levels of expenditures were made on male and female students.

H-5: Food Expenditures. On a per capita basis, client and non-client households spend an average of 56 soles (US$21) on food and beverages every two weeks. Because of their larger household size, clients spend larger absolute amounts on food and beverages, but they spend a smaller proportion of their incomes (41 percent) on food than do non-clients (56 percent). The results on poverty levels indicate that only three percent of the total sample falls under the classification of "extremely poor," a classification which is defined in terms of lack of sufficient income to purchase a nutritionally adequate, culturally appropriate diet.

H-6: Coping with Shocks. Half of the households in the sample experienced one or more unexpected financial losses in the two years preceding the survey. All households appear to be using effective means in coping with economic shocks. Rather than sell productive assets, households rely primarily on financial management techniques, such as the use of savings, borrowing, or reductions in expenditures.

H-7: Intergenerational Launching.[2] One-third of household dependents ages twelve and older are employed in the households' microenterprises. Among respondents' children ages 18 and older still living in their parents' households, ten percent are managers of their own microenterprises.

2. Enterprise-Level Hypotheses

E-1: Enterprise Revenue. Average monthly revenues for all enterprises in the sample are 3,869 soles, or about US$1,450. The baseline results indicate several significant differences between subgroups in the sample: 1) commercial and industrial sector enterprises earn higher revenues than service sector enterprises; 2) primary enterprises earn higher revenues than non-primary enterprises;[3] 3) the primary enterprises of clients earn higher revenues than the primary enterprise of non-clients; and 4) the enterprises of male entrepreneurs earn higher revenues than those of female entrepreneurs.

E-2: Enterprise Fixed Assets. The value of fixed assets associated with clients' primary microenterprises is twice as high as the value of fixed assets for non-clients' primary enterprises, suggesting a strong association between credit and the accumulation of fixed assets. The primary microenterprises of old clients have both the highest value of fixed assets and the highest value of fixed assets acquired in the last two years, which is consistent with the hypothesis that the impacts on fixed assets increase with repeat borrowing. The baseline data also indicate that 1) enterprises in the industrial and service sectors have higher-valued fixed assets than in the commercial sector and 2) enterprise fixed assets for males' enterprises have a higher value than for females' enterprises.

E-3: Employment. Microenterprises in the sample employ an average of 1.9 people (including the entrepreneur), of whom 1.7 are members of the household. In general, clients and non-clients have comparable employment rates. Considering only primary enterprises, however, clients employ more people (2.3) than non-clients (1.9), and males have more employees (2.3) than females (2.0). Industrial sector enterprises employ an average of 2.5 people, which is higher than the average employment levels of commercial or service sector enterprises.

E-4: Transactional Relationships. The typical microenterprise in the sample is located in the entrepreneur's home in a residential area of a popular zone (inner periphery of metropolitan Lima). The vast majority of entrepreneurs in the sample have secure tenure to their business premise. About half of the microenterprises in the sample are registered with the municipality. The majority of the 1,008 microenterprises in the sample purchase their inputs from wholesale suppliers and sell their products to the final consumer.

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[2] Intergenerational launching is the process whereby microenterprise owners "launch" their children into entrepreneurial occupations as an alternative to scarce formal sector employment. For more information on intergenerational launching, see Dunn (1997).

[3] Primary enterprises are those for which ACP credit was approved, or for non-client households, the enterprise that was matched by sector and registered during the pre-survey construction of the non-client sample frame.

E-5: Participation in the Tax System. About half of the microenterprises in the sample participate in the business tax system. Participation of primary microenterprises is higher, with clients being more likely than non-clients to pay business taxes.

3. Individual-Level Hypotheses

I-1: Control Over Resources and Income. Over 90 percent of the respondents report that they participated in decisions about the application for the loan, the use of the loan, and the use of microenterprise income, with about half of both male and female respondents reporting that they made these decisions alone, without consulting others. Women were somewhat more likely than men to report that they made decisions without consulting others, especially decisions about the use of enterprise income.

I-2: Self-Esteem and Respect. High levels of self-esteem and respect were reported by the survey respondents. The vast majority of respondents reported that they always feel that their contribution to the household is important. Women were less likely than men to believe that they are always valued by other adult members of the household.

I-3: Personal Savings. Over half the respondents reported that they had personal savings, with the most common types of savings being money saved at home, in bank accounts, and in rotating savings and credit associations (ROSCAs). Clients were 23 percent more likely to report personal savings than non-clients. In general, men were significantly more likely to report personal savings than women, but this gender gap was not evident among clients. Males were more likely to keep savings at home than females, while females were more likely to participate in ROSCAs than were males.

I-4: Orientation Toward the Future. The microentrepreneurs in the sample were confident about their ability to face the future. New clients were the most confident of all, with 83 percent considering themselves to be in a good position to deal with the future.

I-5: Vision for the Future. The entrepreneurs cited many specific plans for improving their businesses and investing in their household economic portfolios. Typical plans for the microenterprise included plans to increase inventory, add a new business or new line, move to or construct a better business location, invest in fixed assets and installations, and invest in commercial or residential rental property.

Observations on Microenterprises in Lima

The distinction between the formal and informal sectors in Lima is becoming increasingly blurred as the push toward formalization of the microenterprise sector escalates. It is no longer uncommon for microenterprises to be licensed within the municipality and to pay business taxes. Lima's microenterprises appear to be best adapted to the dynamic popular zones of the city, where they cater to their surrounding neighbors.

Microenterprises that receive credit from banks and non-governmental organizations (NGOs) are still a small minority in Lima, but the formal credit scene is changing rapidly. In the areas covered by the survey, less than six percent of microenterprises had received microenterprise credit from a regulated financial institution or an NGO. Due to price stabilization in the macroeconomy, supplier credit is increasingly available for Lima's more established microenterprises. They are receiving increased access to supplier credit for inventory and, more recently, for purchasing fixed assets.

The baseline results clearly show that program clients are not the "poorest of the poor." Only ten of the 400 client households surveyed, or less than three percent, were classified as extremely poor. This finding is consistent with the empirical results that are beginning to emerge around the world. The majority of households receiving program credit have incomes above the poverty line and are building decent lives for themselves based on entrepreneurship.

The picture that emerges from the baseline study is that microenterprises play a critical role in household livelihood strategies that are defined by diversified economic portfolios. The households in the survey have multiple sources of income and multiple microenterprises. Taken as a group, the microenterprises of the household provide the majority of household income. Microenterprise income is the base from which the respondents build their homes and feed and educate their children.

Women are highly visible in Lima's microenterprise sector. They represent the majority of ACP clients and they receive loans that are similar in size to the loans received by their male counterparts. The findings suggest that female entrepreneurs are more likely to run their enterprises independently from other household members than are their husbands. At the same time, the baseline shows that women's microenterprises are economically disadvantaged relative to the microenterprises owned by men. Women's enterprises are smaller; they generate lower revenues, have fewer fixed assets, and employ fewer people than men's enterprises.

Conclusions

The baseline survey provides extensive information on ACP clients and on the non-client comparison group. It provides insights into the household economies and microenterprises of Lima entrepreneurs. In many ways, the clients and non-clients share similar characteristics, but in other ways they are significantly different. Where differences exist, they almost uniformly point to the advantageous position held by the clients. Following the second round of the survey, and combined with the results of the qualitative components of the overall research effort, it should be possible to draw well-substantiated conclusions about the impact of microenterprise services on the enterprise, the household, and the entrepreneur.

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I. INTRODUCTION

Perhaps nowhere else in the world is there greater recognition of the economic, political, and social significance of the microenterprise sector than there is in Peru, where the Ministry of Industry estimates that microenterprises[1] provide 70 percent of Peru's employment and generate 40 percent of the gross national product. The nation's 1.5 million urban microenterprises--such as the small grocery store operated out of the entrepreneur's home, the clothing stall in an outdoor market, the small appliance repair shop in a commercial area, or the pushcart selling prepared foods on the street--provide much-needed income to support the entrepreneur and his or her family. In metropolitan Lima, where 38 percent of the residents were living below the poverty line in 1994 (Webb and Fernández Baca 1996), support for microenterprises is seen as an important way to protect and promote the economic welfare of families, and a large number of financial and non-financial programs exist to support this sector.

Of the more than 30 organizations that provide microfinance services to Lima's microenterprise sector, the largest is Acción Comunitaria del Perú (ACP), which started its lending program in 1982. By the end of 1997, ACP had over 33,000 active clients spread across metropolitan Lima, with outstanding loans of 34.3 million soles (US$12.9 million),[2] a stable lending approach, and a financially sustainable operation. As the preeminent microfinance organization in Lima, ACP made the transition to regulated bank status in 1998 and continues to expand its outreach.

Because of the significance of the microenterprise sector in Peru, there is substantial interest in evaluating the impact of microenterprise services and understanding the processes by which microenterprise support programs promote the growth of microenterprises and improve the welfare of entrepreneurs and their families. This working paper describes the context, design, and findings of a baseline survey conducted in 1997 in Lima, Peru. The baseline survey is one component of an overall impact evaluation which has, as its purpose, to understand and document the impact of microfinance program participation on clients, their microenterprises, and their households. The overall impact evaluation is based on a longitudinal design and includes a combination of quantitative and qualitative methods.[3]

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[1] In Peru, the official definition for a microenterprise is that it have ten or fewer workers, annual sales of US$50,000 or less, and fixed assets of US$200,000 or less. In contrast, microenterprises are defined by USAID as very small, informally organized business activities (not including crop production) undertaken by low income people. Microenterprises are further defined as having ten or fewer employees, including the owner-operator and any paid or unpaid workers.

[2] The exchange rate in effect in August 1997 was US$1=2.656 Peruvian soles. This exchange rate is used throughout the paper.

[3] The impact evaluation in Peru is being conducted as part of the Assessing the Impact of Microenterprise Services (AIMS) Project. The goals of the AIMS Project are to gain a better understanding of the processes by which microenterprise services strengthen businesses and improve the welfare of microentrepreneurs and their households and to improve the ability of USAID and its partners to assess the impacts of their microenterprise programs. The study in Peru is one of three impact evaluations under the AIMS Project Core Impact Assessments; these impact evaluations are being conducted in

The purpose of this working paper is to describe what the baseline results reveal about Lima's microentrepreneurs. Specifically, the paper highlights the similarities and differences between ACP's old clients, its new clients, and non-client microentrepreneurs. The data for the baseline survey were collected in August 1997 from 701 microentrepreneurs in metropolitan Lima. Of these 701 respondents, 400 were clients of the ACP lending program and 301 had not received enterprise loans from any bank or microfinance program. The baseline data provide extensive information on the characteristics of Lima microentrepreneurs. While the initial results indicate numerous differences between clients and non-clients, it would be difficult at this point to say with confidence whether these differences can be attributed to microenterprise credit or whether they are due to other factors. More conclusive information about the impacts of program participation will be available after the second round of the survey, which is scheduled for August 1999.

The sections that follow document the context, research design, and results of the baseline survey. Section II describes the local context for the impact evaluation, including the environment for microfinance in Peru and a description of ACP's lending program. Section III documents the design of the study, the sampling approach, and the data collection and analysis procedures. The findings of the baseline survey are reported in section IV, providing a profile of program participants and the non-client comparison group. Section V provides a summary and interpretation of the baseline findings and develops implications and recommendations for subsequent steps in the overall impact evaluation.

collaboration with microenterprise programs in India, Peru, and Zimbabwe. The Core Impact Assessments consist of a cost-effective mix of quantitative and qualitative research strategies for measuring and understanding the impacts of microenterprise services. Additional information on the AIMS Project, as well as copies of the AIMS publications, are available on the web site (http://www.mip.org).

II. THE ACP LENDING PROGRAM AND MICROENTERPRISE IN PERU

Microenterprise and microfinance are topics of considerable interest in Peru, where approximately half of the labor force is employed in the informal sector[4] (Webb and Fernández Baca 1996). The economic and social significance of the sector has been magnified by the political and macroeconomic changes experienced in Peru in the last decade, creating a dynamic environment in which to conduct research on the impact of microenterprise services. Acción Comunitaria del Perú, one of a large number of financial and non-financial programs that exist to support microenterprises, was selected to collaborate with the study because of the extent of its outreach, the stability of its lending methodology, and the financial sustainability of its program. The purpose of this section is to provide background information for understanding and interpreting the results of the baseline survey. The first part of the section describes the ACP lending program, while the second part focuses on the environment for microenterprise and microfinance in Lima.

A. The ACP Lending Program

1. History and Evolution of ACP

Founded in January 1969, Acción Comunitaria del Perú (ACP) began with community development projects focusing on community organization, community education, urban infrastructure and homebuilding, and small business technical assistance. ACP's mission is to promote the development of the segment of the Peruvian population that has the most limited resources. Since 1982, ACP has focused on supporting microenterprise development. ACP inaugurated its microenterprise credit activities in 1982 under the *Progreso Program* and opened its first lending office in San Juan de Miraflores, a heavily populated area in Lima's southern cone.[5] The InterAmerican Development Bank provided initial grants to ACP in 1983 and 1985. In 1985, ACP opened its second field office in Rimac, another heavily populated area outside the central city, and began lending to microenterprises in Lima's northern cone.

The fifteen-year history of the lending program between 1982 and 1997 can be roughly divided into three five-year segments. There was steady growth between 1982 and 1986, with a peak in the number of clients and amount loaned in 1986-87. During the period between 1987 and 1991, ACP experienced a steep decline in its client base and loan portfolio due to the hyperinflation and structural adjustment in Peru. During this time, the proportion of loans for production activities dropped

[4] Informal sector employees are defined in Peru as those working in the industrial, commercial, or service sectors whose place of work is not legally recognized; their work requires minimal qualifications and requires little working capital; the informal enterprise employs less than five employees in the commercial and service sectors or less than ten employees in the industrial sector (Webb and Fernández Baca 1996). The informal sector includes independent workers (or laborers) and microenterprise employees.

[5] Lima's "cones" refer to the city's post-1940 urban expansion north, south, east, and west of the city's center primarily along the main transportation routes from Lima. See part B.1 of this section for a description of metropolitan Lima's physical layout and section III for a map of Lima (figure 1) which indicates the study's research sites.

sharply. ACP survived the economic crisis by streamlining itself, operating with a minimal staff and a small number of clients. Beginning in 1993 and continuing to the present, ACP's client base and loan portfolio have grown dramatically. This growth trend is demonstrated in table 1.

At the time of the baseline survey, ACP had 13 field agencies and a central management office. It was headed by an executive director who worked with a small number of central office executives and reported to a board of directors. The manager of each of the field agencies reported to the central office. Each field agency had a manager, credit agents, credit assistants, and clerical staff. A credit committee at each agency, composed of the agency's manager and the credit agents, met daily to make loan decisions. In general, the credit agents held a bachelor's degree in economics, business administration, or engineering. Each credit agent was serving approximately 270 borrowers at the time of the baseline survey.

When the baseline survey was conducted in August 1997, ACP had approximately 30,000 active clients, spread across metropolitan Lima. Approximately 61 percent of ACP's clients were females and 39 percent were male. The largest number of clients were in Lima's heavily populated northern and southern cones, with 24 and 34 percent of the total client base, respectively.[6] At the end of 1997, the value of loans outstanding in the ACP loan portfolio was 34.3 million soles (US$12.9 million) and the average loan size was 1,021 soles (US$384). The only financial services offered by ACP were working capital loans, which are described in more detail below. No savings, insurance, or other types of financial services were offered.

Table 1. Growth in ACP Loan Portfolio, 1993-1997

	1993	1994	1995	1996	1997
Number of loans outstanding, end of year	4,560	8,726	19,120	26,678	33,549
Amount of loans outstanding, end of year (thousands of soles)	2,209	5,604	17,757	25,150	34,257
Average loan size (soles)	484	642	929	943	1,021

Source: Activity and financial statements provided by ACP.

An activity and financial statement for ACP is provided in appendix 1. The organization is financially sustainable, with positive returns on operations in each of the years covered in the financial statement (1995-1997). Despite the rapid growth in the loan portfolio, the long-run loss rate has remained low and was 1.75 percent in 1997. At the end of December 1997, ACP had just over 33,000 loans with a delinquency rate of 4.94 percent.[7]

[6]The next largest number of clients were in the eastern cone (21 percent), followed by central Lima (11 percent), and the western cone (10 percent).

[7]The delinquency rate was calculated by dividing the unpaid balance of loans with payments overdue more than 90 days by the amount of loans outstanding at end of year (appendix 1).

During the year of the baseline survey, ACP was preparing for dramatic organizational changes. At the beginning of 1997, ACP was in the process of preparing the required documents to transform its credit operation into a type of regulated financial institution known as an *EDPYME*.[8] Instead, in August 1997, there was a highly publicized announcement about plans to open a new private bank to serve Lima's microentrepreneurs. The new private bank was to be called *Mibanco* ("my bank"). With a 60 percent share in Mibanco, ACP was to become the majority shareholder.[9]

In May of 1998, Mibanco was officially opened. The successful conversion from ACP to Mibanco required significant organizational effort. The clients of ACP automatically became the clients of Mibanco, creating the new bank's initial client base. In addition, the credit-related personnel and field credit agencies of ACP became the personnel and infrastructure of Mibanco.[10] In the transition from ACP to Mibanco, clients have experienced few changes to date, with the basic lending approach remaining the same. In the long run, Mibanco has the potential to offer a wider range of financial services.[11] The description which follows, as well as the remainder of the paper, refers to ACP clients and the ACP microfinance program, since that was the program in effect at the time of the baseline survey.

2. ACP Credit Program

ACP loans range from 500 to 20,000 soles (US$188 to $7,530) and are extended for periods ranging between a one-month minimum and a twelve-month maximum. The typical loan length ranges between two and four months. Payments may be required on a weekly, biweekly, or monthly basis, depending on the terms of the particular loan. The same interest rate is charged to all clients. The interest rate on loans generally ranges between 4.5 and five percent monthly and is based on market interest rates. Daily late fees are assessed if a client's payments are delinquent.

ACP offers one credit product, which is working capital loans. This credit product is delivered under three modalities: 1) solidarity group credit; 2) individual credit with co-signer; and 3) individual credit without co-signer. At the time of the survey, these three modalities accounted for approximately 47, 30, and 23 percent of loans, respectively.

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[8] For information on EDPYMEs, see section B.4 below and the glossary at the end.

[9] Other shareholders were to include Profund, an international financial investment firm headquartered in Costa Rica, with a 20 percent share, and Acción International, Banco Wiese, and Banco de Crédito, each with almost seven percent shares.

[10] The nongovernmental organization known as ACP remains. However, it no longer operates a microfinance program and it functions with a smaller staff and reduced infrastructure. The new ACP focuses on non-financial business development services.

[11] While Mibanco plans to offer a savings product in the future, this is unlikely to occur before the second round of the survey.

Solidarity group credit has been the dominant modality over the history of the ACP credit program and was the only type of loan offered in the beginning of the program. A solidarity group is composed of two to five people, one of whom must own his or her own home. The solidarity group members are self-selected and form immediately prior to applying for the first credit in order to act as co-signers for each other. Other than loan outreach, disbursement, and collection, solidarity groups do not serve any additional purposes. There has been a downward trend in the popularity of solidarity group credit among ACP borrowers, primarily because borrowers do not want to incur the extra transaction costs associated with coordinating payments. In addition, many borrowers prefer not to depend on the repayment performance of others.

The second modality, individual borrowing with a co-signer, has been growing in importance relative to solidarity group borrowing. For this modality, the borrower must identify a co-signer. While the borrower is not required to be a homeowner, the co-signer must be a homeowner. At the time of the survey, the characteristics of the solidarity group loans and the individual loans with co-signers were essentially identical in terms of loan size, gender of the borrower, and income level of the borrower's household. The third modality, individual borrowing without a co-signer, represents a smaller fraction of ACP credit. On average, individual loans without co-signers tend to be smaller in size than loans under the other two modalities.

ACP provides loans to microentrepreneurs in the commercial, service, and industrial sectors. The majority of ACP clients (about 80 percent) have commercial enterprises. All types of goods are sold in commercial enterprises. The typical ACP client is a woman who sells staple groceries and dry goods (*abarrotes*) either from her home or in a market stall. Other common commercial enterprises include the sale of produce, meats, clothing, shoes, or small electronics. The services sector is the next largest, with approximately eleven percent of ACP clients. Typical businesses in the service sector include shoe and appliance repair, beauty and barber salons, and restaurants. The smallest number of ACP clients, only nine percent, engage in production activities in the industrial sector such as carpentry, sewing, shoemaking, and artesanry.

The heaviest lending seasons correspond to the busiest seasons for microenterprises, which are the periods leading up to the July and December (Christmas) holidays. In July, Peru celebrates its national holiday, and salaried workers receive an extra paycheck. The next busiest time is during March and April, when parents purchase items to send their children back to school. May and June are slightly above average for commercial microenterprises because of Mother's Day and Father's Day. August was selected for the survey period because it is an average month for sales in most subsectors.

3. ACP Credit Process

The process that ACP follows in extending credit, which is the same for all three modalities, falls into four stages: 1) advertising; 2) credit qualification; 3) administrative process; and 4) portfolio

management. As verified with the clients, the length of time between the client's initial application and receipt of the credit check is actually five working days or less. Applications for second and subsequent loans are highly simplified and can be approved immediately. Potential clients are required to present their applications at the field credit agency that serves the geographic area in which their microenterprises are located.

Advertising. Clients will usually hear about ACP through word-of-mouth advertising or by seeing one of the ACP flyers. The client's initial contact with ACP is through attendance at one of the information talks, which are held every afternoon at the ACP field credit agencies. The talks last between one and two hours. At the talk, potential clients learn about the credit requirements, credit terms, and application process. At the end of the talk, potential clients receive a "Pre-Credit Application" and instructions on how to fill it out and apply for a loan.[12]

Credit Qualification. The client presents the following information at an ACP field credit agency: 1) pre-credit application, 2) copy of national identity card (*libreto electoral*), 3) proof of business, 4) proof of residence, and 5) proof of collateral. The pre-credit application includes a list of electrical appliances that qualify as loan collateral. Eligible collateral is confined to consumer-oriented electrical appliances. ACP accepts a wide range of documentation for proof of business and residence. Proof of business could be a tax receipt, municipal license, letter from the market association, or receipts from suppliers. The primary objectives in requiring these proofs are to determine whether the applicant has at least six months of experience with the business and to determine whether the applicant can be reliably located at some home address.

Following the submission of the required documents, up to three types of visits are made: 1) a credit assistant visits the home of the applicant to verify the address, the existence and condition of the appliances listed as collateral, and the general living conditions of the applicant; 2) a credit agent visits the applicant's business to assess the ability of the business to absorb the working capital effectively and generate loan repayments; and 3) if there is a co-signer, a credit assistant visits the home of the co-signer. An assessment form from each of these visits is added to the application file.

The final step in the credit qualification process is the consideration of the application at the meeting of the credit committee, composed of the manager and credit agents of the field credit agency. The credit committee decides whether to approve the application and selects the amount and terms of the loan. The amount of credit provided by ACP is routinely less than the amount requested by the applicant. If the credit is approved, the loan passes to the next stage.

Administrative Process. This stage begins with the input of the loan and client data into the computer by a secretary in the field credit agency. Each afternoon, the data on all loans approved that day are transferred via modem to the ACP central office. This stage ends when the loan check is printed and

[12] One of the few changes in the transformation from ACP to Mibanco has been the elimination of the afternoon information talks at each agency. Instead, there is a receptionist at each agency who receives telephone calls and visits from potential clients, providing them with information on how to apply for credit.

given to the borrower. The borrower can cash the check at any of the numerous Banco Wiese branches or at one of the ACP cashier windows.

Portfolio Management. During this stage, the credit agents monitor the loans in their portfolios. At least once before the end of the repayment period, the agent visits the borrower's business. An application for credit renewal can be made toward the end of this stage, so that a borrower in good standing can pick up a new credit check the same day that she or he makes the last payment on the previous credit. Renewal requests can be made in person at the ACP office, during the credit agent's follow-up visit, or over the telephone.

Second and subsequent applications for credit are greatly simplified; the client will not normally provide any of the documentation that was required for the first loan, and home visits are not made. As long as the client repays promptly, credit renewal is virtually automatic. Thus, ACP offers its clients long-term access to credit. Although loan approval is based on the existence of a microenterprise that can productively use the credit, ACP does not monitor how the client spends the loan and there are no penalties for using the credit outside of the microenterprise. As long as the client repays promptly, the client can decide how the credit is to be used.

B. Microenterprises and Microfinance in Metropolitan Lima

Approximately 70 percent of Peru's population lives in urban areas, and Lima is by far the largest urban area in the country.[13] The population of Lima is approximately seven million people, representing one-third of Peru's population and one-half of Peru's urban population. Lima has ten times the population of Arequipa, the country's next largest city. According to the 1994 Living Standard Measurement Survey (LSMS), collected and analyzed by the Cuanto Institute, 38 percent of Lima's residents were living below the poverty level in 1994 (Webb and Fernández Baca 1996).[14] Microenterprises are a ubiquitous feature of the Lima economy.

1. The Settlement of Metropolitan Lima

Lima was traditionally a "white" city populated by the creole descendants of the Spanish settlers, with a population of only 500,000 people in 1940 (Lloyd 1980). During the next 50 years, the city grew at an average annual rate of five percent, accompanied by dramatic changes in the demographic composition and settlement patterns of the metropolitan area.

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[13] See figure 1, in section III, for a map of metropolitan Lima.

[14] The Cuanto Institute (Instituto Cuanto S.A.) is a private research firm, located in Lima, that specializes in the collection and analysis of survey data and is responsible for establishing Peru's official poverty line and periodically measuring, through the Living Standards Measurement Survey (LSMS), the position of Peru's households relative to that line. The poverty line is constructed from expenditure data and is set at the level of income needed to purchase a minimal basket of food and other basic consumer goods. The line for extreme poverty, which is lower than the poverty line, is based on the amount of income needed to purchase a nutritionally adequate and culturally appropriate diet.

Beginning in the 1940s, the indigenous inhabitants of the Peruvian highlands began migrating to Lima and other cities in order to take advantage of higher wages and better services. In 1970, semiskilled laborers in Lima earned three times the average wage outside the city (Lloyd 1980). The late 1970s saw a reduction in the wage differential and the migration to the city began to slow down. In the early 1980s, however, the violence related to fighting between the Peruvian armed forces and an armed insurgency movement (Shining Path) and threatened the security of civilians in the rural areas. Therefore, in the 1980s, people were motivated to move to Lima in order to improve their personal security.

The arrival of immigrants created a sharp increase in the demand for housing. In many cases, people arriving in Lima from rural areas had limited resources, which precluded them from acquiring existing shelter. The inability of both the public and private sector to provide adequate housing for the immigrants led to the formation of squatter areas, also known as young towns (*pueblos jóvenes)* or human settlements. Families came to Lima and typically stayed with relatives until they learned of an impending invasion of empty lands. The human settlements sprang up overnight as a conglomeration of flimsy shacks constructed of reed mats or any other inexpensive material that was available.

Over time, families worked to improve their housing by adding rooms and floors and by converting from temporary to permanent materials such as brick or concrete. A study in the early 1980s documented the rate of housing improvements by owner occupants in the invasion areas and indicated the importance of access to water and sewerage systems in speeding improvements (Strassman 1984). The same incremental construction process occurs today, with the rate of improvements also being limited by the family's ability to afford the labor and building materials. Construction of a permanent roof is a major expense, but one that allows the family to begin building another level on the house. Given Lima's minimal level of precipitation throughout the year, a permanent roof is more important for household security and for construction of a second (or third) story than it is for protection from the elements. Housing is a major investment for the residents of the human settlements, and one that can be used to generate commercial and rental income.

Mass migration to Lima and land invasion have continued from the 1940s to the present day. The selection of an area for invasion is a function of location and availability, with public lands being preferred because squatters are less likely to be evicted from public lands. By the end of the 1960s, much of the previously unoccupied land close to Lima had become filled, so the invaders then began to settle farther from the center of Lima. At first, the invasions of vacant lands surrounding Lima were met with resistance by the authorities. Later, this resistance gave way to acceptance and even cooperation in the initiation of the human settlements (Rudolph 1992). This change in the attitude of the authorities resulted from their realization that the erection of human settlements was a cheap solution to the urban housing shortage.

The main axis of urban expansion ran northward and southward following the main transportation routes from the city, giving rise to Lima's "northern cone" and "southern cone" (Stokes 1995). Of the approximately seven million residents of metropolitan Lima, the majority live in the cones outside

of central Lima. The settlement patterns associated with these waves of migration have resulted over time in three distinctive spatial categories: 1) central Lima, also known as the "modern" zone[15] (*urbanización moderna*); 2) the inner peripheries of metropolitan Lima, also known as the "popular" zones (*urbanizaciones* or *zonas populares*); and 3) the outer peripheries of the city, also known as the "marginal" zones (*urbanizaciones* or *zonas marginales*). The residents of the popular and marginal zones are the first, second, or third generation immigrants of a rural indigenous culture (Golte and Adams 1987).

Because the popular zones were settled in the earlier waves of migration, today they have a well-established appearance and well-developed infrastructure. The popular zones contain some areas with extensive commercial activity. The marginal zones, by contrast, lack large commercial areas as well as basic infrastructure such as paved roads, electricity, sewage, and telephones. ACP clients are primarily residents of these areas, living and working in the popular and marginal zones, although about ten percent of ACP clients have microenterprises located in central Lima. The presence of three distinct spatial categories in Lima, each representing different types of market opportunities for microenterprises, had an effect on the study's research design, requiring that the sample be selected in order to include each category.

2. The Economy: Hyperinflation, Structural Adjustment, Employment and Poverty

The Peruvian economy has experienced important macroeconomic changes since the beginning of the ACP lending program. In the 1980s, political corruption, violence, hyperinflation, a drop in real wages, and a sharp increase in crime plagued Peru. This period has been referred to by scholars as the "lost decade." Inflation peaked in 1990, with an annual inflation rate of 7,650 percent. At this time, the total amount of Peru's medium-term and long-term external indebtedness reached $20.3 billion, equivalent to 80 percent of gross domestic product (GDP).

Table 2. Annual Inflation Rate in Peru, 1987-1997 (percentage)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Inflation	115	1,722	2,775	7,650	139	57	40	15	10	12	6

Source: Central Reserve Bank of Peru.

When Alberto Fujimori assumed the presidency in 1990, he adopted a series of structural adjustment measures that led both to the abatement of hyperinflation and to a sharp rise in unemployment in the formal sector.[16] Inflation began a steady decline in 1991, to the relatively low level of six percent in 1997 (table 2). At the time of the baseline survey, Peru's inflation was low and stable. The control of inflation was accompanied by significant reductions in public sector employment and high levels

[15]The central area of Lima also contains significant areas of low-income or slum housing (*viviendas turgurizadas*).

[16]Formal sector employees are those working in the industrial, commercial, or service sectors whose place of work is legally recognized. The number of employees in the enterprise is not a determining factor (Webb and Fernández Baca 1996).

of unemployment. The reduction in social spending under Fujimori eliminated numerous social programs and government jobs upon which many Peruvians relied for their economic welfare. Unemployment among Lima's economically active population (EAP)[17] peaked in 1993 at 9.9 percent (table 3). The employment rate figures mask a high rate of underemployment, meaning that those who are employed work fewer hours than they would prefer.

The difficulty in securing salaried employment has provided impetus for the growth in the number of microenterprises. Reduced levels of employment in the formal sector, along with the reduction of social programs, have led to an increase in the importance of the informal sector. It is estimated that almost half of the economically active population in metropolitan Lima is employed in the informal sector of the economy (Webb and Fernández Baca 1996).[18] Women make up approximately 40 percent of Lima's EAP and are more likely to work in the informal sector while men are more likely to work in the formal sector (Webb and Fernández Baca 1996). Almost all of the EAP employed as home workers are women.

Table 3. Employment Status of Economically Active Population in Lima, 1990-1995 (percentage)

	1990	1991	1992	1993	1994	1995
Employed	91.7	94.1	90.6	90.1	91.2	92.9
Unemployed	8.3	5.9	9.4	9.9	8.8	7.1
Underemployed	73.1	78.5	75.9	77.4	74.3	na

Source: Webb and Fernández Baca 1996.
na= not available

Table 4. Formal and Informal Labor Force in Lima, 1985, 1990, and 1995 (percentage)

	1985	1990	1995
Formal Sector	51.8	49.2	46.0
Informal Sector	40.5	45.7	49.3
Home Worker	7.7	5.1	4.7
Total EAP (employed)	na	na	2,901,447

[17] In Peru, the economically active population includes those who are 14 years of age and older and are either working or looking for work (Webb and Fernández Baca 1996).

[18] See footnote 4 for the definition of the informal labor sector in Peru to understand this concept vis a vis the Peruvian definition of a microenterprise given in footnote 1.

Source: Webb and Fernández Baca 1996.

Table 4 indicates the distribution of the labor force across the formal and informal sectors in Lima. In 1995, the distribution of the EAP in the formal and informal sectors varied across commercial, service, and industrial sectors of the economy. The informal sector is dominant in the area of small commercial sales, which corresponds to the large number of commercial microenterprises that can be found throughout Lima, as well as among the clients of ACP.

During the 1980s, the growth in Peru's GDP, an indicator of the productivity of the nation's economy, fluctuated widely. Following the implementation of Fujimori's structural adjustment measures, Peru's GDP growth rates have rebounded and become more stable. Table 5 provides additional information on Peru's GDP and changes in GDP for selected years from 1985 and 1995.

The economic problems of the 1980s and the structural adjustment shocks of the 1990s contributed to a continued high level of poverty among Peru's population. There was a significant decline in per capita GDP beginning in 1989 (table 5). In Lima, a large portion of the population lives in poverty. The LSMS data from 1994 indicated that 38 percent of Lima's seven million residents lived below the poverty line (see footnote 14). Of Lima's poor, approximately 33 percent were living in a situation of extreme poverty, meaning that their income levels were insufficient to purchase a nutritionally adequate diet (Webb and Fernández Baca 1996).

Table 5. Gross Domestic Product (GDP) and Per Capita GDP in Peru for Selected Years between 1985 and 1995, Real Values (1986 base)

	1985	**1987**	**1989**	**1991**	**1993**	**1995**
GDP (US$1,000)	22,282	27,273	21,966	21,505	22,555	27,300
GDP Growth Rate (percent)	1.7	10.4	-12.4	3.0	6.4	7.0
Per Capita GDP (US$)	1,143	1,341	1,038	979	992	1,160
Per Capita GDP Growth Rate (percent)	-0.5	8.2	-14.1	1.1	4.6	5.2

Source: Webb and Fernández Baca 1996.

Peru's economy is also adversely affected by recurring catastrophic events, such as frequent earthquakes and the periodic warming of ocean currents known as the El Niño phenomenon. The most recent El Niño event first began to be noticed in Peru in June 1997. At the time of the baseline survey, the only significant impact on Lima's microenterprises was a reduction in the seasonal demand for warm clothing and blankets. Later floods and droughts in the rural areas of Peru could lead to increases in the prices of agricultural goods, an important input in many Lima microenterprises, as well as increases in wholesale prices more generally. These price increases, if they occurred, would have occurred after the baseline survey was conducted. While El Niño was not a significant contextual factor during the baseline survey, it may have an effect on the sampled microenterprises in the months immediately following the collection of the baseline data. This will be taken into account in the interpretation of the second round of data in the case studies.

3. Peruvian Microenterprise Sector

According to estimates by Peru's Ministry of Industry, microenterprises provide 70 percent of Peru's employment and are estimated to generate about 40 percent of Peru's gross national product.[19] According to the Ministry of Industry, there are three million microenterprises in Peru, providing approximately 5.3 million jobs. There are approximately 1.5 million urban microenterprises and 1.5 million rural microenterprises[20] in Peru. By comparison, there are 200,000 small and medium enterprises and 5,000 large enterprises. Of the urban microenterprises, 40 percent are in Lima. Microenterprise is a pervasive fact of life in Peru; the 1994 LSMS data reported that 57 percent of the national households had at least one microenterprise or independent income-generating activity (Cuanto Institute 1994).

Various institutional factors affect Peruvian microenterprises, including tax requirements, state and municipal regulations, and crime. All businesses in Peru, including microenterprises, are required by law to register with SUNAT, the Peruvian tax agency. However, in 1994, only one-quarter of all microenterprises, and one-third of the microenterprises in Lima, were registered with SUNAT (Cuanto Institute 1994). The more mobile and less visible the enterprise, the less likely it is to be registered to pay taxes. An increasing number of microenterprises are beginning to pay taxes, as enforcement by SUNAT officials has become much more effective under Fujimori.

Upon registering with SUNAT, the microenterprise is assigned a tax number, which is referred to as a "RUC" (*registro único de contribuyentes*). Under the RUC system, each microenterprise is required to pay a tax based on a percentage of enterprise net revenues. The tax rate is progressively larger for higher levels of revenue. In order to determine the level of sales, microenterprises are required to provide receipts and track all sales which exceed two soles (less than US$1.00). Periodically, SUNAT compliance officials will pose as customers to monitor whether the receipts are being provided. If not, SUNAT can levy a fine and temporarily close the business. Businesses can reduce the amount of tax they are required to pay by showing receipts for business-related expenses.

All microenterprises are required to obtain an operating license from their local municipality. Prior to applying for a municipal license, the entrepreneur must first obtain a registration number (*registro unificado*) from the national Minister of Industry. The registration number acts as official identification for the microenterprise, allowing it to be recognized by the various federal and municipal agencies. Once the registration number is obtained, the microentrepreneur can then apply for an operating licence from the municipality. The cost of acquiring the license varies for each municipal district; respondents report that entrepreneurs located in more prosperous municipalities face a higher fee. Similarly, respondents report that municipalities in marginal zones provide a more narrow range of services.

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[19] Information from the Ministry of Industry on the size of the Peruvian microenterprise sector is based on estimates rather than actual measurements, which are not currently available. See footnote 1 for the official definition of a microenterprise and how it differs from the USAID definition.

