

MICROCREDIT and GLOBAL HEALTH



Overview of remarks

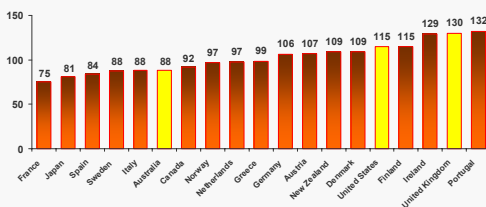
- Global context
- Microfinance and Microcredit
- 3 Case studies; Integrating microcredit with health
- Summary & UNC opportunities

What are we achieving?

Mortality amenable to health care

Mortality from causes considered amenable to health care is deaths before age 75
International Variation, 1998

Deaths per 100,000 population*



* Countries: age-standardized death rates, ages 0-74, includes ischemic heart disease.
DATA: International: WHO mortality database from Nolte and McKee 2003; U.S. 2002 state estimates: K. Hempstead, Rutgers University using Noller McKee methodology. Methods in technical appendix to Scorecard Charterpack.
SOURCE: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2006



Global Context; Fact

Biggest threat to global health is poverty

- > 2.0 billion live on \$ 2 a day
- > 1.0 billion live on \$ 1 a day

(World Bank website)

Global context; Fact

Worldwide Hunger

- 1.2 billion – do not reliably have enough to eat
- Hunger - greater risk to global health than AIDS, malaria, and tuberculosis combined.
- 16,000 children die daily of causes related to hunger

Global context; A global divide

“ The bottom billion – who live on less than a dollar a day – coexist with the 21st century, but their reality is the 14th century: civil war, plague, ignorance.

We will need to go beyond aid if we are really to make a difference. “

*The Bottom Billion:
Why the Poorest Countries Are Failing and What Can Be Done About It*
Paul Collier, Oxford University



So.....
What
can be
done?

Microfinance and microcredit

- What is microcredit? Microfinance?
- Issues & controversies
- Evidence of impact
- Opportunity to improve global health



Unique Characteristics of Microfinance Clients... and ways of responding to make financing available

■ Problems

- Small loans/savings and high transaction costs
- Lack of credit history and collateral
- Physical distance from financial institutions
- Represent too much risk for conventional bank
- Vulnerable to use of community "money lenders"

■ Solutions

- Small "test loans" that increase gradually
 - Transfer underwriting to clients = joint liability loans
 - Focus on women as clients (lower risk)
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The Microfinance "Industry"

- Provision of financial services to poor people
 - 3,000+ institutions serving 113,000,000 people
 - Microcredit;
 - 80% women
 - Self-Sustaining; loan interest supports operations
 - Loans \$20 to \$300
 - 98-99% repayment; a "renewable resource"
-

Current Issues in Microfinance

- How do MFIs balance the social and financial bottom line?
 - social mission /NGOs and for profit businesses
 - What is the impact on the poor?
 - Bangladesh; 40 percent of the entire reduction of rural poverty over 14 years was directly attributable to 3 microfinance institutions
 - Controversy; Are we reaching the poorest?
 - About 75% are "very poor" defined as either;
 - bottom half of those below their country's poverty line OR
 - below US\$1 a day
-

(Khandker, World bank 2005)

PERU: Sebastiana



Life situation;
widow
10 children
lives in Altiplanos
illiterate

First loan: \$64
Business: Pigs

Beyond MicroCredit ; Adding education



Freedom From Hunger

- Poverty & hunger focus for 60 years
- 3.5 million women/family members
- \$400 million lent, 98% repaid



Benin	India
Bolivia	Mali
Burkina	Mexico
Ecuador	Peru
Ghana	Philippines
Guatemala	Senegal
Haiti	Madagascar
Honduras	Togo

Early innovation; Micocredit with Education

(Freedom From Hunger in 1990s)

