

Micro-Loan and Non-Monetary Welfare of Rural Households in Cameroon

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Abstract: This study aims to evaluate the impact of microcredit on the non-monetary well-being of rural households in Cameroon. To this end, we use a sample of 958 households from the ECAM5 database. The methodological approach adopted follows a dual objective, namely the analysis of direct and indirect effects. To achieve these results, we employed the Lewbel method, maximum likelihood estimation, generalised method of moments instrumental variables, and mediation analysis. Contrary to the initial hypothesis, microcredit does not directly influence non-monetary well-being in Cameroon; however, using the Sobel test through the transmission channel of education level, microcredit improves the well-being of rural households. Therefore, we generally recommend that the government implement a policy to stimulate the establishment of MFIs in rural areas in order to popularise their services and relax the necessary conditions for obtaining microcredit likely to induce positive effects on their standard of living and thus improve their well-being.

Keywords: Microcredit, Non-monetary well-being, Rural households, Lewbel

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