[20] Rural microenterprises include both agricultural and non-agricultural enterprises.

As with participation in the tax system, registration status depends to some extent on the mobility of the microenterprise. In general, microenterprises that conduct business in fixed locations tend to be more visible, and therefore tend to be registered. More mobile microentrepreneurs, such as those conducting business from a push cart, tend to be less visible and may remain outside the reach of the municipality. However, enterprises that fail to register risk closure from the municipality.

Street crime and robbery in Lima, which were already heavy during the 1980s, have increased sharply with the rise in unemployment of the 1990s. The increase in crime has a major impact on microentrepreneurs, who have had to make enterprise decisions and purchase fixed assets based on the need to increase the security of their enterprises. Serving customers through iron bars or moving the business to a fixed location to secure inventory are two examples of security measures which draw on enterprise resources. Peruvian microentrepreneurs, particularly those outside the formal system, may also fall victim to extortion or bribery by rogue officials or others. However, while study participants universally reported that street crime was a problem, none reported a problem with official bribery and extortion.

In recent years, municipal officials have begun to enforce public right-of-way laws which exclude microenterprise activities from some public thoroughfares. The first major expulsions of street vendors occurred under Mayor Andrade in central Lima in 1996-1997. Andrade's administration cleared microenterprises from the sidewalks and plazas of Lima's central historic district, much to the delight of the general public, who had complained that the congested streets invited pickpockets and were unsafe for families. Several other municipalities in the modern and popular zones have followed the lead of central Lima and have cleared congested public areas. Official notice is usually provided well in advance of these forced expulsions, leading many vendor associations to raise funds and locate alternative market sites where they can have secure tenure. In many cases, the municipalities have worked with the vendor associations to identify and purchase alternative market sites.

4. Sources of Enterprise Credit

In general, microenterprises in the metropolitan Lima area may have access to both formal and informal sources of credit.[21] The formal financial institutions include cooperatives, EDPYMEs,[22] and formal banks. All formal financial institutions are regulated by the national bank superintendency.

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[21] Survey data indicate that only 5.5 percent of the 4,000 microentrepreneurs registered in the areas adjacent to the client sample during the construction of the sample frame for the non-client sample had a history of receiving microenterprise credit from formal sources of credit.

[22] The bank superintendency of Peru provides a legal framework for the development of EDPYMEs, which represent an intermediate stage between unregulated nongovernmental organizations (NGOs) and regulated savings institutions and banks. The NGOs have no capital or financial reporting requirements, thus excluding them from financial regulation. To register as an EDPYME, a lending organization must have US$260,000 in capital and satisfy periodic requirements for financial reporting. To qualify as a savings institution or bank, an organization must demonstrate capital amounts of US$2,600,000 and US$5,6000,000, respectively. The only EDPYME as of October 1996 was CREDIMPET. In 1997, the bank superintendency received 20 applications from potential EDPYMEs.

Banks and cooperatives can mobilize savings immediately, while EDPYMEs can mobilize savings once they consolidate their operations.

After ACP, the three most important nongovernmental organization (NGO) lenders, are CARE, Manuela Ramos, and Alternativa. The largest of these three lenders is CARE, with approximately 3,000 clients. Another limited source of credit is IDESI,[23] which has one office in Lima. The NGOs tend to focus their efforts on the peripheral areas of Lima. However, the NGO presence in the peripheral areas is much lighter and more scattered than that of ACP.

Informal lenders fall into three categories: 1) friends and family, 2) moneylenders, and 3) rotating savings and credit associations (ROSCAs). Moneylenders are known locally as *usureros* or *prestamistas*. While the first two categories of informal lenders are significant sources of microenterprise credit, the local forms of ROSCAs, known as *juntas*[24] or *panderos*, appear to be more important as a means of saving for consumer purchases, and relatively less important as a form of microenterprise finance.

Supplier credit is also available to larger commercial microenterprises and to certain other subsectors. In general, supplier credit for working capital is offered interest-free, but for very brief periods of time, usually five to ten days. It is viewed by microentrepreneurs as a helpful, but limited, source of credit. With the lowering of inflation, some of the larger, more established microenterprises have recently been able to purchase fixed assets on credit provided by the equipment supplier.

The primary alternative to ACP credit is microenterprise credit offered by private banks. In the four years preceding the baseline survey, several Chilean banks opened offices in metropolitan Lima. They started with consumer credit, but more recently have launched microenterprise credit programs. The banks have attempted to replicate the ACP lending approach very closely, using the same eligibility criteria. The most notable of these Chilean banks, in terms of entry into microenterprise lending, is Banco de Trabajo. Other newcomers are Solventa, Banco de Sur, and Serbanco. Their credit terms are similar to ACP's and they are expanding rapidly. The Chilean banks are considered by ACP to be their primary competition for microenterprise borrowers. The banks initiated their lending activities in central Lima, but they have also begun to expand their activities out toward the peripheral areas, particularly to the heaviest commercial areas of the popular zones.

Lima's low-income residents also have access to consumer and housing credit. The criterion for consumer credit is a salary. Consumer credit is available through several banks, as well as through

[23] IDESI is a quasi-public entity, started in 1986 with initial assets of US$30 million and 17 offices, which may have reached 150,000 individuals over time. It is currently reorganizing to increase its financial sustainability.

[24] A *junta* is voluntary association of (usually) ten people in which each person agrees to make a weekly fixed payment for ten weeks. People join a *junta* in order to assemble a lump sum of money. One person in the group is selected by lottery each week to receive all the payments for that week. The person who receives the payment in the first week receives, in effect, a no-interest loan. Everyone else receives a mixture of loan and savings, while the person who is unlucky enough to draw the payment in the last week ends up participating in a no-interest savings plan.

the CARSA program, operated by Banco Orion. The CARSA program specializes in selling consumer electronics and home appliances directly to clients on a credit basis. In mid-1997, Banco Orion opened a second program, KARPA, which extends in-kind loans for home building materials such as bricks and cement. The average loan size is US$500, and loans are extended for a two-year period. Once approved for a loan, the client can go to one of KARPA's 40 warehouses to receive the building materials. As of July 1998, it was estimated that the combined KARPA and CARSA programs serviced 300,000 clients with a loan portfolio of US$150 million.[25]

C. Summary and Implications for Research Design

The purpose of this section has been to provide a context for understanding and interpreting the baseline survey results by describing the ACP lending program and the environment for microenterprises in Lima. This contextual information also influenced the design of the research. For example, prior information on the sectoral distribution of ACP's clients permitted the selection of a non-client sample with a similar balance of commercial, service, and industrial microenterprises. Information on seasonality led to the selection of August as an appropriate month for the baseline and pointed to the importance of scheduling the second-round survey for the same month. The historic settlement pattern of metropolitan Lima, resulting in the modern, popular, and marginal zones, required a sampling approach that included microenterprises in all three of these zones. The economic importance of location also led to the decision to select the sample of non-clients from the same physical locations as the clients. However, non-clients were screened to eliminate those who had received enterprise credit from formal sources or NGOs.

In general, the dynamic environment in which Lima's microenterprises are operating--with the potential for macroeconomic changes, problems with El Niño, expulsions of microenterprises from public streets, and increased emphasis on formalization--underscores the need for a design that includes both a client group and a non-client (comparison) group. Since the microenterprises of both the clients and the non-clients are subject to the same environmental influences, the non-client group provides a benchmark for knowing what impacts can be attributed to the influence of the external environment. In this way, changes that clients experience above and beyond the changes experienced by the non-clients can be more readily associated with the clients' use of ACP credit. The next section turns specifically to a description of the research design of the impact evaluation, with an emphasis on the design of the baseline survey.

[25]Information on KARPA and CARSA programs was provided by Manuel Cardenal, Finance Manager for Banco Orion, in a personal interview with William Matthews on July 22, 1998.

III. DESIGN OF THE BASELINE SURVEY

The baseline survey is one component of an overall impact evaluation that includes the collection over time of quantitative and qualitative data from clients of the ACP lending program and a non-client comparison group. The purpose of the overall impact evaluation is to determine whether participation in the lending program leads to changes at the household, enterprise, and individual levels. The evaluation is driven by a set of specific impact hypotheses that were derived from a conceptual model of the household economic portfolio and influenced by the findings of prior empirical work.

The quantitative component of the overall impact evaluation is based on the collection of survey data from a sample of clients and a comparison group of non-clients in 1997 and again, from the same respondents, in 1999. Thus, the impact evaluation is longitudinal and quasi-experimental.[26] Following the second round of data collection (in 1999), the survey data will be analyzed to compare the changes experienced by the clients with the changes experienced by the non-clients. The changes experienced by the non-clients, such as increases or decreases in household income over time, will reflect the normal trends which could be expected given the macroeconomic and other external influences. The deviations from those trends, as experienced by the clients, will be associated with participation in the lending program, assuming that the findings are consistent with the qualitative analysis. Multivariate analysis[27] will be used to isolate further the association between participation in the lending program and the impact variables by statistically controlling for the influences of other variables.

The qualitative component of the impact evaluation involves the collection and analysis of case study and focus group data to complement the quantitative analysis. In Peru, eleven ACP clients have been selected for inclusion in the case studies based on their income levels, gender, and length of participation in the lending program. In-depth interviews were conducted with each of these clients between March and June of 1998. The interviews were guided by a research protocol emphasizing 1) the processes by which participation in the lending program leads to changes in the impact variables; 2) an investigation of some of the more subjective variables of the individual-level hypotheses; and 3) the investigation of alternative (competing) explanations for impacts. The second round of the case studies and the focus group interviews will be conducted following initial analysis of the second round of the survey.

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[26] In social science research, an "experimental design" is one in which individuals (households, schools, etc.) are randomly assigned to the treatment or control group. A "quasi-experimental design" is one in which individuals join the treatment group based on non-random criteria, such as through self-selection, and the researchers create a comparison group that shares critical characteristics with the treatment group. In this research, the clients are the "treatment" group and the non-clients are the "comparison" group.

[27] Multivariate analysis, such as multiple linear regression, is the statistical analysis of the simultaneous relationships among several variables.

This section describes the design of the baseline survey. It begins with a statement of the impact hypotheses upon which the evaluation is based. The preliminary field research and the development of the questionnaire are then described. The two-stage sample selection procedure is described in detail, and a map of the study area is provided. Included in the description of the sample selection are the details about the techniques used to select the comparison group. The section closes with a description of the data collection procedures and the methods used in analyzing the baseline data.

A. Impact Hypotheses

The research design was guided by a set of impact hypotheses at the household, the microenterprise, and the individual (entrepreneur) levels.[28] The hypotheses are based on a conceptual model that views the microenterprise as embedded in the overall household economic portfolio (Chen and Dunn 1996). In addition to being based on the household economic portfolio model, the hypotheses were developed on the basis of 1) a review of prior microenterprise impact evaluations (Sebstad and Chen 1996); 2) pilot field investigations at the three AIMS Core Impact Assessment sites in Peru, Zimbabwe, and India (Dunn 1997; Chen 1997); and 3) a series of discussions among the members of the AIMS team and with outside experts.

In the conceptual model of the household economic portfolio, the household is defined in terms of three components: 1) the human, physical, and financial *resources* of the household; 2) the production, consumption, and investment *activities* of the household; and 3) the circular *flows* between resources and activities. These circular flows include both the decisions that allocate resources to activities and the return flow of income generated by the selected activities. This return flow of income serves to augment the set of household resources. Credit is fungible within the household economic portfolio and, along with other household resources, may be used to help the household members implement their economic strategies by selecting the set of activities that best matches household members' objectives and constraints (Chen and Dunn 1996).

In evaluating the client-level impacts of microfinance programs, it is important to keep in mind that the microenterprise is embedded within the overall household economy. The microenterprise that receives credit is likely to be one of several income-generating activities that draw on the household's limited resources. By broadening the analysis to include the overall household economic portfolio, the impact evaluation can focus on program impacts at the household, enterprise, and individual levels, thus capturing the full range of potentially significant changes in the economic welfare of clients and their households over time.

The impact hypotheses posit that microenterprise services lead to impacts, or changes, at the household (H), enterprise (E), and individual (I) levels. In the case of the Peru study, the specific microenterprise services being investigated consist only of microenterprise credit, since Acción

[28]The majority of these hypotheses, known as the "core" hypotheses, are common across all three of the impact evaluations in the AIMS Project Core Impact Assessments. In other words, the same sets of hypotheses are being used to guide the AIMS research in Peru, India, and Zimbabwe. The hypotheses which are unique, or supplemental, to Peru are numbered as follows: H-7, E-5, and I-5. Hypothesis I-5 is also being tested in the Zimbabwe study.

Comunitaria del Peru does not provide other microenterprise services. Participation in microenterprise services is hypothesized to lead to the following impacts:

Impacts at the household level

- H-1. an increase in the level of household income;
- H-2. greater diversification in the sources of household income;
- H-3. an increase in household assets, including
  (H3-a) improvements in housing,
  (H3-b) increases in major household appliances and transport vehicles, and
  (H3-c) increases in microenterprise fixed assets;[29]
- H-4. an increase in expenditures on children's education;
- H-5. an increase in expenditures on food, especially among the very poor;
- H-6. an increase in the household's effectiveness in coping with shocks;
- H-7. a higher level of intergenerational launching[30] within client households;

Impacts at the enterprise level

- E-1. an increase in microenterprise revenue;
- E-2. an increase in enterprise fixed assets, especially among repeat borrowers;
- E-3. an increase in the paid and unpaid employment generated by the enterprise;
- E-4. improvements in the transactional relationships of the enterprise;
- E-5. a higher level of entry into the business tax system (RUC);

Impacts at the individual level

- I-1. an increase in the client's control over resources and income within the household economic portfolio;
- I-2. increased self-esteem and respect by others;
- I-3. an increased incidence of personal savings;
- I-4. a better position from which to deal with the future through more proactive behavior and increased confidence; and
- I-5. the formulation of a well-defined economic vision for the future, including long-term business plans for the household economic portfolio.

[29] This household-level hypothesis refers to the total (aggregate) value of fixed assets for all enterprises in the household. The enterprise-level hypothesis (E-2) refers to the fixed assets of individual enterprises.

[30] Intergenerational launching is the process whereby microenterprise owners "launch" their children into entrepreneurial occupations as an alternative to scarce formal sector employment. Intergenerational launching is motivated by a parent's desire to provide children with future economic opportunities as they come of age. The parent's original enterprise serves as the "launch-pad" microenterprise, because its revenues and access to capital are used to pay the start-up costs of the new enterprise to be eventually managed by the grown child. For more information on the concept of international launching, see Dunn (1997) and Matthews (1999).

B. Preliminary Research

The challenges faced in the early stages of designing the study included the need to develop a better understanding of the local context as a way to refine the set of hypotheses and select the most relevant context-specific variables for measuring impacts. The methods used in this preliminary stage of the research included 1) individual interviews with ACP personnel, other practitioners, local researchers, and ACP clients; 2) field observations at the businesses and homes of ACP clients; 3) review of previous studies of the impact of microenterprise programs in Peru and discussions with authors; and 4) presentation and discussion of the impact variables at a seminar with ACP personnel. This preliminary research took place prior to development of the questionnaire.

In-depth interviews were conducted with approximately 15 ACP personnel, including the executive director, the key individuals in the central office, the directors of seven field credit agencies, and various credit agents. In addition, interviews were conducted with leaders of other microenterprise support organizations, such as CARE, Alternativa, and leaders of COPEME.[31] Members of the local research community were also interviewed, including individuals from DESCO, International Labor Organization (ILO), InterAmerican Development Bank (IADB), SASE (the local InterAmerican Foundation affiliate), the University of the Pacific, and several individuals from the University of Lima. In addition to explaining their perspectives on impacts, these researchers and practitioners also provided information on the existence and principal findings of local microenterprise studies.[32]

Clients of ACP were also interviewed about their perspectives on the impacts of microenterprise credit. Indirect questions and field observations were used to derive information on impact. In-depth interviews were conducted with nine clients, and brief interviews were conducted with numerous additional clients. In terms of the likely impacts of microenterprise credit, there was general consistency and broad overlap between the clients, ACP personnel, other practitioners, and researchers. The preliminary research led to a refinement of the original set of hypotheses, so that the hypotheses listed above represent the most important and likely impacts of microenterprise credit in the Lima context. The preliminary research also provided insights into possible approaches for measuring the impact variables and led into the next stage of the research, which was the development of the questionnaire.

C. Questionnaire Development

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[31] COPEME is the consortium of Peruvian NGOs with programs that provide support to small and microenterprises. Currently there are approximately 60 COPEME members.

[32] While there are numerous descriptive studies on microenterprises, there are few impact studies. Notable exceptions include the impact studies by Alternativa (1992), CARE (1994), and SASE (1995-1996). A 1987 impact study on ACP, conducted by J.J. Thomas of the London School of Economics and Alberto Tokeshi of the University of Lima, was also reviewed.

In order to select the most appropriate measurement approaches for the impact variables, and to refine the questionnaire, the following methods were used: 1) a review of local survey instruments; 2) discussions with researchers and survey firms; 3) field tests of draft questionnaires with clients; and 4) a formal pilot test of the questionnaire. Among the local survey instruments, the most relevant was the questionnaire used by the Cuanto Institute in its longitudinal study of the living standards of Peruvian households.[33] This questionnaire is the basis for the LSMS data for Peru and is used to establish the nation's official poverty line. This and other questionnaires were analyzed for overlap with the hypothesized impact variables. In addition, discussions were held with the individuals responsible for the different studies to determine the relative success of these questionnaires and the ease of measuring specific alternative variables.

Information relevant to measurement issues was also collected in a series of eight client interviews. These interviews were used to check for potential problems with the questionnaire and included testing for question format, recall ability, sensitivity issues, information accuracy, and interview length. Based on these interviews, the household-level and enterprise-level questionnaires for the baseline study were constructed. Once constructed, the complete questionnaires were field tested and revised three times. The revised questionnaires were then pilot tested on a sample of 30 households.[34] Based on the results of the pilot test, the household and enterprise questionnaires were finalized.

D. Sample Selection

For the baseline study, a total of 701 households were selected, of which 400 were ACP clients and 301 were non-clients. In order to select this sample, a two-stage sampling approach was followed. The two-stage sampling approach improved the cost effectiveness of the survey, primarily through the cost savings derived from limiting the geographic coverage of the non-client sample frame. In addition, there were savings in enumerator salaries, transportation costs, and other logistical costs by confining the survey to two regions within the metropolitan area.

In the first stage, two regions in metropolitan Lima were selected, corresponding to three ACP field credit agencies. These three field credit agencies were selected because their clients were representative of ACP's overall client base. The second stage consisted of the selection of the client and non-client households on the basis of simple random sampling. The first stage, selection of the regions, is described immediately below. This is followed by a description of the second stage, selection of the households. The discussion of the second stage is divided into two parts because different procedures were used to construct the client and non-client sample frames.

1. First Stage: Selection of Regions

[33] This translated title of the survey is the "National Household Survey for Measurement of Living Standards." See footnote 14 for additional information on the Cuanto Institute, the LSMS, and Peru's poverty line.

[34] The pilot test of the questionnaires involved formal implementation of the draft questionnaires in the field. The pilot test was conducted in a separate area of Lima than the areas selected for the baseline survey.

Two regions within Lima were selected as most representative of ACP's operations and the overall ACP client base. The selected sample areas are in Lima's northern and southern cones, which contain approximately 64 percent of ACP's clients. One of the selected regions, served by the field credit agency of San Juan de Miraflores, is in Lima's southern cone. The second region is in Lima's northern cone and is composed of the area served by the adjacent credit agencies of Comas and Los Olivos. The shaded areas in figure 1 indicate the location of the selected regions relative to the districts of metropolitan Lima and the locations of ACP's 13 field credit agencies.

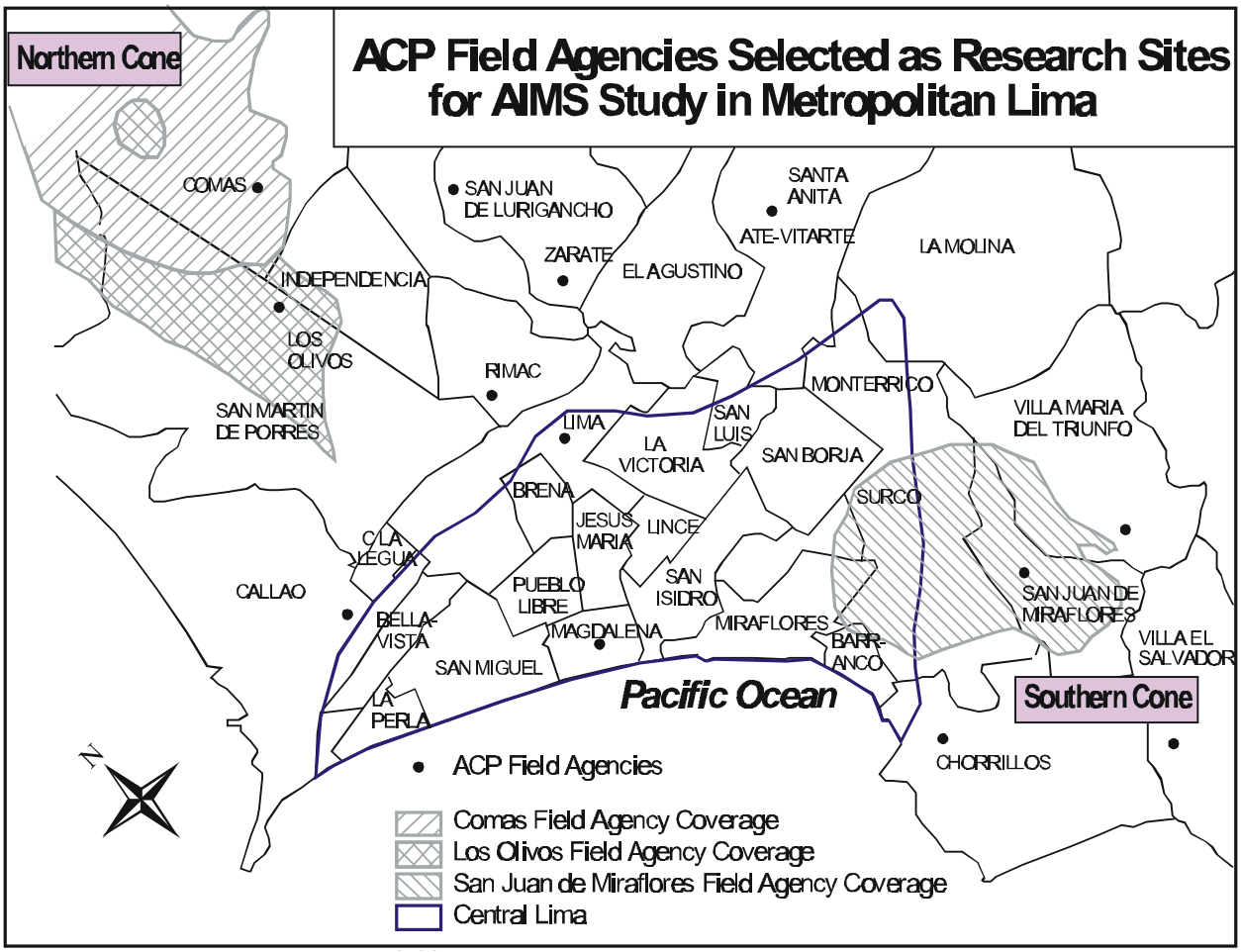

Figure 1. Map of Metropolitan Lima Depicting Research Sites
Source for base map: Acción Comunitaria del Perú Annual Report 1995.

The San Juan de Miraflores field credit agency and the contiguous Comas and Los Olivos agencies were selected on the basis of several criteria. First, they contain all three of Lima's major spatial categories: modern, popular, and marginal zones. These three zones differ in their level of commercial activity, length of settlement, average socioeconomic level of their residents, level of consolidation and infrastructure, and credit availability. Through a participatory process with ACP

personnel, Lima's districts and subdistricts were classified into the three spatial categories. The results of this classification process are provided in appendix 2. The two regions selected in the first stage of the sample provide significant coverage of all three settlement types.

A second criterion used in selecting the two regions is their representativeness in terms of the sectoral distribution of ACP's clients. During the pilot-test period, detailed information was provided by ACP on the number and distribution of its clients. This confidential information was disaggregated by field credit agency, sector, and geographic area. The sectoral distribution of clients in the selected sample regions very closely matches the sectoral distribution of the total population of ACP clients (table 6). The regions selected in the first stage of the sample contain 26 percent of ACP's entire client base. Thus, the regions selected in the first stage cover a relatively large proportion of the entire ACP client base.

Table 6. Number of Clients in Selected Sample Regions Compared to Total Population of ACP Clients, by Sector

Sector	Clients in Selected Sample Regions		Total Population of ACP Clients	
	Number	Percentage	Number	Percentage
Commercial	5,882	81	22,620	80
Service	782	11	3,090	11
Industrial	598	8	2,665	9
TOTAL	7,262	100	28,375	100

Source: ACP.

2. Second Stage: Selection of Client Households

The sample frame for the client sample was provided by the ACP central office. The sample frame consisted of current listings of all clients in each of the three agencies. The sample was distributed among the three field credit agencies using a constant sampling fraction, based on the total number of clients listed for each agency. This sampling approach created a self-weighted sample in which all clients in the selected regions had an equal probability of being selected.

The clients on each of the three lists were grouped by commercial, service, and industrial sectors. Using the client lists supplied by ACP, a random sample of clients was selected using linear systematic sampling from a randomly selected starting point. Because the lists were grouped by sector, the linear systematic sampling approach automatically built in an implicit stratification by sector, which reduces the variance of the sample.

The initial sample consisted of 400 clients, with an additional 60 clients selected to provide a substitution list. Names from the substitution list were used in cases where it was impossible to locate respondents, or they were unable or unwilling to participate in the sample. This occurred with

approximately five percent of client respondents. The final sample included a total of 400 ACP clients, with the distribution by field credit agency as follows: 131 clients in San Juan Miraflores; 149 clients in Comas; and 120 clients in Los Olivos.

The sample of clients (400) was larger than the sample of non-clients (301) for two reasons. First, it is anticipated that there will be client attrition between the two rounds of the survey. Because ACP serves only a small fraction of potential borrowers (less than five percent), it is assumed that clients are more likely to leave the microfinance program than non-clients are to become clients. Also, a larger client sample is needed to provide sufficient degrees of freedom for the analysis of subgroups of clients, such as analysis of clients by gender, sector of microenterprise, or length of participation in the credit program.

3. Second Stage: Selection of Non-Client Households

In order to construct the sample frame for the non-client sample, it was necessary to conduct a pre-survey registration of non-client microentrepreneurs. The starting points for the registration were the microenterprises of the 400 clients selected into the client sample. A total of 4,000 microentrepreneurs were registered (table 7), providing a sample frame that was ten times larger than the 400 clients selected into the sample.

The starting points for the non-client registration were determined by the locations of the microenterprises selected into the client sample. Beginning at each client's microenterprise, the registrar administered a brief pre-survey instrument to all neighboring microentrepreneurs in the same block (*manzana*) and adjacent blocks, completing each block, until at least ten eligible microentrepreneurs had been registered. Eligibility was determined by the questions in the pre-survey instrument and consisted of the following three criteria:

1) The microentrepreneur had to have a microenterprise in the same sector as the client's microenterprise;
2) The microenterprise had to have been in operation for more than six months; and
3) The microentrepreneur could not have received microenterprise credit from the government, formal sector, or NGOs.[35]

Table 7. Number of Non-Client Microentrepreneurs Registered in Pre-Survey, by Sector and Field Credit Agency

Field Credit Agency	Total for All Sectors	Sector		
		Commercial	Service	Industrial

[35] Since this study focuses on the impact of microenterprise credit, it is important that the comparison group (i.e. non-clients) not have received formal or program microenterprise credit.

San Juan de Miraflores	1,290	960	200	130
Comas	1,490	1,200	190	100
Los Olivos	1,220	950	180	90
TOTAL	4,000	3,110	570	320

From the registration list of 4,000 eligible non-clients, a total of 301 were randomly selected into the non-client sample. Because of the registration procedure that was followed, the non-client sample was matched by sector to the client sample and screened for the ACP requirement that the microenterprise be at least six months old. In addition, the non-client sample had received no previous microenterprise credit from the government, NGOs (i.e. ACP, CARE, IDESI, CREDIMPET, Alternativa, Manuela Ramos, etc.), or banks (i.e. Banco de Trabajo, Solventa, Banco Sudamericano).[36] The eligible non-clients were not matched to the clients by gender. However, the resulting client and non-client samples had the same gender composition, with approximately 61 percent of the respondents being female.

E. Data Collection and Analysis

The data were collected between August 11 and 20, 1997. There were seven field teams, with five enumerators and a field supervisor on each team. The field supervisor was responsible for checking the questionnaires completed by the enumerators each day. On average, each enumerator completed questionnaires at the rate of two households per day. The greatest difficulty in the field was in locating some of the respondents; once located, there was a high acceptance rate for participating in the survey. In addition to the seven enumerator teams, there was an overall survey supervisor, a logistics specialist, and three pre-survey registrars. All the survey personnel were employed by the Cuanto Institute and attended a four-day training course in the week prior to the survey.

The questionnaires were formatted and pre-coded by the Cuanto Institute to closely resemble their LSMS survey instruments. All of the supervisors, and many of the enumerators, had participated in prior LSMS surveys, and thus were very familiar with the format of the questionnaires. In general, income and expenditure data in the questionnaire were collected in terms of time periods that corresponded to the usual frequency of purchases in each category . The data were coded and entered at the Cuanto Institute, and both manual and automated consistency checks were conducted on the entered data. The data were then aggregated and tabulated using SPSS, a comprehensive data analysis software. The resulting data tables are provided in appendix 3.[37]

The methods for analyzing the baseline data included both cross-tabulation and testing for statistical significance. The results of the cross-tabulations, provided in appendix 3, show how the mean values

[36] For more information on the non-client sample frame's history of receiving microenterprise credit, see footnote 21.

[37] The tables in appendix 3 are presented in the same order as the impact hypotheses.

of the hypothesized impact variables differ by client status, sector of the enterprise, and gender of the respondent. In the cases where the differences between the means were of a sufficient magnitude so as to be of some interest, tests for the statistical significance of these differences were conducted.[38] The results of the data analysis are discussed in the next section, where the focus is on using the baseline data to describe the client and non-client populations. The actual tests of the impact hypotheses will occur following the second round of the survey, when changes in the impact variables will be compared for clients and non-clients and a multivariate analysis will be used to help control for the influence of variables other than participation in the credit program.

[38] The tests for the statistical significance of differences between means consisted of t-tests, ANOVA tests, and chi-square tests. These tests were performed using the SPSS software. The t-tests and ANOVA tests are used with numerical data, with a t-test being used to compare two means and an ANOVA test being used to compare three or more means. In both cases, the tests are based on the null hypothesis that the means are equal. For example, a t-test could be used to test whether clients' average income is statistically equal to non-clients' average income. The test reports a probability of being wrong when rejecting the null hypothesis (a type II error): a test result of 5 percent or less is strong evidence for rejecting the null hypothesis (and concluding that the mean incomes are different). A chi-squared test is used for categorical (qualitative) data and is based on the null hypothesis that the variable is evenly distributed across the categories. An example of a null hypothesis would be that clients and non-clients are equally likely to have their businesses registered with the municipality.

IV. DESCRIPTION OF THE BASELINE FINDINGS

The baseline results reveal many of the characteristics of Lima's microentrepreneurs. In general the respondents are married, they own the homes they live in, and they have income from multiple sources. Almost half of the respondent households operate two or more distinct microenterprises. They invest their money in their homes, in their children's educations, and in their microenterprises. While the incidence of poverty among non-clients resembles the trend in the general population of Lima, the clients of ACP are less likely to have incomes below the poverty line.

Since the survey included up to three microenterprises for each respondent household, the baseline data include information on 1,008 microenterprises. Almost 60 percent of these enterprises are located in Lima's popular zones. The most common business location is in the entrepreneur's home. The results on enterprise revenue and enterprise fixed assets reveal a significant gender gap, with male entrepreneurs having higher enterprise revenues and higher levels of enterprise fixed assets than female entrepreneurs. As a group, the entrepreneurs tend to feel confident about themselves and about their ability to face the future.

This section presents the results of the baseline survey. It begins with a basic description of the key characteristics of the sample. Next, a description of the household-level results is provided, with the discussion organized in terms of the components of the household economic portfolio model. Following the household-level results, the baseline results at the enterprise and individual levels are presented.

It is worth repeating that the baseline data were not intended to be used to test the impact hypotheses. Using the baseline data alone, it is difficult to say whether differences between clients and non-clients can be attributed to participation in ACP's microenterprise credit program or whether they are due to other factors. Instead, the discussion of the baseline results is intended to be descriptive, highlighting the most interesting findings and, for greater detail, referring the reader to the complete set of tables provided in appendix 3.[39]

For many of the variables, the tables in the appendix indicate differences between major subgroups of the sample, such as differences between clients and non-clients, between new clients and old clients, between males and females. In the discussion that follows, these differences are highlighted only when they are both relatively large in magnitude and statistically significant.[40] Thus, the reader can assume that any comparisons presented in the text have been tested statistically.

A. Key Characteristics of the Sample

[39]The tables in the appendix are numbered A.1 through A.29. Any references to tables with numbers that begin with an "A" refer to the tables in the appendix.

[40]Throughout this discussion, a standard level of significance of .05 (5 percent) is used. Any differences that are significant at a .05 (or smaller) level of significance are reported as "statistically significant." For more details on the specific statistical tests of differences that were used, see footnote 38.

The final sample consisted of 701 respondent households, of which 400 were ACP clients and 301 were non-clients. The distribution of the sample between clients and non-clients and across the three sectors is provided in table 8. The client and non-client samples have similar characteristics in terms of distribution by gender and sector of the matched enterprise. Approximately 61 percent of the primary respondents (427 respondents) are female and 39 percent (273 respondents) are male, which is consistent with the gender composition of the ACP client base at the time of the survey (figure 2). The sectoral distribution of the non-client sample was constrained in the selection process to mirror the sectoral distribution of ACP clients: 78 percent in the commercial sector; 14 percent in the service sector; and eight percent in the industrial sector (table 8).

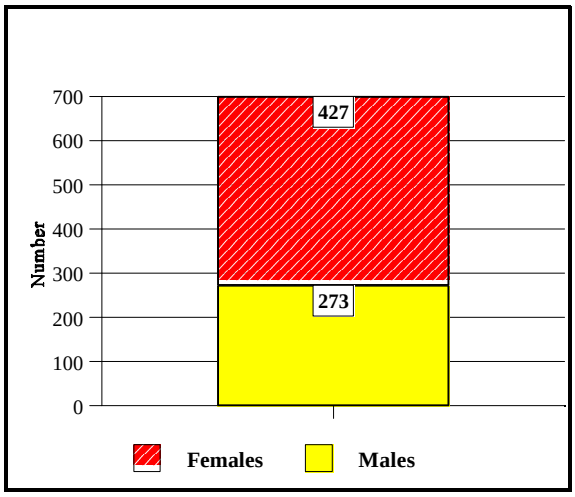

Figure 2. Distribution of Sample by Gender

Table 8. Distribution of Sample Between Client and Non-Client Households, by Sector

Type of Respondent	Total for All Sectors (Number)	Sector of Primary Enterprise					
		Commercial		Service		Industrial	
		No.	%	No.	%	No.	%
Clients	400	311	78	57	14	32	8
Non-Clients	301	236	78	43	14	22	7
Total	701	547	78	100	14	54	8

Note: Sectoral percentages for non-clients do not sum to 100 due to round-off error.

The sample was distributed proportionally across the three regions according to the number of clients at each agency. In the final sample, the geographic distribution of the respondents across the three agencies is as follows: 260 respondents (37 percent of the sample) are in the area served by the Comas agency, the largest of the three agencies; 240 respondents (34 percent of the sample) are in the area served by the San Juan de Miraflores agency; and 200 respondents (29 percent of the sample) are in the area served by the smallest of the three agencies, Los Olivos.

The average loan size of the clients is 1,581 soles (US$595). Average loan size is similar for male and female clients but differs significantly by location of the enterprise and length of participation in the program. On average, clients in San Juan de Miraflores and Comas have larger loans--at 1,762 soles and 1,581 soles, respectively--than clients in Los Olivos, whose loans average only 1,391 soles. The higher average loan sizes in San Juan de Miraflores can be attributed to the fact that it is the oldest ACP field credit agency and a higher proportion of its clients have their businesses located in modern and popular zones. There is a significant difference in the loan sizes across the three

categories of urban zones, with businesses in modern, popular, and marginal zones receiving average loans of 1,909, 1,596, and 1,149 soles, respectively. This finding is consistent with the different levels of commercial activity and infrastructure in the three zones (see section II.B.1).

Clients who have been with ACP longer have had an opportunity to demonstrate their creditworthiness, with the result that, all other things being equal, they tend to receive larger loans. The baseline data indicate that the average loan received by clients of two years or more (2,077 soles) is 40 percent larger than the average loan received by clients of less than two years (1,483 soles). In addition to developing a relationship with the lender, it is expected that sustained participation in the credit program is needed before clients will experience measurable changes in some of the more long-term impact variables, such as increases in enterprise fixed assets. Participation in the program for two years roughly corresponds to having received eight loans.

Within the baseline survey, 16 percent of the client sample (64 clients) had been customers of ACP for two years or longer. The relatively small percentage of old clients is not surprising, given the very rapid rate of growth that ACP has experienced since 1993. The longer-term customers are referred to in the tables and throughout the discussion as "old" clients. On average, it had been 32 months since the old clients had received their first loan.

The remaining 336 clients (84 percent of the client sample) received their first loan in the two-year period immediately prior to the survey. These newer borrowers are referred to as the "new" clients. On average, it had been almost 12 months since the new clients had received their first loan.

