
Title registration for a review proposal:

The effect of microcredit on women's control over household spending in developing countries

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Title registration approval date: 06 April 2010

TITLE OF THE REVIEW

The effect of microcredit on women's control over household spending in developing countries

BACKGROUND

Briefly describe and define *the problem*

Background

Over the past two decades, microfinance activities have spread across the globe, reaching tens of millions of poor households with tailored financial services. Current estimates vary between 133 and 190 million microfinance borrowers worldwide. This growing importance has resulted in a vast number of research and evaluation studies, including impact studies. Microfinance can best be described as a field of intervention rather than a particular instrument. Initially, microfinance usually meant microcredit for working capital and very small investments, but increasingly it has been broadened to include savings/deposits, (a limited range of) micro-insurance and payment services as well as a somewhat broader range of credit products for more substantial investments. In this study we will only focus on *microcredit activities*, constituting the bulk of microfinance activities across the globe.

Microcredit activities have affected the lives of clients (and others) in multiple ways. The most frequently reported types of effects of credit at individual, enterprise and household level are the following: income, expenditure smoothing, and poverty alleviation effects; business growth and employment effects; schooling effects; and effects in terms of women's empowerment.

Despite the diversity in microcredit schemes, many share two characteristics: they target poor women and often rely on some type of group-lending technology. Women's empowerment in relation to microcredit has been studied extensively within the context of this type of microcredit scheme. Most of these studies have been carried out in the context of microcredit group schemes in South Asia. Women's empowerment can be broadly defined as an "expansion in the range of potential choices available to women" (Kabeer, 2001: 81). An important dimension of empowerment concerns women's control over household spending. The main assumption is that by providing credit to poor women, their direct control over expenditures within the household increases, with subsequent implications for the status of women and the well-being of women and other household members. Given the fact that women's control over household spending (through different proxies) is a frequently recurring aspect analyzed within the context of microcredit interventions allows us to study the following question: Does microcredit targeted to women affect women's control over household spending decisions? In what circumstances?

Briefly describe and define *the population*

Microcredit organizations across the globe cover heterogeneous groups of clients. We look at studies that analyze the effects of microcredit schemes targeting poor women.

We will only consider studies that concern microcredit initiatives in low and middle income (or developing) countries.

Briefly describe and define *the intervention*

Microcredit-interventions targeting women differ in terms of the following characteristics.

First, group-based loans versus individual loans. Group-based credit schemes usually refer to a system in which credit is provided to women organized in solidarity groups. Within these groups women receive individual loans. Repayment

is enforced through mechanisms of group pressure based on principles such as joint liability and contingent renewal. Individual loans are directly provided to the (female) client.

Second, credit-only versus “credit plus”. In many cases credit is linked to other services such as training or financial services such as savings. While primary studies based on experimental designs can isolate the credit component, this may not be the case in all quasi- and non-experimental studies.

Comparisons in primary studies usually concern groups of women with credit versus women without credit.

Outcomes: What are the intended effects of the intervention?

Examples of measures relating to women’s control over household spending: ability to make small purchases; ability to make large purchases; decisions on expenditures regarding clothing, education, health, food, house repairs; ability to purchase small livestock; ability to purchase large livestock; ability to purchase land.

OBJECTIVES

Does microcredit targeted to women affect women’s control over household spending decisions? In what circumstances?

METHODOLOGY

What types of studies designs are to be included and excluded?

Characteristics of eligible study designs:

Analyses based on (combinations of) the following designs are eligible:

1 Randomized designs

2 Quasi-experimental designs

Pipeline approach

Propensity score matching

Cohort design

Ex ante - ex post measurements

Ex post only measurements¹

3 Regression-based approaches

Cross-section data

Panel data (cross-section plus multiple observation points in time)

Regression discontinuity

Your method of synthesis:

We expect to find a substantial diversity in methodological approaches underlying impact assessments. In contrast to a number of policy fields in developed countries (e.g. health, education, crime and justice), policy interventions in developing countries, including microcredit interventions, have not been widely studied on the basis of experimental approaches. In the case of microcredit, we do not expect to find many studies that are based on a randomized design approach. Yet, we do expect to encounter a substantial number of high-quality studies using quasi-experimental, econometric and other approaches. The evidence base will evidently determine the prospects for the type of (statistical or non-statistical) aggregation.

REFERENCES

Kabeer, N. (2001) “Conflicts over credit: Re-evaluating the empowerment potential of loans to women in rural Bangladesh”, *World Development*, 29(1), 63-84.

SOURCES OF SUPPORT

Internal funding:

External funding:

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DECLARATIONS OF INTEREST

None know

¹ Other variations are also possible, such as ex post measurements of treatment and comparison groups and ex ante measurement of treatment group only.

REQUEST SUPPORT

Do you need support in any of these areas (methodology, statistics, systematic searches, field expertise, review manager etc?)

We would very much appreciate feedback on methodological issues that might arise during the process of the study.

AUTHOR(S) REVIEW TEAM

Lead reviewer:

The lead author is the person who develops and co-ordinates the review team, discusses and assigns roles for individual members of the review team, liaises with the editorial base and takes responsibility for the on-going updates of the review

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ROLES AND RESPONSIBILITIES

Please give brief description of content and methodological expertise within the review team. The recommended optimal review team composition includes at least one person on the review team who has content expertise, at least one person who has methodological expertise and at least one person who has statistical expertise. It is also recommended to have one person with information retrieval expertise.

Who is responsible for the below areas? Please list their names:

- Content: Johan Bastiaensen, Nathalie Holvoet, Jos Vaessen
- Systematic review methods: Frans L. Leeuw, Jos Vaessen
- Statistical analysis: Ruslan Lukach, Ana Rivas, Jos Vaessen
- Information retrieval: Sara Bonilla, Ana Rivas, Jos Vaessen

(Where needed Leonne Portz from the Maastricht University Library and Hans De Backer from the University of Antwerp Library will provide support on search activities.)

PRELIMINARY TIMEFRAME

Approximate date for submission of Draft Protocol (please note this should be no longer than six months after title approval. If the protocol is not submitted by then, the review area may be opened up for other reviewers):

Title registration approval date: 06 April 2010

Expected draft protocol submission date: July 2010