



MICROFINANCE IN HEALTH: A REVIEW

Dr. Swati Parsai*

*Corresponding Author

Dr. Nidhi Pruthi
Shukla

Dr. Devina Pradhan

Dr. Jaspreet Tuteja

Dr. Jyothi C

Dr. Surbhit singh

Dr. Divya Kashyap

ABSTRACT Access to health services and health protection is a key component of fight against poverty as good health is a major driver of economic development and a necessity for the poorest nation. For many developing countries the goal of providing affordable health care to all has been an arduous task. Very limited public expenditure was dedicated to public health particularly in rural areas. Healthcare accessible only to those who could afford it, excluding the poor from health care utilization. The challenges government faces in financing health care lies in their ability to create accessible and affordable health care system that have scale, permanence and are supported by sustainable financing mechanism.

Microfinance is an economic development that involves providing financial services, through institutions, to low-income clients, where the market fails to provide appropriate services. Microfinance institution is an organization, engaged in extending micro credit loans and other financial services to poor borrowers for income generating and self-employment activities. It is usually not a part of the formal banking industry or government. The microfinance model by virtue of its demonstrated ability to reach the poor is an innovative tool that can be used to improve the delivery of health care to the poor. It provides the poor and the financially vulnerable options and the wherewithal to cope with financial shocks associated with sudden illnesses by providing health saving plans emergency health loans to access to health products within the community.

KEYWORDS : Microfinance , Health , Microfinance institutions.

INTRODUCTION

According to recent World Health Organization⁹ estimates, every year 25 million households are forced into poverty by illness and the struggle to pay for healthcare. This coupled with the lack of basic health infrastructure in rural and remote areas aggravate the health conditions of the poor, leaving them in a perpetual state of poverty. Access to health services and health protection is a key component of the fight against poverty as good health is a major driver of economic development and a necessity for the poorest nations¹ climb out of poverty.¹

An efficient healthcare system is critical in breaking the vicious cycle of poverty and poor health. For many developing countries, the goal of providing affordable healthcare to all has been an arduous task. In an attempt to improve access to affordable healthcare, a number of countries adopted several models of healthcare financing, most of which have been wholly unsuccessful at reaching the poor. These healthcare financing models range from a “free health care for all” model to a fee collection at the point of service popularly referred to as cash-and-carry model. Funding for the “free health care for all” was unsustainable because governments were unable to generate sufficient tax revenues.²

Consequently, very limited public expenditure was dedicated to public health, particularly in the rural areas. Likewise, the “cash-and-carry” healthcare model made healthcare accessible only to those who could afford it, excluding the poor from health care utilization. Providing healthcare to the poor is a Herculean task; one that consumes a large portion of a government's scarce resources, and one that businesses perceive to be commercially unviable. The challenge governments face in financing healthcare lies in their ability to create accessible and affordable healthcare systems that have scale (reach), permanence (multi-generational), and are supported by sustainable financing mechanisms.²

Thus, the issue of poverty and human development cannot be tackled without a critical look at innovative strategies that create an efficient, affordable, and accessible health care system. The microfinance model, by virtue of its demonstrated ability to reach the poor, is an

innovative tool that can be used to improve the delivery of healthcare to the poor, particularly those in remote rural areas.³

Microfinance is an economic development approach that involves providing financial services, through institutions, to low income clients, where the market fails to provide appropriate services. The services provided by the microfinance institutions include credit saving and insurance services. Many microfinance institutions also provide social intermediation services such as training and education, organizational support, health and skills in line with their development objectives. A microfinance institution is an organization, engaged in extending microcredit loans and other financial services to poor borrowers for income generating and self-employment activities. An MFI is usually not a part of the formal banking industry or government. It is usually referred to as NGO (non-government organization).⁴

MICROFINANCE INSTITUTIONS AND HEALTH -More than 3500 microfinance institutions around the world provide credit and other financial services to more than 155 million households in support of income generation and consumption. Every day, thousands of microfinance workers travel to poor communities to provide microfinance services, often to groups of women convening on a regular basis over months and years to repay loans and deposit savings. Many microfinance institutions in offer services beyond microfinance, including training in business and financial management. An increasing number also offer health-related services, such as education, clinical care, health financing (loans, savings and health insurance) and establishing linkages to public and private health providers to facilitate access to health care.⁵

Microfinance institutions offer a unique opportunity, admittedly with challenges, to employ this global infrastructure for delivery of health-related services to those most in need. The world's poorest people bear a hugely disproportionate share of disease and ill-health. Why would microfinance institutions expand their services to include health? There are two basic reasons: health services are a natural extension of their mission of financial security and social protection of the client, and healthier clients better serve the microfinance institutions' goals of growth and long-term viability. Clients are not the only beneficiary;

when a family member is ill, this affects productivity. Thus access to health-related programmes and services generally includes the household, not just the client.⁶

Some of the intervention strategies of Microfinance institutions in health, other than financing include:

Health Education: Health education and awareness building, by integrating the activities of governmental, non-governmental and professional agencies.

Environmental Modifications: A comprehensive strategy on environmental modifications like provision of safe water, installation of sanitary latrines, control of mosquitoes etc.