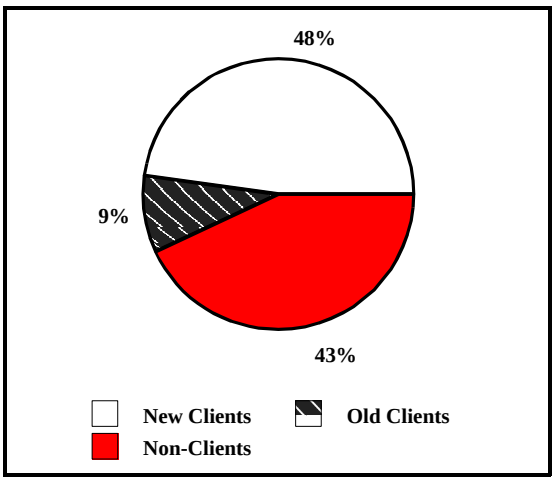

Figure 3. Client Status of Sample

In the following presentation of the baseline results, the client sample is subdivided into the "old" clients and the "new" clients. This subdivision of the clients at the two-year participation mark was selected because of the significant difference in loan size and to highlight some of the changes that may occur over the long-run with extensive participation. Since the new client sample has been participating in the ACP program for an average of 12 months, it is expected that a sufficient amount of time has passed for changes to occur so that the new clients differ from the non-clients on many of the hypothesized impact variables. The sample of old clients, with an average program participation length of 32 months, should have been in the program long enough for all of the hypothesized impacts to emerge.[41]

[41] For the analysis of impacts following the second round of data collection, length of participation will be included in the multivariate analysis as a continuous variable (amount of time in the program) rather than as a discrete variable (old and new clients).

B. Results at the Household Level

The discussion of the household-level results is organized in terms of the components of the household economic portfolio model. It begins with a description of household resources, which are the human, physical, and financial resources of the respondent households. Specifically, the discussion of household resources includes basic demographic information on the respondents, as well as information on their houses, household goods, business assets, and savings. This is followed by a discussion of household activities, which include the households' production, consumption, and investment activities. Respondent households are shown to have a number of income-generating activities; to invest their resources in housing, education, and their businesses; and to differ by client status in their food and beverage expenditures. The household-level discussion ends with information on the position of the respondent households relative to the national poverty line for Peru and households' strategies for coping with economic shocks and launching the next generation.

1. Household Resources

a. Human Resources

The typical respondent is 41 or 42 years old, married,[42] and has completed at least some secondary education (table 9). The average male respondent, at age 43, is almost three years older than the average female respondent. The oldest subgroup are those respondents who have been ACP customers for two or more years; their average age is almost 45 years. Clients are more likely to be married than non-clients.

The typical respondent household has five members, which is the same as the average household size for Lima overall (Cuanto Institute 1995). There are significant differences between clients and non-clients, however, in terms of household size, number of economically active members, and dependency ratios. Client households tend to be slightly larger than non-client households (table 9). In addition, client households have an average of 3.3 economically active members, which is more than the 2.8 workers in non-client households.

The dependency ratio is a way to compare households in terms of their consumer-to-worker ratios; it is calculated by dividing the total number of household members by the number of household members who are economically active. Thus, a lower dependency ratio means that there is a lower proportion of non-working members in a household. The dependency ratio for clients is 1.71, while it is 1.89 for non-clients. This means that, on average, non-client households have fewer workers for the same number of household members. The results indicate that there are comparable dependency ratios for male and female respondents.

Table 9. Basic Demographic Information on Primary Respondents and Their Households

[42] This includes both legally recognized and informal unions.

	Clients			Non-Clients	Total Sample
	New	Old	Total		
Age (years)	41.6	44.6	42.1	40.7	41.5
Gender (percent)					
Male	38.7	32.8	37.8	39.6	38.5
Female	61.3	67.2	62.3	60.4	61.5
Education (percent)					
None	1.5	3.1	1.8	2.3	2.0
Primary	26.2	34.4	27.5	33.9	30.2
Secondary	48.8	51.5	49.3	43.6	46.9
Post Secondary	23.5	10.9	21.6	20.2	21.0
Marital Status (percent)					
Married	81.8	87.5	82.8	72.0	78.1
Single	18.2	12.5	17.2	28.0	21.9
Household Size (number of members)	5.18	5.03	5.16	4.63	4.93
Dependency Ratio	1.72	1.62	1.71	1.89	1.79
Children in School, age 7-16 (percent)	96.4	100	96.9	98.1	97.4

The respondents value education highly and make sacrifices to invest in their children's education. The baseline reveals that among household members age seven to 16, almost all (97 percent) were enrolled in school. This is similar to the high rate of school attendance for the Lima population as a whole. Under the 1993 constitution, primary education is free and compulsory. However, many low-income parents incur the extra expenses of sending their children to private schools. The respondents are no exception, as will be discussed below under household investments.

b. Physical Resources

Housing. Housing can be one of the household's most important physical resources, providing not only lodging for the household members but also a potential business location, storage facility, and source of rental income. Over three-quarters of the respondents report that they own their home (table A.3). Nationally, 70 percent of Peruvians own their own home (Cuanto Institute 1995).

There is a significant difference between clients and non-clients in terms of home ownership. While non-clients have a level of home ownership that is identical to the national average (70 percent), almost 86 percent of clients own their homes (table A.3). Among clients, the old clients have the highest incidence of home ownership. Figure 4 illustrates the incidence of home ownership among new clients, old clients, and non-clients.

The respondents' houses are very likely to have brick or cement walls, with 87 percent reporting that they live in houses made of these more durable materials (table A.3). Almost all respondents (99 percent) have electricity in their home, and 83 percent report indoor water and sewage services. The incidence of these services in the home tends to be most closely related to whether the services are available in the neighborhood rather than to household-level characteristics, such as income level.

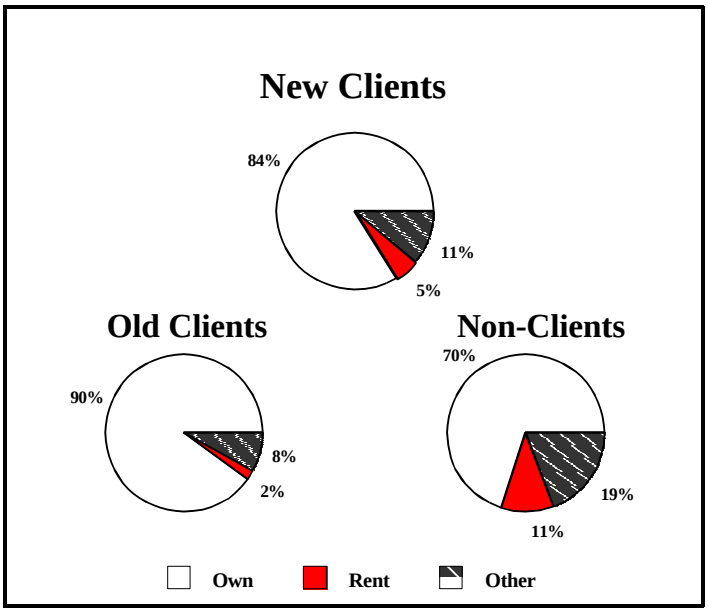

Figure 4. Housing Tenure of the Sample

The urban microentrepreneurs in the sample have better housing conditions than Peruvians as a whole. According to the 1994 LSMS, only 45 percent of Peruvians live in homes with brick walls, while another 40 percent have adobe walls. Seventy-nine percent of households in Lima have brick walls, while another eleven percent have adobe walls. Only seventy-three percent of Peruvian households have electricity in their homes, while, in contrast, 97 percent of Lima households have electricity in their homes (Cuanto Institute 1995). On average, two-thirds of Peru's households have indoor water compared with 80 percent of Lima's households, and 80 percent of Peru's households have some type of sewage services compared with 96 percent of Lima's households (Cuanto Institute 1995).

In general, the housing size in Lima and throughout Peru is similar. While the house of the average resident in Peru and in Lima has two to three rooms, nearly one-third of the residents of Peru and of Lima have houses with four to five rooms (Cuanto Institute 1995). The house of the average respondent in the survey has five rooms, excluding bathrooms and hallways (table A.4). Clients have larger houses than non-clients: the houses of clients, at 5.4 rooms, average one room more than the houses of non-clients. In general, the respondents have not completed construction of the customary second and third floors on their homes, since their houses have an average of 1.3 floors. This is typical of the housing construction patterns for Lima's popular and marginal zones (section II.B.1).

The importance of housing as a source of income generation is underscored by the results of the baseline. Over half of the respondents report using one or more rooms in their home to generate income (table A.4). Some of the ways that rooms can be used to generate income include using the room as a store front, a work room, a storage room for inventory, or to generate rental income from private or commercial renters in these ways. Respondents use an average of 1.3 rooms, or a quarter of the rooms in their house, to generate income. Forty-nine percent of respondents report using one of the rooms in their house to generate income, while six percent report using two rooms.

Appliances, Bicycles, and Vehicles. The survey included a list of specific appliances and vehicles[43] and respondents were asked to add any other appliances they owned that were not covered by the list. The survey asked which appliances they owned, how many of each, how many were acquired in the last two years, the purchase price of the newly acquired items, and how much debt was still owed. The results indicate that respondents own an average of ten appliances and bicycles, with clients having significantly more of these items (11.5) than non-clients (8.3) (table A.6a).

In the previous two years, clients had acquired more appliances and bicycles (1.6) than non-clients (1.1). The average value of acquisitions by clients was 2,342 soles (US$882), which was significantly higher than the value of non-clients' acquisitions (1,662 soles or US$626). The differences in total number of appliances and value of newly acquired appliances indicate that clients enjoy a higher living standard, as measured in terms of these consumer goods. In addition, non-clients owed more debt on their new acquisitions.[44] The amount of debt owed by non-clients was more than twice that of old clients and 83 percent higher than for new clients. While male respondents reported more acquisitions (1.6) than female respondents (1.3), there were no significant differences between male and female respondents in the number of appliances owned or debt on recent acquisitions (tables A.6b and A.6c).

The survey also included questions on ownership of motorized vehicles (table A.7). Motorized vehicles have the potential to be used in the income-generating activities of the household, and therefore represent a different type of investment than appliances and bicycles. In general, the rate of vehicle ownership and acquisition was low in the sample. Less than 15 percent of households reported owning a vehicle, and only five percent had acquired a vehicle in the last two years. In fact, only 35 vehicles had been acquired by the 701 respondent households in the past two years. Obviously, the cost of vehicles is much higher than the cost of appliances and bicycles. For those who had acquired a vehicle in the past two years, the average amount spent was 18,179 soles (US$6,845). Clients were significantly more likely than non-clients to own one or more vehicles, with 18 percent of clients reporting ownership of vehicles compared to ten percent of non-clients.

Enterprise Fixed Assets. The conceptual model of the household economic portfolio links all of the enterprises managed by members of the same household. The household's enterprises draw on a common set of household resources. In many cases they may share the program credit received by the client. All of the household's enterprises contribute to household income, and all play some role in the economic strategies of the household members. The combined fixed assets of all of these enterprises represents an important household resource. Using a question format similar to the format used for appliances and vehicles, the respondents were asked about the equipment and machinery associated with their microenterprises, recent purchases of these fixed assets, and debt owed on

[43] The appliances listed in the survey included blenders, juicers, radios, electric irons, telephones, fans, vacuum cleaners, stereo equipment, stoves (different types), knitting and sewing machines, microwaves, televisions (different types), video cassette recorders, heaters, refrigerators, freezers, clothes washers, clothes dryers, and personal computers. Similar information was collected on bicycles, motorcycles, automobiles, and trucks.

[44] The debt reported in this category was from consumer credit or from store (seller) credit.

purchases. This subsection reports on the aggregate value of all enterprise fixed assets associated with the respondent households.[45]

Considering all of the microenterprises associated with the household, the average value of enterprise fixed assets was 7,184 soles, or about US$2,705, per household (table A.8). However, clients had a significantly higher value of enterprise fixed assets (9,148 soles) than non-clients (4,422 soles), with the value of purchases in the past two years approximately 1,600 soles higher for clients than for non-clients. This difference between clients and non-clients reflects more than just a difference in the level of household resources, it also has important implications for differences in the ability of client and non-client households to generate income through their enterprise activities. The value of all enterprise fixed assets associated with the households of male and female respondents were similar (tables A.8b and A.8c).[46]

c. Financial Resources

Due to the sensitivities revealed during the questionnaire development phase of the research, the survey did not include direct questions on the monetary value of the household's financial resources and savings. However, there are a few questions that reveal some useful information about the financial resources of the respondents and their households. For example, 28 percent of the sample reported using household savings to pay for housing improvements (table A.5), and 29 percent reported using savings to cope with an economic crisis (table A.11). The numbers were similar for clients and non-clients.

As part of the investigation of individual-level impacts, respondents were asked about the incidence and forms of their personal savings (table A.23a). Over half the respondents reported that they did have personal savings,[47] with clients being 23 percent more likely to report personal savings than non-clients (table 10). The most important forms of savings among respondents are money saved at home, in ROSCAs (*juntas* or *panderos*), and in bank saving accounts, with 60, 29, and 22 percent, respectively, of savers reporting these forms. While the results do not reveal the actual value of financial resources, they do indicate that savings play an important role in respondents' household economic portfolios.

Table 10. Incidence and Forms of Personal Savings

[45] Information on the fixed assets of individual enterprises is reported in section IV.C below.

[46] The aggregate value of enterprise fixed assets for all enterprises associated with the households of male respondents was 8,312 soles, while the aggregate value associated with female respondents was 6,579 soles (table A.8c). The difference between these means is statistically significant at a ten percent level of significance.

[47] According to the 1994 LSMS data, 12 percent of Lima households reported having saved money in the last year compared to nine percent of households nationally (Webb and Fernández Baca 1996). This suggests that the sample of microentrepreneurs has a higher propensity to save than the general population, although the data are not strictly comparable.

	Clients			Non-Clients	All Respondents
	New	Old	Total		
Incidence of Personal Savings (percent)	61.6	65.6	62.3	50.8	57.3
Forms of Savings (percent)					
Money at Home	58.9	52.4	57.8	63.4	60.0
Bank Account	21.3	21.4	21.3	24.2	22.4
ROSCA	30.9	28.6	30.5	27.5	29.4

Note: Forms of savings can total more than 100 percent because multiple answers are possible.

The baseline findings indicate some significant gender differences in personal savings. First, male non-clients were significantly more likely to report some type of personal savings than female non-clients (table A.23b). Among clients, however, males and females are equally likely to report that they have some form of personal savings. While savings kept at home are the most common form of savings for both males and females, males were significantly more likely than females to report savings kept at home. Conversely, females were significantly more likely to use a ROSCA as a way to save money. There are several possible interpretations for this result. First, due to power imbalances in the household, females may perceive that they have less control over money saved at home. Secondly, females may be better at establishing and maintaining the types of relationships upon which ROSCAs are built. The differences between males and females in having bank-held savings accounts were insignificant.

2. Household Activities

The focus of this section is on household activities, or the ways that households use the resources at their disposal. According to the conceptual model, households can either use their resources to engage in production activities, which generate current income; to engage in investment activities, which have the potential to generate future income; or to engage in consumption activities. The survey provides some information on all three types of activities. The information on production activities includes the level of household income and the degree of income diversification.

a. Production Activities

Income Diversification. The results of the baseline survey confirm that Lima's microentrepreneurial households rely on a number of income-generating activities as part of a diversified household economic portfolio (table A.2). The sources of income that are reported in the survey include microenterprise income; full-time wage or salary income; part-time or casual wage income; rental income; remittance income; shareholder profits; and retirement pensions. In addition to having more than one source of income, the results indicate that many of the respondent households also have multiple microenterprises.

Eighty-six percent of households in the sample reported two or more income sources, with almost a third of households reporting four or more sources of income. On average, clients reported more sources of income (3.3 sources) than non-clients (2.8 sources). The households of old clients were the most striking in terms of their level of income diversification: only six percent of these households relied on a single source of income. On average, old clients reported 3.6 sources of income, with almost half of the old clients reporting four or more income sources.

Households in the sample were more likely to have multiple microenterprises than households at the national level.[48] Nationally, 29 percent of households have more than one enterprise, with the percentage being slightly smaller (25 percent) for households in Lima (Cuanto Institute 1994). In the sample, however, almost half (47 percent) of the households have more than one microenterprise.[49] Clients are significantly more likely than non-clients to report multiple enterprises, averaging 1.8 and 1.5 microenterprises per household, respectively. Again, the households of old clients have the largest number of microenterprises, averaging two microenterprises per household. More than a quarter of old clients reported that their households have three or more microenterprises. At the national level, only six percent of households report more than three microenterprises (Cuanto Institute 1994).

Income Levels. The average annual income reported by households in the sample is 21,038 soles, or approximately US$7,920 (table A.1a). This income figure is the total annual household income from all sources, including net microenterprise income and gross income from wages, salaries, rentals, remittances, pensions, and other sources. The most important source of household income is income from microenterprises. On average, approximately 65 percent of household annual income is generated by the microenterprises of the household members (table A.1a).

[48] This is not surprising, since the sample for this study consisted of households that have at least one microenterprise while the sample for the national data includes households that do not have microenterprises.

[49] The criteria used in the survey for distinguishing between distinct microenterprises were that they be operated in different locations and/or at different times. The exception was the microenterprise that produced its products in one location and sold them in another.

There is a large difference in the income levels of clients and non-clients. On average, the income of client households (24,690 soles or $9,300) is over 50 percent higher than the income of non-client households (16,180 soles or $6,100). This is an important difference between client and non-client groups, and it is probably associated with differences in other variables, such as levels of assets, investments, and expenditures.[50]

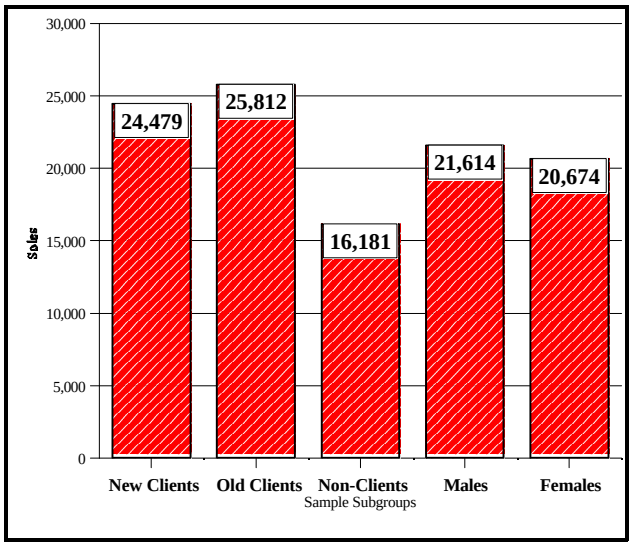

Figure 5. Average Annual Income of Sample Subgroups (soles)

The average annual per capita household income is 4,267 soles, or approximately US$1,607 (table A.1e). There is a large difference in the per capita income levels of clients and non-clients. On average, the per capita income of client households (4,785 soles or $1,800) is 37 percent larger than the per capita income of non-client households (3,495 soles or $1,316). The households of male and female respondents have similar income levels, indicating that the gender of the respondent is not an indication of the socioeconomic level of the household (table A.1d).

b. Investment Activities

Housing Investments. Nearly half (47 percent) of the households had made some type of improvement to their house in the twelve months preceding the survey, with 51 percent of clients reporting some type of improvement (table A.5). Non-clients were significantly less likely to have made housing improvements, with only 42 percent of non-clients reporting they had made this type of investment in the previous year.

The most commonly cited reason for making housing improvements was to improve the living conditions of the occupants; over 80 percent of respondents reported this as their motivation. However, housing improvements were also made for the purposes of improving the business or generating rental income. Clients were significantly more likely (20 percent) than non-clients (13 percent) to report that the reason for the housing improvement was business-related.

On average, clients spent about 1,163 soles (US$438) on housing improvements in the previous twelve months. This includes not only the cost of labor and materials used in actual improvements, but also the cost of building materials (e.g. bricks, nails, wood) that were purchased but not yet used. Non-clients spent significantly less (642 soles) during the same period. It should be noted, however,

[50] In section V.C, the income difference between clients and non-clients will be revisited, along with the implications for selecting methods to analyze the longitudinal data following the second round of the survey.

that there is a higher incidence of home ownership among clients, which could be related to the higher levels of investment.

For the sample as a whole, the average of 939 soles (US$354) spent on housing improvements represents an investment of six percent of annual household income. However, if only those 363 households that had actually made improvements or purchased unused materials are considered, then the annual value of housing improvements is much higher. For those households that actually made improvements, the average expenditure was 2,513 soles (US$946).

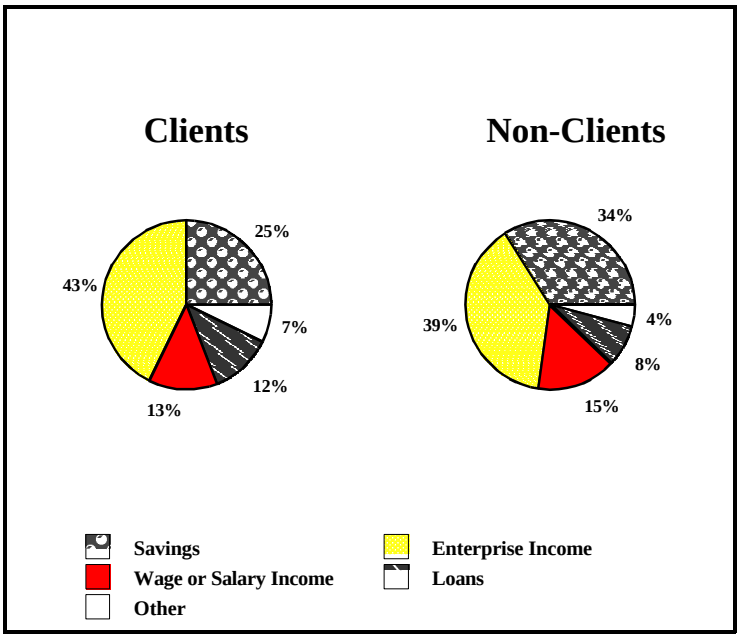

Figure 6. Sources of Financing for Housing Improvements

The survey included questions on the sources of funds for housing improvements. The results reveal that microenterprises are the most important source of financing for housing investments, with 42 percent of housing improvements having been financed by enterprise income (table A.5). Savings were also an important source of financing for housing improvements, with 28 percent of housing improvements having been made from this source. Non-clients were a third more likely than clients to have used their savings to pay for housing improvements (figure 6).

Educational Investments. The households in the sample also invest in the education of their members. As stated previously, 97 percent of the children ages seven to 16 in the sample were currently enrolled in school. On average, households made an annual investment of 1,067 soles (US$402) in the education of household members of all ages (table A.9a). This represents seven percent of annual household income. The average educational expenditure per student was 566 soles (US$213).

Client households spent 603 soles per student, which is 20 percent higher than non-client households' average expenditure of 508 soles. Education expenditures were comparable in the households of male and female respondents. Despite historic differences in educational attainment by gender,[51] the results of the baseline survey reveal that the respondent households are not discriminating against

[51]The national literacy rate in Peru, defined as the percentage of the population age 15 years or older that is able to read and write, is 89 percent (Central Intelligence Agency 1997). However, Peruvian men have a literacy rate that is 12 percent higher than Peruvian women (Central Intelligence Agency 1997).

female students: both client and non-client households report equal levels of education expenditures on male and female students (table A.9b and A.9c).

Enterprise Investments. Again considering all of the enterprises associated with the household, the respondents reported considerable levels of investment in equipment, machinery, and tools for their enterprises. In the two years preceding the survey, households had spent, on average, 3,399 soles (US$1,280) on fixed assets for all of their microenterprises (table A.8a). The average investment in enterprise assets by clients was significantly greater than acquisitions by non-clients. Some of this difference in levels of investment can be attributed to the fact that client households tend to have more microenterprises (1.8) than non-client households (1.5). Assuming that half of the enterprise investment, or approximately 1,700 soles (US$640) was spent in one year, this would represent an investment of around six percent of household income, which is similar to the annual investment in housing and slightly less than the investment in education.

c. Consumption Activities

Food Expenditures. Following the LSMS approach, food and beverage expenditures were estimated for a two-week period and included expenditures on food at home, alcoholic and non-alcoholic beverages, and food consumed away from home. For the sample as a whole, an average household spends 273 soles (US$103) every two weeks (table A.10a). On a per capita basis, an average of 56 soles (US$21) are spent every two weeks (table A.10d). The average household food and beverage expenditures come to about 7,100 soles (US$2,673) annually, or approximately 48 percent of annual household income.

While clients' households spend significantly more on food and beverages than non-clients' households, a large part of this difference in expenditures can be explained by the fact that clients have larger families (5.16 members) than non-clients (4.63). Per capita expenditures on food and beverages are virtually identical. Despite their higher absolute levels of expenditures, clients spend a significantly smaller percentage of their income on food than non-clients. Clients spend 41 percent of their average annual income on food compared with non-clients, who spend 56 percent.[52]

Total expenditures on food and beverages were similar for male and female respondents (A.10b and A.10c). There were slight differences in the composition of expenditures, especially among non-clients. Male non-clients reported spending the most (55.9 soles) on away-from-home food while female non-clients spent the least (35.6 soles). In addition, male non-clients spent 79 percent more on alcoholic beverages than their female counterparts. This gender gap in alcohol expenditures was not evident among clients, although client households spent more on alcohol than non-client households.

[52] If the sample is divided into those below the poverty line (the poor) and those above the poverty line (the non-poor), the data indicate that the poor spend 54 percent of household income on food, while the non-poor in the sample spend only 44 percent. This is consistent with the general trend known as the Engel's curve, which indicates that as income levels rise, a smaller proportion of income is spent on food.

3. Poverty Levels and Economic Strategies

a. Poverty Levels

The baseline survey provides sufficient data to determine the poverty level of the sample. In order to be consistent with the method used to establish Peru's official poverty line, calculation of the poverty levels for the sample is based on per capita household expenditure data. The household questionnaire incorporated the same set of expenditure categories as Peru's LSMS questionnaire. The data on expenditures were added together and divided by household size to derive measures of per capita household expenditures. These measures were then compared to the latest available poverty lines, inflated to August 1997 currency.[53]

The baseline data indicate that one-third of the sample, or 235 households, are below the poverty line (table A.29). Only three percent of the sample, or 22 households, are classified as "extremely poor", meaning that their annual expenditures are insufficient to purchase a nutritionally adequate, culturally appropriate diet. These results indicate that the households in the sample are somewhat better off than the general population. According to the 1994 LSMS, half of the Peruvian population lives in poverty and ten percent are classified as extremely poor (Cuanto Institute 1995). In Lima, a smaller percentage of the population is classified as poor than at the national level. Thirty-eight percent of Lima's population lived below the poverty line in 1994. However, 13 percent of Lima's households are classified as extremely poor (Webb and Fernández Baca 1996).

There are significant differences between clients and non-clients in terms of the incidence of poverty. Households of non-clients are significantly more likely to be poor, with 41 percent falling below the poverty level compared to 28 percent of client households. While non-clients have a higher incidence of poverty, among the poor for both groups, the incidence of extreme poverty is roughly equivalent for new clients and non-clients. None of the households of the old clients are classified as extremely poor. The baseline results indicate that the presence or absence of an adult male in the household is not highly correlated with poverty levels (table A.29). It is important to keep in mind, however, that the majority of respondents are married, with males present in 590 of the 701 respondent households.

b. Crisis Events

[53] In this study, two methods were used to collect household income data: 1) the reported income approach and 2) the reported expenditures approach. The reported income approach is based on asking the respondent to name all sources of household income and to estimate the amount of income from each source. The reported expenditures approach uses the respondent's estimates of expenditures from an exhaustive set of expenditure categories, corresponding to the categories used in the LSMS survey. The baseline data provided two sets of income estimates, one corresponding to each method. These two income series were found to be highly correlated, although the estimates from the reported income approach were consistently higher than the estimates from the reported expenditures approach. Except where specifically noted, income estimates from the reported income method are provided in this paper. Thus, the income levels reported in this paper are higher than they would be if measured on an expenditure basis.

Households in the sample experienced an average of 1.2 serious economic shocks in the two years preceding the survey (table A.11). Half of the sample had experienced one or more shocks over the two-year period and half had experienced no shocks. The most common economic shock, experienced by 15 percent of the sample, was a loss due to robbery. The next most common shock was a serious illness (12 percent), followed by a reduction in or loss of income (unrelated to illness).

The two coping strategies that households used most often to deal with serious economic shocks were: 1) to use savings, a strategy employed by 29 percent of the sample; and 2) to borrow money, employed by 25 percent of the sample. A third important strategy was to reduce expenditures (13 percent).

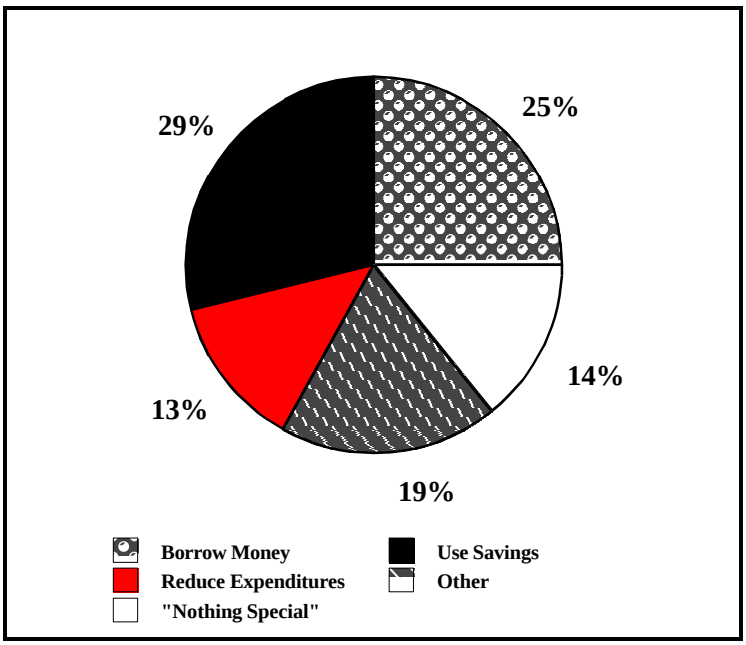

Figure 7. Strategies for Coping With Crisis

The fact that the use of savings, borrowing, and reducing expenditures are the most common coping strategies points to the importance of financial management in helping households to deal with risk. Just as interesting was what households did *not* do when faced with a crisis; less than two percent reduced their microenterprise expenditures and less than two percent sold, pawned, or rented out an asset. This indicates that respondents are effectively using financial strategies to deal with crises and avoiding more detrimental coping strategies.[54]

c. Intergenerational Launching

A supplemental hypothesis for the Peru study is that client households will be in a better position to "launch" their children into entrepreneurial occupations, as an alternative to scarce formal sector employment. The survey provides some information on the importance of microenterprise employment and entrepreneurship among household dependents. However, information from the case studies is expected to provide important insights into the processes associated with intergenerational launching.

One of the first steps in intergenerational launching is the apprenticeship experience that children receive from working in their parents' enterprises. About one-third of household dependents age

[54] For more information on the interactions between risk, household income, and microenterprises, see Dunn et al. (1996).

twelve and older reported working at least some hours in the households' enterprises in the previous week.[55] Of these, 21 percent worked 1-10 hours, 22 percent worked 11-20 hours, 20 percent worked 21-30 hours, and the remaining 37 percent worked 31 hours or more.

A successful intergenerational launching strategy culminates when the child of a microenterprise owner grows up to manage his or her own microenterprise. The baseline provides information on 602 children who are 18 years or older but still living in their parents' households. Among these grown dependents, ten percent manage their own microenterprise (Matthews 1999). This ten percent represents a low estimate of the level of intergenerational launching that is actually occurring, since those children that have established independent households are not included in the survey.

4. Summary of Household-Level Results

The households in the sample share a number of characteristics with the general population of households in Lima. The respondents are demographically similar to the general population and all place a high level of emphasis on education and housing investments. Home ownership is common in the popular and marginal zones of metropolitan Lima, and the home is frequently associated with income generation. Households receive income from a variety of sources, with microenterprises representing an important income generating activity for households. In general, households in the popular and marginal zones of metropolitan Lima are saving and investing, and they use financial strategies to deal with economic shocks such as robbery, illness, and death.

In many ways, the client households differ from the non-client households. Most importantly, client households have higher incomes and are less likely to be poor than are both non-client households and the general population in Lima. As a result, clients spend a lower proportion of their income on food. This is true even though clients have higher expenditures on food and beverages than non-clients. While all of the respondents invest in housing and enterprise fixed assets, client's invest both a higher percentage and absolute amount than non-clients. Only with education investments do non-clients invest a higher percentage of annual income than clients. Table 11 presents the patterns of household expenditures and investments expressed as a percentage of household income

Table 11. Summary of Expenditures and Investments, by Client Status and Poverty Level

	Total Sample	Client Status		Poverty Level	
		Clients	Non-Clients	Non-Poor	Poor
Annual Household Income (soles)	21,038	24,692	16,181	23,401	16,419
Households in Poverty (percent)	34	28	41	0	100

[55] For those children enrolled in school, this would be their primary activity in addition to school.

Annual Expenditures and Investments (percent of household income)					
Food and Beverages	47.6	41.2	56.1	44.2	54.5
Education	6.7	6.2	7.3	6.7	6.6
Enterprise Fixed Assets	5.9	6.5	5.1	7.0	3.8
Housing Improvements	5.6	6.3	4.7	7.2	2.4
Appliances and Bicycles	3.4	3.6	3.1	3.7	2.8

C. Results at the Enterprise Level

This section focuses on the microenterprises that are owned by the households in the sample. For each of the 701 households included in the survey, detailed enterprise data were collected for at least one, and up to three, of the household's microenterprises. As a result, the baseline survey provides information on 1,008 enterprises. The data on enterprises includes information on enterprise revenue, fixed assets, employment, and transactional relationships. In addition to the comprehensive information on the 1,008 enterprises, data on enterprise fixed assets were collected for all of the microenterprises associated with the households in the survey. In order to distinguish between the microenterprises within a single household, the enterprises were classified into three categories: primary, secondary, and tertiary.

1. Classification of Enterprises: Primary and Non-Primary

For client households, an enterprise is classified as "primary" if it is the microenterprise for which the ACP credit was approved. For non-clients, the primary microenterprise is the one that was matched by sector and registered during the pre-survey construction of the non-client sample frame. Under this classification approach, there is no requirement that the primary enterprise be the largest generator of household income or the largest microenterprise within the household. In fact, the classification of enterprises is unaffected by whether or not the household has other, non-enterprise, sources of income. Instead, the classification as a primary microenterprise is used either to designate the microenterprise that received the ACP credit (for client households) or the non-client microenterprise that was matched by location and sector to the client's primary microenterprise. Of the total number of surveyed microenterprises, 65 percent were classified as primary microenterprises, 28 percent were classified as secondary, and seven percent were classified as tertiary (table 12).

Non-primary enterprises are any other microenterprises that generated income for the household in the previous year. A separate enterprise-level questionnaire, covering the full range of enterprise data, was administered for the primary enterprise and up to two additional microenterprises associated with the household. These two additional microenterprises are classified as either secondary or tertiary enterprises. A "secondary" enterprise is the microenterprise that, not counting the primary microenterprise, earned the largest net income for the household in the previous year. If the household has one or more additional microenterprises after the primary and secondary enterprises have been designated, then the microenterprise that earned the largest net income in the

previous year (i.e. not counting the primary or secondary microenterprises) is designated as the "tertiary" enterprise.

Table 12 summarizes the composition of the sample of microenterprises by business sector and by classification. Of the 1,008 microenterprises included in the survey, 64 percent were commercial enterprises, 28 percent were service enterprises, and eight percent were industrial enterprises. Keeping in mind that the sample of primary enterprises was constrained to match proportionally the sectoral distribution of ACP's client base (see table 8), this sectoral distribution of the 1,008 microenterprises indicates that service sector enterprises are more heavily represented in the general population than they are in ACP's portfolio. This result is confirmed by national statistics, which indicate that 43 percent of microenterprises are in the service sector, 41 percent are commercial enterprises, and 12 percent are industrial enterprises (Cuanto Institute 1994). In Lima, a larger percentage of microenterprises are in the service sector (50 percent) than at the national level (43 percent). Half of the microenterprises in Lima are in the service sector, 37 percent are in the commercial sector, and ten percent are in the industrial sector (Cuanto Institute 1994).

Table 12. Number of Microenterprises Surveyed, by Sector and Classification

	Clients			Non-Clients	All Respon-dents
	New	Old	Total		
TOTAL	514	112	626	382	1,008
Economic Sector					
Commercial	316	73	389	253	642
Service	149	33	182	104	286
Industrial	49	6	55	25	80
Classification					
Primary	326	62	388	265	653
Secondary	144	36	180	103	283
Tertiary	44	14	58	14	72

There are some gender differences in the sectoral distribution of enterprises. While 78 percent of the primary enterprises in the sample were in the commercial sector, females were significantly more likely than males to have a commercial activity as their primary enterprise: 89 percent of females' primary enterprises were in the commercial sector compared to only 60 percent of males' primary enterprises (table A.19h). By contrast, almost a quarter of males had their primary enterprises in the service sector. One possible reason for men being more likely than women to select enterprises in the service sector is that the higher rate of mobility in the service sector (see figure 8 below) can be incompatible with women's child rearing responsibilities.

Of the 1,008 enterprises, 626 were owned by client households and 382 were owned by non-client households. The sample of microenterprises was composed of 65 percent primary microenterprises, 28 percent secondary microenterprises, and seven percent tertiary microenterprises. Data were

collected for only 653 primary microenterprises because twelve of the primary enterprises associated with ACP clients and 35 of non-clients' primary enterprises did not report any enterprise income in the month immediately preceding the survey interview.[56] Enumerators were instructed to conduct separate enterprise interviews only with those enterprises that had revenue in the previous month, since this provided a relevant context for many of the questions in the enterprise questionnaire.

