

Does Technical Assistance Improve Welfare of Farmers with Access to Microcredit? An Empirical Study in Bolivia

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Abstract

Recent studies show that microcredit itself is not an effective development tool to alleviate poverty. Faced with this reality, a growing number of Microfinance institutions have adopted the credit-plus strategy: offering non-financial services besides financial services. The studies evaluating the impact of these non-financial services focus on business services and social services, but none of them on technical assistance. We present the first impact evaluation of this service as a complement to microcredit. More specifically, we study the technical assistance program of a Bolivian MFI which aim to enhance the milk production of its clients. We collect cross-sectional data of 538 farmers from the Bolivian plateau and use non-experimental methods to control for selection bias and estimate the impacts.

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