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Accessibility of microcredit for livelihood improvement of the rural women living with HIV/AIDS: a case study from Kongwa district - Dodoma

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**ACCESSIBILITY OF MICROCREDIT FOR LIVELIHOOD
IMPROVEMENT OF THE RURAL WOMEN LIVING WITH HIV/AIDS:
A CASE STUDY FROM KONGWA DISTRICT - DODOMA**

By

Neema Kiswaga

A Dissertation Submitted in Partial Fulfilment of the Requirements for Award of the Degree
of Master of Business Administration at University of Dodoma

The University of Dodoma

September, 2011

CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the University of Dodoma Dissertation entitled “Accessibility of Microcredit for Livelihood Improvement of the Rural Women Living with HIV/AIDS – A case Study from Kongwa District, Dodoma” in fulfillment of the requirement for the Master Degree of Business Administration of the University of Dodoma.

.....
Dr. Ahmed Ame
(SUPERVISOR)

Date.....

DECLARATION

AND

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I **Neema Kiswaga** declare that this dissertation is my own original work and that it has not been presented and will not be presented at any other University for similar or any other degree award.

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DEDICATION

I dedicate this dissertation to my beloved husband, Eliguard Dawson, who has been proud and supportive of my work from the very beginning and my son, Dylan Eliguard, who has grown into a wonderful boy inspite of his mother spending so much time away from him working on this dissertation.

ABSTRACT

This study assessed how rural women living with HIV/AIDS access microcredit for livelihood improvements. The study examined whether rural women living with HIV/AIDS have accesses to microcredit and the mode used by credit providers to provide microcredit. Also focused on the challenges faced by women living with HIV/AIDS when accessing microcredit and the socio-economic benefits of microcredit. The study was approached using multiple embedded case study design, where six women living with HIV/AIDS were interviewed. Three women have accessed microcredit and the other three have not, but all of them were engaging in small business activities. An interview guide and checklist was used for data collection. Based on the analytical strategy, it was found out that, accessibility of microcredit among other factors depends on the ability of a person to run a profitable business and be able to repay the loan. For HIV/AIDS positive women who were able to run profitable business and repay the loan stands the same chance of accessing microcredit like any other women. However, extreme poverty associated with HIV/AIDS limits the chances for HIV positive women to access microcredit. Improved socio economic status was revealed by those women who have accessed microcredit. The uncovered impacts are mostly related to personal and family issues, on account to improved food security, ability to pay children school fees, improved health status, having a say in household decision making as well as reduced stigma and discrimination. The study recommends that, credit providers should find means to reduce interest rate, extend the time for loans repayments and develop products that target rural self-employed women especially those living with HIV/AIDS. The government on the other hand should persuade the credit providers to reduce interest rate, establish microcredit schemes to support women living with HIV/AIDS and find ways of providing financial assistance to the poorest of the poor including HIV suffers and those living below the extreme poverty line, with no means of income, whether it is skill or asset.

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ABBREVIATIONS

AIDS	-	Acquired Immune Deficiency Syndrome
ARV	-	Ant Retro Virus
FBO	-	Faith Based Organization
FINCA	-	Foundation for International Community Assistance
FAO	-	Food and Agriculture Organization
HIV	-	Human Immune Virus
NACP	-	National AIDS Control Program
NGO	-	Non Governmental organization
PLWHA	-	People Living With HIV/AIDS
PRIDE	-	Promotion of Rural Initiative and Development Enterprises
SEDA	-	Small Enterprise Development Agency
SIDO	-	Small Industries Development Organization
THMIS	-	Tanzania HIV and Malaria Indicator Survey
TACAIDS	-	Tanzania Commission for AIDS
TASAF	-	Tanzania Social Action Fund
URT	-	United Republic of Tanzania
UNDP	-	United Nation Development Program
UNAIDS	-	United Nation AIDS
UNFPA	-	United Nation Fund for Population
VICOBA	-	Village Community Banking

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This chapter presents background information of the study. The chapter has been organized as follows; the first section provides description of women in the era of HIV/AIDS and historical perspective of microcredit. The second section provides statement of research problem, followed by research objectives. The third section, describes research questions and lastly the significance of this study.

1.1 Background of the Study

1.1.1 Women and HIV/AIDS

More than twenty years after the first clinical evidence of Acquired Immune Deficiency Syndrome (AIDS) was reported, AIDS has become one of the most devastating human kind has ever faced (UNAIDS, 2008). At the end of 2008, it was estimated that out of 31.3 million adults worldwide living with HIV/AIDS, around half are women (UNAIDS, 2010). It was suggested that 98 percent of these women live in developing countries (UNAIDS, 2010). The HIV/AIDS epidemic has had a unique impact on women, the situation been exacerbated by their role within society and their biological vulnerability to Human Immune Virus (HIV) infection. Globally, HIV/AIDS is the leading cause of death among women of reproductive age (UNAIDS/UNFPA/UNIFEM, 2004). In 2005, Kofi Annan, the secretary general of the United Nations, stressed that:

“In Africa, AIDS has a woman’s face today, as AIDS is eroding the health of Africa’s women, it is eroding the skills, experience and networks that keep their families and communities going. Even before

falling ill, a woman will often have to care for a sick husband, thereby reducing the time she can devote to planting, harvesting and marketing crops. When her husband dies, she is often deprived of credit, distribution networks or land rights. If we want to save Africa from two catastrophes (HIV and famine), we would do well to focus on saving Africa's women".

