

Microfinance institutions are found effective in giving health products to underserved communities

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Arnhold Institute researchers partnered with Fonkoze (the largest microfinance organization in Haiti) and tested whether training microfinance center chiefs to deliver micronutrient supplements during credit center meetings could improve the health of children under five. Credit: Fonkoze

Microfinance institutions are popularly known for providing small loans to low-income entrepreneurs lacking access to traditional banking services. However, new research from The Arnhold Institute for Global Health at the Icahn School of Medicine at Mount Sinai, published today in the November issue of *Health Affairs*, suggests that the capabilities of microfinance networks expand well beyond banking, and that tapping into these networks can bring measurable health improvements to rural and underserved communities on a national scale with reduced cost.

Arnhold Institute researchers partnered with Fonkoze (the largest microfinance organization in Haiti) and tested whether training microfinance center chiefs to deliver micronutrient supplements during credit center meetings could improve the health of children under five. At the meetings, center chiefs distributed the nutritional supplements to Fonkoze borrowers (mothers who had children at home under the age of five), while also showing them how to mix and administer the supplements. The research team compared changes in blood test results and rates of anemia among 250 children who lived in villages where the intervention was delivered over three months, to a control group of 250 children in other villages who did not receive the supplements. The control children were, however, given the micronutrient powders after the three-month study period. The team found that the microfinance institution delivery worked, and that its health impact on the children was equal to a prior trial in Haiti where the same intervention was delivered through a non-profit health and nutrition program. The microfinance-health initiative is now being scaled nationally in Haiti through a social business model.

"Given the strength of informal institutions and markets in low-income countries like Haiti, we wanted to see if leveraging them could be effective in distributing essential health products," said Aaron Baum, PhD, Lead Economist at The Arnhold Institute for Global Health and lead author of the study. "This is the first randomized trial that provides

evidence of the beneficial health impacts from integrating microfinance and [health care services](#). If we can increase coverage of existing health interventions such as vaccines, micronutrient supplements, and water purification tablets, two-thirds of child deaths could be prevented. We believe that MFI-based delivery of health services offers a promising approach to reach scale."

Using MFI distribution networks as a part of scaling essential health interventions also has important policy implications. Globally, microfinance institutions reach 200 million households, with the number rising by about 20 million per year. Having MFI deliver basic health products may be a promising way to reach poor rural communities on a national scale. Moreover, using already-existing supply chains could reduce the total cost of mass delivery of micronutrient powders in low-income countries by 25 percent.

"We know there is a reciprocal relationship between poor health and poverty - that illness increases the likelihood of business failure and poverty, and poverty increases the risk of illness," said Carine Roenen, MD, MPH, Executive Director, Fonkoze. "Careful integration of health services into anti-poverty initiatives in a sustainable manner provides real health benefits and improves the bottom line."

"The findings indicate that networks organized by microfinance institutions offer an accessible bridge between health systems and the communities they serve," said Prabhjot Singh, MD, PhD, Director, The Arnhold Institute for Global Health, and Chair, Department of Health System Design and Global Health, Icahn School of Medicine at Mount Sinai. "As a result, we recommend that policy makers looking to rapidly scale up community [health](#) programs consider incorporating [microfinance](#) institutions into their deployment strategy."

Provided by The Mount Sinai Hospital

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