- **Every microcredit client receives education**
 - Health prevention and management; generic and disease-specific
 - Business Practices
 - Household management; ex. Family budgeting
 - Self-esteem and empowerment; increased role in family decision-making
- **Impact Evaluation of health education (data from 2 RCTs)**
 - Education in child-feeding practices
 - More likely to breastfeed & delay intro. of other foods
 - Better rehydration of children w/ diarrhea
 - significant increase in height-for-age and weight-for-age for children of participants
(McNelly and Dunford, 1998-99, Bolivia)
 - AIDS education in Uganda
 - 32 percent of clients had tried at least one HIV/AIDS prevention practice, compared to 18 percent of control group
(Barnes, Galle and Kimbombo, 2001)

The group relationship-interaction



- Groups self-select (10-12)
- Meet weekly to monthly
- Group Process
 - solidarity greeting
 - ½ hr. education
 - Dialogue based
 - Pictures/games
 - Learning aides
 - Banking transaction
 - Indiv pay loans
 - Discussion w/ agent

Evidence base; measurable improvements



- household income
- food security
- child well-being
 - Health status
 - School attendance
- knowledge
- self-empowerment
- social solidarity
- status in community

Microcredit is not enough.....

Illness was the most commonly cited reason for “a downward slide into poverty... ahead of losing a job, which took second place.”

Dying for Change, World bank (2002)

*Health crises and poverty
are unending cycle*

Global context; Facts

Health Spending among the world's poor

- Thailand; in 1/3 of households where a death from HIV/AIDS occurred; household income dropped 48%

- In Benin and Burkina Faso, microfinance clients spent an average of 1/3 of their annual income to combat malaria alone

(FFH market study, W. Africa, 2006)

Innovation; accelerating public health through microcredit w/ health interventions

- > 3000 MFIs ; distribution platform for health improvement
- MFIs reaching poor worldwide ; over 100 million clients
- MFIs willing to take on complicated services; self-interested
 - Better retention of current clients
 - Reduces risk of non-payment and may mean bigger loan size
 - Improves recruitment of new clients
- Case studies
 - Freedom from Hunger
 - Microcredit and Health Protection (MAHP)
 - Mamasante model in Ghana with Ministry of Health
 - Pro Mujer

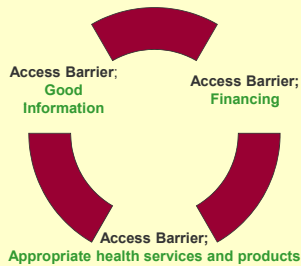
What is MAHP?

Microfinance and Health Protection Initiative

- \$6 million Gates Foundation grant to Freedom from Hunger
- 4 years: Jan 2006 through Dec 2009
- Scope;
 - India, Philippines, Benin, Burkina Faso, Bolivia
 - 5000 clients per country (25,000 impacted)
 - Competitive bid partners of FFH



MAHP; Improving predictable access to health-related services and products



4 ways; health w/ microcredit

Microfinance for health	<ol style="list-style-type: none">1. Loans; individual and collective2. Savings3. Micro-health insurance
Health Education and Promotion	<ol style="list-style-type: none">1. Major health risk-specific to locale malaria, diarrhea, respiratory, AIDS2. Integrated management child illness3. Water sanitation and hygiene4. Reproductive health5. Nutrition6. Consumer of health products/services7. Community/regional health fairs

Integrating health w/ microcredit

<p>Access to Health services</p>	<p>1.Linkages to public & private providers incl; Preferred provider networks negotiation for discounted fees influence quality of care</p> <p>2. Facilitating Health referrals</p>
<p>Access to Health Products</p>	<p>Community based sales of safe, "real" products including;</p> <ul style="list-style-type: none"> IT bed nets pharmaceuticals oral rehydration condoms water treatments

