

October 2019

More than credit: Are microcredit programs associated with women's maternal and reproductive health?¹

Microcredit programs have been adopted as a key strategy for improving women's economic participation across multiple low- and middle-income countries. These programs provide micro-loans to low-income individuals, to address household financial needs or enable entrepreneurship, facilitating the achievement of financial security. The resultant income, as well as social support from microcredit program co-members, may lead to increased utilization of health services. Existing research, however, is inconclusive; studies from different geographies and contexts have found mixed results in terms of health impacts of microcredit programs.

India presents an interesting and important setting in which to examine the relationship between microcredit programs and women's health. Microcredit programs have existed in the country since the early 1980s, and do not follow a single model. The majority of the programs today, however, follow the self-help group (SHG) model, where a group of women save together and can take loans from the collective savings. An alternative model being implemented in many African and South Asian countries integrates SHGs with different health promotion activities.

OBJECTIVE: This brief summarizes research examining women's participation in, and awareness/geographical nearness to, a microcredit program in India. It assesses whether these two factors are associated with reproductive and maternal health (RMH) service utilization. We hypothesize that:

- Women who have ever participated in a microcredit program in her community/village by means of taking loans are more likely to have used maternal and reproductive health services during their most recent episode of childbirth, as compared to those who have never participated in any such programs
- Women who are aware of any microcredit program in her community/village, or live near a microcredit program, are more likely of using maternal and reproductive health services, as compared to those who are not aware

METHODS: Using data from the National Family Health Survey (NFHS-4), a nationally representative household survey in India, collected from women aged 15-49 years in 2015-16, we assessed what percent of women had ever taken any loan from a microcredit program, and what percent of women were aware of a microcredit program but had not participated therein. We then looked at the relationship between microcredit program participation and awareness and utilization of the following RMH services:

- Antenatal care (ANC; receipt of 4 or more visits of ANC for the most recent birth)
- Institutional delivery (most recent birth at any government health facility, privately owned hospital/clinic or an NGO hospital/clinic)
- Postnatal care (check on mother's health within 48 h of the most recent birth)
- Post-partum contraceptive use (use of any modern contraceptive method within 12 months of the most recent birth)

DATA ANALYSES: We used adjusted binomial and multinomial logistic regression models to examine microcredit program associations with the indicators of RMH service utilization. We also used five limited-sample regression models (stratified across household wealth quintiles) to explore differential impact of microcredit programs by wealth status. Finally, to account for potential self-selection bias, we used propensity score matching (PSM) to balance the three microcredit program awareness and participation groups.

¹This brief summarizes findings from the following research paper: Dehingia, N., Singh, A., Raj, A., & McDougal, L. (2019). More than credit: Exploring associations between microcredit programs and maternal and reproductive health service utilization in India. *SSM-Population Health*, doi.org/10.1016/j.ssmph.2019.100467.

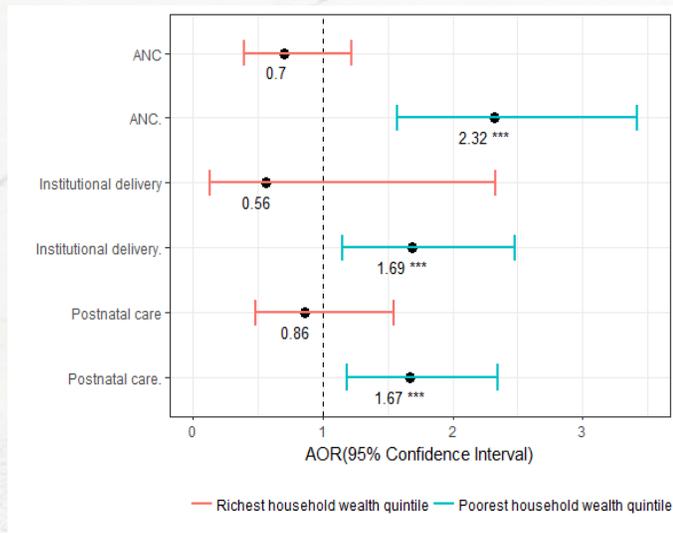
KEY FINDINGS: Nearly one in three (31.8%) women in the sample were aware of the presence of any microcredit program in their community; only 6.4% reported ever having taken a loan from the programs.

Adjusted for sociodemographic covariates, both women who are aware of microcredit programs, and women who have taken loans from microcredit programs are:

- more likely to report 4+ ANC visits at last birth
- more likely to report a postnatal visit after birth
- more likely to report modern spacing contraceptive use

Findings from models stratified by wealth quintile show that microcredit program awareness as well as participation are significantly associated with all indicators of maternal health care utilization only for the lowest wealth quintile (Figure 1).

Figure 1: Adjusted odds ratios (AOR) for logistic regression models examining associations between microcredit program participation and three health indicators- stratified by wealth quintile



***p-value<0.001; The models are adjusted for socio-demographic characteristics

Even after accounting for self-selection bias, the relationship between microcredit program awareness/participation, and RMH service utilization is significant, suggesting a plausible causal relationship.

CONCLUSIONS AND IMPLICATIONS: This study demonstrates a positive association between microcredit programs and health service utilization during and following pregnancy in India, supporting economic approaches to development and women's health.

The health effects of microcredit programs are not limited to the participants alone; non-participants in the community who are aware of the programs also have higher odds of accessing these services.

➤ *Microcredit programs, especially those that follow a model which allows transfer of information to non-participants, or creation of social networks, can contribute to improving RMH service utilization.*

We also find that microcredit programs participants are more likely to use modern spacing contraception. Women participating in microcredit programs, and consequently, in economically productive activities, may desire greater flexibility over their own reproductive health, which is provided by spacing methods. However, female sterilization continues to dominate contraceptive use in India.

➤ *Our findings are particularly important in the context of interventions that use microcredit programs or SHGs as a platform to improve contraceptive awareness.*

Our findings suggest that it is the wealthier women who are more likely to be aware of and participate in microcredit programs. However, health effects are consistently significant only for the poorest group of women, who have the greatest gaps in health service utilization coverage.

➤ *There is a need for strengthened efforts to expand the coverage of microcredit programs among economically marginalized population.*

Suggested Citation: Dehingia, N., Singh, A., Raj, A., & McDougal, L. 2019. More than credit: Are microcredit programs associated with women's maternal and reproductive health? Research Brief No. 4. Mumbai & San Diego: GENDER Project, International Institute for Population Sciences and Center for Gender Equity and Health University of California



The Gender (Gender Equity and Demographic Research) Project is a collaboration of the University of California San Diego's Center on Gender Equity and Health and India's International Institute on Population Sciences

For more information, please visit geh.ucsd.edu
 This work was funded by the Bill and Melinda Gates Foundation (BMGF Grant OPP1179208).

