Microfinance Non-Financial Services: A Key for Poverty Alleviation? Lessons from Mexico

Paper co-authored with Pamela Lenton and Paul Mosley

by Dr. Olga Biosca
(Yunus Centre for Social Business & Health Glasgow, Glasgow Caledonian University, United Kingdom)

Abstract:
Microfinance non-financial services have been recently reformulated as high quality demand-led programs. In the Mexican context, these are now voluntary, can have a cost for the borrower and are frequently supplied in partnership with specialized public or private agencies. Using primary data from a survey of clients of two credit-plus programs in Chiapas, this paper examines and compares the participation determinants and added impact of the training sessions on monetary poverty outcomes of the borrowers. We focus on two specific programs: Business Development Services and Preventive Health Services. Results suggest that the participation decision mainly depends on borrowers’ characteristics. Non-financial services are found to reduce the clients’ likelihood of being under the asset poverty line. No significant differences were observed between the impacts of the two non-financial programs.

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Av. F.D. Roosevelt, 42- 1050 Brussels

Please confirm your attendance to cermi@ulb.ac.be at the earliest.