Nutritional Intervention: The nutritional status of the population especially that of children and women can only be improved through an intergraded approach to poverty alleviation.

Specific diseases prevention: In order to provide specific protection in case of diseases which are prevalent in the area, the disease prevention activities like immunization, use of specific nutrients coverage etc. are being undertaken.⁶

CLIENT NEEDS⁷



Leatherman S. Dunford C. Metcalfe M, Reinsch M, Gash M, Gray B. Integrating microfinance and health benefits challenges and reflections for moving forward

SOME MICROFINANCING INSTITUTIONS AND THEIR WORK

Bandhan -The Bandhan Health program is comprised of health education (forums facilitated by Bandhan's Health Community Organizer), health product distribution (via health kits provided to the health volunteers) and providing linkages/referrals to public health centres for women children and adolescents.

Their goal is to create health awareness among mothers and adolescent girls, to ensure easy accessibility to health services available at the government and non-government level in a sustainable level. In addition, works to reduce health expenditure of poor families, as well as to develop health entrepreneurs/volunteers.

Ujjivan- Ujjivan runs Health Camps and Medical Intervention programs for its Customers and their families in collaboration with Parinaam Foundation to help them have access to quality healthcare facilities at affordable rates.

At the Multi- Specialty health camps, patients are screened for different ailments and those with minor problems would be treated or prescribed medicines at the camp site, whereas patients requiring further treatments and surgeries would be referred to the network hospitals where the patient would get the treatment at discounted rates. Till date, we have conducted around 167 health camps in which 54,620 beneficiaries were screened for Eye, Dental, ENT, Orthopaedic and Gynae problems.

Gram utthan -Gram-Utthan which means 'Raising of Village' is a non-profit, secular organization working for the Poorest of the Poor in districts of Odisha state, India.

Gram-Utthan as a formal organization works with marginalized and underprivileged section of rural population with a special emphasis to women, children, vulnerable and unskilled youth, socio-economically backward groups such as tribal, farmers, people coming under below poverty line category and other poor groups to better their own lives through sustainable livelihood development, accessing safe drinking water and sanitation, skills for life etc. Motivates primary stakeholders to work together to fight poverty, exploitation and discrimination so they can one day become free and equal members of society.

CONCLUSION-

Integrating healthcare financing into a well-established microfinance organization is a unique way to bring healthcare financing to many communities and to mitigate the financial risks associated with poor health. MFIs are the perfect intermediaries in this effort as they can leverage the outreach and the rapport that they have established with their clients and the community to reach a greater number of people, thereby making these financing mechanisms available to a larger population. An MFI-managed alternate health financing scheme is no magic bullet, but for the poor, it can contribute toward the removal of barriers to healthcare services; and for governments ensure the long-term sustainability of MHOs. This collective pooling of health risks minimizes the income drainage the poor experience from the high cost of healthcare and creates accessibility to the 'quality health care' services.

REFERENCES

1. Akua B.O.A. Microfinance: An Alternative Means of Healthcare Financing for the Poor . Ghana Medical Journal. 2007; 41(4): 193-94.
2. Somen S. Provision of health services for microfinance clients: Analysis of evidence from India. International Journal of medicine and Public Health.2011;1(1): 1-5.
3. Kono , Hisaki , and Takahashi, Kazushi. " Microfinance Revolution: Its Effects, Innovations, and Challenges. Developing Economies. 2010;48(1):15-73.
4. Gray B, Brettr J, Mccord R, Devine S, Cole S, Giffin I, Chandler C, Rotemberg M, Monje G, Cespedes F, Reeves S. Microfinance and Health Protection Initiative .Research Summary Report: CRECER. Freedom from hunger .
5. Khan M.A, Rahamen M.A. Impact of microfinance on living standards empowerment and poverty alleviation of poor people: A case study on microfinance in the Chittagang District of Bangladesh. Thesis . Journal of Umeo University.2007.
6. Sheila L, Christopher D. Linking health to microfinance to reduce poverty. Bulletin of WHO: 88: 470-71. Available from URL .www.who.info. Accessed on
7. Leatherman S. Dunford C, Metcalfe M, Reinsch M, Gash M, Gray B. Integrating microfinance and health benefits challenges and reflections for moving forward. Global Microcredit Summit. Commissioned Workshop Paper 2011;Valladolid, Spain.
8. Khavul S. Microfinance : creating opportunities for poor. 2010. Academy of management perspective:2010: 24(3):58-72.
9. Make every mother and child count. Geneva: World Health Organization; 2005. World Health Report 2005.
10. Lorenzetti M.J.L, Leatherman S, Flax L.V. Evaluating the effect of integrated microfinance and health interventions: an updated review of the evidence. Health Policy and Planning.2017;32 (5): 732-56.
11. Harman K, Poverty, Micro credit and Health-What Role Can WHO Play?. WHO Regional Health Forum. 2000 :4 (1): 68-80.
12. Pronyk M. P, Hargreaves R.J, Morduch J. Microfinance Programs and Better Health: Prospects for Sub - Saharan African. Journal of American Medical Association.2007: 298 (16):1925-27.