2. Transactional Relationships

a. Business Location

Business location plays a role in determining a microenterprise's market opportunities. Location influences the actual and potential levels of business activity and, to the extent feasible, entrepreneurs seek to locate their businesses wherever customers are most likely to be found. In the context of this study, business location refers to metropolitan Lima's three types of urbanizations: the modern, popular, and marginal zones. As described earlier (section II.B), modern zones have the greatest market potential, followed by popular zones. Marginal zones have the least active markets and the lowest quality of infrastructure (i.e. roads, utilities, transportation) to support businesses.

The majority of the enterprises in the sample (59 percent) are located in Lima's popular zones (table A.26a). This tendency to locate the business in the popular zone is true for both clients and non-clients, for both males and females, and for all three sectors.[57] However, while the popular zone is the most common location for the primary enterprises of both males and females, the second most common location differs (table A.26d). The second most common location for females' primary enterprises is in Lima's marginal zones; 20 percent of females have their primary enterprise in a marginal zone, compared to only 14 percent of males.

The popular zones of metropolitan Lima are attractive to microentrepreneurs for several reasons. Compared to marginal zones, popular zones have a higher level of commercial activity and better infrastructure. There are more customers and richer customers in popular zones than in marginal zones. Compared to modern zones, popular zones have more available space, lower rents, and many municipal governments in popular zones are more receptive to microenterprises than those near the city center. Another important reason for the attractiveness of popular zones over modern zones is that this tends to be closer to the entrepreneur's residence. This is especially relevant when the enterprise is located in the home of the entrepreneur.

b. Type of Establishment

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[56] There are several possible reasons for a primary enterprise not reporting revenue in the previous month, including that the enterprise is seasonal, the entrepreneur was sick or attending other concerns, or the household economic portfolio is in transition.

[57] The location of the primary enterprises of non-clients was pre-determined by the location of sampled clients' non-primary enterprises.

Type of business establishment refers to different characteristics of the business premise. Some of the important distinctions in type of business establishment include 1) whether the business is in a permanent or non-permanent location; 2) whether the business is home-based or located outside of the home; and 3) whether the business is in a formal or informal location. Within the context of microenterprises in Lima, there were five possible categories of business establishments included in the survey: 1) inside or adjacent to the home of the entrepreneur; 2) inside an established formal market or commercial location; 3) inside an informal market;[58] 4) on the street or sidewalk, but in the same (fixed) location each day, or 5) no fixed location, so that the enterprise is mobile throughout the day or from day to day.

The entrepreneur's home (i.e. house or apartment) is the business location for the largest percentage (43 percent) of enterprises in the sample (table A.19a), with industrial sector enterprises being even more likely (78 percent) to have their businesses at home (table A.19b). Among primary enterprises, the entrepreneur's home is the business location for nearly half (48 percent) of the enterprises in the sample.

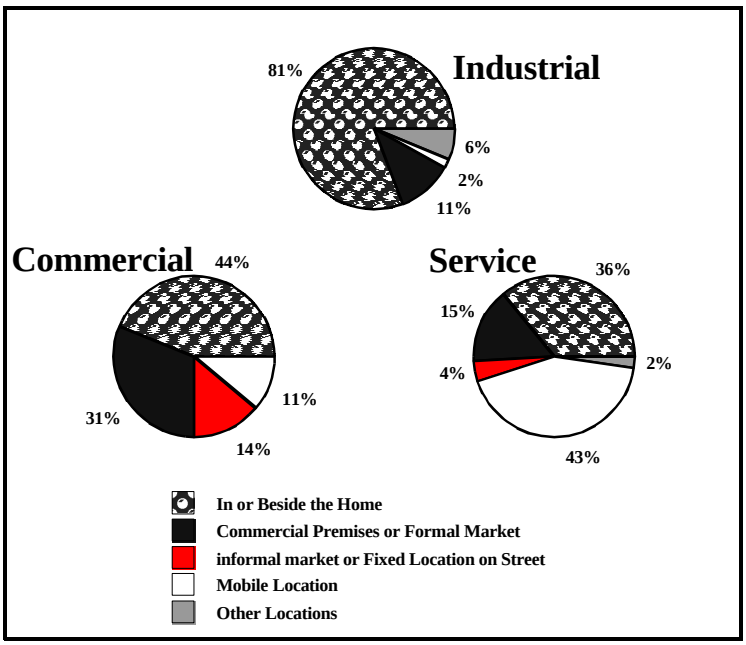

Figure 8. Types of Business Establishments, Clients

Both males and females tend to locate their commercial sector enterprises in or beside the home (table A.19h). The next most common site for the business premise is in a formal market or a commercial location, which were the locations for 27 percent of the enterprises in the sample. Only in the service sector--which includes repair services, transportation services, and cooked food vending--did a large number (37 percent) report that their enterprises are mobile rather than fixed. Figure 8 illustrates the sectoral differences in the locations of client businesses.

The data set contains additional information on business premise. The majority of microenterprises in the sample (63 percent) have electricity at their business premise (table A.19a). However, it is not common for the businesses to have telephones. The majority of the businesses are located either adjacent to a paved road (69 percent) or less than a five minute walk away (20 percent). Slightly

[58] An informal market does not have a legally recognized right to the land on which it is located. If any rents or fees are paid by the businesses in an informal market, they tend to be lower than in a formal market, and there tends to be less physical infrastructure in an informal market.

more than half of the enterprises in the sample are located in residential areas, with the next most common site being commercial areas (table A.26a). The vast majority of microentrepreneurs perceive that they have secure tenure to their business premise; over 90 percent of microenterprises are operated out of premises that the entrepreneur either owns or is authorized to use (table A.20a).

c. Suppliers and Clients

Microenterprises can obtain inputs for their businesses from different types of suppliers, with the most common being retailers and wholesalers. In general, input prices are lower when purchased from wholesalers, but purchases must be made in bulk. If the entrepreneur is unable to go to the location of the wholesaler or is unable to gather enough cash to buy in bulk, then he or she may turn to the higher-priced retailer. Similarly, microenterprises may sell to different types of clients, including the general public, other retailers, or wholesalers. In some cases, the microenterprise might arrange a contract to sell a fixed amount of product over a specified period of time. For example, a restaurant or food stand might provide a fixed number of lunches to a neighboring business each day, or a produce vendor might provide a fixed quantity of tomatoes to a restaurant each week. Fixed contracts provide a base of sales that help the microenterprise to generate a higher and more stable level of revenue.

The majority of the 1,008 microenterprises in the sample purchase their inputs from wholesale suppliers and sell their products to the final consumer (table A.17a). Only about one-fifth of microenterprises had fixed sales contracts in the three months preceding the survey, though client enterprises are more likely to sell on fixed contracts. The types of suppliers and clients are similar for primary and non-primary enterprises, except that non-primary enterprises obtain a higher proportion of their supplies from retailers than do primary enterprises (table A.17f).

There are several sectoral differences in the types of suppliers and clients. Commercial enterprises established the general trend, since they represent 64 percent of the sample (table A.17c). For commercial enterprises, the most important suppliers are wholesalers (78 percent), followed by manufacturers (11 percent), and the vast majority of their clients are the general public (93 percent). Twenty percent of commercial enterprises in client households reported recent sales on fixed contracts, which is twice the rate for non-client household commercial enterprises. This gap between client and non-client households in the use of fixed contracts is not evident in either the industrial or the service sector. However, businesses in the industrial sector use fixed contracts much more extensively (44 percent). They are also more likely to report that their most important customers are retailers (29 percent) or wholesalers (13 percent) (table A.17b). Microenterprises in the service sector differ from the general trend in that they purchase the largest percentage of their inputs (41 percent) from retailers (table A.17d).

d. Formalization

One of the goals of the state and municipal governments has been to increase the degree of formalization within the microenterprise sector. Two important ways that microenterprises become

more formalized are 1) that they register their businesses with the municipal government and 2) that they pay business taxes to the national government (see section II.B). Across the entire sample of microenterprises, half are registered with the municipality (A.20a). Primary enterprises show the highest incidence of registration (61 percent), with old clients registering almost three-quarters of their primary microenterprises (table A.20e). Commercial sector enterprises are more likely to be registered than are enterprises in the service or industrial sectors (table A.20c). Figure 9 illustrates the rates for municipal registration by sector and client status.

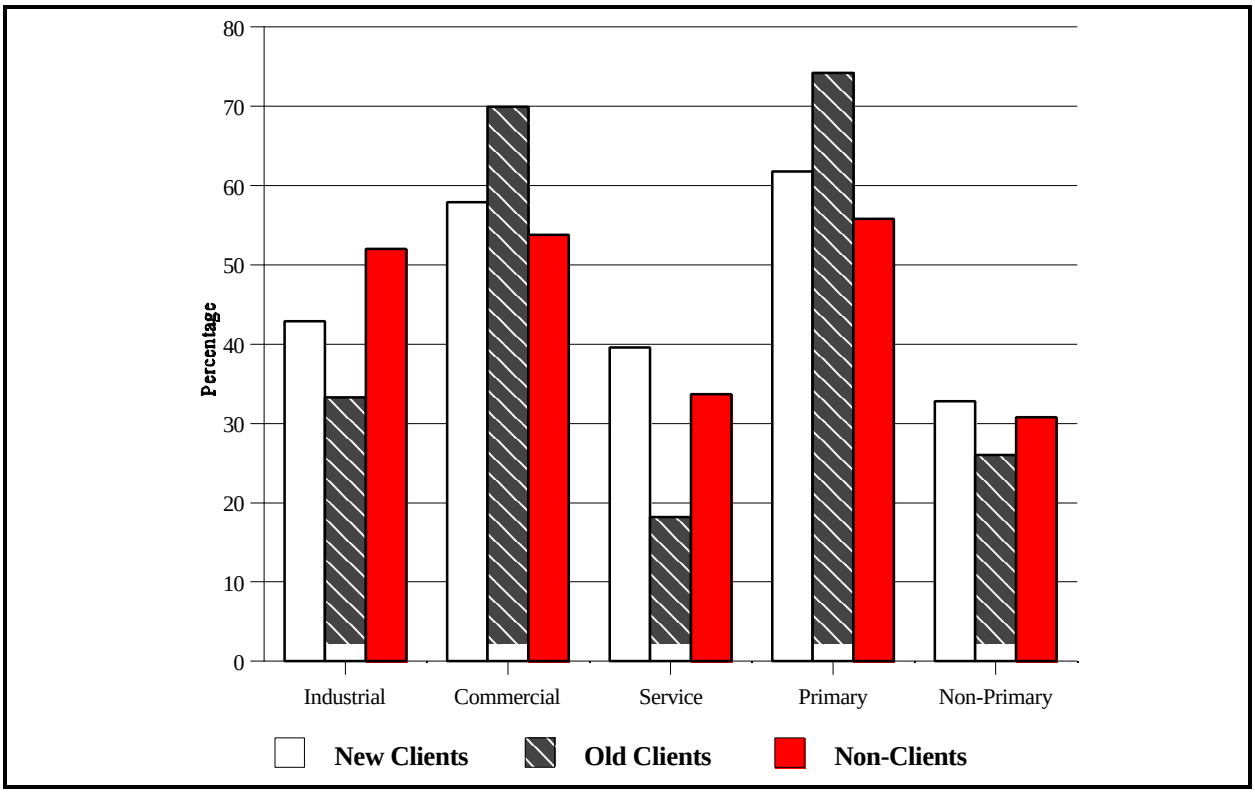

Figure 9. Registration of Enterprise with Municipality (percentage)

Almost half (47 percent) of all microenterprises in the sample are registered to pay taxes under the RUC system (table A.20a). This is higher than the rates in the 1994 LSMS survey in which only one-quarter of microenterprises nationally, and one-third of microenterprises in Lima, were registered to pay taxes (Cuanto Institute 1994). This increase in the rate of microenterprise tax registration should be expected, given the emphasis placed on this by the national government throughout the 1990s.

Among the enterprises in the sample, tax registration rates are highest among primary enterprises (57 percent) and in the industrial sector (60 percent) (table A.20b). As with municipal licenses, businesses in the service sector were the least likely to be registered in the tax system. This comparatively lower level of formalization in the service sector may be due to the fact that businesses in this sector are the most likely to be mobile. Pressures toward formalization are likely to increase

in the two years between the baseline and second-round surveys, and it is anticipated that the second round of the survey will indicate substantially increased municipal and tax registration rates among both clients and non-clients.

3. Enterprise Revenue

Enterprise revenue is the money earned by the microenterprise from its sales. Higher levels of revenue represent higher sales and, potentially, higher profits. However, revenues are only one side of the profit equation, which also includes costs. The baseline survey reveals several significant differences between subgroups in the sample. Namely, the results indicate that 1) commercial and industrial sector enterprises earn higher revenues than service sector enterprises; 2) primary enterprises earn higher revenues than non-primary enterprises; 3) the primary enterprises of clients earn higher revenues than the primary enterprises of non-clients; and 4) male entrepreneurs earn higher revenues than females.

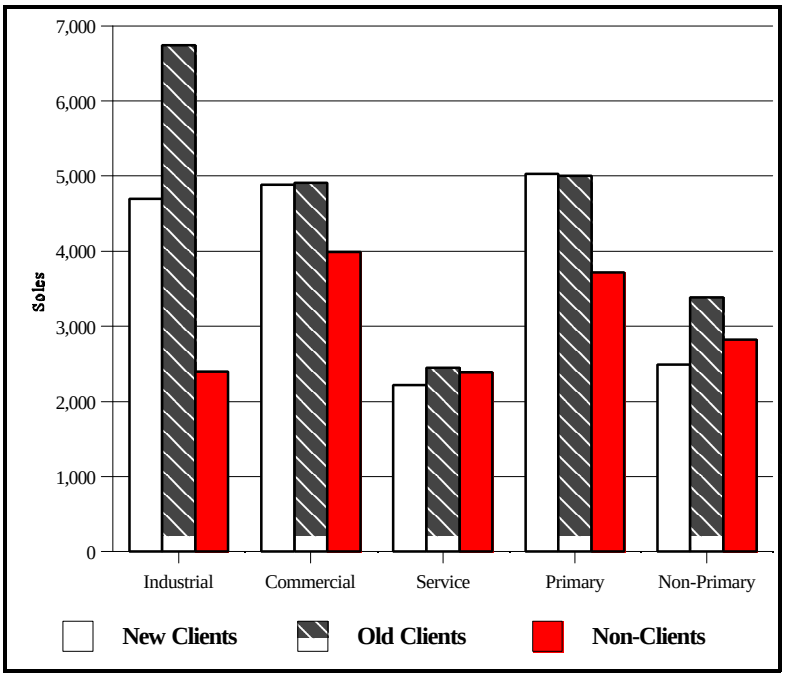

Figure 10. Average Gross Sales in Previous Month (soles)

Average monthly revenues for all enterprises in the sample are 3,869 soles, or about US$1,450 (table A.13a). Sales for microenterprises in the commercial and industrial sectors are significantly higher than for service sector enterprises (table A.13c, compared to A.13b and A.13d). This finding does not necessarily imply lower profits for the service sector, since the variable expenses may be significantly lower for service enterprises. These sectoral differences are illustrated in figure 10.[59]

The results indicate that primary enterprises have significantly higher revenues than non-primary enterprises, thus providing some evidence for the accuracy of the classification.[60] Monthly revenues for primary microenterprises are 4,493 soles (US$1,692), averaging two-thirds higher than revenues

[59] The high revenues indicated for old clients in the industrial sector should not be overemphasized, since the sample size in this subcategory is only six microenterprises (table A.13b).

[60] The operational definition of primary and non-primary enterprises does not require that the primary enterprise be the highest income generator among the household's enterprises. See section IV.C.1 above.

for non-primary microenterprises (table A.13e, compared to A.13f). It is important to note that clients' primary enterprises have revenues that are one-third higher than those of non-clients (table A.13e). Data on primary enterprises provide a direct comparison between clients' credit-supported enterprises and non-clients' sectorally matched enterprises that have not received formal credit.

The results also indicate several gender differences in enterprise revenue. The primary enterprises of male respondents generate three-quarters more revenue than the enterprises of female respondents (table A.13h). Among the clients of ACP, male entrepreneurs average 83 percent more in monthly revenues for their primary enterprises than their female counterparts (7,026 soles compared to 3,846 soles, see table A.13g). Similarly, the primary enterprises of male non-clients earn higher revenues than do the enterprises of female non-clients.

The cross-tabulations of the baseline data on enterprise revenue indicate significant differences in microenterprise revenue by gender, sector, and client status. These differences could be interpreted in a number of ways, but the numbers represent only the interaction between two, or at most three, variables (e.g. gender, client status, and revenue). The ability to interpret these relationships will be strengthened following the second round of the survey when the multivariate analysis provides information on the simultaneous interaction between enterprise revenue, client status, gender, sector, and other key variables.

4. Enterprise Fixed Assets

Enterprise fixed assets are the equipment, tools, and machinery associated with the enterprise, such as store shelving, freezers, carts, cooking and eating utensils, calculators, balances, furniture, and display cases. In this study, enterprise fixed assets are considered both at the household level and at the enterprise level. In the earlier section on household-level results, all of the enterprises associated with the household were considered simultaneously and the value of all of the enterprise fixed assets were added together. The results indicated that clients' households had a higher aggregate value of enterprise fixed assets than non-clients' households, but that the households of male and female respondents had similar levels. In this section, the focus is on the fixed assets associated with a single enterprise, so that comparisons can be made by enterprise sector, classification (primary, non-primary), and gender of the entrepreneur.

The results at the enterprise level are consistent with the household-level findings. Namely, clients' enterprises have a higher level of fixed assets than non-clients' enterprises. The average enterprise in a client's households has fixed assets of 5,992 soles (US$2,256), which is almost 80 percent greater than the value of fixed assets in the average enterprise in a non-client household (table A.14a).

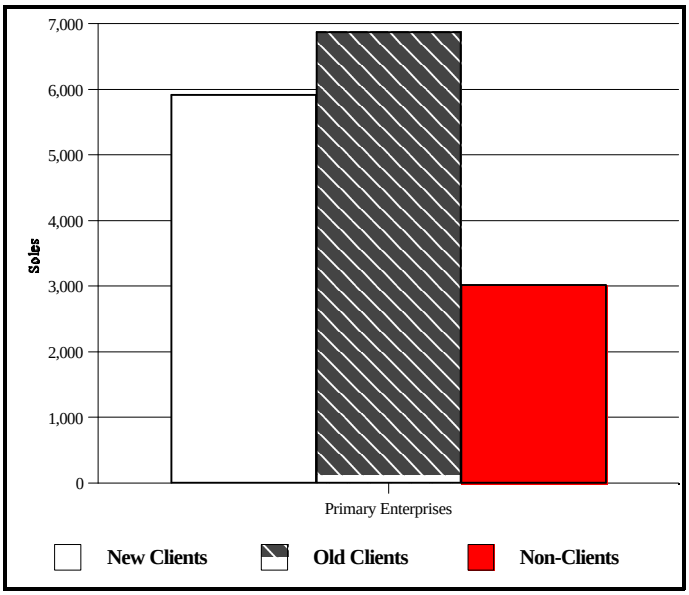

Figure 11. Value of Enterprise Fixed Assets, Primary Enterprise (soles)

The higher value of clients' enterprise fixed assets is even more striking among primary enterprises (table A.14e) (figure 11). Among the primary microenterprises, the value of fixed assets for client microenterprises (6,074 soles) is twice as high as the value of fixed assets for non-clients' primary enterprises (3,022 soles). Again, it is worth remembering that primary enterprises represent the enterprises that, for clients, receive program credit or, for non-clients, are matched by sector and location to clients' primary enterprises. This result documents that the clients are starting from a much higher asset level in the baseline period than the non-clients. In addition, the enterprises in the industrial and service sectors report similar levels of enterprise fixed assets, which are significantly higher than in the commercial sector (compare tables A.14b, A.14c, and A.14d).

The baseline results indicate that, as with enterprise revenues, the enterprise fixed assets for males' enterprises have a higher value than for females' enterprises in the same subcategory. Enterprise fixed assets for males' primary enterprises average 6,391 soles, compared to only 3,918 soles for females' primary enterprises (table A.14h). The value of primary enterprise assets are greater for male clients than for female clients, and greater for male non-clients than for female non-clients (table A.14g). However, female clients have more enterprise fixed assets in their primary enterprises than do male non-clients. Thus, while it is generally true that the enterprises of males have higher fixed assets than the enterprises of females with the same client status, it is also true that program credit is associated with female entrepreneurs having fixed assets that surpass their male non-client counterparts.

5. Employment

The survey asked microentrepreneurs about the total number of paid and unpaid employees who worked in the enterprise in the previous week and in the previous month. Also included in the

employment section of the survey was a question about the number of household members employed in the enterprise. The baseline results indicate many similarities in the employment patterns across sectors, client status, and gender. Considering the sample as a whole, the average microenterprise employed 1.9 persons, of which 1.7 were members of the household. A total of 686 soles (about US$250) were paid by the average microenterprise as wages and salaries in the previous month (table A.15a). While wages are normally paid to workers who are not members of the entrepreneur's household, it is not unusual for household members to be paid a wage. Wages may also be paid by an entrepreneur to himself or herself, although this is rare.

There are some differences across subcategories in rates of employment. As might be expected, average employment is highest in the industrial sector, at 2.5 persons per enterprise (table A.15 b). The difference in employment levels between client and non-client enterprises is significant among primary enterprises. Clients' primary enterprises employ 2.3 people, which is about one-fifth more than the 1.9 people employed by non-client primary microenterprises (table A.15e). On average, male clients employ 2.6 people, which is nearly one-quarter more than the number employed by female clients (table A.15g). In fact, 41 percent of the male clients' enterprises employ three or more people, compared to only 28 percent of the female clients' enterprises.

In general, the baseline data reflect a modest overall rate of employment generation. This is consistent with the 1994 LSMS results. According to the LSMS data, 73 percent of Lima's microenterprises have only one paid employee in addition to the owner of the microenterprise (Cuanto Institute 1994). While the baseline data and the LSMS data are not strictly comparable, both indicate that Lima's microenterprises do not employ a large number of people.[61]

The baseline survey data reveal a notable difference in employment generation between client and non-client primary enterprises. Extrapolating the survey's employment generation results to the 33,500 clients that ACP had at the end of 1997, employment numbers from the enterprises receiving credit from ACP can be estimated. Taking the 33,500 ACP microenterprises and using the average employment rate for clients' primary enterprises (2.3) (table A.15e) for the calculation, employment would be generated for 77,050 persons, of which 67,000 would be the borrowers or members of the borrowers' household, and 10,050 would be employees from outside the borrowers' household. Calculating the level of employment using the average employment rate for non-client primary enterprises (1.9) for 33,500 enterprises would result in employment for only 63,650 persons, or 13,400 fewer people than in the client example. The higher employment levels associated with client enterprises are obviously beneficial for an economy with high rates of unemployment and underemployment (section II.B).[62]

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[61] The LSMS data counts paid employees in addition to the microenterprise owner, while the baseline study includes both paid and unpaid employees in addition to the microenterprise owner.

[62] Since 13,400 workers represents only one-half of one percent of Lima's 1995 economically active population, the impact on unemployment rates would be low under current levels of program coverage.

6. Summary of Enterprise-Level Results

The typical enterprise in the sample is a commercial enterprise operated out of the entrepreneur's home in a residential area of a popular zone.[63] The entrepreneur has secure tenure to the business premise, which is likely to have electricity but no telephone. The most important suppliers for the enterprises in the sample are wholesalers, and the most important customers are final consumers. Businesses in the industrial sector also sell to retailers and wholesalers and have a much higher number of fixed sales contracts than businesses in the commercial and service sectors. Only half of the enterprises are registered with the municipality, and slightly less than half are registered to pay business taxes. The data suggest that enterprises with higher levels of revenue and greater locational visibility are more likely to be registered.

The data for enterprise revenue and enterprise fixed assets indicate similar patterns. These variables are higher for clients than for non-clients, and higher for primary enterprises than for non-primary enterprises. They are also higher for males than for females, both in general, and when comparing within client and non-client groups. The similarities between these two variables are not surprising, since they are related: fixed assets represent the productive base of the enterprise and revenue is the cash flow associated with that base. Employment patterns are more uniform across sector, but as in revenue and enterprise fixed assets, reflect important differences between the clients' and non-clients' primary enterprises. Namely, the average enterprise for which ACP credit is received employs more people--the borrower, another household member, and an average of .3 non-household members--than the matched enterprises of non-clients.

D. Results at the Individual Level

There are two types of questions at the individual level. One set of questions addresses the issue of the empowerment of women. Specifically, the women's empowerment questions relate to three areas 1) control over decisions about resources and income within the household; 2) levels of self-esteem and perceived respect from others; and 3) the incidence of personal savings. The second type of individual-level question addresses the respondent's orientation toward the future and includes 1) the respondent's attitude about his or her position to deal with the future and 2) the respondent's vision and plans for the future.

1. Control Over Resources and Income

[63] No attempt was made *a priori* to determine if the sampled enterprises met the criteria of the definition for a microenterprise in Peru. In terms of the official Peruvian definition of a microenterprise, at least 92 percent of the sampled enterprises meet the employment condition of having ten or fewer workers; at least 91 percent of the sampled enterprises meet the sales condition of annual sales of US$50,000 or less; and at least 84 percent meet the fixed asset condition of fixed assets of US$200,000 or less. As previously discussed in this section, the industrial sector has the highest levels of employment, the service sector has the lowest levels of sales (revenues), and the commercial sector has the lowest levels of enterprise fixed assets.

The survey questions on control over resources and income were designed to measure the extent of the respondent's participation in decisions about the loan and enterprise income. The respondents were asked about three types of resource control decisions: 1) the decision to apply for the loan; 2) decisions about how to use the loan; and 3) decisions about the use of the microenterprise income. Note that loan application and use decisions are relevant only for clients. The extent of the respondent's participation was measured on the following scale:

1=respondent decided alone, without consulting others;
2=respondent decided after consulting member(s) of the household;
3=respondent and household member(s) decided together (equally);
4=other household member decided, after consulting with respondent; and
5=other household member decided alone, without consulting with respondent.

Virtually all of the respondents reported that they participated in the three types of resource control decisions, with most respondents reporting that they made these decisions alone or after consulting another member of the household (table A.21a). When it comes to decisions about application for and use of the loan, both male and female respondents report making these decisions alone, without consulting anyone else, almost half the time.[64] There is some evidence suggesting that female clients tend to make unilateral decisions about the application and use of the loan more frequently than do males (table A.21b compared to A.21c).[65]

Females were significantly more likely than males to report that they made the decisions about how to use their enterprise income without consulting others. Some 62 percent of female entrepreneurs made these decisions alone, compared to 53 percent of males. This difference was larger among clients than among non-clients. One possible interpretation of this result is that there is an asymmetry between spouses: when a husband runs an enterprise, the wife also tends to be involved in the enterprise. Therefore, when a decision is being made, it is discussed between the husband and wife. However, when a wife runs an enterprise, the husband is less likely to be involved in the business and, therefore, less likely to participate in the decision-making process.

2. Self-Esteem and Respect

Two of the questions on the survey related to self-esteem and respect. The first question asked the respondent about his or her feelings with respect to his or her own economic contribution to the household. There were four possible responses:

[64] Note that five percent of clients reported that the loan application decision was made by other, non-household members (table A.21a). This probably refers to the decision-making role of other members of the respondent's solidarity group.

[65] The rate at which female clients reported that they made the loan use decision without consulting others was higher than the rate reported by male clients (.07 significance level). Similarly, male clients reported that they consulted other household members on the decision to apply for a loan more often than did female clients (.09 significance level).

1=Yes, I always feel that my contribution is important;
2=Yes, I sometimes feel that my contribution is important;
3=No, I almost never feel that my contribution is important; and
4=No, I never feel that my contribution is important.

The vast majority of respondents (95 percent) reported that they always feel that their contribution is important (table A.22a). While differences between subgroups were small or non-existent, the highest level of self-esteem was reported by old clients. Male and female old clients reported at rates of 100 percent and 98 percent, respectively, that they always feel their contribution is important (tables A.22b and A.22c). Only 91 percent of female non-clients selected this response (table A.22c).

The second question asked the respondent to rate the level of respect that he or she receives from other adult members of the household. The responses to this question show more variability than the responses to the previous question. Overall, 84 percent of respondents chose the highest response category, which stated that the respondent believed himself or herself to be always valued by other adult members of the household. Women were less likely (79 percent) to select this highest alternative than were men (93 percent). In fact, only 73 percent of non-client women perceived that they were always valued by other household members.

The results indicate that there are differences by gender and client status in the perception of respect received from others, with men being more likely to believe that they are always valued by other adult members of the household (tables A.22a, A.22b, and A.22c). In addition, clients are more likely than non-clients to feel that they are always valued by others members of the household. The gender gap extends across client status, with male non-clients reporting more frequently than female clients that they are always valued within the household. These gender differences are related to deeply held societal notions about the value of males versus females; results from the second round of the survey will allow the measurement of changes, if any, that have occurred.

3. Future Orientation

In the survey, primary respondents were questioned about their attitudes and plans for the future. The first question asked whether they considered themselves well prepared or in a good position to face the future. The next question asked whether they were doing anything specific to prepare for the future and, if so, what those preparations were.

In general, the entrepreneurs in the sample feel confident about the future. Over the entire sample, 78 percent of respondents reported that they are in a good position to deal with the future (table A.24). Eighty-three percent of new clients reported confidence about the future. This was the highest percentage among respondent groups and was 12 percent higher than for non-clients. This difference between new clients and non-clients is largely due to the confidence gap among females.

Female new clients are more confident in their ability to face the future than are their non-client counterparts.[66]

When asked what they planned to do to prepare for the future, many respondents replied that they would continue working in order to increase the size of their microenterprise and to offer their children a better education. There were a number of specific plans for the microenterprise that were frequently reported. These included plans to increase the amount of inventory (the most common response); add a new business or new line; move to or construct a better business location; invest in fixed assets and installations; and invest in commercial or residential rental property. In many cases, respondents intended either to save or borrow money in order to implement their plans.

4. Summary of Individual-Level Results

The responses to questions about control over resources and income within the household do not provide strong evidence regarding women's lack of empowerment. In fact, they point to the idea that wives tend to have greater autonomy in their business decisions than their husbands do. The results indicate generally high levels of self-esteem, respect from others, and confidence about the future, with gender gaps in the perceived level of respect from others, consistent with broader cultural values.

In general, there was little variation in the responses to the individual-level questions. This highlights the limitations that exist in using closed-ended survey questions to capture useful information on many of the individual-level impact variables. It points to the need to supplement the survey results with qualitative data that emphasize questions on women's empowerment and entrepreneurs' attitudes toward the future.

[66] There is also a somewhat smaller confidence gap between male new clients and non-clients. However, the difference is only significant at a .07 significance level.

V. CONCLUSIONS AND EMERGING ISSUES

The baseline survey provides extensive information on ACP clients and on the non-client comparison group. It provides insights into the household economies and microenterprises of Lima's entrepreneurs. The purpose of this report has been to present the highlights of this information, while also describing the context and design of the study. This final section begins with a summary of the results, organized in the same order as the study hypotheses that guide the research. Following the summary, the significance of these results are considered in terms of insights they reveal about Lima's microentrepreneurs in general and program clients more specifically. The report closes by identifying several methodological implications that have emerged from the baseline.

A. Summary of Results

The average respondent in the baseline survey is 42 years old, married, and has completed at least some secondary education. The typical respondent household has five members, with two or three of those members being economically active. Approximately 61 percent of the respondents are females. Virtually all children between the ages of seven and 16 are attending school.

In many ways, clients and non-clients share similar characteristics, but in other ways they are significantly different. Where differences exist, they almost uniformly point to the advantageous position held by clients. Are these advantages due to the fact that the clients have formal credit and the non-clients do not? Given that new clients have been in the program an average of 12 months and old clients an average of 32 months, this is quite possible, thus suggesting the positive impact of microfinance programs. But is it also possible that, despite the care taken in matching the client and comparison group, the non-experimental nature of the research design has resulted in underlying inconsistencies between the two groups that lead to the observed differences.

It is beyond the scope of this baseline report to draw conclusions about the impact of credit. Such conclusions about impact will be made following the second round of the survey and integration of the quantitative and qualitative data. At that time, an attempt will be made to isolate the influences of important variables like credit, gender, sector, and location by analyzing their simultaneous effects on the impact variables. For now, the most appropriate use of the data is to describe the respondents' households and businesses and to note any significant differences that can be observed. The description that follows is organized according to the order of the hypotheses.

1. Household-Level Hypotheses

H-1: Income. Client households have an average annual income of 24,690 soles (about US$9,300), which is over 50 percent higher than the income of non-client households. Per capita income within client households (4,785 soles or $1,800) is also significantly higher than the per capita income of non-client households (3,495 soles or $1,316). The incidence of poverty for the non-clients in the sample (41 percent) is approximately the same as for Lima households in general (38 percent).

However, clients are less likely to have incomes below the poverty line, with only 28 percent falling below the poverty line. The households of male and female respondents have similar income levels.

H-2: Income Diversification. The baseline results indicate that households in the sample are diversified, with 86 percent of households in the sample reporting two or more sources of income. One-third of households report four or more income sources. Clients report more income sources (3.3 compared to 2.8) and more microenterprises (1.8 compared to 1.5) than non-clients. Households that have participated in the ACP program more than two years show the highest level of diversification, with almost half of these old clients reporting four or more income sources.

H-3: Household Assets. Home ownership is common among the microentrepreneurs in the sample (79 percent), who are likely to have made some type of recent housing improvement, often financed with microenterprise income. Investments in housing and investments in enterprise fixed assets each represent six percent of annual household income. The baseline results provide evidence that clients, compared to non-clients, have higher levels of housing investments, more appliances and vehicles, and a higher value of enterprise fixed assets.

H-4: Educational Expenditures. There is a high level of school enrollment and educational attainment for all children in the sample, with over 97 percent of children ages seven to 16 attending school. Households' average annual investment in education is seven percent of annual household income. Client households spend 603 soles (US$227) per student, which is almost 20 percent more than spending by non-client households (508 soles). Similar levels of expenditures were made by households of male and female respondents, and similar levels of expenditures were made on male and female students.

H-5: Food Expenditures. On a per capita basis, client and non-client households spend an average of 56 soles (US$21) on food and beverages every two weeks. Because of their larger household size, clients spend larger absolute amounts on food and beverages, but they spend a smaller proportion of their incomes (41 percent) on food than do non-clients (56 percent). The results on poverty levels indicate that only three percent of the total sample falls under the classification of "extremely poor," a classification which is defined in terms of lack of sufficient income to purchase a nutritionally adequate, culturally appropriate diet.

H-6: Coping with Shocks. Half of the households in the sample experienced one or more unexpected financial losses in the two years preceding the survey. All households appear to be using effective means in coping with economic shocks. Rather than sell productive assets, households rely primarily on financial management techniques, such as the use of savings, borrowing, or reductions in expenditures.

H-7: Intergenerational Launching. One-third of household dependents ages twelve and older are employed in the households' microenterprises. Among respondents' children ages 18 and older still living in their parents' households, ten percent are managers of their own microenterprises.

2. Enterprise-Level Hypotheses

E-1: Enterprise Revenue. Average monthly revenues for all enterprises in the sample are 3,869 soles, or about US$1,450. The baseline results indicate several significant differences between subgroups in the sample: 1) commercial and industrial sector enterprises earn higher revenues than service sector enterprises; 2) primary enterprises earn higher revenues than non-primary enterprises; 3) the primary enterprises of clients (i.e. the credit-supported microenterprises) earn higher revenues than the primary enterprise of non-clients; and 4) the enterprises of male entrepreneurs earn higher revenues than those of female entrepreneurs.

E-2: Enterprise Fixed Assets. The value of fixed assets associated with clients' primary microenterprises is twice as high as the value of fixed assets for non-clients' primary enterprises, suggesting a strong association between credit and the accumulation of fixed assets. The primary microenterprises of old clients have both the highest value of fixed assets and the highest value of fixed assets acquired in the last two years, which is consistent with the hypothesis that the impacts on fixed assets increase with repeat borrowing. The baseline data also indicate that 1) enterprises in the industrial and service sectors have higher-valued fixed assets than in the commercial sector and 2) enterprise fixed assets for males' enterprises have a higher value than for females' enterprises.

E-3: Employment. Microenterprises in the sample employ an average of 1.9 people (including the entrepreneur), of whom 1.7 are members of the household. In general, clients and non-clients have comparable employment rates. Considering only primary enterprises, however, clients employ more people (2.3) than non-clients (1.9), and males have more employees (2.3) than females (2.0). Industrial sector enterprises employ an average of 2.5 people, which is higher than the average employment levels of commercial or service sector enterprises.

E-4: Transactional Relationships. The typical microenterprise in the sample is located in the entrepreneur's home in a residential area of a popular zone. The vast majority of entrepreneurs in the sample have secure tenure to their business premise. About half of the microenterprises in the sample are registered with the municipality. The majority of the 1,008 microenterprises in the sample purchase their inputs from wholesale suppliers and sell their products to the final consumer.

E-5: Participation in the Tax System. About half of the microenterprises in the sample participate in the business tax system. Participation of primary microenterprises is higher, with clients being more likely than non-clients to pay business taxes.

3. Individual-Level Hypotheses

I-1: Control Over Resources and Income. Over 90 percent of the respondents report that they participated in decisions about the application for the loan, the use of the loan, and the use of microenterprise income, with about half of both male and female respondents reporting that they made these decisions alone, without consulting others. Women were somewhat more likely than men

to report that they made decisions without consulting others, especially decisions about the use of enterprise income.

I-2: Self-Esteem and Respect. High levels of self-esteem and respect were reported by the survey respondents. The vast majority of respondents reported that they always feel that their contribution to the household is important. Women were less likely than men to believe that they are always valued by other adult members of the household.