FREEDOM from Hunger



**MAHP Program ;
West Bengal, India**

India

- Partner; BANDHAN; MFI w/ 400,000 clients
- Market research based Intervention package;
 - Health Education
 - Health Micro Loans
 - Health Product distribution by trained women
 - Linkages with health care providers
- RCT for Impact Evaluation @ village level

Health Micro Loan

- Loans \$25-\$125 paid over 1 year term (10 % interest)
- Early data; Loans portfolio of approx \$ 6000
 - Acute and chronic care (80%)
 - surgery (20%),
 - accidents (10%)
- 100% repayment

Health education and product distribution

- Health Community Organizers
 - Trained volunteers
 - One-hour education monthly for entire village (incl non-clients)
 - First 2 courses based on market research;
 - diarrhea and sanitation
 - better self-care and use of health services
- Health product distributors
 - Trained women microentrepreneurs
 - Household visits to reinforce health messages, sell products
 - 250-300 households assigned
 - Supervision by HCO bi-weekly and random house visits to audit
- Program designed/supervised by physician

Philippines



- Health education (dengue, health consumer)
- Urban
 - Health loans for PhilHealth Government Insurance
- Rural;
 - Preferred provider network (discounts)
 - Community drug dispensaries

Key Research Questions

Do the MAHP interventions contribute to:

1. Institutional performance of the MFI? (Gates)
2. Improve the well-being of the household?
 - Food security
 - Household income
 - Productivity (work capacity)
 - Health of household
3. Client satisfaction
4. Impact on quality of health care services

Ghana; Microentrepreneurs in health

- FFH has worked in Ghana since 1980s
- Focus of Credit w/ Education Program; malaria
 - Scale of problem; West Africa; child dies every 30 seconds of malaria
 - Credit with Education program not producing enough results
- Two year Impact Evaluation of Credit & education
 - Measurable impact on proper use of bednets
 - Many women willing to buy/use nets; no availability of affordable nets

Microentrepreneurs in Health Project

Scaling up; Microentrepreneurs in Health

Collaboration; FFH w/ Ministry of Health

- Women in rural areas trained on health issues and products
 - how to properly use an insecticide-treated net;
 - how to use water treatments to make safe for drinking;
 - how to use contraceptives;
 - how to recognize a child is dehydrated and use Oral Rehydration Solution.
- Mamasantes facilitate referrals to nearest clinic w/ apt cards
- MBH Program; national phased approach to reach 80 percent of the rural communities within ten years.

Pro Mujer; Latin America

Integrated microcredit w/ direct health provision

- **Five countries;**
Bolivia, Peru, Mexico
Guatemala and Argentina

Integrated health services

- **Bolivia ;“focal centers”**
 - 80,000 clients pay 50 cents monthly for primary care from Nurse w/ dr oversight
- **Argentina**
 - Each client pays 3\$ monthly for care by a contracted private health care network
 - Mobile services in remote; Pap smears by motorcyclist of > 9000, 600 lesion for f/u



Making the case; integrating microcredit with health



Innovation for accelerating public health solutions;

■ **Global health challenges**

- Poverty
- Lack of knowledge/ information
- Lack of access to *effective* health services and products

■ **Evidence = integrated strategy can address all 3**

■ **Intuitive and broad appeal ; a “buzz”**

- Meets critical criteria of scalability and self-sufficiency
- Integration of services is what clients want and need
- Emerging as a national and international policy priority
- MFI industry interested and motivated
- Funders interested; government, foundations, industry

What can be done to accelerate this “solution”?

- Supporting the “on the ground” needs of organizations;
 - Education and training methods
 - Financial and business acumen for the MFIs
 - Expertise about public health and health care
- Developing an accessible evidence base
- Designing and testing replicable models
- Dissemination / Policy influencing
 - Convene Global Summit on Microcredit w/ Health Strategy
- Ongoing Research and evaluation; need for academic partners

“As we transform our thinking about public health we can transform lives. In so doing, we can transform the future”

Barbara Rimer, DrPh

