Melanie Lei has double-majored in Health & Societies (with a concentration in Global Health) and English (with a concentration in Creative Writing). Her primary social impact interests are in poverty alleviation, global health, and education. She is also passionate about social entrepreneurship, impact investing, and using business models to create sustainable social change. She has worked for two years as a Research Assistant at the Center for High Impact Philanthropy, housed at the School of Social Policy & Practice, on projects that inform individual donors on how to maximize their philanthropic impact. Melanie served as a Social Impact Analyst at Impact Investment Exchange Asia, an organization in Singapore that aims to create the world’s first stock exchange exclusively for social enterprises. She has also worked at the National Department of Health in Taiwan. Her other activities at Penn include serving as Photography Editor and Staff Writer at The Daily Pennsylvanian, and chairing this year’s Wharton Social Impact Conference on the “The Enterprise of Social Change.”
CAPSTONE PROJECT

The Role of Health in Strategies for Poverty Alleviation: Microfinance and Conditional Cash Transfers in Latin America and the Caribbean

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The development of conditional cash transfers and microfinance institutions represent two very different solutions to poverty alleviation; one is a national-level welfare strategy, while the other was born out of social entrepreneurship in the private sector. However, both are concerned with increasing the flow of capital to the poor. At the same time, research has shown that the experience of poverty encompasses far more than just income inequity. In particular, the health of the poor has emerged as a key factor that is inseparable from the experience of poverty itself.

The capstone project examines the role that health plays in these two strategies for poverty alleviation – not just whether these strategies improve health outcomes, but also how experiences of ill health influence the poor's engagement with these programs. In order to do so, the paper examines the role that health plays in conditional cash transfers and microfinance institutions in three phases: inception, execution, and evaluation. It also focuses on two programs, providing in-depth case studies of the Mexican conditional cash transfer program, Progresa-Oportunidades, and the microfinance institution Pro Mujer in Bolivia. It finds that conditional cash transfers, due to their design, inherently incorporate health as a main condition for addressing poverty. On the other hand, microfinance, particularly in Latin America and the Caribbean, has generally focused strictly on providing financial services. If microfinance truly aims at playing a role as a valuable poverty alleviation tool, microfinance institutions should consider the significant opportunities that exist for effectively combining the delivery of microfinance and health services. However, due to the constraints of the capital markets that microfinance faces, it may be more likely that governments need to be the most significant player in addressing the health issues in relation to poverty.