I-3: Personal Savings. Over half the respondents reported that they had personal savings, with the most common types of savings being money saved at home, in bank accounts, and in ROSCAs. Clients were 23 percent more likely to report personal savings than non-clients. In general, men were significantly more likely to report personal savings than women, but this gender gap was not evident among clients. Males were more likely to keep savings at home than females, while females were more likely to participate in ROSCAs than were males.

I-4: Orientation Toward the Future. The microentrepreneurs in the sample were confident about their ability to face the future. New clients were the most confident of all, with 83 percent considering themselves to be in a good position to deal with the future.

I-5: Vision for the Future. The entrepreneurs cited many specific plans for improving their businesses and investing in their household economic portfolios. Typical plans for the microenterprise included plans to increase inventory, add a new business or new line, move to or construct a better business location, invest in fixed assets and installations, and invest in commercial or residential rental property.

B. Some Observations on Microenterprises in Lima

1. Lima's Microenterprise Sector

The distinction between the formal and informal sectors in Lima is becoming increasingly blurred as the push toward formalization of the microenterprise sector escalates. It is no longer uncommon for microenterprises to be licensed within the municipality and to pay business taxes. Along with increased formality has come an evolution in society's view of microenterprises. Even while microenterprises have been evicted from many public thoroughfares, they also enjoy tenure security in large and small formal markets and in entrepreneurs' homes in residential areas. Lima's microenterprises appear to be best adapted to the dynamic popular zones of the city, where they cater to their surrounding neighbors.

Microenterprise credit from banks and NGOs is still uncommon in Lima, but the formal credit scene is changing rapidly. In the areas covered by the survey, less than six percent of microenterprises had received microenterprise credit from a regulated financial institution or an NGO. This rate should increase in the near future, as several foreign banks experiment with microenterprise credit, ACP (now Mibanco) positions for continued expansion, and numerous NGO lenders file for formal status

with Peru's banking authority. Along with price stabilization in the macroeconomy has come a new source of credit for Lima's more established microenterprises. They are receiving increased access to supplier credit for inventory and, more recently, for purchasing fixed assets.

The baseline results clearly show that program clients are not the "poorest of the poor." Only ten of the 400 client households surveyed, or less than three percent, were classified as extremely poor. This finding is consistent with the empirical results that are beginning to emerge around the world. The majority of households receiving program credit have incomes above the poverty line and are building decent lives for themselves through entrepreneurship.

2. Microenterprises in the Household Economic Portfolio

The picture that emerges from the baseline study is that microenterprises play a critical role in household livelihood strategies that are based on diversified economic portfolios. The households in the survey have multiple sources of income and multiple microenterprises. Rather than being a temporary or undesirable state, income diversification appears to be part of a long-term strategy for improving household economic welfare. This stands in contrast with the assumption made by many within the microfinance industry that client households should or do work toward the concentration of income into a single, expanding microenterprise.

Taken as a group, the microenterprises of the household provide the majority of household income. For the typical entrepreneur in the survey, microenterprises are not just a source of supplemental income or a tempory employment option on the way to a formal sector job. Instead, microenterprises represent a viable income strategy for supporting a household and raising a family. The typical respondent in the survey is a middle-aged home owner with a family to support. Microenterprise income is the base from which the respondents build their homes and feed and educate their children.

3. Women's Microenterprises

Women are highly visible in Lima's microenterprise sector, and they enjoy a degree of independence and mobility that stands in sharp contrast to women's experiences in other regions of the world. Women represent the majority of ACP clients and they receive loans that are similar in size to the loans received by their male counterparts. The central role that female microentrepreneurs appear to play in the economic resurgence of Lima's popular and marginal areas led one ACP credit agent to remark that "the women are rebuilding Peru."

Women participate in the economic decisions affecting the household. And for decisions about how to spend their enterprise revenues, women are more likely than men to make the decision on their own. The findings suggest that female entrepreneurs are more likely to run their enterprises on their own than are their male counterparts. At the same time, the baseline shows that women's microenterprises are economically disadvantaged relative to the microenterprises owned by men. Women's enterprises are smaller; they generate lower revenues, have fewer fixed assets, and employ fewer people than men's enterprises. Following the second round of the survey, it may be possible

to say whether participation in ACP's credit program has any effect on widening or narrowing the gap between men's and women's enterprises.

C. Methodological Implications for the Overall Impact Assessment

The client and non-client samples are very similar in terms of their sectoral, gender, and locational distributions. However, the client and non-client samples differ in the average levels of many of the impact variables. In most cases, the clients exhibit higher or more favorable averages or distributions on the impact variables. Using the baseline data alone, it is difficult to say whether these differences can be attributed to the microenterprise credit provided by ACP or whether they are due to other factors, such as the procedure for selecting the non-client group. This uncertainty, known as the problem of attribution, provides the motivation for the overall research design and analysis plan for the overall impact assessment.

The research plan for the quantitative component of the overall impact assessment includes a quasi-experimental design in which four types of survey data are collected: 1) data from clients in 1997; 2) data from non-clients in 1997; 3) data from clients in 1999; and 4) data from non-clients in 1999. The analysis plan is to calculate the changes that occur in the impact variables over the two-year period and to compare what happens to clients with what happens to non-clients. Given the similar sectoral and locational distribution of the two samples, we would expect any external factors which occur during the two-year period to affect both populations equally. If, on a given impact variable, the change that occurs to clients is more favorable than the change that occurs to non-clients, then that would be evidence in favor of the impact hypothesis.

However, the analysis of the longitudinal data also needs to include statistical controls for multiple effects that could be due to other independent variables. For example, we know from the baseline results that the client and non-client samples differ in their average income levels. We also know that higher initial income levels could contribute to changes in other impact variables, such as food expenditures. Through the use of multivariate techniques, we can control for the effects of higher average income levels and attempt to better isolate the actual relationship between access to microenterprise credit and, as in the example, expenditures on food.

The combination of the longitudinal data and the multivariate analysis will allow a much more accurate and precise impact assessment than is possible through comparing individual means in the baseline data. Thus, a general implication of the baseline results for the larger impact evaluation is the critical need for good-quality second-round survey data and the importance of analyzing the resulting longitudinal data with multivariate statistical techniques. The quality of the baseline survey data was good. As long as the second-round data collection is based on the same questionnaire and meets the same quality, there should be no major problems with creating the longitudinal data set.

A more specific recommendation for the second round of the survey is to incorporate a procedure for carefully documenting and verifying the credit participation data. For the baseline survey, these data were supplied electronically from ACP credit records. Since then, some ambiguities and

inaccuracies in the data have emerged. Since the research plan for the second round survey calls for interviewing the same respondents that are included in the baseline, there will be an opportunity during the second round to verify, correct, and properly document the credit data. This is necessary because length of program participation will be a critical variable in the statistical analysis. Rather than use length of participation as a discrete variable (i.e. "new clients" versus "old clients"), the analysis plan is to include the clients' actual amount of time in the program as a continuous variable.

Weaknesses in several of the individual-level impact variables carry implications for both the qualitative component of the impact assessment and for the second-round survey. For the individual-level impact variables "control over resources and income" (hypothesis I-1) and "self-esteem and respect by others" (hypothesis I-2), the measurement scales used for the responses to the questions resulted in minimal distribution across the sample. Strong qualitative results will be needed to complement the limited quantitative results that may come from the survey data. The main implication for the qualitative component is that the qualitative research needs to include a clear focus on several variables at the individual level.

The baseline results for two other individual-level variables, namely proactive behavior in dealing with the future (hypothesis I-4) and economic vision for the future (hypothesis I-5), also have implications for the second-round survey. For these two variables, which are related to behavioral alternatives, the open-ended nature of the questions in the baseline questionnaire resulted in too many different responses. For example, there were 50 specific responses to the question about behavior in dealing with the future. These responses need to be organized into a smaller set of logical, manageable categories that can be coded into the questionnaire for the second round.

In conclusion, the baseline survey provides extensive information about microentrepreneurs and, more specifically, about microfinance clients in Lima, Peru. In the interests of brevity, this report has presented only some of the available results. The reader is invited to turn to the extensive tables in the appendix for additional information that may be of particular interest. At this time, the best use of the data is to create a description of the client and comparison groups. Following the second round of the survey, and combined with the results of the qualitative components of the overall impact assessment, it should be possible to draw substantiated conclusions about the impact of microenterprise services on the enterprise, the household, and the entrepreneur.

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GLOSSARY AND ACRONYMS

ACP:*Acción Comunitaria del Perú*. The largest of more than 30 microfinance programs operating in metropolitan Lima and the collaborating organization for the AIMS impact assessment.

AIMS: Assessing the Impact of Microenterprise Services. A research project sponsored by the Office of Microenterprise Development of the United States Agency for International Development (see footnote 3).

Alternativa: One of the three most important NGO lenders providing microfinance services in metropolitan Lima, after ACP.

Banco de Trabajo: A private Chilean bank that recently launched microenterprise credit programs in metropolitan Lima. Its credit terms are similar to ACP's and the bank is expanding rapidly. (Other new Chilean banks which operate in Lima are Solventa, Banco de Sur, and Serbanco.)

CARE International: A development and relief organization with microfinance activities that support broader missions of poverty alleviation, health, and nutrition.

CARSA program: A consumer credit program operated by Banco Orion which specializes in selling consumer electronics and home appliances directly to clients on a credit basis.

Cones: Main axes of post-1940 urban land expansion outside of Lima's city center. Expansion occurred along the main transportation routes in and out of the city, giving rise to Lima's northern, southern, eastern, and western cones.

COPEME: Consortium of Peruvian NGOs with programs that provide support to microenterprises.

CREDIMPET: The only EDPYME, or government-registered financial intermediary operating in Peru, as of October 1996.

Cuanto Institute (Instituto Cuanto S.A.): A private research firm located in Lima that specializes in the collection and analysis of survey data and is responsible for the LSMS survey in Peru.

Delinquency rate: Calculated by dividing the unpaid balance of loans with payments overdue more than 90 days by the amount of loans outstanding at end of year.

Dependency ratio: Calculated by dividing the total number of household members by the number of household members who are economically active.

DESCO: A Peruvian nongovernmental organization. (*Centro de Estudios y Promoción del Desarrollo*)

EAP: Economically active population.

Economic shock: A sudden and unanticipated disturbance to the economic well-being, such as a loss due to robbery, serious illness, and reduction in or loss of income.

EDPYME: *Entidad (Empresa) de Desarollo para las Pequeñas y Micro Empresas*. A government-registered financial intermediary serving small and microenterprises. To register as an EDPYME, a lending organization must have US$260,000 in capital and be able to satisfy periodic requirements for financial reporting.

Extremely poor: Annual expenditures are insufficient to purchase a nutritionally adequate, culturally appropriate diet.

Financial sustainability: The ability of a lender to cover all of its costs, including operating costs and capital costs, while remaining financially viable over time.

Formal sector: In Peru, formal sector employees are those working in the industrial, commercial, or service sectors whose place of work is legally recognized. The number of employees in the enterprise is not a determining factor (Webb and Fernández Baca 1996).

Fungibility of credit: The degree to which money loaned for one purpose can be used for another.

GDP: Gross domestic product. The total market value of an economy's domestically produced goods and services over a specific period of time.

GNP: Gross national product. The total market value of the goods and services produced by the residents of a country over a specified period of time. GNP equals GDP plus the net factor income from abroad.

Household economic portfolio model: A conceptual model which views the microenterprise as embedded in the overall household economic portfolio. It is defined in terms of the human, physical, and financial resources of the household; the production, consumption, and investment activities of the household; and the circular flow between resources and activities.

IADB: InterAmerican Development Bank.

IDESI: A quasi-public entity that provides limited credit. Started in 1986 by President Alan García, IDESI is currently in the process of reorganizing to increase its financial sustainability.

ILO: International Labor Organization.

Informal sector: Informal sector employees are defined in Peru as those working in the industrial, commercial, or service sectors whose place of work is not legally recognized; their work requires minimal qualifications and requires little working capital; the informal enterprise employs less than five employees in the commercial and service sectors or less than ten employees in the industrial sector (Webb and Fernández Baca 1996). The informal sector includes independent workers (or laborers) and microenterprise employees.

Intergenerational launching: The process whereby microenterprise clients "launch" their children into entrepreneurial occupations as an alternative to scarce formal sector employment. Intergenerational launching is motivated by a parent's desire to provide children with future economic opportunities as they come of age. The parent's original enterprise serves as the "launch-pad" microenterprise, because its profits are used to pay the start-up costs of the new enterprise to be eventually managed by the grown child.

Junta: A Peruvian version of a rotating savings and credit association (ROSCA).

KARPA: A consumer credit program operated by Banco Orion which extends in-kind loans to individuals for home building materials such as bricks and cement.

Longitudinal study: A study design involving the collection of data at different points in time.

LSMS: Living Standard Measurement Survey. A longitudinal study of the living standards of Peruvian households.

Manuela Ramos: An NGO lender that provides microfinance services to women in metropolitan Lima.

Mibanco: A private bank serving Lima's microentrepreneurs in which ACP is the majority shareholder. Mibanco is Spanish for "my bank".

Microenterprise: In Peru, the official definition for a microenterprise is that it have ten or fewer workers, annual sales of US$50,000 or less, and fixed assets of US$200,000 or less. Microenterprises are defined by USAID as very small, informally organized business activities (not including crop production) undertaken by low income, poor people, Microenterprises are further defined as having ten or fewer employees, including the owner operator and any paid or unpaid workers.

Microfinance: Refers to financial intermediation more generally, rather than an exclusive emphasis on credit.

Moneylender: An informal lender whose business is to lend money to borrowers, usually at high interest, with little or no collateral or paperwork.

Multivariate analysis: The statistical analysis of the simultaneous relationships among several variables.

NGOs: Nongovernmental organizations. Nonprofit and privately run, they provide development assistance. The NGOs have no capital or financial reporting requirements, which excludes them from financial regulation. Examples of NGOs are CARE, the Red Cross, Lutheran Relief Services, Catholic Relief Services, Oxfam, and Save the Children.

Primary microenterprise: Defined as the microenterprise for which the ACP credit was approved, or for non-client households, the microenterprise that was matched by sector and registered during the pre-survey construction of the non-client sample frame.

Pueblos jóvenes: Invasion-based human settlements or "young towns".

ROSCAs: Rotating credit and savings associations.

RUC: *Registro Único de Contribuyentes.* The registration system for the payment of business taxes in Peru.

SASE: An affiliate of the InterAmerican Foundation in Peru.

Secondary microenterprise: Defined to be the microenterprise that earns the largest amount of income for the household, not counting the household's primary microenterprise.

Shining Path: *Sendero Luminoso,* an armed insurgent group.

Solidarity group: A lending approach based on the use of groups to reduce lenders' transaction costs and increase repayment rates. Group members act as co-signers for each other. For ACP, it is a two to five person group--one of whom must own his/her own house.

SUNAT: *Superintendencia Nacional de Administración Tributaria*. The Peruvian tax authority.

Tertiary microenterprise: Defined to be the microenterprise that earns the largest amount of income for the household, not counting the household's primary and secondary microenterprises.

Zones: There are three types of urban zones in Lima, each differing in the level of economic activity, length of settlement, average socioeconomic level of their residents, level of consolidation and infrastructure, and credit availability. The three types of zones are the following:

1) **Modern zones**: Traditional settlements in central Lima, known in Spanish as *urbanizaciones modernas*.
2) **Popular zones**: Settlements formed by land invasions over ten years ago and located on the inner periphery of Lima, known in Spanish as *pueblos jóvenes* or *zonas populares.* They have a well-established appearance and well-developed infrastructure and, in some areas, extensive commercial activity.
3) **Marginal zones**: New, invasion-based settlements in the outer peripheries of the city, known in Spanish as *zonas marginales*. They lack large commercial areas as well as basic infrastructure.

Appendix 1: ACP Activity and Financial Statement[a]

	31 December 1995	31 December 1996	31 December 1997
ACTIVITIES			
Amount of loans outstanding	17,757,290	25,149,932	34,256,684
Number of loans outstanding	19,120	26,678	33,549
Delinquency rate[b]	3.51%	4.45%	4.94%
Long run loss rate[c]	2.27%	3.14%	1.75%
INTEREST RATES			
Nominal interest rate charged by program	107.5%	95.2%	83.88%
Local interbank interest rate[d]	15.0%	14.1%	12.8%
Inflation rate[e]	10.23%	11.84%	6.46%
Exchange rate[f]	2.36	2.596	2.716
CLIENT REVENUES			
Interest income from clients	12,227,160	20,298,124	23,631,916
Fee income from clients	--------	--------	--------
NON-FINANCIAL EXPENSES			
Administration[g]	4,932,554	9,351,669	12,459,296
Depreciation of fixed assets	129,652	213,801	497,000
Loan loss provision	1,228,604	4,952,967	8,051,329

Notes: [a] All information is recorded in local currency (nuevos soles) and refers to the end of the fiscal year (December 31).

[b] Delinquency rate is calculated by dividing the unpaid balance of loans with payments overdue more than 90 days by the amount of loans outstanding at end of year.

[c] Long run loss rate is calculated by dividing the amount of loans written off during the year by amount of loans outstanding.

[d] Source: Central Bank of Peru (BCRP), December 1997 Bulletin.

[e] Source: National Statistics Institute (INEI).

[f] Number of Peruvian nuevo soles per US$1.00.

[g] Administration includes salaries, value of services and goods provided in-kind by donors.

Appendix 2: Stratification of Lima Districts

Modern Zones
(Urbanizaciones Modernas)

1. El Cercado
2. Los Olivos (Urb. Las Palmeras)
3. Magdalena
4. Surquillo
5. Santiago de Surco
6. Chorillos (part)

Popular Zones
(*Urbanizaciones Populares*)

1. Santa Anita
2. Zarate (part)
3. San Juan de Miraflores (zonas A & B)
4. Villa El Salvador
5. Comas
6. La Victoria
7. Rimac
8. San Martín de Porres
9. Callao (zona cercado)
10. Puente Piedra
11. Villa María del Triunfo

Marginal Zones
(Urbanizaciones Marginales)

1. Los Olivos (Enrique Milla)
2. Chorillos (part)
3. Zarate (part)
4. Carabayllo
5. Canto Grande
6. Huaycan (Santa Anita)
7. Pampas de San Juan (S.J.M.)
8. Pamplona Alta (S.J.M.)
9. Ventanilla

Source: Participatory process with ACP management personnel (10/31/96).

APPENDIX 3: DATA TABLES

(For a listing of the tables in appendix 3, see page xi.)

Table A.1a Annual Income - All Sources, All Enterprises, Primary Enterprise, and Other Enterprises

	Client			Non-Client	Total
	New	Old	Total		
Total Annual Household Income (percentage)					
Up to 5,000 soles	2.1	3.1	2.3	9.6	5.4
From 5,001 to 10,000 soles	9.2	7.8	9.0	25.6	16.1
From 10,001 to 20,000 soles	38.4	31.3	37.3	38.2	37.7
From 20,001 to 40,000 soles	36.0	42.2	37.0	21.3	30.2
More than 40,000 soles	14.3	15.6	14.5	5.3	10.6
Total	100 (n=336)	100 (n=64)	100 (n=400)	100 (n=301)	100 (n=701)
Average Annual Household Income (soles)	24,479	25,812	24,692	16,181	21,038
Average Annual Household Income from All Enterprises (soles)	16,199 (n=334)	17,044 (n=64)	16,335 (n=398)	10,223 (n=300)	13,708 (n=698)
Annual Household Income from All Enterprises (percentage)					
Up to 5,000 soles	42.2	34.6	40.8	52.4	45.2
From 5,001 to 10,000 soles	24.9	37.0	27.1	29.2	27.9
From 10,001 to 20,000 soles	23.2	22.8	23.0	13.0	19.3
From 20,001 to 40,000 soles	7.5	4.0	7.0	4.3	5.9
More than 40,000 soles	2.2	1.6	2.1	1.1	1.7
Total	100 (n=586)	100 (n=127)	100 (n=713)	100 (n=445)	100 (n=1,158)
Average Annual Income from Individual Enterprises (soles)	9,233 (n=586)	8,589 (n=127)	9,118 (n=713)	6,892 (n=445)	8,263 (n=1,158)
Annual Income from Primary Enterprise (percentage)					
Up to 5,000 soles	32.8	22.6	31.2	46.0	37.7
From 5,001 to 10,000 soles	30.7	43.5	32.7	32.1	32.5
From 10,001 to 20,000 soles	25.8	27.4	26.0	15.2	21.3
From 20,001 to 40,000 soles	8.0	3.2	7.2	5.6	6.5
More than 40,000 soles	2.8	3.2	2.8	1.0	2.0
Total	100 (n=326)	100 (n=62)	100 (n=388)	100 (n=302)	100 (n=690)
Average Annual Income from Primary Enterprise (soles)	10,528	10,425	10,512	7,739	9,298

Table A.1a Annual Income - All Sources, All Enterprises, Primary Enterprise, and Other Enterprises (cont'd)

	Client			Non-Client	Total
	New	Old	Total		
Annual Income from Secondary Enterprise (percentage)					
Up to 5,000 soles	41.2	36.6	40.4	59.3	46.8
From 5,001 to 10,000 soles	22.6	34.1	24.8	26.5	25.4
From 10,001 to 20,000 soles	26.6	22.0	25.7	10.6	20.5
From 20,001 to 40,000 soles	7.9	7.3	7.8	1.8	5.7
More than 40,000 soles	1.7	0.0	1.4	1.8	1.5
Total	100 (n=177)	100 (n=41)	100 (n=218)	100 (n=113)	100 (n=331)
Average Annual Income from Secondary Enterprise (soles)	8,958	8,051	8,787	5,937	7,814
Annual Income from Tertiary Enterprise (percentage)					
Up to 5,000 soles	80.0	56.3	74.6	85.0	76.9
From 5,001 to 10,000 soles	10.9	25.0	14.1	15.0	14.3
From 10,001 to 20,000 soles	5.5	18.8	8.5	0.0	6.6
From 20,001 to 40,000 soles	3.6	0.0	2.8	0.0	2.2
More than 40,000 soles	0.0	0.0	0.0	0.0	0.0
Total	100 (n=55)	100 (n=16)	100 (n=71)	100 (n=20)	100 (n=91)
Average Annual Income from Tertiary Enterprise (soles)	3,807	5,834	4,264	2,476	3,871
Annual Income from Other Enterprises (percentage)					
Up to 5,000 soles	94.1	83.3	91.3	100	93.8
From 5,001 to 10,000 soles	5.9	16.7	8.7	0.0	6.3
Total	100 (n=17)	100 (n=6)	100 (n=23)	100 (n=9)	100 (n=32)
Average Annual Income from Other Enterprises (soles)	1,973	1,912	1,957	802	1,632

Table A.1b Weekly Income - All Sources, All Enterprises, Primary Enterprise, and Other Enterprises

	Client			Non-Client	Total
	New	Old	Total		
Total Weekly Household Income (percentage)					
Up to 50 soles	0.6	3.1	1.0	3.7	2.1
From 51 to 100 soles	3.0	1.6	2.8	10.6	6.1
From 101 to 200 soles	9.0	10.9	9.3	24.3	15.7
From 201 to 300 soles	18.8	14.1	18.0	21.3	19.4
From 301 to 500 soles	31.9	31.3	31.8	22.3	27.7
More than 500 soles	36.7	39.1	37.1	17.9	28.9
Total	100 (n=335)	100 (n=64)	100 (n=399)	100 (n=301)	100 (n=700)
Average Weekly Household Income (soles)	530	519	528	338	446
Average Weekly Household Income from All Enterprises (soles)	362	387	366	221	304
Weekly Household Income from All Enterprises (percentage)					
Up to 50 soles	15.0	14.4	14.9	20.1	16.9
From 51 to 100 soles	23.1	21.8	22.8	30.3	25.8
From 101 to 200 soles	32.7	41.0	34.1	33.7	33.9
From 201 to 300 soles	15.2	11.2	14.5	8.6	12.2
From 301 to 500 soles	8.5	9.6	8.7	4.5	7.1
More than 500 soles	5.5	2.1	5.0	2.8	4.1
Total	100 (n=902)	100 (n=188)	100 (n=1,090)	100 (n=707)	100 (n=1,797)
Weekly Income from Primary Enterprise (percentage)					
Up to 50 soles	9.9	12.9	10.4	18.3	13.9
From 51 to 100 soles	19.7	9.7	18.1	24.7	21.0
From 101 to 200 soles	29.0	43.5	31.4	34.3	32.7
From 201 to 300 soles	21.3	16.1	20.5	11.3	16.4
From 301 to 500 soles	13.1	12.9	13.0	7.0	10.4
More than 500 soles	7.0	4.8	6.6	4.3	5.6
Total	100 (n=314)	100 (n=62)	100 (n=376)	100 (n=300)	100 (n=676)
Average Weekly Income from Primary Enterprise (soles)	237	235	237	169	207

Table A.1b Weekly Income - All Sources, All Enterprises, Primary Enterprise, and Other Enterprises (cont'd)

	Client			Non-Client	Total
	New	Old	Total		
Weekly Income from Secondary Enterprise (percentage)					
Up to 50 soles	14.6	5.6	13.0	23.4	16.3
From 51 to 100 soles	22.6	25.0	23.0	26.6	24.1
From 101 to 200 soles	24.4	33.3	26.0	29.8	27.2
From 201 to 300 soles	20.1	16.7	19.5	14.9	18.0
From 301 to 500 soles	11.0	16.7	12.0	1.1	8.5
More than 500 soles	7.3	2.8	6.5	4.3	5.8
Total	100 (n=164)	100 (n=36)	100 (n=200)	100 (n=94)	100 (n=294)
Average Weekly Income from Secondary Enterprise (soles)	220	210	218	156	198
Weekly Income from Tertiary Enterprise (percentage)					
Up to 50 soles	41.3	21.4	36.7	46.7	38.7
From 51 to 100 soles	19.6	21.4	20.0	33.3	22.7
From 101 to 200 soles	19.6	42.9	25.0	20.0	24.0
From 201 to 300 soles	10.9	0.0	8.3	0.0	6.7
From 301 to 500 soles	2.2	14.3	5.0	0.0	4.0
More than 500 soles	6.5	0.0	5.0	0.0	4.0
Total	100 (n=46)	100 (n=14)	100 (n=60)	100 (n=15)	100 (n=75)
Average Weekly Income from Tertiary Enterprise (soles)	139	153	142	75	129
Weekly Income from Other Enterprises (percentage)					
Up to 50 soles	41.7	66.7	46.7	66.7	50.0
From 51 to 100 soles	41.7	0.0	33.3	0.0	27.8
From 101 to 200 soles	16.7	33.3	20.0	33.3	22.2
Total	100 (n=12)	100 (n=3)	100 (n=15)	100 (n=3)	100 (n=18)
Average Weekly Income from Other Enterprises (soles)	62	77	65	77	67

Table A.1c Annual Income - All Sources, by Client Status and Gender

	Client			Non-Client		
	Male (n=151)	Female (n=249)	Total (n=400)	Male (n=120)	Female (n=181)	Total (n=301)
Total Annual Household Income (percentage)						
Up to 5000 soles	2.0	2.4	2.3	10.8	8.8	9.6
From 5001 to 10,000 soles	9.3	8.8	9.0	28.3	23.8	25.6
From 10,001 to 20,000 soles	41.7	34.5	37.3	34.2	40.9	38.2
From 20,001 to 40,000 soles	27.8	42.6	37.0	20.8	21.5	21.3
More than 40,000 soles	19.2	11.6	14.5	5.8	5.0	5.3
Total	100	100	100	100	100	100
Average Annual Household Income (soles)	25,765	24,042	24,692	16,391	16,041	16,181

Table A.1d Annual Income - All Sources, by Gender Only (soles)

	Male (n=271)	Female (n=430)	Total (n=701)
Average Annual Household Income	21,614	20,674	21,038

Table A.1e Annual Per Capita Income - All Sources, All Enterprises, Primary Enterprise, and Non-Primary Enterprises

	Client			Non-Client	Total
	New	Old	Total		
Average Annual Per Capita Household Income (soles)	4,726 (n=336)	5,132 (n=64)	4,785 (n=400)	3,495 (n=301)	4,267 (n=701)
Average Annual Per Capita Income - All Enterprises (soles)	3,127 (n=334)	3,388 (n=64)	3,166 (n=398)	2,208 (n=300)	2,780 (n=698)
Average Annual Per Capita Income - Primary Enterprise (soles)	2,036 (n=325)	2,073 (n=62)	2,040 (n=387)	1,673 (n=301)	1,888 (n=688)
Average Annual Per Capita Income - Secondary Enterprise (soles)	1,740 (n=174)	1,601 (n=41)	1,711 (n=215)	1,286 (n=112)	1,591 (n=327)
Average Annual Per Capita Income - Tertiary Enterprise (soles)	735 (n=55)	1,092 (n=17)	815 (n=72)	509 (n=21)	768 (n=93)
Average Annual Per Capita Income - Other Enterprises (soles)	381 (n=17)	380 (n=6)	379 (n=23)	173 (n=9)	331 (n=32)

Table A.2 Diversification of Income Sources (percentage)

		Client			Non-Client	Total
		New	Old	Total		
Number of Income Sources						
One		13.7	6.3	12.5	15.6	13.8
Two		25.6	20.3	24.8	39.5	31.1
Three		23.8	28.1	24.5	22.9	23.8
Four		18.5	20.3	18.8	10.3	15.1
Five		10.1	14.1	10.8	4.0	7.8
More than Five		8.3	10.9	8.8	7.6	8.3
	Total	100 (n=336)	100 (n=64)	100 (n=400)	100 (n=301)	100 (n=701)
Average Number of Income Sources per Household		3.2	3.6	3.3	2.8	3.1
Number of Enterprises per Household						
One		47.3	37.5	45.7	62.0	52.7
Two		35.9	35.9	35.9	30.0	33.4
Three		12.6	20.3	13.8	6.3	10.6
Four		3.3	4.7	3.5	1.0	2.4
More than Four		0.9	1.6	1.0	0.7	0.9
	Total	100 (n=334)	100 (n=64)	100 (n=398)	100 (n=300)	100 (n=698)
Average Number of Enterprises per Household		1.8	2.0	1.8	1.5	1.7

Table A.3 Housing Tenure and Infrastructure (percentage)

	Client			Non-Client	Total
	New (n=336)	Old (n=64)	Total (n=400)	(n=301)	(n=701)
Housing Tenure					
Own	84.5	90.6	85.5	69.8	78.7
Rent	4.5	1.6	4.0	11.3	7.1
Other	11.0	7.8	10.5	18.9	14.1
Total	100	100	100	100	100
Housing Material					
Brick or Cement	87.8	95.3	89.0	83.7	86.7
Other Material	12.2	4.7	11.0	16.3	13.3
Total	100	100	100	100	100
Electricity in House					
Yes	99.4	100	99.5	97.3	98.6
No	0.6	0.0	0.5	2.7	1.4
Total	100	100	100	100	100
Water Access					
Inside the Home	84.2	93.87	85.8	78.1	82.5
Outside the Home, Inside the Building	0.9	0.0	0.8	2.7	1.6
Outside Faucet	3.0	1.6	2.8	3.7	3.1
Well	0.9	0.0	0.8	1.7	1.1
River, Canal, Spring	0.3	0.0	0.3	0.0	0.1
Water Truck, Tank	9.8	4.7	9.0	12.0	10.3
Other	0.9	0.0	0.8	2.0	1.3
Total	100	100	100	100	100
Sewer Hookup					
Yes	83.6	92.2	85.0	80.1	82.9
No	16.4	7.8	15.0	19.9	17.1
Total	100	100	100	100	100

Table A.4 Housing Size

	Client			Non-Client	Total
	New (n=336)	Old (n=64)	Total (n=400)	(n=301)	(n=701)
Average Number of Rooms	5.4	5.2	5.4	4.4	5.0
Number of Rooms Used to Generate Income (percentage)					
One	50.0	53.1	50.5	45.8	48.5
Two	7.1	12.5	8.0	2.3	5.6
Three	1.2	0.0	1.0	0.0	0.6
Four or More	1.8	1.6	1.8	1.0	1.4
None	39.9	32.8	38.8	50.8	43.9
Total	100	100	100	100	100
Average Number of Rooms Used to Generate Income	1.4	1.3	1.4	1.3	1.3
Average Number of Floors	1.3	1.4	1.4	1.2	1.3

Table A.5 Housing Improvements in Last Twelve Months

	Client			Non-Client	Total
	New	Old	Total		
Households Making Improvements (percentage)					
Yes	52.0	46.9	51.3	41.5	47.0
No	48.0	53.1	48.7	58.5	53.0
	100 (n=336)	100 (n=64)	100 (n=400)	100 (n=301)	100 (n=701)
Reason for Improvement (percentage)					
Improve or Replace a Business	15.3	21.1	16.2	12.5	14.8
Improve Living Conditions	80.7	77.2	80.2	87.1	82.7
To Rent	3.7	1.8	3.4	0.4	2.3
Other	0.3	0.0	0.3	0.0	0.2
Total	100 (n=326)	100 (n=57)	100 (n=383)	100 (n=224)	100 (n=607)
Source of Financing (percentage)					
Savings	23.3	33.3	24.8	33.5	28.0
Loans	12.6	7.0	11.7	7.6	10.2
Enterprise Income	44.5	36.8	43.3	39.7	42.0
Income from Independent Employment	12.0	19.3	13.1	15.2	13.8
Other	7.7	3.5	7.0	4.0	5.9
Total	100 (n=326)	100 (n=57)	100 (n=383)	100 (n=224)	100 (n=607)
Total Amount Spent (percentage)					
Up to 200 soles	30.3	26.7	29.8	39.2	33.3
From 201 to 500 soles	14.9	16.7	15.1	14.4	14.8
From 501 to 1,000 soles	13.7	10.0	13.2	12.8	13.0
From 1,001 to 3,000 soles	20.0	30.0	21.5	20.0	20.9
From 3,001 to 5,000 soles	6.9	3.3	6.3	4.8	5.8
More than 5,000 soles	14.3	13.3	14.1	8.8	12.1
Total	100 (n=175)	100 (n=30)	100 (n=205)	100 (n=125)	100 (n=330)
Average Amount Spent per Household (soles)	1,079 (n=335)	878 (n=64)	1,047 (n=399)	584 (n=301)	848 (n=700)

Table A.5 Housing Improvements in Last Twelve Months (cont'd)

	Client			Non-Client	Total
	New	Old	Total		
Amount Spent on Unused Materials (percentage)					
Up to 200 soles	38.0	45.5	39.3	35.7	38.2
From 201 to 500 soles	24.0	9.0	21.4	25.0	22.5
From 501 to 1,000 soles	22.0	27.3	22.9	21.4	22.4
From 1,001 to 3,000 soles	12.0	18.2	13.1	17.9	14.7
From 3,001 to 5,000 soles	0.0	0.0	0.0	0.0	0.0
More than 5,000 soles	4.0	0.0	3.3	0.0	2.2
Total	100 (n=50)	100 (n=11)	100 (n=61)	100 (n=28)	100 (n=89)
Average Amount Spent on Unused Materials (soles)	119 (n=335)	99 (n=64)	116 (n=399)	58 (n=301)	91 (n=700)
Total Amount Spent on Housing Improvements Including Unused Materials (percentage)					
Up to 200 soles	28.3	27.8	28.2	38.2	32.0
From 201 to 500 soles	14.7	13.9	14.5	14.0	14.3
From 501 to 1,000 soles	13.6	13.9	13.7	14.7	14.0
From 1,001 to 3,000 soles	22.5	30.6	23.8	19.1	22.0
From 3,001 to 5,000 soles	5.8	2.8	5.3	5.9	5.5
More than 5,000 soles	15.2	11.1	14.5	8.1	12.1
Total	100 (n=191)	100 (n=36)	100 (n=227)	100 (n=136)	100 (n=363)
Average Amount Spent on Housing Improvements Including Unused Materials (soles)	1,198 (n=335)	977 (n=64)	1,163 (n=399)	642 (n=301)	939 (n=700)

Table A.6a Appliance and Bicycle Ownership

	Client			Non-Client	Total
	New (n = 332)	Old (n =64)	Total (n =396)	(n = 300)	(n = 696)
Average Number of Appliances and Bicycles per Household	11.5	11.0	11.4	8.3	10.0
Average Number of Appliances and Bicycles Purchased in Last Two Years	1.6	1.6	1.6	1.1	1.4
Percentage of Households that Purchased Appliances and Bicycles in Last Two Years	63.6	68.8	64.4	50.3	58.3
Average Purchase Value of Appliances and Bicycles Purchased in Last Two Years (soles)	2,367 (n=213)	2,222 (n=44)	2,342 (n=257)	1,662 (n=151)	2,090 (n=408)
For Households Purchasing Appliances and Bicycles in Last Two Years, Percentage with Debt on Purchase	29.4 (n=211)	31.8 (n=44)	29.8 (n=255)	30.5 (n=151)	30.0 (n=406)
Average Debt Owed on Appliances and Bicycles Purchased in the Last Two Years (soles)	212 (n=211)	172 (n=44)	205 (n=255)	389 (n=151)	274 (n=406)

Table A.6b Appliance and Bicycle Ownership, by Client Status and Gender

	Client			Non-Client		
	Male	Female	Total	Male	Female	Total
Average Number of Appliances and Bicycles per Household	11.2 (n=148)	11.5 (n=248)	11.4 (n=396)	8.4 (n=117)	8.2 (n=180)	8.2 (n=297)
Average Number of Appliances and Bicycles Purchased in Last Two Years	1.8 (n=148)	1.5 (n=248)	1.6 (n=396)	1.2 (n=117)	1.0 (n=180)	1.1 (n=297)
Average Purchase Value of Appliances and Bicycles Purchased in Last Two Years (soles)	2,472 (n=94)	2,267 (n=163)	2,342 (n=257)	1,794 (n=64)	1,158 (n=85)	1,637 (n=149)
Average Debt Owed on Appliances and Bicycles Purchased in the Last Two Years (soles)	226 (n=94)	193 (n=161)	205 (n=255)	377 (n=64)	398 (n=85)	389 (n=149)

