

Impact of Malaria Education on the Health of Microfinance Clients in Benin



In countries like Benin, where the rural population suffers from poor health, health education is often viewed as a needed compliment to microcredit, as illness can prevent borrowers from repaying their loans. In this study, researchers partner with non-profit Freedom from Hunger and a microfinance institution in Benin to evaluate the impact on health and social outcomes of integrating health education into female only or mixed-gender group microcredit meetings.

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.

Evaluation Context

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 WHO estimates suggest that 20% of children in Benin under the age of 5 sleep under insecticide treated bed nets - a proven defense against malaria contraction - 27% of deaths in children under 5 are nonetheless attributed to malaria. There are a number of MFIs in Benin, and PADME represents a significant share of the market, serving approximately 44,000 borrowers out of an estimated 140,000 in the entire country.^[1]

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



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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.

In Benin, researchers will work 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 nearly \$1000 US.[2] 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.

Sources

[1] <http://www.mixmarket.org/mfi/country/Benin>

[2] <http://www.accion.org/Page.aspx?pid=659>

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