Impact of Malaria Education on the Health of Microfinance Clients

Researchers:

Bobbi Gray

Dean Karlan

Bram Thuysbaert

Sector(s): Finance, Genre, Santé

Fieldwork: Innovations for Poverty Action (IPA)

Location: Benin

Sample: 3,000-5,000 microfinance clients in semi-rural Benin

Target group: Women and girls

Outcome of interest: Communicable diseases HIV/AIDS Malaria Sexual and reproductive health Women's/girls' decision-making Gender attitudes and norms Social cohesion

Intervention type: Credit Preventive health Training

AEA RCT registration number: AEARCTR-0000726

Research Papers: Credit with Health Education in Benin: A Cluster Randomized Trial Examining Imp...

Partner organization(s): PADME Microfinance, Freedom From Hunger, Gates Foundation

Policy issue

Just as illness can keep a person from working or going to school, it can also cause microfinance recipients to fall back or default on loan payments. In some cases loan defaults are linked to illness, which consumes available cash and makes the victim unable to work. Community organizations and policy makers have therefore proposed including health education alongside microfinance services. As a complement to microfinance services, health education could potentially increase repayment rates for the microfinance institution (MFI), while also improving the lives of clients. Health education increases costs for MFIs, who must direct resources towards training loan officers as educators, and increase the time that loan officers spend at each village banking meeting where training is given. There is potential for benefit on measures of both health and microfinance outcomes, but if the additional trainings are ineffective, they could be drawing away an MFI's resources away from its core activities.

Context of the evaluation

Located in West Africa, Benin's economy is based primarily on agriculture and regional trade. The rural population in Benin suffers from very poor health. Although insecticide treated bed nets – a proven defense against malaria contraction - are provided free of of charge, 22 percent of deaths in children under 5 are nonetheless attributed to malaria.[1]

PADME (Association pour la Promotion et l'Appui au Developpment de Microenterprises) is a private MFI based in Cotonou, Benin. There are a number of MFIs in Benin, and PADME represents a significant share of the market, serving approximately 49,700 borrowers out of an estimated 85,300 in the entire country.



A man and woman assemble a bed net to provide malaria protection.

Details of the intervention

In 2006, Freedom from Hunger launched the Microfinance and Health Protection (MAHP) initiative in rural Benin to help local MFI partners create and sustain key health services that complement their credit offering. This evaluation seeks to test the impact of providing credit with education on health and microfinance indicators, as well as the impact of combining education with the provision of health care products, and the specific aspects of the solidarity lending design.

Researchers are working with PADME to introduce the health education intervention to half of the villages they serve. PADME typically markets their services by reaching out both to community leaders and individuals who may be interested in taking out loans, which vary in size with an average amount of US$758. In the villages randomly assigned to receive the intervention, clients will be offered access to credit as well as health education. In the comparison villages, potential clients will only be offered access to credit. The health education will consist of three modules: malaria education, integrated management of childhood diseases, and HIV/AIDS planning. An additional component of the study seeks to better understand the role of gender in microfinance. In addition to the random assignment of health education services, researchers will also designate villages according to the gender composition of new borrowing groups. In a random subset of villages, microfinance groups will be mixed-gender, while others will be female only.

Results and policy lessons

Results forthcoming.

[1] World Health Organization (WHO). Benin: Health Profile. Last update: 4 April 2011. [2] Microfinance Information Exchange (MIX) Market. PADME. http://www.mixmarket.org/mfi/padme [3] Microfinance Information Exchange (MIX) Market. Country Profile: Benin. http://www.mixmarket.org/mfi/country/Benin