Table A.6c Appliance and Bicycle Ownership, by Gender Only

	Male	Female	Total
Average Number of Appliances and Bicycles per Household	9.9 (n=265)	10.1 (n=428)	10.0 (n=693)
Average Number of Appliances and Bicycles Purchased in Last Two Years	1.6 (n=265)	1.3 (n=428)	1.4 (n=693)
Average Purchase Value of Appliances and Bicycles Purchased in Last Two Years (soles)	2,198 (n=158)	2,011 (n=248)	2,083 (n=406)
Average Debt Owed on Appliances and Bicycles Purchased in the Last Two Years (soles)	287 (n=158)	264 (n=246)	273 (n=404)

Table A.7 Motorized Vehicle Ownership

	Client			Non-Client	Total
	New	Old	Total		
Motorized Vehicle Ownership (percentage)					
None	81.8	81.3	81.7	90.0	85.3
One	15.2	15.6	15.3	9.3	12.7
Two or More	3.0	3.1	3.0	0.7	2.0
Total	100 (n=336)	100 (n=64)	100 (n=400)	100 (n=301)	100 (n=701)
Percentage of Households Purchasing Motorized Vehicles in Last Two Years	6.0	3.1	5.5	3.3	4.6
Number of Households Purchasing Motorized Vehicles in Last Two Years	20	2	22	10	32
Number of Motorized Vehicles Purchased in Last Two Years	23	2	25	10	35
Purchase Price of Motorized Vehicles Purchased in Last Two Years (percentage)					
Up to 5,000 soles	26.3	0.0	23.8	11.1	20.0
From 5,001 to 10,000 soles	31.6	50.0	33.3	44.5	36.7
Over 10,001 soles	42.1	50.0	42.9	44.4	43.3
Total	100 (n=19)	100 (n=2)	100 (n=21)	100 (n=9)	100 (n=30)
Value of Motorized Vehicles Purchased in Last Two Years (soles)	18,926	12,190	18,284	17,932	18,179
For Households Purchasing Motorized Vehicles in Last Two Years, Percentage with Debt on Purchase	10.0	0.0	9.1	10.0	9.4
For Motorized Vehicles Purchased in Last Two Years - Average Debt Owed (soles)	170 (n=19)	0 (n=2)	154 (n=21)	530 (n=9)	267 (n=30)

Table A.8a Enterprise Fixed Assets for All Enterprises in Household

	Client			Non-Client	Total
	New	Old	Total		
Value of Enterprise Fixed Assets (percentage)					
Up to 500 soles	11.9	12.3	12.0	29.6	19.4
From 501 to 1,000 soles	8.5	4.6	7.8	13.4	10.1
From 1,001 to 2,000 soles	12.2	12.3	12.3	14.8	13.3
From 2,001 to 4,000 soles	20.8	12.3	19.3	13.7	17.0
From 4,001 to 8,000 soles	15.5	27.7	17.6	13.3	15.8
More than 8,000 soles	31.1	30.8	31.0	15.2	24.4
Total	100 (n=328)	100 (n=65)	100 (n=393)	100 (n=277)	100 (n=670)
Average Value of Fixed Assets (soles)	9,147	9,156	9,148	4,422	7,184
Purchase Value of Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	40.4	36.5	39.7	52.7	44.7
From 501 to 1,000 soles	8.6	7.7	8.4	12.2	9.9
From 1,001 to 2,000 soles	14.7	19.2	15.5	10.6	13.6
From 2,001 to 4,000 soles	13.5	11.5	13.1	11.7	12.6
From 4,001 to 8,000 soles	8.2	15.4	9.4	7.4	8.7
More than 8,000 soles	14.7	9.6	13.8	5.3	10.5
Total	100 (n=245)	100 (n=52)	100 (n=297)	100 (n=188)	100 (n=485)
Average Purchase Value of Assets Acquired in Last Two Years (soles)	4,101	3,777	4,045	2,379	3,399
Debt on Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	41.7	62.5	45.5	57.1	49.2
From 501 to 1000 soles	11.1	12.5	11.4	23.8	15.4
From 1,001 to 2,000 soles	13.9	12.5	13.6	4.8	10.7
From 2,001 to 4,000 soles	19.4	12.5	18.2	0.0	12.3
From 4,001 to 8,000 soles	8.3	0.0	6.8	4.8	6.2
More than 8,000 soles	5.6	0.0	4.5	9.5	6.2
Total	100 (n=36)	100 (n=8)	100 (n=44)	100 (n=21)	100 (n=65)
Average Debt on Assets Acquired in Last Two Years (soles)	359 (n=245)	110 (n=52)	315 (n=297)	287 (n=188)	304 (n=485)

Table A.8b Enterprise Fixed Assets for all Enterprises in Household, by Client Status and Gender

	Client			Non-Client		
	Male	Female	Total	Male	Female	Total
Value of Enterprise Fixed Assets - All Enterprises (percentage)						
Up to 500 soles	7.9	13.9	11.6	15.7	37.9	29.0
From 501 to 1,000 soles	6.0	8.9	7.7	11.1	15.5	13.7
From 1,001 to 2,000 soles	9.9	13.5	12.1	18.5	11.8	14.5
From 2,001 to 4,000 soles	23.2	16.9	19.4	19.4	10.6	14.1
From 4,001 to 8,000 soles	15.9	19.0	17.8	15.7	12.4	13.8
More than 8,000 soles	37.1	27.8	31.4	19.4	11.8	14.9
Total	100 (n=151)	100 (n=237)	100 (n=388)	100 (n=108)	100 (n=161)	100 (n=269)
Average Value of Fixed Assets - All Enterprises (soles)	10,750	8,301	9,254	4,904	4,144	4,449

Table A.8c Enterprise Fixed Assets for all Enterprises in Household, by Gender Only (soles)

	Male	Female	Total
Average Value of Fixed Assets - All Enterprises	8,312 (n=259)	6,619 (n=398)	7,287 (n=657)

Table A.9a Education - Enrollment and Expenditure per Household

	Client			Non-Client	Total
	New (n=676)	Old (n=117)	Total (n=793)	(n=507)	(n=1300)
Average Number of Male Students per Household	.94	.98	.95	.90	.93
Average Number of Female Students per Household	1.1	.84	1.0	.77	.93
Average Number of Students per Household	2.0	1.8	2.0	1.7	1.9
Children Ages 7 - 16 Enrolled in Current Period (percentage)					
Enrolled	96.4	100	96.9	98.1	97.4
Not Enrolled	3.6	0.0	3.1	1.9	2.6
Total	100 (n=416)	100 (n=68)	100 (n=484)	100 (n=315)	100 (n=799)
Average Education Expenditure per Male Student (soles)	598	609	600	496	556
Average Education Expenditure per Female Student (soles)	624	487	606	522	576
Average Education Expenditure per Student (soles)	612	553	603	508	566
Average Education Expenditure per Household (soles)	1,248	1,020	1,212	876	1,067
Educational Attainment Ratio	.95	.96	.95	.91	.93

Table A.9b Education - Enrollment and Expenditure per Household, by Client Status and Gender (soles)

	Client			Non-Client		
	Male	Female	Total	Male	Female	Total
Average Education Expenditure per Household (soles)	1,065 (n=151)	1,471 (n=248)	1,420 (n=399)	803 (n=118)	911 (n=180)	876 (n=301)
Average Educational Expenditure per Student (soles)	585 (n=120)	647 (n=218)	625 (n=338)	574 (n=81)	519 (n=149)	537 (n=232)

Table A.9c Education - Expenditure per Household, by Gender Only (soles)

	Male	Female	Total
Average Education Expenditure per Household (soles)	950 (n=269)	1,137 (n=428)	1,067 (n=700)
Average Educational Expenditure per Student (soles)	583 (n=200)	598 (n=365)	593 (n=565)

Table A.10a Food and Beverage Expenditure

	Client			Non-Client	Total
	New	Old	Total		
Average Two-Week At-Home Food Expenditure (soles)	224.2	216.4	223.0	194.2	210.6
Average Two-Week Expenditure on Alcoholic Beverages (soles)	11.4	11.5	11.4	6.2	9.2
Average Two-Week Expenditure on Non-Alcoholic Beverages (soles)	12.8	20.1	14.0	12.4	13.3
Average Two-Week Away-from-Home Food Expenditure (soles)	39.9	27.7	38.0	43.9	40.2
Average Two-Week Food and Beverage Expenditure (soles)	288.2	275.8	286.2	256.1	273.4
Percentage of Income Spent on Food (percentage)	.42	.39	.41	.56	.48

Table A.10b Food and Beverage Expenditure, by Client Status and Gender (soles)

	Client			Non-Client		
	Male (n=151)	Female (n=248)	Total (n=399)	Male (n=118)	Female (n=180)	Total (n=298)
Average Two-Week At-Home Food Expenditure	223.6	222.6	223.0	188.0	195.8	194.2
Average Two-Week Expenditure on Alcoholic Beverages	11.8	11.2	11.4	8.4	4.7	6.2
Average Two-Week Expenditure on Non-Alcoholic Beverages	17.9	11.6	14.0	14.4	11.1	12.4
Average Two-Week Away-from-Home Food Expenditure	37.5	38.1	37.9	55.9	35.6	43.3
Average Two-Week Food and Beverage Expenditure	290.7	283.6	286.2	266.8	247.3	256.1

Table A.10c Food and Beverage Expenditure, by Gender Only (soles)

	Male (n=265)	Female (n=428)	Total (n=693)
Average Two-Week At-Home Food Expenditure	207.9	211.3	210.6
Average Two-Week Expenditure on Alcoholic Beverages	10.3	8.5	9.2
Average Two-Week Expenditure on Non-Alcoholic Beverages	16.4	11.4	13.3
Average Two-Week Away-from-Home Food Expenditure	45.6	37.1	40.2
Average Two-Week Food and Beverage Expenditure	280.2	268.3	273.3

Table A.10d Per-Capita Food and Beverage Expenditure (soles)

	Client			Non-Client	Total
	New	Old	Total		
Average Two-Week At-Home Food Expenditure	43.3	43.0	43.2	41.9	42.7
Average Two-Week Expenditure on Alcoholic Beverages	2.2	2.3	2.2	1.3	1.9
Average Two-Week Expenditure on Non-Alcoholic Beverages	2.5	4.0	2.7	2.7	2.7
Average Two-Week Away-from-Home Food Expenditure	7.7	5.5	7.4	9.5	8.2
Average Two-Week Food and Beverage Expenditure	55.6	54.8	55.5	55.3	55.5

Table A.11 Economic Shocks and Coping Strategies

	Client			Non-Client	Total
	New	Old	Total		
Economic Shocks (percentage)					
Death of an Income Earner	0.5	0.0	0.5	2.1	1.2
Death of a Non-Income Earner	3.6	4.1	3.7	1.5	2.7
Loss Due to Robbery	17.8	16.4	17.6	11.5	15.0
Loss Due to Fire	0.3	0.0	0.2	0.6	0.4
Loss Due to Drought	0.3	0.0	0.2	0.3	0.3
Loss of Employment	2.2	5.5	2.7	2.4	2.6
Serious Illness	11.8	16.4	12.6	11.5	12.1
Reduction in or Loss of Income	9.3	8.2	9.1	9.7	9.4
Other	6.3	5.5	6.2	5.1	5.7
None	47.9	43.8	47.3	55.3	50.7
Total	100 (n=365)	100 (n=73)	100 (n=438)	100 (n=331)	100 (n=769)
Average Number of Economic Shocks Over the Last Two Years	1.2	1.3	1.2	1.3	1.2
Types of Coping Strategies (percentage)					
Borrowed Money	25.5	31.3	26.4	22.0	24.8
Used Savings	30.4	28.1	30.1	28.0	29.3
Reduced Expenditures	11.8	12.5	11.9	14.4	12.9
Worked More Hours	7.5	3.1	6.7	10.2	8.0
Sold, Pawned, or Rented Some Asset	1.2	0.0	1.0	2.5	1.6
Reduced Microenterprise Expenditures	1.9	0.0	1.6	1.7	1.6
Other	9.3	9.4	9.3	5.1	7.7
Did Not Do Anything	12.4	15.6	13.0	16.1	14.1
Total	100 (n=161)	100 (n=32)	100 (n=193)	100 (n=118)	100 (n=311)

Table A.12 Incidence of Intergenerational Launching

	Client			Non-Client	Total
	New	Old	Total		
Average Number of Microenterprises in Household	1.8	2.0	1.8	1.5	1.7
Household Members Who Are Entrepreneurs (percentage)					
Less Than 30.0 percent	53.1	41.0	51.2	51.8	51.4
From 30.0 percent to 49.9 percent	27.9	36.1	29.2	24.3	27.1
From 50.0 percent to 74.9 percent	15.6	21.3	16.5	17.6	17.0
From 75.0 percent to 100 percent	3.4	1.6	3.1	6.3	4.5
Total	100 (n=326)	100 (n=61)	100 (n=387)	100 (n=284)	100 (n=671)
Average Percentage of Entrepreneurial Household Members	31.3	33.9	31.7	33.0	32.3
Percentage of Household Members Primarily Employed in Microenterprise (percentage)					
Less Than 30.0 percent	22.8	15.9	21.7	27.7	24.2
From 30.0 percent to 49.9 percent	23.7	34.9	25.5	22.8	24.4
From 50.0 percent to 74.9 percent	35.3	33.3	34.9	32.2	33.8
From 75.0 percent to 100 percent	18.2	15.9	17.9	17.3	17.6
Total	100 (n=329)	100 (n=63)	100 (n=392)	100 (n=289)	100 (n=681)
Average Percentage Employed Primarily in a Microenterprise	49.4	51.3	49.7	48.2	49.1
Household Members in Micro-enterprises (percentage)					
Less Than 30.0 percent	22.4	15.5	21.3	24.3	22.6
From 30.0 percent to 49.9 percent	20.5	29.3	21.9	21.7	21.8
From 50.0 percent to 74.9 percent	35.1	32.8	34.7	30.0	32.8
From 75.0 percent to 100 percent	22.1	22.4	22.1	24.0	22.9
Total	100 (n=308)	100 (n=58)	100 (n=366)	100 (n=263)	100 (n=629)
Average Percentage of Household Members Working in Microenterprises	57.1	61.0	57.7	54.6	56.5

Table A.13a Enterprise Revenue - All Sectors

	Client			Non-Client	Total
	New (n=514)	Old (n=112)	Total (n=626)	(n=382)	(n=1,008)
Total Gross Sales Previous Month (percentage)					
No Revenue	4.5	3.6	4.3	2.9	3.8
Up to 500 soles	12.8	15.2	13.3	18.6	15.3
From 501 to 1,000 soles	17.5	16.1	17.3	23.8	19.7
From 1,001 to 2,000 soles	23.0	18.8	22.2	24.1	22.9
From 2,001 to 4,000 soles	18.7	25.0	19.8	16.8	18.7
From 4,001 to 8,000 soles	13.4	8.9	12.6	6.8	10.4
More Than 8,000 soles	10.1	2.5	10.5	7.1	9.2
Total	100	100	100	100	100
Average Gross Sales Previous Month (soles)	4,093	4,283	4,127	3,447	3,869
Total Gross Sales Previous Week (percentage)					
No Revenue	8.2	8.0	8.1	5.2	7.0
Up to 100 soles	6.2	8.0	6.5	11.8	8.5
From 101 to 200 soles	13.4	12.5	13.3	16.8	14.6
From 201 to 400 soles	20.6	16.1	19.8	25.7	22.0
From 401 to 800 soles	24.5	29.5	25.4	22.3	24.2
From 801 to 1500 soles	13.6	14.3	13.7	9.2	12.0
From 1501 to 3000 soles	8.6	7.1	8.3	6.3	7.5
More Than 3,000 soles	4.9	4.5	4.8	2.9	4.1
Total	100	100	100	100	100
Average Gross Sales Previous Week (soles)	852	922	864	619	771

Table A.13b Enterprise Revenue - Industrial Sector

	Client			Non-Client	Total
	New (n=49)	Old (n=6)	Total (n=55)	(n=25)	(n=80)
Total Gross Sales Previous Month (percentage)					
No Revenue	10.2	0.0	9.1	0.0	6.3
Up to 500 soles	18.4	0.0	16.4	16.0	16.3
From 501 to 1,000 soles	14.3	0.0	12.7	12.0	12.5
From 1,001 to 2,000 soles	12.2	50.0	16.4	36.0	22.5
From 2,001 to 4,000 soles	14.3	0.0	12.7	20.0	15.0
From 4,001 to 8,000 soles	18.4	33.3	20.0	12.0	17.5
More Than 8,000 soles	12.2	16.7	12.7	4.0	10.0
Total	100	100	100	100	100
Average Gross Sales Previous Month (soles)	4,697	6,743	4,920	2,396	4,131
Total Gross Sales Previous Week (percentage)					
No Revenue	18.4	16.7	18.2	4.0	13.8
Up to 100 soles	14.3	0.0	12.7	12.0	12.5
From 101 to 200 soles	8.2	0.0	7.3	4.0	6.3
From 201 to 400 soles	8.2	0.0	7.3	32.0	15.0
From 401 to 800 soles	20.4	33.3	21.8	28.0	23.8
From 801 to 1500 soles	12.2	33.3	14.5	4.0	11.3
From 1501 to 3000 soles	12.2	0.0	10.9	12.0	11.3
More Than 3,000 soles	6.1	16.7	7.3	4.0	6.3
Total	100	100	100	100	100
Average Gross Sales Previous Week (soles)	953	1,658	1,030	688	923

Table A.13c Enterprise Revenue - Commercial Sector

	Client			Non-Client	Total
	New	Old	Total		
Total Gross Sales Previous Month (percentage)					
No Revenue	4.4	4.1	4.4	2.4	3.6
Up to 500 soles	8.2	11.0	8.7	14.2	10.9
From 501 to 1,000 soles	16.8	8.2	15.2	22.5	18.1
From 1,001 to 2,000 soles	20.9	17.8	20.3	25.3	22.3
From 2,001 to 4,000 soles	21.5	32.9	23.7	20.2	22.3
From 4,001 to 8,000 soles	15.5	11.0	14.7	7.1	11.7
More Than 8,000 soles	12.7	15.1	13.1	8.3	11.2
Total	100 (n=316)	100 (n=73)	100 (n=389)	100 (n=253)	100 (n=642)
Average Gross Sales Previous Month (soles)	4,883	4,911	4,888	3,986	4,532
Total Gross Sales - Top Three Products Previous Month (percentage)					
No Revenue	3.2	4.2	3.4	1.6	2.7
Up to 300 soles	12.4	16.7	13.2	22.3	16.8
From 301 to 500 soles	17.8	16.7	17.6	23.5	19.9
From 501 to 600 soles	22.6	13.9	21.0	21.1	21.0
From 601 to 1,200 soles	18.8	19.4	18.9	16.7	18.1
From 2,401 to 4,000 soles	8.3	13.9	9.3	5.6	7.8
More Than 4,000 soles	16.9	15.3	16.6	9.2	13.7
Total	100 (n=314)	100 (n=72)	100 (n=386)	100 (n=251)	100 (n=637)
Average Gross Sales of Top Three Products Previous Month (soles)	2,716	2,335	2,645	1,892	2,348

Table A.13c Enterprise Revenue - Commercial Sector (cont'd)

	Client			Non-Client	Total
	New	Old	Total		
Total Gross Sales Previous Week (percentage)					
No Revenue	5.4	5.5	5.4	3.2	4.5
Up to 100 soles	2.2	5.5	2.8	8.7	5.1
From 101 to 200 soles	13.3	8.2	12.3	15.8	13.7
From 201 to 400 soles	21.5	15.1	20.3	26.5	22.7
From 401 to 800 soles	23.7	31.5	25.2	24.5	24.9
From 801 to 1500 soles	17.4	17.8	17.5	11.9	15.3
From 1501 to 3000 soles	10.1	11.0	10.3	6.3	8.7
More Than 3,000 soles	6.3	5.5	6.2	3.2	5.0
Total	100 (n=316)	100 (n=73)	100 (n=389)	100 (n=253)	100 (n=642)
Average Gross Sales Previous Week (soles)	1,020	1,143	1,044	709	912
Total Gross Sales - Top Three Products Previous Week (percentage)					
No Revenue	4.5	5.6	4.7	2.0	3.6
Up to 100 soles	14.3	19.4	15.3	28.7	20.6
From 101 to 200 soles	20.4	18.1	19.9	21.5	20.6
From 201 to 400 soles	24.2	16.7	22.8	23.1	22.9
From 401 to 800 soles	16.2	22.2	17.4	14.7	16.3
From 801 to 1500 soles	9.9	11.1	10.1	4.8	8.0
From 1501 to 3000 soles	4.8	2.8	4.4	2.8	3.8
More Than 3,000 soles	5.7	4.2	5.4	2.4	4.2
Total	100 (n=314)	100 (n=72)	100 (n=386)	100 (n=251)	100 (n=637)
Average Gross Sales - Top Three Products Previous Week (soles)	735	561	703	476	613

Table A.13d Enterprise Revenue - Service Sector

	Client			Non-Client	Total
	New (n=149)	Old (n=33)	Total (n=182)	(n=104)	(n=286)
Total Gross Sales Previous Month (percentage)					
No Revenue	2.7	3.0	2.7	4.8	3.5
Up to 500 soles	20.8	27.3	22.0	29.8	24.8
From 501 to 1,000 soles	20.1	36.4	23.1	29.8	25.5
From 1,001 to 2,000 soles	30.9	15.2	28.0	18.3	24.5
From 2,001 to 4,000 soles	14.1	12.1	13.7	7.7	11.5
From 4,001 to 8,000 soles	7.4	0.0	6.0	4.8	5.6
More Than 8,000 soles	4.0	6.1	4.4	4.8	4.5
Total	100	100	100	100	100
Average Gross Sales Previous Month (soles)	2,220	2,446	2,261	2,390	2,308
Total Gross Sales Previous Week (percentage)					
No Revenue	10.7	12.1	11.0	10.6	10.8
Up to 100 soles	12.1	15.2	12.6	19.2	15.0
From 101 to 200 soles	15.4	24.2	17.0	22.1	18.9
From 201 to 400 soles	22.8	21.2	22.5	22.1	22.4
From 401 to 800 soles	27.5	24.2	26.9	15.4	22.7
From 801 to 1500 soles	6.0	3.0	5.5	3.8	4.9
From 1501 to 3000 soles	4.0	0.0	3.3	4.8	3.8
More Than 3,000 soles	1.3	0.0	1.1	1.9	1.4
Total	100	100	100	100	100
Average Gross Sales Previous Week (soles)	461	297	431	383	414

Table A.13e Enterprise Revenue - Primary Enterprise

	Client			Non-Client	Total
	New	Old	Total		
Total Gross Sales Previous Month (percentage)					
No Revenue	3.1	0.0	2.6	0.0	1.5
Up to 500 soles	5.8	12.9	7.0	13.6	9.7
From 501 to 1,000 soles	15.4	4.8	13.7	24.2	17.9
From 1,001 to 2,000 soles	23.7	17.7	22.7	26.4	24.2
From 2,001 to 4,000 soles	22.5	37.1	24.8	20.0	22.9
From 4,001 to 8,000 soles	17.5	11.3	16.5	8.3	13.2
More Than 8,000 soles	12.0	16.1	12.7	7.5	10.6
Total	100 (n=325)	100 (n=62)	100 (n=387)	100 (n=265)	100 (n=652)
Average Gross Sales Previous Month (soles)	5,024	5,006	5,021	3,720	4,493
Total Gross Sales - Top Three Products Previous Month - Commercial Sector Only (percentage)					
No Revenue	2.0	0.0	1.7	0.0	1.0
Up to 300 soles	13.4	17.5	14.2	23.8	18.1
From 301 to 500 soles	16.3	17.5	16.5	21.4	18.5
From 501 to 600 soles	22.4	14.0	20.8	23.3	21.8
From 601 to 1,200 soles	19.1	19.3	19.1	16.5	18.1
From 2,401 to 4,000 soles	9.3	15.8	10.6	6.3	8.8
More Than 4,000 soles	17.5	15.8	17.2	8.7	13.8
Total	100 (n=246)	100 (n=57)	100 (n=303)	100 (n=206)	100 (n=509)
Average Gross Sales - Top Three Products Previous Month - Commercial Sector Only (soles)	2,720	2,590	2,696	1,717	2,300

Table A.13e Enterprise Revenue - Primary Enterprise (cont'd)

	Client			Non-Client	Total
	New	Old	Total		
Total Gross Sales Previous Week (percentage)					
No Revenue	4.6	0.0	3.9	1.1	2.8
Up to 100 soles	2.2	6.5	2.8	8.7	5.2
From 101 to 200 soles	10.8	8.1	10.3	15.1	12.3
From 201 to 400 soles	21.5	11.3	19.9	29.8	23.9
From 401 to 800 soles	27.4	37.1	28.9	24.9	27.3
From 801 to 1500 soles	17.2	19.4	17.6	10.6	14.7
From 1501 to 3000 soles	11.4	11.3	11.4	7.2	9.7
More Than 3,000 soles	4.9	6.5	5.2	2.6	4.1
Total	100 (n=325)	100 (n=62)	100 (n=387)	100 (n=265)	100 (n=652)
Average Gross Sales Previous Week (soles)	972	1,179	1,005	680	873
Total Gross Sales - Top Three Products Previous Week - Commercial Sector Only (percentage)					
No Revenue	3.3	0.0	2.6	0.5	1.8
Up to 100 soles	14.6	19.3	15.5	30.6	21.6
From 101 to 200 soles	19.5	19.3	19.5	19.4	19.4
From 201 to 400 soles	23.6	15.8	22.1	25.2	23.4
From 401 to 800 soles	17.9	24.6	19.1	14.6	17.3
From 801 to 1500 soles	9.8	12.3	10.2	4.9	8.1
From 1501 to 3000 soles	6.1	3.5	5.6	2.9	4.5
More Than 3,000 soles	5.3	5.3	5.3	1.9	3.9
Total	100 (n=246)	100 (n=57)	100 (n=303)	100 (n=206)	100 (n=509)
Average Gross Sales - Top Three Products Previous Week - Commercial Sector Only (soles)	716	649	703	474	610

Table A.13f Enterprise Revenue - Non-Primary Enterprise

	Client			Non-Client	Total
	New	Old	Total		
Total Gross Sales Previous Month (percentage)					
No Revenue	6.9	8.0	7.1	9.4	7.9
Up to 500 soles	24.9	18.0	23.4	29.9	25.6
From 501 to 1,000 soles	21.2	30.0	23.0	23.1	23.0
From 1,001 to 2,000 soles	21.7	20.0	21.3	18.8	20.5
From 2,001 to 4,000 soles	12.2	10.0	11.7	9.4	11.0
From 4,001 to 8,000 soles	6.3	6.0	6.3	3.4	5.3
More Than 8,000 soles	6.9	8.0	7.1	6.0	6.7
Total	100 (n=189)	100 (n=50)	100 (n=239)	100 (n=117)	100 (n=356)
Average Gross Sales Previous Month (soles)	2,492	3,386	2,679	2,828	2,728
Total Gross Sales - Top Three Products Previous Month - Commercial Sector Only (percentage)					
No Revenue	7.1	17.6	9.2	8.7	9.0
Up to 300	8.6	11.8	9.2	15.2	11.3
From 301 to 500	22.9	11.8	20.7	32.6	24.8
From 501 to 600	22.9	11.8	20.7	13.0	18.0
From 601 to 1,200	17.1	17.6	17.2	17.4	17.3
From 2,401 to 4,000	4.3	11.8	5.7	2.2	4.5
More Than 4,000	17.1	17.6	17.2	10.9	15.0
Total	100 (n=70)	100 (n=17)	100 (n=87)	100 (n=46)	100 (n=133)
Average Gross Sales - Top Three Products Previous Month - Commercial Sector Only (soles)	2,810	2,549	2,759	2,649	2,721

Table A.13f Enterprise Revenue - Non-Primary Enterprise (cont'd)

	Client			Non-Client	Total
	New	Old	Total		
Total Gross Sales Previous Week (percentage)					
No Revenue	14.3	18.0	15.1	14.5	14.9
Up to 100 soles	13.2	10.0	12.6	18.8	14.6
From 101 to 200 soles	18.0	18.0	18.0	20.5	18.8
From 201 to 400 soles	19.0	22.0	19.7	16.2	18.5
From 401 to 800 soles	19.6	20.0	19.7	16.2	18.5
From 801 to 1500 soles	7.4	8.0	7.5	6.0	7.0
From 1501 to 3000 soles	3.7	2.0	3.3	4.3	3.7
More Than 3,000 soles	4.8	2.0	4.2	3.4	3.9
Total	100 (n=189)	100 (n=50)	100 (n=239)	100 (n=117)	100 (n=356)
Average Gross Sales Previous Week (soles)	646	602	637	480	585
Total Gross Sales - Top Three Products Previous Week - Commercial Sector Only (percentage)					
No Revenue	8.6	23.5	11.5	8.7	10.5
Up to 100	12.9	17.6	13.8	19.6	15.8
From 101 to 200	22.9	11.8	20.7	32.6	24.8
From 201 to 400	25.7	17.6	24.1	13.0	20.3
From 401 to 800	11.4	11.8	11.5	15.2	12.8
From 801 to 1500	10.0	11.8	10.3	4.3	8.3
From 1501 to 3000	1.4	0.0	1.1	2.2	1.5
More Than 3,000	7.1	5.9	6.9	4.3	6.0
Total	100 (n=70)	100 (n=17)	100 (n=87)	100 (n=46)	100 (n=133)
Average Gross Sales - Top Three Products Previous Week - Commercial Sector Only (soles)	819	511	759	476	661

Table A.13g Enterprise Revenue - Primary Enterprise, by Client Status and Gender

	Client			Non-Client		
	Male (n=143)	Female (n=244)	Total (n=387)	Male (n=108)	Female (n=157)	Total (n=265)
Total Gross Sales Previous Month (percentage)						
No Revenue	2.8	2.5	2.6	0.0	0.0	0.0
Up to 500 soles	4.9	8.2	7.0	9.3	16.6	13.6
From 501 to 1,000 soles	11.2	15.2	13.7	23.1	24.8	24.2
From 1,001 to 2,000 soles	16.1	26.6	22.7	22.2	29.3	26.4
From 2,001 to 4,000 soles	23.1	25.8	24.8	24.1	17.2	20.0
From 4,001 to 8,000 soles	22.4	13.1	16.5	13.0	5.1	8.3
More than 8,000 soles	19.6	8.6	12.7	8.3	7.0	7.5
Total	100	100	100	100	100	100
Average Gross Sales Previous Month (soles)	7,026	3,846	5,021	4,866	2,933	3,720
Total Gross Sales Previous Week (percentage)						
No Revenue	4.2	3.7	3.9	0.9	1.3	1.1
Up to 100 soles	1.4	3.7	2.8	4.6	11.5	8.7
From 101 to 200 soles	9.8	10.7	10.3	20.4	11.5	15.1
From 201 to 400 soles	12.6	24.2	19.9	20.4	36.3	29.8
From 401 to 800 soles	25.9	30.7	28.9	26.9	23.6	24.9
From 801 to 1,500 soles	21.7	15.2	17.6	13.0	8.9	10.6
From 1,501 to 3,000 soles	16.1	8.6	11.4	10.2	5.1	7.2
More than 3,000 soles	8.4	3.3	5.2	3.7	1.9	2.6
Total	100	100	100	100	100	100
Average Gross Sales Previous Week (soles)	1,319	821	1,004	847	565	680

Table A.13h Enterprise Revenue - Primary Enterprise, by Gender Only

	Male (n=251)	Female (n=401)	Total (n=652)
Average Gross Sales Previous Month (soles)	6,096	3,489	4,493
Average Gross Sales Previous Week (soles)	1,116	721	873

Table A.14a Enterprise Fixed Assets by Enterprise - All Sectors, All Enterprises

	Client			Non-Client	Total
	New	Old	Total		
Value of Enterprise Fixed Assets (percentage)					
Up to 500 soles	25.6	23.8	25.3	37.8	30.0
From 501 to 1,000 soles	7.9	8.6	8.0	14.5	10.5
From 1,001 to 2,000 soles	13.6	12.4	13.4	14.5	13.8
From 2,001 to 4,000 soles	18.5	20.0	18.8	12.9	16.5
From 4,001 to 8,000 soles	14.4	19.0	15.2	8.8	12.8
More than 8,000 soles	19.9	16.2	19.3	11.5	16.3
Total	100 (n=492)	100 (n=105)	100 (n=597)	100 (n=365)	100 (n=962)
Average Value of Fixed Assets (soles)	6,076	5,600	5,992	3,347	4,989
Purchase Value of Fixed Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	48.6	45.1	47.9	56.6	51.1
From 501 to 1,000 soles	8.6	7.0	8.3	12.2	9.8
From 1,001 to 2,000 soles	15.0	16.9	15.4	11.3	13.9
From 2,001 to 4,000 soles	10.5	11.3	10.7	10.0	10.4
From 4,001 to 8,000 soles	7.0	14.1	8.3	5.4	7.3
More than 8,000 soles	10.2	5.6	9.4	4.5	7.6
Total	100 (n=313)	100 (n=71)	100 (n=384)	100 (n=221)	100 (n=605)
Average Purchase Value of Fixed Assets Acquired in Last Two Years (soles)	3,198	2,675	3,101	2,023	2,707
Debt on Fixed Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	40.5	70.0	46.8	57.1	50.0
From 501 to 1000 soles	16.2	10.0	14.9	23.8	17.6
From 1,001 to 2,000 soles	10.8	10.0	10.6	4.8	8.8
From 2,001 to 4,000 soles	18.9	10.0	17.0	0.0	11.8
From 4,001 to 8,000 soles	8.1	0.0	6.4	4.8	5.9
More than 8,000 soles	5.4	0.0	4.3	9.5	5.9
Total	100 (n=37)	100 (n=10)	100 (n=47)	100 (n=21)	100 (n=68)
Average Debt on Fixed Assets Acquired in Last Two Years (soles)	282 (n=312)	81 (n=71)	245 (n=383)	245 (n=220)	245 (n=603)

Table A.14b Enterprise Fixed Assets by Enterprise - Industrial Sector

	Client			Non-Client	Total
	New	Old	Total		
Value of Enterprise Fixed Assets (percentage)					
Up to 500 soles	10.4	16.7	11.1	12.0	11.4
From 501 to 1,000 soles	6.3	16.7	7.4	12.0	8.9
From 1,001 to 2,000 soles	14.6	16.7	14.8	12.0	13.9
From 2,001 to 4,000 soles	18.8	0.0	16.7	20.0	17.7
From 4,001 to 8,000 soles	22.9	33.3	24.1	28.0	25.3
More than 8,000 soles	27.1	16.7	25.9	16.0	22.8
Total	100 (n=48)	100 (n=6)	100 (n=54)	100 (n=25)	100 (n=79)
Average Value of Fixed Assets (soles)	7,140	12,354	7,720	5,123	6,898
Purchase Value of Fixed Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	47.1	60.0	48.7	31.3	43.6
From 501 to 1,000 soles	5.9	0.0	5.1	6.3	5.5
From 1,001 to 2,000 soles	20.6	0.0	17.9	0.0	12.7
From 2,001 to 4,000 soles	11.8	20.0	12.8	31.3	18.2
From 4,001 to 8,000 soles	8.8	0.0	7.7	12.5	9.1
More than 8,000 soles	5.9	20.0	7.7	18.8	10.9
Total	100 (n=34)	100 (n=5)	100 (n=39)	100 (n=16)	100 (n=55)
Average Purchase Value of Fixed Assets Acquired in Last Two Years (soles)	3,152	7,777	3,745	4,076	3,841
Debt on Fixed Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	50.0	100	57.1	100	62.5
From 1,001 to 2,000 soles	33.3	0.0	28.6	0.0	25.0
From 2,001 to 4,000 soles	16.7	0.0	14.3	0.0	12.5
Total	100 (n=6)	100 (n=1)	100 (n=7)	100 (n=1)	100 (n=8)
Average Debt on Fixed Assets Acquired in Last Two Years (soles)	184 (n=34)	28 (n=5)	164 (n=39)	18 (n=16)	122 (n=55)

Table A.14c Enterprise Fixed Assets by Enterprise - Commercial Sector

	Client			Non-Client	Total
	New	Old	Total		
Value of Enterprise Fixed Assets (percentage)					
Up to 500 soles	30.9	18.3	28.5	44.9	35.0
From 501 to 1,000 soles	8.6	9.9	8.8	16.7	11.9
From 1,001 to 2,000 soles	15.5	14.1	15.2	10.6	13.4
From 2,001 to 4,000 soles	17.1	22.5	18.1	12.2	15.8
From 4,001 to 8,000 soles	12.8	16.9	13.6	6.9	11.0
More than 8,000 soles	15.1	18.3	15.7	8.6	12.9
Total	100 (n=304)	100 (n=71)	100 (n=375)	100 (n=245)	100 (n=620)
Average Value of Fixed Assets (soles)	4,325	5,726	4,590	2,448	3,744
Purchase Value of Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	53.4	42.0	51.0	60.0	54.5
From 501 to 1,000 soles	8.4	8.0	8.3	12.7	10.0
From 1,001 to 2,000 soles	15.2	22.0	16.6	13.3	15.3
From 2,001 to 4,000 soles	9.9	12.0	10.4	7.3	9.2
From 4,001 to 8,000 soles	6.8	12.0	7.9	4.7	6.6
More than 8,000 soles	6.3	4.0	5.8	2.0	4.3
Total	100 (n=191)	100 (n=50)	100 (n=241)	100 (n=150)	100 (n=391)
Average Purchase Value of Assets Acquired in Last Two Years (soles)	1,935	2,243	1,999	1,135	1,667
Debt on Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	45.0	60.0	48.0	54.5	50.0
From 501 to 1000 soles	20.0	20.0	20.0	36.4	25.0
From 1,001 to 2,000 soles	10.0	20.0	12.0	9.1	11.1
From 2,001 to 4,000 soles	15.0	0.0	12.0	0.0	8.3
From 4,001 to 8,000 soles	10.0	0.0	8.0	0.0	5.6
Total	100 (n=20)	100 (n=5)	100 (n=25)	100 (n=11)	100 (n=36)
Average Debt on Assets Acquired in Last Two Years (soles)	144 (n=190)	53 (n=50)	125 (n=240)	33 (n=149)	90 (n=389)

