

HIV/AIDS AND MICROCREDIT

“...to protect themselves and their children against HIV risk and AIDS impacts, women need precisely the same things they need to overcome poverty: access to education and training, removal of restrictions on employment, as well as access to banking services and credit.”
United Nations Development Programme, June 2001

HIV/AIDS: How big is the problem?

According to the United Nations, AIDS is now the number one overall cause of death in Africa and is fourth among all causes of death worldwide. More than 40 million people are infected with HIV/AIDS.

HIV/AIDS and Africa

The UN estimates that AIDS will kill more than one third of young adults in some parts of Africa. To date, AIDS has left behind over 14 million orphans, more than 92 percent of whom live in Africa. In parts of Africa, AIDS could lower countries GDP by 17 percent. The AIDS epidemic in Africa has been exacerbated by poverty, illiteracy, weak educational and public health systems and the low social status of women.



HIV/AIDS and Women

Across the world, women and girls are both *infected* and *affected* by HIV/AIDS. The majority of people *infected* with HIV/AIDS around the world are women. Often, women are more vulnerable to infection because of their subordinate role in society. When women and girls cannot afford food and are prohibited from working or attending school, they

are more likely to engage in risky sexual behavior to earn money. Because more girls than boys are denied a basic education, girls are more vulnerable to myths around HIV/AIDS and sexual manipulation. They are also less likely to be in a position to negotiate protection and family planning decisions with their husbands and partners to keep them safe from infection. Women and girls also bear the brunt of caring for those infected with HIV/AIDS.



HIV/AIDS and Poverty

Poverty is both a cause and a consequence of HIV/AIDS. Poverty increases the risk of contracting HIV/AIDS. When families are poor, they are more likely to be less educated, are more vulnerable to the myths surrounding HIV/AIDS transmission, and lack access to healthcare.

HIV/AIDS

- ❑ An estimated 40 million people are infected with HIV; 25 million in sub-Saharan Africa.
- ❑ Worldwide, half of all persons living with HIV/AIDS are women; in sub-Saharan Africa, the figure is 58 percent.
- ❑ The majority of those infected with HIV/AIDS are working age (15 to 49), the mainstay of families, communities, enterprises and economies.
- ❑ The gender differential in HIV infection is especially wide with respect to young men and women aged 15 to 24; two-thirds of infections are among young women.
- ❑ There is ample evidence that the high and increasing vulnerability of women to HIV in Africa is due to:
 - Gender-based economic inequalities;
 - Sexual violence in homes, the workplace and other social spheres, including schools; and
 - Lack of access to prevention, education and training, and care.



More than 80 percent of those infected in Africa are between the ages of 20 and 49, the most economically productive age group, and many of them have no idea that they are infected – nor in some cases do they know what

AIDS is. When people lose their jobs because they're sick or infected and can't provide for their families, HIV/AIDS is an economic problem.

How Can a MicroCredit Program Work in the Fight Against HIV/AIDS?

There is currently no vaccine available to effectively prevent the spread of HIV. It is not enough to deal only with the health consequences of the virus. HIV/AIDS must be fought through education, outreach, poverty alleviation, and improving the socio-economic status of women.

Programs that are successful in informing women about HIV/AIDS must take a creative approach. When women are poor, they are more likely to be less educated, and are vulnerable to the myths surrounding HIV/AIDS transmission. If a woman does not know what HIV/AIDS is, or how it is transmitted, or if she does not mention the disease to her peers for fear of social persecution, she is unlikely to seek out care and education for herself and her family.

MicroCredit is a simple, yet powerful concept.

Commercial banks rarely provide loans to poor households, and even less frequently to women. Without access to credit, women are often stuck in the cycle of

Women in Africa produce 80 percent of the food, but receive only 10 percent of the credit made available for agriculture.

poverty with no opportunities to improve their lives or those of their children. Microcredit projects offer an alternative source of credit for women and poor families.

Because their larger communities see microcredit groups as solely focused on microcredit, women can safely attend meetings. In this environment, women are more likely to speak freely about what they do and do not understand about HIV/AIDS. By incorporating HIV/AIDS education, testing, access to anti-retroviral drugs, and care/support into female-only microcredit groups, women are more likely to get the information they need.

As a result of the income earned through microcredit projects, women are better positioned to care for family members infected with HIV/AIDS, to send their children to school, and to have the financial stability that will help them to avoid high-risk sexual behavior. When HIV/AIDS is devastating the little income that women have, just a few dollars in loans can make a life-changing difference. Photographs © CARE

Poverty

Women bear the brunt of global poverty. More than one billion people live in extreme poverty – on the equivalent of one dollar or less per day. Of these, more than 70 percent are women. These women are often solely reliant on their husbands as wage earners for their family. They have few opportunities themselves to earn a living wage, and even fewer opportunities to gain access to loans or credit. Yet research shows that when women have access to income, they are more likely than men to spend it on health care, nutritious foods, and education for their family.

What is Microcredit?

Microcredit and savings projects allow women, through the power of their own collective savings or through a loan from an outside source, to start a small business or “micro-enterprise.” A woman might choose to buy a vegetable cart to more efficiently bring her goods to market; she might use a loan to train and pay the initial salary of an employee who will help to bring in greater profits for her small business; she may use a loan to buy tools to start her own business repairing bicycles. These examples are just a few of the ingenious ideas that women have developed to improve their lives and the lives of their children.

The most effective microcredit projects allow community members to take the lead, with the appropriate training, on granting loans to their peers, holding each other accountable for paying back loans, deciding appropriate interest rates and making decisions on how money earned from interest will be used. Many women's savings groups choose to use the interest income on the loans to grant scholarships for girls' education, or to assist women who may have lost their husbands to HIV/AIDS. This “community interest” makes it possible for poor women to benefit not only from the profit they earn on the loans, but also from the collective power of savings. It also ensures that interest earned on the loans benefits them and not a commercial bank.