

Using vouchers found to reduce waste when offering health products to the poor in Africa

August 26 2016, by Bob Yirka

(Phys.org)—A team of researchers affiliated with several institutions in the U.S. has found that offering vouchers as a means of distributing health products to poor people in Africa resulted in less waste than other methods. In their paper published in the journal *Science*, the team describes the experiments they conducted, their results and why they believe the voucher method could prove useful in a wide variety of distribution applications. Benjamin Olken with MIT offers a [Perspective piece](#) on the work done by the team in the same journal issue.

Getting health products to people in need in Africa involves dealing with a host of issues, one of which is waste—governments and other institutions find that if they just give free products to people, a lot of those products are never used; many are simply thrown away. To deal with this problem, some organizations have taken to charging people for the products under the reasonable assumption that those that do not need them would simply not buy them. But charging for such products as mosquito netting may prevent many who cannot afford them from getting the help they need. In this new effort, the [researchers](#) sought to find out if another type of method might work better, using vouchers that people could redeem for free at a local store.

The experiments consisted of going door-to-door in various communities in Kenya offering health products to those who answered. Recipients were given one of three possible options: They could buy the product (a chlorine solution for killing germs in drinking water), they could accept a voucher for it, or they could just have it right there for free. The

researchers then followed up later by returning to the homes they had visited earlier, this time requesting to test their water.

In analyzing the water samples, the researchers found that those who were given vouchers had just a 1 percentage dip in samples with chlorine compared to those that had received free supplies right away (32.9 versus 33.9). But they also found that they only needed to give out 60 percent as much of the solution when using the voucher system. In sharp contrast, the researchers found that for those who were offered the product for sale, only 12.4 percent had chlorine in their water, indicating that a large percentage of those contacted could not afford the product.

The researchers suggest their experiments indicate that adding a small hassle when administering health products can dramatically reduce waste. Not included in the study was the possible emotional impact on the [people](#) made to trod to a nearby store to collect their "free" healthcare product.

More information: P. Dupas et al. Targeting health subsidies through a nonprice mechanism: A randomized controlled trial in Kenya, *Science* (2016). [DOI: 10.1126/science.aaf6288](https://doi.org/10.1126/science.aaf6288)

Abstract

Free provision of preventive health products can markedly increase access in low-income countries. A cost concern about free provision is that some recipients may not use the product, wasting resources (overinclusion). Yet, charging a price to screen out nonusers may screen out poor people who need and would use the product (overexclusion). We report on a randomized controlled trial of a screening mechanism that combines the free provision of chlorine solution for water treatment with a small nonmonetary cost (household vouchers that need to be redeemed monthly in order). Relative to a nonvoucher free distribution program, this mechanism reduces the quantity of chlorine procured by

60 percentage points, but reduces the share of households whose stored water tests positive for chlorine residual by only one percentage point, substantially improving the trade-off between overinclusion and overexclusion.

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