Table A.14d Enterprise Fixed Assets by Enterprise- Service Sector

	Client			Non-Client	Total
	New	Old	Total		
Value of Enterprise Fixed Assets (percentage)					
Up to 500 soles	19.3	39.3	22.6	26.3	24.0
From 501 to 1,000 soles	7.1	3.6	6.5	9.5	7.6
From 1,001 to 2,000 soles	9.3	7.1	8.9	25.3	14.8
From 2,001 to 4,000 soles	21.4	17.9	20.8	12.6	17.9
From 4,001 to 8,000 soles	15.0	21.4	16.1	8.4	13.3
More than 8,000 soles	27.9	10.7	25.0	17.9	22.4
Total	100 (n=140)	100 (n=28)	100 (n=168)	100 (n=95)	100 (n=263)
Average Value of Fixed Assets (soles)	9,514	3,835	8,567	5,199	7,351
Purchase Value of Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	38.6	50.0	40.4	54.5	45.3
From 501 to 1,000 soles	10.2	6.3	9.6	12.7	10.7
From 1,001 to 2,000 soles	12.5	6.3	11.5	9.1	10.7
From 2,001 to 4,000 soles	11.4	6.3	10.6	10.9	10.7
From 4,001 to 8,000 soles	6.8	25.0	9.6	5.5	8.2
More than 8,000 soles	20.5	6.3	18.3	7.3	14.5
Total	100 (n=88)	100 (n=16)	100 (n=104)	100 (n=55)	100 (n=159)
Average Purchase Value of Fixed Assets Acquired in Last Two Years (soles)	5,958	2,433	5,415	3,847	4,873
Debt on Fixed Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	27.3	75.0	40.0	55.6	45.5
From 501 to 1000 soles	18.2	0.0	13.3	11.1	12.5
From 1,001 to 2,000 soles	0.0	0.0	0.0	0.0	0.0
From 2,001 to 4,000 soles	27.3	25.0	26.7	0.0	16.7
From 4,001 to 8,000 soles	9.1	0.0	6.7	11.1	8.3
More Than 8,000 soles	18.2	0.0	13.3	22.2	16.7
Total	100 (n=11)	100 (n=4)	100 (n=15)	100 (n=9)	100 (n=24)
Average Debt on Fixed Assets Acquired in Last Two Years (soles)	618 (n=88)	182 (n=16)	551 (n=104)	886 (n=55)	667 (n=159)

Table A.14e Enterprise Fixed Assets by Enterprise - Primary Microenterprise

	Client			Non-Client	Total
	New	Old	Total		
Value of All Fixed Assets (percentage)					
Up to 500 soles	20.6	14.5	19.6	35.1	25.9
From 501 to 1,000 soles	7.8	8.1	7.8	15.5	11.0
From 1,001 to 2,000 soles	14.6	16.1	14.9	15.5	15.1
From 2,001 to 4,000 soles	22.1	17.7	21.4	14.0	18.4
From 4,001 to 8,000 soles	15.3	19.4	15.9	9.1	13.1
More Than 8,000 soles	19.6	24.2	20.4	10.9	16.5
Total	100 (n=321)	100 (n=62)	100 (n=383)	100 (n=265)	100 (n=648)
Average Value of All Fixed Assets (soles)	5,919	6,878	6,074	3,022	4,826
Purchase Value of Fixed Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	46.3	41.3	45.4	56.7	49.9
From 501 to 1,000 soles	9.3	6.5	8.8	12.9	10.4
From 1,001 to 2,000 soles	17.1	21.7	17.9	11.7	15.5
From 2,001 to 4,000 soles	11.6	8.7	11.1	9.9	10.6
From 4,001 to 8,000 soles	7.4	15.2	8.8	4.7	7.2
More Than 8,000 soles	8.3	6.5	8.0	4.1	6.5
Total	100 (n=216)	100 (n=46)	100 (n=262)	100 (n=171)	100 (n=433)
Average Purchase Value of Fixed Assets Acquired in Last Two Years (soles)	2,914	3,054	2,939	1,469	2,358
Debt on Fixed Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	51.9	57.1	52.9	66.7	57.1
From 501 to 1,000 soles	18.5	14.3	17.6	26.7	20.4
From 1,001 to 2,000 soles	11.1	14.3	11.8	6.7	10.2
From 2,001 to 4,000 soles	7.4	14.3	8.8	0.0	6.1
From 4,001 to 8,000 soles	7.4	0.0	5.9	0.0	4.1
More Than 8,000 soles	3.7	0.0	2.9	0.0	2.0
Total	100 (n=27)	100 (n=7)	100 (n=34)	100 (n=15)	100 (n=49)
Average Debt on Fixed Assets Acquired in Last Two Years (soles)	255 (n=215)	118 (n=46)	231 (n=261)	38 (n=170)	155 (n=431)

Table A.14f Enterprise Fixed Assets by Enterprise - Non-Primary Microenterprise

	Client			Non-Client	Total
	New	Old	Total		
Value of All Fixed Assets (percentage)					
Up to 500 soles	35.1	37.2	35.5	45.0	38.5
From 501 to 1,000 soles	8.2	9.3	8.4	12.0	9.6
From 1,001 to 2,000 soles	11.7	7.0	10.7	12.0	11.1
From 2,001 to 4,000 soles	11.7	23.3	14.0	10.0	12.7
From 4,001 to 8,000 soles	12.9	18.6	14.0	8.0	12.1
More Than 8,000 soles	20.5	4.7	17.3	13.0	15.9
Total	100 (n=171)	100 (n=43)	100 (n=214)	100 (n=100)	100 (n=314)
Average Value of All Fixed Assets (soles)	6,371	3,758	5,846	4,208	5,324
Purchase Value of Fixed Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	53.6	52.0	53.3	56.0	54.1
From 501 to 1,000 soles	7.2	8.0	7.4	10.0	8.1
From 1,001 to 2,000 soles	10.3	8.0	9.8	10.0	9.9
From 2,001 to 4,000 soles	8.2	16.0	9.8	10.0	9.9
From 4,001 to 8,000 soles	6.2	12.0	7.4	8.0	7.6
More Than 8,000 soles	14.4	4.0	12.3	6.0	10.5
Total	100 (n=97)	100 (n=25)	100 (n=122)	100 (n=50)	100 (n=172)
Average Purchase Value of Fixed Assets Acquired in Last Two Years (soles)	3,831	1,978	3,451	3,918	3,587
Debt on Fixed Assets Acquired in Last Two Years (percentage)					
Up to 500 soles	10.0	100	30.8	33.3	31.6
From 501 to 1,000 soles	10.0	0.0	7.7	16.7	10.5
From 1,001 to 2,000 soles	10.0	0.0	7.7	0.0	5.3
From 2,001 to 4,000 soles	50.0	0.0	38.5	0.0	26.3
From 4,001 to 8,000 soles	10.0	0.0	7.7	16.7	10.5
More Than 8,000 soles	10.0	0.0	7.7	33.3	15.8
Total	100 (n=10)	100 (n=3)	100 (n=13)	100 (n=6)	100 (n=19)
Average Debt on Fixed Assets Acquired in Last Two Years (soles)	341 (n=97)	11 (n=25)	274 (n=122)	949 (n=50)	470 (n=172)

Table A.14g Enterprise Fixed Assets - Primary Enterprise, by Client Status and Gender

	Client			Non-Client		
	Male	Female	Total	Male	Female	Total
Value of Enterprise Fixed Assets - Primary Enterprise (percentage)						
Up to 500 soles	13.7	23.3	19.6	19.6	44.4	34.2
From 501 to 1,000 soles	6.8	7.3	7.1	12.1	17.6	15.4
From 1,001 to 2,000 soles	12.3	16.4	14.8	18.7	13.7	15.8
From 2,001 to 4,000 soles	24.0	20.7	22.0	19.6	10.5	14.2
From 4,001 to 8,000 soles	15.1	16.4	15.9	13.1	6.5	9.2
More than 8,000 soles	28.1	20.7	20.6	16.8	7.2	11.2
Total	100 (n=146)	100 (n=232)	100 (n=378)	100 (n=107)	100 (n=153)	100 (n=260)
Average Value of Fixed Assets - Primary Enterprise (soles)	7,940	5,026	6,151	4,277	2,239	3,078

Table A.14h Enterprise Fixed Assets - Primary Enterprise, by Gender Only (soles)

	Male	Female	Total
Average Value of Fixed Assets - Primary Enterprise	6,391 (n=253)	3,918 (n=385)	4,899 (n=638)

Table A.15a Employment in Previous Month - All Sectors

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	42.0	51.0	44.0	50.0	46.0
Two	31.0	32.0	31.0	30.0	31.0
Three	17.0	10.0	16.0	13.0	15.0
Four or More	9.0	7.0	9.0	7.0	8.0
Total	100 (n=498)	100 (n=110)	100 (n=608)	100 (n=378)	100 (n=986)
Average Number of Persons Employed	2.0	1.9	2.0	1.8	1.9
Number of Household Members Employed (percentage)					
One	54.0	58.0	55.0	58.0	56.0
Two	27.0	27.0	27.0	28.0	27.0
Three	13.0	8.0	12.0	10.0	11.0
Four or More	6.0	6.0	6.0	4.0	5.0
Total	100 (n=497)	100 (n=110)	100 (n=607)	100 (n=375)	100 (n=982)
Average Number Household Members Employed	1.7	1.7	1.7	1.6	1.7
Total Salaries Paid (percentage)					
Up to 300 soles	39.0	53.0	41.0	51.0	44.0
From 301 to 600 soles	31.0	26.0	30.0	27.0	29.0
From 601 to 1200 soles	16.0	5.0	15.0	13.0	14.0
More than 1200 soles	14.0	16.0	14.0	10.0	13.0
Total	100 (n=110)	100 (n=19)	100 (n=129)	100 (n=63)	100 (n=192)
Average Total Salaries Paid (soles)	722	732	723	611	686

Table A.15b Employment in Previous Month - Industrial Sector

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	36.2	33.3	35.8	28.0	33.3
Two	23.4	16.7	22.6	36.0	26.9
Three	21.3	16.7	20.8	20.0	20.5
Four or More	19.1	33.3	20.8	16.0	19.2
Total	100 (n=47)	100 (n=6)	100 (n=53)	100 (n=25)	100 (n=78)
Average Number of Persons Employed	2.4	4.0	2.6	2.4	2.5
Number of Household Members Employed (percentage)					
One	57.4	33.3	54.7	56.0	55.1
Two	29.8	16.7	28.3	20.0	25.6
Three	6.4	16.7	7.5	12.0	9.0
Four or More	6.4	33.3	9.4	12.0	10.3
Total	100 (n=47)	100 (n=6)	100 (n=53)	100 (n=25)	100 (n=78)
Average Number Household Members Employed	1.6	3.0	1.8	1.8	1.8
Average Total Days Worked per Worker	22.3	21.3	22.2	23.4	22.5
Total Salaries Paid (percentage)					
Up to 300 soles	25.0	50.0	27.3	66.7	41.2
From 301 to 600 soles	55.0	0.0	50.0	8.3	35.3
From 601 to 1200 soles	10.0	0.0	9.1	16.7	11.8
More than 1200 soles	10.0	50.0	13.6	8.3	11.8
Total	100 (n=20)	100 (n=2)	100 (n=22)	100 (n=12)	100 (n=34)
Average Total Salaries Paid (soles)	598	1,695	698	660	685

Table A.15c Employment in Previous Month - Commercial Sector

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	38.2	41.7	38.8	46.4	41.9
Two	32.9	40.3	34.3	34.4	34.3
Three	19.4	12.5	18.1	12.4	15.8
Four or More	9.5	5.6	8.8	6.8	8.0
Total	100 (n=304)	100 (n=72)	100 (n=376)	100 (n=250)	100 (n=626)
Average Number of Persons Employed	2.1	1.9	2.0	1.8	1.9
Number Household Members Employed (percentage)					
One	44.9	47.2	45.3	48.8	46.7
Two	30.0	38.9	31.7	33.9	32.6
Three	17.2	9.7	15.7	12.5	14.4
Four or More	7.9	4.2	7.2	4.8	6.3
Total	100 (n=303)	100 (n=72)	100 (n=375)	100 (n=248)	100 (n=623)
Average Number Household Members Employed	1.9	1.8	1.9	1.8	1.8
Average Total Days Worked per Worker	25.6	26.9	25.8	26.3	26.0
Total Salaries Paid (percentage)					
Up to 300 soles	54.5	33.3	51.3	50.0	50.8
From 301 to 600 soles	18.2	33.3	20.5	37.5	27.0
From 601 to 1200 soles	24.2	0.0	20.5	12.5	17.5
More than 1200 soles	3.0	33.3	7.7	0.0	4.8
Total	100 (n=33)	100 (n=6)	100 (n=39)	100 (n=24)	100 (n=63)
Average Total Salaries Paid (soles)	550	1,180	647	390	549

Table A.15d Employment in Previous Month - Service Sector

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	51.7	75.0	55.9	64.1	58.9
Two	30.6	15.6	27.9	17.5	24.1
Three	11.6	3.1	10.1	11.7	10.6
Four or More	6.1	6.3	6.1	6.8	6.4
Total	100 (n=147)	100 (n=32)	100 (n=179)	100 (n=103)	100 (n=282)
Average Number of Persons Employed	1.9	1.4	1.8	1.7	1.8
Number Household Members Employed (percentage)					
One	72.1	87.5	74.9	79.4	76.5
Two	20.4	3.1	17.3	15.7	16.7
Three	6.1	3.1	5.6	3.9	5.0
Four or More	1.4	6.3	2.2	1.0	1.8
Total	100 (n=147)	100 (n=32)	100 (n=179)	100 (n=102)	100 (n=281)
Average Number Household Members Employed	1.4	1.3	1.4	1.3	1.3
Average Total Days Worked per Worker	22.0	22.0	22.0	21.0	22.0
Total Salaries Paid (percentage)					
Up to 300 soles	35.1	63.6	39.7	44.4	41.1
From 301 to 600 soles	29.8	27.3	29.4	25.9	28.4
From 601 to 1200 soles	14.0	9.1	13.2	11.1	12.6
More than 1200 soles	21.1	0.0	17.6	18.5	17.9
Total	100 (n=57)	100 (n=11)	100 (n=68)	100 (n=27)	100 (n=95)
Average Total Salaries Paid (soles)	864	313	775	786	778

Table A.15e Employment in Previous Month - Primary Enterprise

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	29.2	30.6	29.5	43.8	35.3
Two	37.4	45.2	38.7	34.0	36.7
Three	21.1	12.9	19.7	14.3	17.5
Four or More	12.3	11.3	12.1	7.9	10.4
Total	100 (n=318)	100 (n=62)	100 (n=380)	100 (n=265)	100 (n=645)
Average Number of Persons Employed	2.3	2.2	2.3	1.9	2.1
Number Household Members Employed (percentage)					
One	39.1	37.1	38.8	49.1	43.0
Two	35.6	43.5	36.9	31.7	34.8
Three	16.7	9.7	15.6	13.6	14.8
Four or More	8.5	9.7	8.7	5.7	7.5
Total	100 (n=317)	100 (n=62)	100 (n=379)	100 (n=265)	100 (n=644)
Average Number Household Members Employed	2.0	2.0	2.0	1.8	1.9
Average Total Days Worked per Worker	25.4	26.5	25.6	26.1	25.8
Total Salaries Paid (percentage)					
Up to 300 soles	42.9	42.9	42.9	59.0	48.6
From 301 to 600 soles	31.7	28.6	31.4	28.2	30.3
From 601 to 1200 soles	14.3	0.0	12.9	7.7	11.0
More than 1200 soles	11.1	28.6	12.9	5.1	10.1
Total	100 (n=63)	100 (n=7)	100 (n=70)	100 (n=39)	100 (n=109)
Average Total Salaries Paid (soles)	686	1,238	741	472	645

Table A.15f Employment in Previous Month - Non-Primary Enterprise

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	64.4	77.1	67.1	64.6	66.3
Two	20.6	14.6	19.3	20.4	19.6
Three	10.6	6.3	9.6	8.8	9.4
Four or More	4.4	2.1	3.9	6.2	4.7
Total	100 (n=180)	100 (n=48)	100 (n=228)	100 (n=113)	100 (n=341)
Average Number of Persons Employed	1.6	1.3	1.5	1.6	1.6
Number Household Members Employed (percentage)					
One	80.6	85.4	81.6	78.2	80.5
Two	12.2	6.3	11.0	19.1	13.6
Three	6.1	6.3	6.1	1.8	4.7
Four or More	1.1	2.1	1.3	0.9	1.2
Total	100 (n=180)	100 (n=48)	100 (n=228)	100 (n=110)	100 (n=338)
Average Number Household Members Employed	1.3	1.3	1.3	1.3	1.3
Average Total Days Worked per Worker	21.7	22.2	21.8	21.1	21.5
Total Salaries Paid (percentage)					
Up to 300 soles	34.0	58.3	39.0	37.5	38.6
From 301 to 600 soles	29.8	25.0	28.8	25.0	27.7
From 601 to 1200 soles	19.1	8.3	16.9	20.8	18.1
More than 1200 soles	17.0	8.3	15.3	16.7	15.7
Total	100 (n=47)	100 (n=12)	100 (n=59)	100 (n=24)	100 (n=83)
Average Total Salaries Paid (soles)	769	438	702	838	741

Table A.15g Employment in Previous Month - Primary Enterprise, by Client Status and Gender

	Client			Non-Client		
	Male (n=145)	Female (n=228)	Total (n=373)	Male (n=107)	Female (n=151)	Total (n=258)
Number of Persons Employed (percentage)						
One	20.0	34.2	28.7	41.1	43.0	42.2
Two	39.3	38.2	38.6	38.3	33.8	35.7
Three	24.1	18.0	20.4	11.2	15.9	14.0
Four or More	16.6	9.6	12.3	9.3	7.3	8.1
Total	100	100	100	100	100	100
Average Number of Persons Employed	2.6	2.1	2.3	2.0	1.9	1.9

Table A.15h Employment in Previous Month - Primary Enterprise, by Gender Only

	Male (n=252)	Female (n=379)	Total (n=631)
Average Number of Persons Employed	2.3	2.0	2.1

Table A.16a Employment in Previous Week - All Sectors

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	41.5	49.1	42.9	50.3	45.7
Two	31.6	33.0	31.9	29.4	30.9
Three	17.1	10.4	15.9	12.6	14.7
Four or More	9.7	7.5	9.3	7.7	8.7
Total	100 (n=484)	100 (n=106)	100 (n=590)	100 (n=364)	100 (n=954)
Average Number of Persons Employed	2.1	1.9	2.0	1.8	2.0
Average Number of Hours Worked per Week	46.8	52.0	47.7	43.7	46.3
Total Salaries (percentage)					
Up to 50 soles	29.2	21.4	28.2	23.6	26.7
From 51 to 100 soles	26.0	42.9	28.2	38.2	31.5
From 101 to 250 soles	32.3	28.6	31.8	27.3	30.3
More than 250 soles	12.5	7.1	11.8	10.9	11.5
Total	100 (n=96)	100 (n=14)	100 (n=110)	100 (n=55)	100 (n=165)
Average Total Salaries (soles)	138	164	141	162	148
Value of Food Given Employees (percentage)					
Up to 20 soles	27.0	22.2	26.1	23.1	25.0
From 21 to 40 soles	37.8	33.3	37.0	61.5	45.8
From 41 to 80 soles	21.6	22.2	21.7	3.8	15.3
More than 80 soles	13.5	22.2	15.2	11.5	13.9
Total	100 (n=37)	100 (n=9)	100 (n=46)	100 (n=26)	100 (n=72)

Table A.16b Employment in Previous Week - Industrial Sector

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	31.0	33.3	31.3	29.2	30.6
Two	28.6	16.7	27.1	33.3	29.2
Three	19.0	16.7	18.8	20.8	19.4
Four or More	21.4	33.3	22.9	16.7	20.8
Total	100 (n=42)	100 (n=6)	100 (n=48)	100 (n=24)	100 (n=72)
Average Number of Persons Employed	2.5	4.0	2.7	2.4	2.6
Average Number of Hours Worked per Week	46.2	39.3	45.0	40.5	43.6
Total Salaries (percentage)					
Up to 50 soles	11.1	0.0	10.0	27.3	16.1
From 51 to 100 soles	33.3	50.0	35.0	36.4	35.5
From 101 to 250 soles	44.4	0.0	40.0	18.2	32.3
More than 250 soles	11.1	50.0	15.0	18.2	16.1
Total	100 (n=18)	100 (n=2)	100 (n=20)	100 (n=11)	100 (n=31)
Average Total Salaries (soles)	132	540	173	189	179
Value of Food Given Employees (percentage)					
Up to 20 soles	62.5	0.0	55.6	0.0	35.7
From 21 to 40 soles	12.5	0.0	11.1	80.0	35.7
From 41 to 80 soles	25.0	100	33.3	20.0	28.6
More than 80 soles	0.0	0.0	0.0	20.0	0.0
Total	100 (n=8)	100 (n=1)	100 (n=9)	100 (n=5)	100 (n=14)

Table A.16c Employment in Previous Week - Commercial Sector

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	38.2	40.0	38.5	47.0	41.9
Two	32.9	41.4	34.5	33.6	34.1
Three	19.3	12.9	18.1	12.6	15.9
Four or More	9.6	5.7	8.9	6.9	8.1
Total	100 (n=301)	100 (n=70)	100 (n=371)	100 (n=247)	100 (n=618)
Average Number of Persons Employed	2.1	1.9	2.0	1.8	1.9
Average Number of Hours Worked per Week	43.8	57.7	46.2	45.9	46.1
Total Salaries (percentage)					
Up to 50 soles	33.3	33.3	33.3	20.0	28.3
From 51 to 100 soles	29.6	50.0	33.3	50.0	39.6
From 101 to 250 soles	29.6	16.7	27.3	30.0	28.3
More than 250 soles	7.4	0.0	6.1	0.0	3.8
Total	100 (n=27)	100 (n=6)	100 (n=33)	100 (n=20)	100 (n=53)
Average Total Salaries (soles)	106	79	101	90	97
Value of Food Given Employees (percentage)					
Up to 20 soles	10.0	20.0	13.3	22.2	16.7
From 21 to 40 soles	70.0	40.0	60.0	55.6	58.3
From 41 to 80 soles	20.0	0.0	13.3	0.0	8.3
More than 80 soles	0.0	40.0	13.3	22.2	16.7
Total	100 (n=10)	100 (n=5)	100 (n=15)	100 (n=9)	100 (n=24)

Table A.16d Employment in Previous Week - Service Sector

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	51.8	73.3	55.6	64.5	58.7
Two	29.8	16.7	27.5	17.2	23.9
Three	12.1	3.3	10.5	10.8	10.6
Four or More	6.4	6.7	6.4	7.5	6.8
Total	100 (n=141)	100 (n=30)	100 (n=171)	100 (n=93)	100 (n=264)
Average Number of Persons Employed	1.9	1.4	1.8	1.7	1.8
Average Number of Hours Worked per Week	54.0	41.9	52.3	39.3	47.7
Total Salaries (percentage)					
Up to 50 soles	33.3	16.7	31.6	25.0	29.6
From 51 to 100 soles	21.6	33.3	22.8	29.2	24.7
From 101 to 250 soles	29.4	50.0	31.6	29.2	30.9
More than 250 soles	15.7	0.0	14.0	16.7	14.8
Total	100 (n=51)	100 (n=6)	100 (n=57)	100 (n=24)	100 (n=81)
Average Total Salaries (soles)	157	124	153	210	170
Value of Food Given Employees (percentage)					
Up to 20 soles	21.1	33.3	22.7	33.3	26.5
From 21 to 40 soles	31.6	33.3	31.8	58.3	41.2
From 41 to 80 soles	21.1	33.3	22.7	0.0	14.7
More than 80 soles	26.3	0.0	22.7	8.3	17.6
Total	100 (n=19)	100 (n=3)	100 (n=22)	100 (n=12)	100 (n=34)

Table A.16e Employment in Previous Week - Primary Microenterprise

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	29.3	30.6	29.5	44.5	35.7
Two	37.6	45.2	38.8	33.1	36.5
Three	20.7	12.9	19.4	14.4	17.4
Four or More	12.4	11.3	12.2	8.0	10.5
Total	100 (n=314)	100 (n=62)	100 (n=376)	100 (n=263)	100 (n=639)
Average Number of Persons Employed	2.3	2.2	2.3	1.9	2.1
Average Number of Hours Worked per Week	48.3	57.2	48.9	47.4	48.8
Total Salaries (percentage)					
Up to 50 soles	28.1	28.6	28.1	23.5	26.5
From 51 to 100 soles	28.1	42.9	29.7	47.1	35.7
From 101 to 250 soles	33.3	14.3	31.3	23.5	28.6
More than 250 soles	10.5	14.3	10.9	5.9	9.2
Total	100 (n=57)	100 (n=7)	100 (n=64)	100 (n=34)	100 (n=98)
Average Total Salaries (soles)	123	212	132	123	129
Value of Food Given Employees (percentage)					
Up to 20 soles	38.1	33.3	37.0	18.8	30.2
From 21 to 40 soles	47.6	16.7	40.7	62.5	48.8
From 41 to 80 soles	9.5	16.7	11.1	6.3	9.3
More than 80 soles	4.8	33.3	11.1	12.5	11.6
Total	100 (n=21)	100 (n=6)	100 (n=27)	100 (n=16)	100 (n=43)

Table A.16f Employment in Previous Week - Non-Primary Microenterprise

	Client			Non-Client	Total
	New	Old	Total		
Number of Persons Employed (percentage)					
One	64.1	75.0	66.4	65.3	66.0
Two	20.6	15.9	19.6	19.8	19.7
Three	10.6	6.8	9.8	7.9	9.2
Four or More	4.7	2.3	4.2	6.9	5.1
Total	100 (n=170)	100 (n=44)	100 (n=214)	100 (n=101)	100 (n=315)
Average Number of Persons Employed	1.6	1.4	1.5	1.6	1.6
Average Number of Hours Worked per Week	43.1	40.8	42.7	33.7	39.6
Total Salaries (percentage)					
Up to 50 soles	30.8	14.3	28.3	23.8	26.9
From 51 to 100 soles	23.1	42.9	26.1	23.8	25.4
From 101 to 250 soles	30.8	42.9	32.6	33.3	32.8
More than 250 soles	15.4	0.0	13.0	19.0	14.9
Total	100 (n=39)	100 (n=7)	100 (n=46)	100 (n=21)	100 (n=67)
Average Total Salaries (soles)	160	116	153	225	176
Value of Food Given Employees (percentage)					
Up to 20 soles	12.5	0.0	10.5	30.0	17.2
From 21 to 40 soles	25.0	66.7	31.6	60.0	41.4
From 41 to 80 soles	37.5	33.3	36.8	0.0	24.1
More than 80 soles	25.0	0.0	21.1	10.0	17.2
Total	100 (n=16)	100 (n=3)	100 (n=19)	100 (n=10)	100 (n=29)

Table A.17a Suppliers, Customers, and Contracts - All Enterprises (percentage)

	Client			Non-Client	Total
	New (n=514)	Old (n=112)	Total (n=626)	(n=382)	(n=1,008)
Type of Supplier					
Individuals	7.6	1.8	6.5	6.3	6.4
Retailers	15.8	25.9	17.6	19.9	18.5
Wholesalers	63.4	58.9	62.6	64.1	63.2
Manufacturers	10.1	11.6	10.4	6.3	8.8
Other	3.1	1.8	2.9	3.4	3.1
Total	100	100	100	100	100
Type of Customer					
Individuals	88.7	84.8	88.0	92.4	89.7
Retailers	8.8	11.6	9.3	4.5	7.4
Wholesalers	1.6	0.9	1.4	1.0	1.3
Manufacturers	0.0	0.0	0.0	0.8	0.3
Other	1.0	2.7	1.3	1.3	1.3
Total	100	100	100	100	100
Fixed Sales Contracts in Past Three Months					
Yes	22.2	18.8	21.6	14.4	18.8
No	77.6	81.3	78.3	85.6	81.1
No Response	0.2	0.0	0.2	0.0	0.1
Total	100	100	100	100	100

Table A.17b Suppliers, Customers, and Contracts - Industrial Sector (percentage)

		Client			Non-Client	Total
		New (n=49)	Old (n=6)	Total (n=55)	(n=25)	(n=80)
Type of Supplier						
Individuals		10.2	0.0	9.1	0.0	6.3
Retailers		16.3	0.0	14.5	24.0	17.5
Wholesalers		65.3	66.7	65.5	68.0	66.3
Manufacturers		8.2	33.3	10.9	4.0	8.8
Other		0.0	0.0	0.0	4.0	1.3
	Total	100	100	100	100	100
Type of Customer						
Individuals		51.0	33.3	49.1	68.0	55.0
Retailers		32.7	33.3	32.7	20.0	28.8
Wholesalers		14.3	16.7	14.5	8.0	12.5
Manufacturers		0.0	0.0	0.0	0.0	0.0
Other		2.0	16.7	3.6	4.0	3.8
	Total	100	100	100	100	100
Fixed Sales Contracts in Past Three Months						
Yes		40.8	66.7	43.6	44.0	43.8
No		59.2	33.3	56.4	56.0	56.3
	Total	100	100	100	100	100

Table A.17c Suppliers, Customers, and Contracts - Commercial Sector (percentage)

		Client			Non-Client	Total
		New (n=316)	Old (n=73)	Total (n=389)	(n=253)	(n=642)
Type of Supplier						
Individuals		2.8	1.4	2.6	2.4	2.5
Retailers		6.0	9.6	6.7	11.9	8.7
Wholesalers		77.8	75.3	77.4	77.9	77.6
Manufacturers		13.0	13.7	13.1	7.5	10.9
Other		0.3	0.0	0.3	0.4	0.3
	Total	100	100	100	100	100
Type of Customer						
Individuals		92.1	86.3	91.0	94.9	92.5
Retailers		7.3	13.7	8.5	3.2	6.4
Wholesalers		0.0	0.0	0.0	0.8	0.3
Manufacturers		0.0	0.0	0.0	0.8	0.3
Other		0.6	0.0	0.5	0.4	0.5
	Total	100	100	100	100	100
Fixed Sales Contracts in Past Three Months						
Yes		20.6	16.4	19.8	10.3	16.0
No		79.1	83.6	79.9	89.7	83.8
	Total	100	100	100	100	100

Table A.17d Suppliers, Customers, and Contracts - Service Sector (percentage)

	Client			Non-Client	Total
	New (n=149)	Old (n=33)	Total (n=182)	(n=104)	(n=286)
Type of Supplier					
Individuals	16.8	3.0	14.3	17.3	15.4
Retailers	36.2	66.7	41.8	38.5	40.6
Wholesalers	32.2	21.2	30.2	29.8	30.1
Manufacturers	4.7	3.0	4.4	3.8	4.2
Other	10.1	6.1	9.3	10.6	9.8
Total	100	100	100	100	100
Type of Customer					
Individuals	94.0	90.9	93.4	92.3	93.0
Retailers	4.0	3.0	3.8	3.8	3.8
Wholesalers	0.7	0.0	0.5	0.0	0.3
Manufacturers	0.0	0.0	0.0	1.0	0.3
Other	1.3	6.1	2.2	2.9	2.4
Total	100	100	100	100	100
Fixed Sales Contracts in Past Three Months					
Yes	19.5	15.2	18.7	17.3	18.2
No	80.5	84.8	81.3	82.7	81.8
Total	100	100	100	100	100

Table A.17e Suppliers, Customers, and Contracts - Primary Microenterprise (percentage)

	Client			Non-Client	Total
	New (n=325)	Old (n=62)	Total (n=387)	(n=265)	(n=652)
Type of Supplier					
Individuals	3.4	1.6	3.1	1.9	2.6
Retailers	10.5	12.9	10.9	18.1	13.8
Wholesalers	73.5	72.6	73.4	73.2	73.3
Manufacturers	11.7	12.9	11.9	6.4	9.7
Other	0.9	0.0	0.8	0.4	0.6
Total	100	100	100	100	100
Type of Customer					
Individuals	89.2	88.7	89.1	94.7	91.4
Retailers	8.9	11.3	9.3	3.0	6.7
Wholesalers	1.5	0.0	1.3	0.8	1.1
Manufacturers	0.0	0.0	0.0	0.8	0.3
Other	0.3	0.0	0.3	0.8	0.5
Total	100	100	100	100	100
Fixed Sales Contracts in Past Three Months					
Yes	21.8	22.2	21.9	12.1	17.9
No	77.9	77.8	77.9	87.9	82.0
No Response	0.3	0.0	0.3	0.0	0.2
Total	100	100	100	100	100

Table A.17f Suppliers, Customers, and Contracts - Non-Primary Microenterprise (percentage)

		Client			Non-Client	Total
		New (n=189)	Old (n=50)	Total (n=239)	(n=117)	(n=356)
Type of Supplier						
Individuals		14.8	2.0	12.1	16.2	13.5
Retailers		24.9	42.0	28.5	23.9	27.0
Wholesalers		46.0	42.0	45.2	43.6	44.7
Manufacturers		7.4	10.0	7.9	6.0	7.3
Other		6.9	4.0	6.3	10.3	7.6
	Total	100	100	100	100	100
Type of Customer						
Individuals		87.8	80.0	86.2	87.2	86.5
Retailers		8.5	12.0	9.2	7.7	8.7
Wholesalers		1.6	2.0	1.7	1.7	1.7
Manufacturers		0.0	0.0	0.0	0.9	0.3
Other		2.1	6.0	2.9	2.6	2.8
	Total	100	100	100	100	100
Fixed Sales Contracts in Past Three Months						
Yes		22.9	14.3	21.1	19.7	20.6
No		77.1	85.7	78.9	80.3	79.4
	Total	100	100	100	100	100

Table A.18a Marketing Margin for Commercial Sector (percentage)

	Client			Non-Client	Total
	New	Old	Total		
First Product	37.9	35.3	37.4	44.5	40.2
Second Product	42.1	38.9	41.5	38.6	40.4
Third Product	40.3	40.5	40.3	44.4	42.0
Average Margin	40.0	38.2	39.7	42.5	40.8

Table A.18b Marketing Margin for Commercial Sector - by Primary and Non-Primary Enterprises (percentage)

	Client			Non-Client	Total
	New	Old	Total		
Primary Enterprise					
First Product	36.4	34.6	36.1	45.0	39.7
Second Product	40.1	37.1	39.6	38.3	39.1
Third Product	38.6	39.3	38.8	42.2	40.2
Average Margin for Primary Enterprise	38.4	37.0	38.1	41.9	39.6
Non-Primary Enterprise					
First Product	43.2	37.7	42.1	42.1	42.1
Second Product	49.9	46.8	49.4	40.4	46.3
Third Product	47.9	45.7	47.5	56.7	50.8
Average Margin for Non-Primary Enterprise	46.8	43.0	46.0	46.0	46.0

Table A.19a Business Premise and Infrastructure - All Sectors (percentage)

	Client			Non-Client	Total
	New (n=514)	Old (n=112)	Total (n=626)	(n=382)	(n=1,008)
Location of Business					
In or Beside the home	43.4	50.9	44.7	39.8	42.9
Commercial Premise or Formal Market	25.1	23.2	24.8	29.8	26.7
Informal Market or Fixed Location on Street	9.5	11.6	9.9	18.1	13.0
Mobile Location	21.0	12.5	19.5	11.5	16.5
Other Locations	1.0	1.8	1.1	0.8	1.0
Total	100	100	100	100	100
Distance of Business from Closest Paved Road					
Adjacent to Paved Road	66.9	68.8	67.3	70.4	68.5
Less than Five Minute Walk	20.6	22.3	20.9	19.1	20.2
More than Five Minute Walk	12.5	8.9	11.8	10.5	11.3
Total	100	100	100	100	100
Telephone on Business Premises					
Yes	14.8	17.9	15.3	11.3	13.8
No	85.2	82.1	84.7	88.7	86.2
Total	100	100	100	100	100
Electricity on Business Premises					
Yes	65.0	67.9	65.5	58.1	62.7
No	35.0	32.1	34.5	41.9	37.3
Total	100	100	100	100	100

Table A.19b Business Premise and Infrastructure - Industrial Sector (percentage)

		Client			Non-Client	Total
		New (n=49)	Old (n=6)	Total (n=55)	(n=25)	(n=80)
Location of Business						
In or beside the home		81.6	83.3	81.8	68.0	77.5
Commercial Premise or Formal Market		12.2	0.0	10.9	32.0	17.5
Mobile Location		2.0	0.0	1.8	0.0	1.3
Other Locations		4.1	16.7	5.5	0.0	3.8
	Total	100	100	100	100	100
Distance of Business from Closest Paved Road						
Adjacent to Paved Road		55.1	50.0	54.5	60.0	56.3
Less than Five Minute Walk		26.5	50.0	29.1	24.0	27.5
More than Five Minute Walk		18.4	0.0	16.4	16.0	16.3
	Total	100	100	100	100	100
Telephone on Business Premises						
Yes		22.4	33.3	23.6	20.0	22.5
No		77.6	66.7	76.4	80.0	77.5
	Total	100	100	100	100	100
Electricity on Business Premises						
Yes		95.9	83.3	94.5	96.0	95.0
No		4.1	16.7	5.5	4.0	5.0
	Total	100	100	100	100	100

Table A.19c Business Premise and Infrastructure - Commercial Sector (percentage)

	Client			Non-Client	Total
	New (n=316)	Old (n=73)	Total (n=389)	(n=253)	(n=642)
Location of Business					
In or Beside the home	43.0	45.2	43.4	38.3	41.4
Commercial Premise or Formal Market	31.3	31.5	31.4	33.2	32.1
Informal Market or Fixed Location on Street	13.3	16.4	13.9	21.7	17.0
Mobile Location	12.3	5.5	11.1	5.9	9.0
Other Locations	0.0	1.4	0.3	0.8	0.5
Total	100	100	100	100	100
Distance of Business from Closest Paved Road					
Adjacent to Paved Road	65.2	65.8	65.3	67.2	66.0
Less than Five Minute Walk	23.4	23.3	23.4	22.1	22.9
More than Five Minute Walk	11.4	11.0	11.3	10.7	11.1
Total	100	100	100	100	100
Telephone on Business Premises					
Yes	14.2	15.1	14.4	9.1	12.3
No	85.8	84.9	85.6	90.9	87.7
Total	100	100	100	100	100
Electricity on Business Premises					
Yes	68.0	71.2	68.6	54.2	62.9
No	32.0	28.8	31.4	45.8	37.1
Total	100	100	100	100	100

Table A.19d Business Premise and Infrastructure - Service Sector (percentage)

	Client			Non-Client	Total
	New (n=149)	Old (n=33)	Total (n=182)	(n=104)	(n=286)
Location of Business					
In or Beside the home	31.5	57.6	36.3	36.5	36.4
Commercial Premise or Formal Market	16.1	9.1	14.8	21.2	17.1
Informal Market or Fixed Location on Street	4.7	3.0	4.4	13.5	7.7
Mobile Location	45.6	30.3	42.9	27.9	37.4
Other Locations	2.0	0.0	1.6	1.0	1.4
Total	100	100	100	100	100
Distance of Business from Closest Paved Road					
Adjacent to Paved Road	74.5	78.8	75.3	80.8	77.3
Less than Five Minute Walk	12.8	15.2	13.2	10.6	12.2
More than Five Minute Walk	12.8	6.1	11.5	8.7	10.5
Total	100	100	100	100	100
Telephone on Business Premises					
Yes	13.4	21.2	14.8	14.4	14.7
No	86.6	78.8	85.2	85.6	85.3
Total	100	100	100	100	100
Electricity on Business Premises					
Yes	48.3	57.6	50.0	58.7	53.1
No	51.7	42.4	50.0	41.3	46.9
Total	100	100	100	100	100

Table A.19e Business Premise and Infrastructure - Primary Microenterprise (percentage)

	Client			Non-Client	Total
	New (n=325)	Old (n=62)	Total (n=387)	(n=265)	(n=652)
Location of Business					
In or Beside the home	49.5	54.8	50.4	43.8	47.7
Commercial Premise or Formal Market	30.8	30.6	30.7	34.7	32.4
Informal Market or Fixed Location on Street	11.7	12.9	11.9	18.9	14.7
Mobile Location	7.4	0.0	6.2	1.5	4.3
Other Locations	0.6	1.6	0.8	1.1	0.9
Total	100	100	100	100	100
Distance of Business from Closest Paved Road					
Adjacent to Paved Road	64.9	64.5	64.9	69.1	66.6
Less than Five Minute Walk	22.2	25.8	22.7	19.6	21.5
More than Five Minute Walk	12.9	9.7	12.4	11.3	12.0
Total	100	100	100	100	100
Telephone on Business Premises					
Yes	16.3	22.6	17.3	10.9	14.7
No	83.7	77.4	82.7	89.1	85.3
Total	100	100	100	100	100
Electricity on Business Premises					
Yes	75.7	80.6	76.5	64.2	71.5
No	24.3	19.4	23.5	35.8	28.5
Total	100	100	100	100	100

Table A.19f Business Premise and Infrastructure - Non-Primary Microenterprise (percentage)

	Client			Non-Client	Total
	New (n=189)	Old (n=50)	Total (n=239)	(n=117)	(n=356)
Location of Business					
In or Beside the home	32.8	46.0	35.6	30.8	34.0
Commercial Premise or Formal Market	15.3	14.0	15.1	18.8	16.3
Informal Market or Fixed Location on Street	5.8	10.0	6.7	16.2	9.8
Mobile Location	44.4	28.0	41.0	34.2	38.8
Other Locations	1.6	2.0	1.7	0.0	1.1
Total	100	100	100	100	100
Distance of Business from Closest Paved Road					
Adjacent to Paved Road	70.4	74.0	71.1	73.5	71.9
Less than Five Minute Walk	18.0	18.0	18.0	17.9	18.0
More than Five Minute Walk	11.6	8.0	10.9	8.5	10.1
Total	100	100	100	100	100
Telephone on Business Premises					
Yes	12.2	12.0	12.1	12.0	12.1
No	87.8	88.0	87.9	88.0	87.9
Total	100	100	100	100	100
Electricity on Business Premises					
Yes	46.6	52.0	47.7	44.4	46.6
No	53.4	48.0	52.3	55.6	53.4
Total	100	100	100	100	100

Table A.19g Economic Sector and Location of Primary Enterprise, by Client Status and Gender (percentage)

	Client			Non-Client		
	Male (n=143)	Female (n=244)	Total (n=387)	Male (n=108)	Female (n=157)	Total (n=265)
Economic Sector						
Industrial	16.8	2.0	7.5	14.8	3.2	7.9
Commercial	61.5	87.7	78.0	59.3	90.4	77.7
Service	21.7	10.2	14.5	25.9	6.4	14.3
Total	100	100	100	100	100	100
Location of Primary Enterprise						
In or Beside the Home	48.3	51.6	50.4	44.4	43.3	43.8
Comercial Premise or Formal Market	30.8	30.7	30.7	36.1	33.8	34.7
Informal Market or Fixed Location on the Street	9.8	13.1	11.9	14.8	21.7	18.9
Mobile Location	9.8	4.1	6.2	2.8	0.6	1.5
Other Locations	1.4	0.4	0.8	1.9	0.6	1.1
Total	100	100	100	100	100	100

Table A.19h Economic Sector and Location of Primary Enterprise, by Gender Only (percentage)

	Male	Female	Total
Economic Sector			
Industrial	16.3	2.5	7.9
Commercial	60.2	88.5	77.5
Service	23.5	9.0	14.6
Total	100 (n=251)	100 (n=400)	100 (n=651)
Location of Primary Enterprise			
In or Beside the Home	46.6	48.5	47.7
Comercial Premise or Formal Market	33.1	32.0	32.4
Informal Market or Fixed Location on the Street	11.9	16.6	14.7
Mobile Location	6.8	2.8	4.3
Other Locations	1.6	1.0	0.9
Total	100 (n=251)	100 (n=401)	100 (n=652)

Table A.20a Microenterprise Tenure and Registration - All Sectors (percentage)

	Client			Non-Client	Total
	New	Old	Total		
Type of Tenure					
Premises Owned	62.3	65.3	62.9	46.4	56.3
Premises not Owned - Authorized Use	32.8	26.5	31.5	43.5	36.3
Premises not Owned - Unauthorized Use	2.5	8.2	3.6	8.3	5.5
Other Types of Tenure	2.5	0.0	2.0	1.8	1.9
Total	100 (n=406)	100 (n=98)	100 (n=504)	100 (n=338)	100 (n=842)
Registration of Business					
Registered with Municipality	51.2	52.7	51.4	48.2	50.2
Not Registered with Municipality	48.8	47.3	48.6	51.8	49.8
Total	100 (n=514)	100 (n=112)	100 (n=626)	100 (n=382)	100 (n=1,008)
Types of Licenses Held					
Health Department License	12.3	17.0	13.0	9.9	11.9
Municipal License or Operating License	41.0	9.3	41.4	36.4	39.5
Commercial Registration	0.3	0.0	0.3	0.0	0.2
Registered with SUNAT	1.7	0.9	16.0	3.1	2.2
Drivers License	3.1	0.9	2.7	2.4	2.6
SISA	2.7	0.0	2.2	0.3	1.5
Permission (Prior to Municipal License)	0.1	5.3	4.0	7.3	5.3
Other	4.5	5.3	4.6	3.1	4.1
	(n=514)	(n=112)	(n=626)	(n=382)	(n=1,008)
Business Registered to Pay Taxes (RUC)					
Registered	49.0	49.0	49.0	43.0	47.0
Not Registered	51.0	51.0	51.0	57.0	53.0
Total	100 (n=514)	100 (n=112)	100 (n=626)	100 (n=382)	100 (n=1,008)

Table A.20b Microenterprise Tenure and Registration - Industrial Sector (percentage)

		Client			Non-Client	Total
		New	Old	Total		
Type of Tenure						
Premises Owned		87.5	83.3	87.0	60.0	78.5
Premises not Owned - Authorized Use		10.4	16.7	11.1	40.0	20.3
Other Types of Tenure		2.1	0.0	1.9	0.0	1.3
	Total	100 (n=48)	100 (n=6)	100 (n=54)	100 (n=25)	100 (n=79)
Registration of Business						
Registered with Municipality		42.9	33.3	41.8	52.0	45.0
Not Registered with Municipality		57.1	66.7	58.2	48.0	55.0
	Total	100 (n=49)	100 (n=6)	100 (n=55)	100 (n=25)	100 (n=80)
Types of Licenses Held						
Health Department License (Carnet)		6.1	16.6	7.3	8.0	7.5
Municipal License or Operating License		42.9	33.3	41.8	36.0	40.0
Ministry of Mining and Energy License		2.0	16.6	3.6	4.0	6.3
Commercial Registration		2.0	0	1.8	4.0	2.5
Registered with SUNAT		0.0	0	0.0	4.0	1.2
Site License		0.0	16.6	1.8	0.0	1.2
	Total	(n=49)	(n=6)	(n=55)	(n=25)	(n=80)
Business Registered to Pay Taxes (RUC)						
Registered		55.1	83.3	58.2	64.0	60.0
Not Registered		44.9	16.7	41.8	36.0	40.0
	Total	100 (n=49)	100 (n=6)	100 (n=55)	100 (n=25)	100 (n=80)

Table A.20c Microenterprise Tenure and Registration - Commercial Sector (percentage)

	Client			Non-Client	Total
	New	Old	Total		
Type of Tenure					
Premises Owned	59.6	63.8	60.4	45.0	54.1
Premises not Owned - Authorized Use	36.5	30.4	35.3	43.7	38.7
Premises not Owned - Unauthorized Use	2.2	5.8	2.9	9.7	5.7
Other Types of Tenure	1.8	0.0	1.4	1.7	1.5
Total	100 (n=277)	100 (n=69)	100 (n=346)	100 (n=238)	100 (n=584)
Registration of Business					
Registered with Municipality	57.9	69.9	60.2	53.8	57.6
Not Registered with Municipality	42.1	30.1	39.8	46.2	42.4
Total	100 (n=316)	100 (n=73)	100 (n=389)	100 (n=253)	100 (n=642)
Types of Licenses Held					
Health Department License (Carnet)	14.9	23.3	16.5	12.3	14.8
Municipal License or Operating License	48.7	57.2	50.1	41.5	46.7
Commercial Registration	1.8	0.0	1.5	3.2	2.2
Registered with SUNAT	2.8	1.4	2.6	2.0	2.3
SISA	5.7	8.2	6.2	9.8	7.6
Permission (Prior to Municipal License)	2.2	2.7	2.3	1.9	1.9
Others	1.9	1.4	1.8	1.9	1.6
Total	(n=316)	(n=73)	(n=389)	(n=253)	(n=642)
Business Registered to Pay Taxes (RUC)					
Registered	54.7	60.3	55.8	42.7	50.6
Not Registered	45.3	39.7	44.2	57.3	49.4
Total	100 (n=316)	100 (n=73)	100 (n=389)	100 (n=253)	100 (n=642)

Table A.20d Microenterprise Tenure and Registration - Service Sector (percentage)

	Client			Non-Client	Total
	New	Old	Total		
Type of Tenure					
Premises Owned	56.8	65.2	58.7	46.7	53.6
Premises not Owned but - Authorized Use	33.3	17.4	29.8	44.0	35.8
Premises not Owned - Unauthorized Use	4.9	17.4	7.7	6.7	7.3
Other Types of Tenure	4.9	0.0	3.8	2.7	3.4
Total	100 (n=81)	100 (n=23)	100 (n=104)	100 (n=75)	100 (n=179)
Registration of Business					
Registered with Municipality	39.6	18.2	35.7	33.7	35.0
Not Registered with Municipality	60.4	81.8	64.3	66.3	65.0
Total	100 (n=149)	100 (n=33)	100 (n=182)	100 (n=104)	100 (n=286)
Types of Licenses Held					
Health Department License (Carnet)	8.7	3.0	7.7	4.8	6.6
Municipal License or Operating License	24.2	15.2	22.5	24.0	23.1
Commercial Registration	1.3	0.0	1.1	1.0	1.0
Registered with SUNAT	4.0	0.0	3.3	2.9	3.1
Drivers License	9.4	0.0	7.7	1.0	5.2
SISA	0.7	0.0	0.5	2.9	1.4
Permission (Prior to Municipal License)	2.0	0.0	1.6	3.8	2.4
Others	6.0	6.1	6.0	1.0	4.2
Total	(n=149)	(n=33)	(n=182)	(n=104)	(n=286)
Business Registered to Pay Taxes (RUC)					
Registered	34.2	18.2	31.3	37.5	33.6
Not Registered	65.8	81.8	68.7	62.5	66.4
Total	100 (n=149)	100 (n=33)	100 (n=182)	100 (n=104)	100 (n=286)

Table A.20e Microenterprise Tenure and Registration - Primary Microenterprise (percentage)

	Client			Non-Client	Total
	New	Old	Total		
Type of Tenure					
Premises Owned	62.5	69.4	63.6	45.2	55.9
Premises not Owned - Authorized Use	33.6	27.4	32.5	45.6	38.0
Premises not Owned - Unauthorized Use	2.0	3.2	2.2	7.3	4.3
Other Types of Tenure	2.0	0.0	1.7	1.9	1.8
Total	100 (n=301)	100 (n=62)	100 (n=363)	100 (n=261)	100 (n=624)
Registration of Business					
Registered with Municipality	61.8	74.2	63.8	55.8	60.6
Not Registered with Municipality	38.2	25.8	36.2	44.2	39.4
Total	100 (n=325)	100 (n=62)	100 (n=387)	100 (n=265)	100 (n=652)
Types of Licenses Held					
Health Department License (Carnet)	16.0	22.6	17.1	13.6	15.6
Municipal License or Operating License	52.9	61.3	54.3	41.5	49.0
Commercial Registration	2.5	1.6	2.3	3.8	2.9
Registered with SUNAT	3.7	1.6	3.4	2.6	3.1
Drivers License	0.6	0.0	0.5	0.4	0.5
SISA	4.9	8.0	5.4	8.3	6.6
Permission (Prior to Municipal License)	2.2	3.2	2.3	3.0	2.6
Others	2.2	4.8	2.6	1.1	2.0
Total	(n=325)	(n=62)	(n=387)	(n=265)	(n=652)
Business Registered to Pay Taxes (RUC)					
Registered	61.2	67.7	62.3	48.7	56.7
Not Registered	38.8	32.3	37.7	51.3	43.3
Total	100 (n=325)	100 (n=62)	100 (n=387)	100 (n=265)	100 (n=652)

Table A.20f Tenure and Registration of Microenterprise - Non-Primary Microenterprise (percentage)

	Client			Non-Client	Total
	New	Old	Total		
Type of Tenure					
Premises Owned	61.9	58.3	61.0	50.6	57.3
Premises not Owned - Authorized Use	30.5	25.0	29.1	36.4	31.7
Premises not Owned - Unauthorized Use	3.8	16.7	7.1	11.7	8.9
Other Types of Tenure	3.8	0.0	2.0	1.3	2.3
Total	100 (n=105)	100 (n=36)	100 (n=141)	100 (n=77)	100 (n=218)
Registration of Business					
Registered with Municipality	32.8	26.0	31.4	30.8	31.2
Not Registered with Municipality	67.2	74.0	68.6	69.2	68.8
Total	100 (n=189)	100 (n=50)	100 (n=239)	100 (n=117)	100 (n=356)
Types of License Held					
Health Department License (Carnet)	5.8	10.0	6.7	1.7	5.0
Municipal License or Operating License	20.6	20.0	20.5	24.8	21.9
Commercial Registration	0.5	0.0	0.4	1.7	0.8
Registered with SUNAT	2.1	0.0	1.7	1.7	1.7
Drivers License	6.3	0.0	5.0	0.0	3.4
SISA	1.6	2.0	2.1	0.9	2.8
Permission (Prior to Municipal License)	1.6	0.0	1.3	0.0	0.8
Others	4.2	2.0	3.8	0.9	2.8
Total	(n=189)	(n=50)	(n=239)	(n=117)	(n=356)
Business Registered to Pay Taxes (RUC)					
Registered	27.5	26.0	27.2	29.1	27.8
Not Registered	72.5	74.0	72.8	70.9	72.2
Total	100 (n=189)	100 (n=50)	100 (n=239)	100 (n=117)	100 (n=356)

Table A.21a Control Over Resources and Income - All Respondents (percentage)

	Client			Non-Client	Total
	New	Old	Total		
Person who Decided to Solicit Last Loan					
Client	46.1	46.9	46.3	0.0	46.3
Client after Consulting Household Members	36.9	26.6	35.3	0.0	35.3
Client and Household Members	11.6	14.1	12.0	0.0	12.0
Household Members After Consulting Client	1.5	1.6	1.5	0.0	1.5
Others	3.9	10.9	5.0	0.0	5.0
Total	100 (n=336)	100 (n=64)	100 (n=400)	0.0 (n=0)	100 (n=400)
Determination of Loan Use					
Client	47.6	51.6	48.3	0.0	48.3
Client after Consulting Household Members	36.0	28.1	34.8	0.0	34.8
Client and Household Members	13.4	17.2	14.0	0.0	14.0
Household Members After Consulting Client	1.5	1.6	1.5	0.0	1.5
Others	1.5	1.6	1.5	0.0	1.5
Total	100 (n=336)	100 (n=64)	100 (n=400)	0.0 (n=0)	100 (n=400)
Determination of Micro-Enterprise Income Use					
Respondent	55.2	58.3	55.8	62.0	58.1
Respondent after Consulting Household Members	30.3	20.4	28.5	23.5	26.6
Respondent and Household Members	14.1	21.3	15.4	14.3	14.9
Household Members After Consulting Respondent	0.0	0.0	0.0	0.3	0.1
Household Members w/out Consulting Respondent	0.2	0.0	0.2	0.0	0.1
Others	0.2	0.0	0.2	0.0	0.1
Total	100 (n=491)	100 (n=108)	100 (n=599)	100 (n=371)	100 (n=970)

Table A.21b Control Over Resources and Income - Males (percentage)

	Client			Non-Client	Total
	New	Old	Total		
Person Who Decided to Solicit Last Loan					
Client	42.3	42.9	42.4	0.0	42.4
Client after Consulting Household Members	42.3	28.6	40.4	0.0	40.4
Client and Household Members	12.3	19.0	13.2	0.0	13.2
Household Members After Consulting Client	1.5	0.0	1.3	0.0	1.3
Others	1.5	9.5	2.6	0.0	2.6
Total	100 (n=130)	100 (n=21)	100 (n=151)	0.0 (n=0)	100 (n=151)
Determination of Loan Use					
Client	42.3	42.9	42.4	0.0	42.2
Client after Consulting Household Members	40.8	28.6	29.1	0.0	39.1
Client and Household Members	15.4	28.6	17.2	0.0	17.2
Household Members After Consulting Client	0.8	0.0	0.7	0.0	0.7
Others	0.8	0.0	0.7	0.0	0.7
Total	100 (n=130)	100 (n=21)	100 (n=151)	0.0 (n=0)	100 (n=151)
Determination of Micro-Enterprise Income Use					
Respondent	48.7	50.0	48.9	60.6	53.4
Respondent after Consulting Household Members	33.2	23.9	31.7	26.3	29.6
Respondent and Household Members	17.6	26.1	19.0	13.1	16.8
Others	0.4	0.0	0.4	0.0	0.2
Total	100 (n=238)	100 (n=46)	100 (n=284)	100 (n=175)	100 (n=459)

Table A.21c Control Over Resources and Income - Females (percentage)

	Client			Non-Client	Total
	New	Old	Total		
Person Who Decided to Solicit Last Loan					
Client	48.5	48.8	48.6	0.0	48.6
Client after Consulting Household Members	33.5	25.6	32.1	0.0	32.1
Client and Household Members	11.2	11.6	11.2	0.0	11.2
Household Members After Consulting Client	1.5	2.3	1.6	0.0	1.6
Others	5.3	11.6	6.4	0.0	6.4
Total	100 (n=206)	100 (n=43)	100 (n=249)	0.0 (n=0)	100 (n=249)
Determination of Loan Use					
Client	51.0	55.8	51.8	0.0	51.8
Client after Consulting Household Members	33.0	27.9	32.1	0.0	32.1
Client and Household Members	12.1	11.6	12.0	0.0	12.0
Household Members After Consulting Client	1.9	2.3	2.0	0.0	2.0
Others	1.9	2.3	2.0	0.0	2.0
Total	100 (n=206)	100 (n=43)	100 (n=249)	0.0 (n=0)	100 (n=249)
Determination of Micro-Enterprise Income Use					
Respondent	61.3	64.5	61.9	63.3	62.4
Respondent after Consulting Household Members	27.7	17.7	25.7	20.9	23.9
Respondent and Household Members	10.7	17.7	12.1	15.3	13.3
Household Members After Consulting Respondent	0.0	0.0	0.0	0.5	0.2
Household Members w/out Consulting Respondent	0.4	0.0	0.3	0.0	0.2
Total	100 (n=253)	100 (n=62)	100 (n=315)	100 (n=196)	100 (n=511)

Table A.22a Self-Esteem and Respect - All Respondents (percentage)

	Client			Non-Client	Total
	New (n=325)	Old (n=62)	Total (n=387)	(n=268)	(n=655)
Individual Feelings Regarding Economic Contribution to Household					
Always Important	96.0	98.4	96.4	93.3	95.1
Sometimes Important	3.4	0.0	2.8	5.6	4.0
Almost Never Important	0.0	1.6	0.3	1.1	0.6
Never Important	0.6	0.0	0.5	0.0	0.3
Total	100	100	100	100	100
Perceived Respect from other Household Members					
Always Valued by other Household Members	86.8	88.7	87.1	79.9	84.1
Sometimes Valued by other Household Members	8.0	11.3	8.5	12.3	10.1
Almost Never Valued by other Household Members	2.5	0.0	2.1	2.2	2.1
Never Valued by other Household Members	1.2	0.0	1.0	3.0	1.8
No other Adults in Household	1.5	0.0	1.3	2.6	1.8
Total	100	100	100	100	100

Table A.22b Self-Esteem and Respect - Males (percentage)

	Client			Non-Client	Total
	New (n=128)	Old (n=16)	Total (n=144)	(n=108)	(n=252)
Individual Feelings Regarding Economic Contribution to Household					
Always Important	97.7	100	97.9	97.2	97.6
Sometimes Important	1.6	0.0	1.4	2.8	2.0
Never Important	0.8	0.0	0.7	0.0	0.4
Total	100	100	100	100	100
Perceived Respect from other Household Members					
Always Valued by other Household Members	93.8	100	94.4	89.8	92.5
Sometimes Valued by other Household Members	5.5	0.0	4.9	6.5	5.6
Almost Never Valued by other Household Members	0.0	0.0	0.0	0.9	0.4
Never Valued by other Household Members	0.8	0.0	0.7	0.0	0.4
No other Adults in Household	0.0	0.0	0.0	2.8	1.2
Total	100	100	100	100	100

Table A.22c Self-Esteem and Respect - Females (percentage)

	Client			Non-Client	Total
	New (n=197)	Old (n=46)	Total (n=243)	(n=160)	(n=403)
Individual Feelings Regarding Economic Contribution to Household					
Always Important	94.9	97.8	95.5	90.6	93.5
Sometimes Important	4.6	0.0	3.7	7.5	5.2
Almost Never Important	0.0	2.2	0.4	1.9	1.0
Never Important	0.5	0.0	0.4	0.0	0.2
Total	100	100	100	100	100
Perceived Respect from other Household Members					
Always Valued by other Household Members	82.2	84.8	82.7	73.1	78.9
Sometimes Valued by other Household Members	9.6	15.2	10.7	16.3	12.9
Almost Never Valued by other Household Members	4.1	0.0	3.3	3.1	3.2
Never Valued by other Household Members	1.5	0.0	1.2	5.0	2.7
No other Adults in Household	2.5	0.0	2.1	2.5	2.2
Total	100	100	100	100	100

Table A.23a Personal Savings - All Households (percentage)

	Client			Non-Client	Total
	New	Old	Total		
Respondent Maintains Some Type of Savings					
Yes	61.6	65.6	62.2	50.8	57.3
No	38.4	34.4	37.8	49.2	42.7
Total	100 (n=336)	100 (n=64)	100 (n=400)	100 (n=301)	100 (n=701)
Type of Savings Kept by Household (multiple response)					
Money Kept in House	58.9	52.4	57.8	63.4	60.0
Formal Savings Account in Bank	21.3	21.4	21.3	24.2	22.4
Informal Savings Account (*ROSCA/Pandero*)	30.9	28.6	30.5	27.5	29.4
Savings Cooperative	1.9	2.4	2.0	1.3	1.7
Checking Account	5.3	7.1	5.6	3.9	5.0
Financial Shares	5.3	2.4	4.8	5.9	5.2
Money Kept in House					
Exclusive Savings	39.3	27.3	37.5	47.4	41.5
Shared Savings	59.8	68.2	61.1	52.6	57.7
No Response	0.8	4.5	1.4	0.0	0.8
Total	100 (n=122)	100 (n=22)	100 (n=144)	100 (n=97)	100 (n=241)
Formal Savings Account in Bank					
Exclusive Savings	36.4	55.6	39.6	59.5	47.8
Shared Savings	61.4	44.4	58.5	40.5	51.1
No Response	2.3	0.0	1.9	0.0	1.1
Total	100 (n=44)	100 (n=9)	100 (n=53)	100 (n=37)	100 (n=90)
Informal Savings Account (*ROSCA/Pandero*)					
Exclusive Savings	40.6	58.3	43.4	31.0	39.0
Shared Savings	57.8	33.3	53.9	69.0	59.3
No Response	1.6	8.3	2.6	0.0	1.7
Total	100 (n=64)	100 (n=12)	100 (n=76)	100 (n=42)	100 (n=118)
Savings Cooperative					
Exclusive Savings	50.0	100.0	60.0	50.0	57.1
Shared Savings	50.0	0.0	40.0	50.0	42.9
Total	100.0 (n=4)	100 (n=1)	100 (n=5)	100 (n=2)	100 (n=7)

Table A.23a Personal Savings - All Households (percentage) (cont'd)

		Client			Non-Client	Total
		New	Old	Total		
Checking Account						
Exclusive Savings		63.6	0.0	50.0	33.3	45.0
Shared Savings		36.4	100.0	50.0	66.7	55.0
	Total	100 (n=11)	100 (n=3)	100 (n=14)	100 (n=6)	100 (n=20)
Financial Shares						
Exclusive Savings		63.6	0.0	58.3	44.4	52.4
Shared Savings		36.4	100.0	41.7	55.6	47.6
	Total	100 (n=11)	100 (n=1)	100 (n=12)	100 (n=9)	100 (n=21)

Table A.23b Personal Savings - All Households, by Client Status and Gender (percentage)

		Client			Non-Client		
		Male	Female	Total	Male	Female	Total
Respondent Maintains Some Type of Savings							
Yes		62.9	61.8	62.3	61.9	43.3	50.8
No		37.1	38.2	37.8	38.1	56.7	49.2
	Total	100 (n=151)	100 (n=249)	100 (n=400)	100 (n=118)	100 (n=180)	100 (n=298)
Savings Kept in Home							
Yes		64.9	53.9	58.1	69.9	57.7	63.4
No		35.1	46.1	41.9	30.1	42.3	36.6
	Total	100 (n=94)	100 (n=154)	100 (n=248)	100 (n=73)	100 (n=78)	100 (n=153)
Formal Savings Account in Bank							
Yes		23.2	20.1	21.3	27.4	20.5	24.2
No		76.8	79.9	78.7	72.6	79.5	75.8
	Total	100 (n=95)	100 (n=154)	100 (n=249)	100 (n=73)	100 (n=78)	100 (n=153)
Informal Savings Account (*ROSCA/Pandero*)							
Yes		17.9	38.3	30.5	21.9	33.3	27.5
No		82.1	61.7	69.5	78.1	66.7	72.5
	Total	100 (n=95)	100 (n=154)	100 (n=249)	100 (n=73)	100 (n=78)	100 (n=153)

Table A.23c Personal Savings - All Households, by Gender Only (percentage)

		Male	Female	Total
Respondent Maintains Some Type of Savings				
Yes		62.3	54.1	57.3
No		37.7	45.9	42.7
	Total	100 (n=269)	100 (n=429)	100 (n=698)
Savings Kept in Home				
Yes		67.1	55.2	60.2
No		32.9	44.8	39.8
	Total	100 (n=167)	100 (n=232)	100 (n=399)
Formal Savings Account in Bank				
Yes		25.0	20.3	22.3
No		75.0	79.7	77.7
	Total	100 (n=168)	100 (n=232)	100 (n=400)
Informal Savings Account (*ROSCA/Pandero*)				
Yes		19.6	36.6	29.5
No		80.4	63.4	70.5
	Total	100 (n=168)	100 (n=232)	100 (n=400)

Table A.24 Dealing with the Future (percentage)

		Client			Non-Client	Total
		New	Old	Total		
All Participants						
Feel that they are in a good position		83.4	77.4	82.4	71.3	77.9
Feel that they may be in a good position		8.3	9.7	8.5	14.2	10.8
Feel that they are not in a good position		8.3	12.9	9.0	14.6	11.3
	Total	100 (n=325)	100 (n=62)	100 (n=387)	100 (n=268)	100 (n=655)
Male Participants						
Feel that they are in a good position		82.8	81.3	82.6	73.1	78.6
Feel that they may be in a good position		9.4	6.3	9.0	13.0	10.7
Feel that they are not in a good position		7.8	12.5	8.3	13.9	10.7
	Total	100 (n=128)	100 (n=16)	100 (n=144)	100 (n=108)	100 (n=252)
Female Participants						
Feel that they are in a good position		83.8	76.1	82.3	70.0	77.4
Feel that they may be in a good position		7.6	10.9	8.2	15.0	10.9
Feel that they are not in a good position		8.6	13.0	9.5	15.0	11.7
	Total	100 (n=197)	100 (n=46)	100 (n=243)	100 (n=160)	100 (n=403)

Table A.25 Distribution of Survey Sample Between ACP Agency Location (percentage)

	Client			Non-Client	Total
	New (n=336)	Old (n=64)	Total (n=400)	(n=300)	(n=700)
Distribution of Survey Sample Between Agency Location					
San Juan de Miraflores	33.6	28.1	32.7	36.3	34.3
Los Olivos	34.2	53.1	37.2	37.0	37.1
Comas	32.1	18.8	30.0	26.7	28.6
Total	100	100	100	100	100

Table A.26a Distribution of Business Locations Between Type of Urbanization and Type of Zone - All Enterprises (percentage)

	Client			Non-Client	Total
	New (n=514)	Old (n=112)	Total (n=626)	(n=382)	(n=1008)
Distribution of Business Between Type of Urbanization					
Modern	20.8	21.4	20.9	24.3	22.2
Popular	58.9	54.3	59.9	58.4	59.3
Marginal	20.2	14.3	19.2	17.3	18.5
Total	100	100	100	100	100
Distribution of Business Between Type of Zone					
Residential	55.8	49.1	54.6	49.2	52.6
Commercial	23.5	37.5	26.0	29.8	27.5
Industrial	0.2	0.0	0.2	0.0	0.1
Market	20.4	13.4	19.2	20.9	19.8
Total	100	100	100	100	100

Table A.26b Distribution of Business Locations Between Type of Urbanization and Type of Zone - All Enterprises, by Sector (percentage)

	Sector		
	Industrial (n=80)	Commercial (n=642)	Service (n=286)
Distribution of Business Between Type of Urbanization			
Modern	15.0	20.6	28.0
Popular	58.8	61.5	54.5
Marginal	26.3	17.9	17.5
Total	100	100	100
Distribution of Business Between Type of Zone			
Residential	73.8	44.5	64.7
Commercial	18.8	29.3	25.9
Industrial	1.3	0.0	0.0
Market	6.3	26.2	9.4
Total	100	100	100

Table A.26c Distribution of Business Locations Between Type of Urbanization - Primary Enterprise, by Client Status and Gender (percentage)

	Client			Non-Client		
	Male (n=144)	Female (n=243)	Total (n=387)	Male (n=107)	Female (n=157)	Total (n=264)
Type of Urban Zone						
Modern	24.3	20.2	21.7	28.0	22.3	24.6
Popular	61.1	59.3	59.9	59.8	58.6	59.1
Marginal	14.6	20.6	18.3	12.1	19.1	16.3
Total	100	100	100	100	100	100

Table A.26d Distribution of Business Locations Between Type of Urbanization - Primary Enterprise, by Gender Only (percentage)

	Male (n=251)	Female (n=400)	Total (n=651)
Type of Urban Zone			
Modern	25.9	21.0	22.9
Popular	60.6	59.0	59.6
Marginal	13.5	20.0	17.5
Total	100	100	100

Table A.27 Demographics of Sample Population - Primary Respondent

	Client			Non-Client	Total
	New (n = 336)	Old (n = 64)	Total (n = 400)	(n = 300)	(n = 700)
Age (percentage)					
Up to age 20	0.3	0	0.3	1.7	0.9
Between 21-30	13.4	9.4	12.7	20.1	15.9
Between 31-40	34.5	32.8	34.3	32.6	33.5
Between 41-50	34.5	31.2	34.0	24.1	29.8
Between 51-60	14.3	18.8	15.0	15.5	15.2
Between 61-70	2.7	6.2	3.2	4.7	4.2
Over the Age of 71	0.3	1.6	0.5	1.3	0.6
Total	100	100	100	100	100
Average Age	41.6	44.6	42.1	40.7	41.5
Gender (percentage)					
Male	38.7	32.8	37.8	39.6	38.5
Female	61.3	67.2	62.3	60.4	61.5
Total	100	100	100	100	100
Civil Status (percentage)					
Living with Partner	19.6	12.5	18.5	23.5	20.6
Married	62.2	75.0	64.3	48.3	57.4
Widowed	4.5	3.1	4.3	6.0	5.0
Divorced or Separated	8.0	7.8	8.0	12.1	9.7
Single	5.7	1.6	5.0	10.0	7.2
Total	100	100	100	100	100
Education Level (percentage)					
None (0)	1.5	3.1	1.8	2.0	1.9
Pre-School (1)	0.0	0.0	0.0	0.3	0.1
Elementary (2)	26.2	34.4	27.5	33.9	30.2
Common Secondary (3)	46.1	48.8	46.5	41.3	44.3
Technical Secondary (4)	2.7	3.1	2.8	2.3	2.6
Post-Secondary Non-University (5)	12.5	7.8	11.8	11.1	11.5
Post-Secondary University (6)	11.0	3.1	9.8	9.1	9.5
Total	100	100	100	100	100

Table A.28 Household Dependency Ratio for Economically Active Participants Age 14 and Over

	Client			Non-Client	Total
	New (n = 335)	Old (n = 64)	Total (n = 399)	(n = 300)	(n = 700)
Household Dependency Ratio (percentage)					
1.00-1.50	45.2	64.1	48.2	46.1	47.3
1.51-2.00	30.7	18.8	28.8	24.2	26.8
2.01-2.50	13.6	7.8	12.6	12.8	12.7
2.51-3.00	7.2	6.3	7.1	9.1	7.9
3.01-3.50	1.5	0.0	1.4	2.1	1.7
More Than 3.51	1.8	3.0	2.0	5.7	3.6
Total	100	100	100	100	100
Average Dependency Ratio	1.83	1.67	1.80	1.95	1.87

Table A.29 Distribution of Households by Poverty Level - All, Male-Present, and Male-Absent Households (percentage)

	Client			Non-Client	Total
	New	Old	Total		
All Households					
Non-Poor	71.1	76.6	72.0	59.0	66.4
Poor	28.9	23.4	28.0	41.0	33.6
Total	100 (n=336)	100 (n=64)	100 (n=400)	100 (n=301)	100 (n=701)
Male-Present Households					
Non-Poor	71.1	75.4	71.8	59.4	66.8
Poor	28.9	24.6	28.2	40.6	33.2
Total	100 (n=294)	100 (n=57)	100 (n=351)	100 (n=239)	100 (n=590)
Male-Absent Households					
Non-Poor	71.4	85.7	73.5	55.9	63.9
Poor	28.6	14.3	26.5	44.1	36.1
Total	100 (n=42)	100 (n=7)	100 (n=49)	100 (n=59)	100 (n=108)
Degree of Poverty - All Households Below Poverty Line					
Non-Extreme	89.7	100.0	91.1	90.2	90.6
Extreme	10.3	0.0	8.9	9.8	9.4
Total	100 (n=97)	100 (n=15)	100 (n=112)	100 (n=123)	100 (n=235)
Degree of Poverty - Male-Present Households Below Poverty Line					
Non-Extreme	89.4	92.9	89.9	89.7	89.8
Extreme	10.6	7.1	10.1	10.3	10.2
Total	100 (n=85)	100 (n=14)	100 (n=99)	100 (n=97)	100 (n=196)
Degree of Poverty - Male-Absent Households Below Poverty Line					
Non-Extreme	91.7	100	92.3	84.6	87.2
Extreme	8.3	0.0	7.7	15.4	12.8
Total	100 (n=12)	100 (n=1)	100 (n=13)	100 (n=26)	100 (n=39)