Women have become the face of AIDS in Africa (Mutangadura, 2005). By the end of 2008, UNAIDS reported more than 12 million women living with HIV/AIDS in Africa, compared to about 8.2 million men. As pointed out by Hargreaves and Howe (2010), HIV has dramatically affected women's economic development, and in turn, has affected Africa's ability to cope with the epidemic. It makes sustained women development more and more unattainable, and actually adds to increasing rate of poverty in Africa (Hargreaves and Howe, 2010). The disease has its origins in African poverty and unless and until poverty is reduced there will be little progress either with reducing transmission of the virus or an enhanced capacity to cope with its socio-economic consequences (Cohen, 1998).

In Tanzania, HIV epidemic began in the early 1980s (TACAIDS, 2003). The epidemic has evolved from being rare and new disease to a common household problem, which has affected more women than men (TACAIDS, 2003). Data from Tanzania HIV and Malaria Indicator Survey (THMIS) of 2007-08 has indicated higher HIV prevalence among women than men (7 percent and 5 percent, respectively). Women tend to become infected earlier, which is partly due to the tendency of women to have older partners or get married earlier (URT, 2001). One example of women's dependency is the widespread culture of 'sugar daddies or FATAKI': women will often accept the sexual advances of older men, or 'sugar daddies' for a variety of reasons including money, affection and social advancement (UNAIDS, 2008). In addition to that, the social and cultural norms that condone

violence against women or fail to enable women to negotiate safe sex, as well as harmful local traditional practices, such as female genital mutilation, polygamy and wife inheritance and lack of female rights, have made women particularly vulnerable (Buckley, 1996).

According to THMIS (2008), rural women account for 5 percent HIV prevalence in Tanzania. The study conducted by Tanzania Participatory Poverty Assessment in 2002/3, suggests that, among other factors, HIV/AIDS is the most severe cause of underlying poverty in the rural Tanzania. HIV/AIDS has changed the perception of peoples' minds, as originally the epidemic had been considered as an urban problem (FAO, 1997; FAO and UNAIDS, 1999). Rural areas are considered to be far removed from the epicenter of the epidemic, as they tend to have lower HIV prevalence rates than urban areas (Mwakalobo, 2007). In actual fact, however, the number of people living with HIV may, in absolute numbers, predominate in rural areas (White and Robinson, 2000; FAO, 1997). There is ample evidence that the HIV/AIDS epidemic is a critical problem for rural development and rural women in particular (Topouzis, 1998). Rural women bear the greater burden of HIV/AIDS epidemic, both as people living with the virus and as the primary caregivers for others who are infected. Many urban dwellers affected by HIV/AIDS send their children to relatives in rural areas when times are hard, and return to their villages of origin when they become seriously ill, so that the caring and support costs of the wider family are frequently borne by rural families (Topouzis and Hemrich, 1993). Caring for ill patients consume time and reduce women ability to participate in other income generating activities including farming. Therefore, families affected by HIV/AIDS suffer from increasing poverty (UNAIDS/UNFPA/UNIFEM, 2004).

1.1.2 Historical Perspective of Microcredit

Microcredit emerged as a revolutionary tool to fight poverty in different parts of the world. In the question of poverty alleviation, microcredit becomes the rival of World Bank or International Monetary Fund prescription (Hassan, 2003). In the struggle to reduce poverty, the government of Tanzania has introduced the National Micro Finance Policy (NMFP) which emphasizes on establishing a basis for the evolution of an efficient and effective microfinance system in the country that serves the low income segment of the society, and thereby contributes to economic growth and reduction of poverty (URT, 2000). The NMFP recognizes microcredit as an integral part of the financial sector that falls within the general framework of the government Financial Sector Reform Policy Statement of 1991 (URT, 2000). The policy covers the provision of financial services to the people living in the rural and urban areas. In line with the above policy, a wide range of microcredit institutions evolved using various credit lending models (Rubambey, 2001). Through this, millions of people, especially women have become self-reliant business owners, who have more control of their lives and futures (Randhawa and Gallardo, 2003).

As pointed out by Rubambey (2001), before the current financial and banking restructuring took place, most of the financial services for rural, micro and small enterprises were offered by the National Bank of Commerce (NBC) and the Co-operative and Rural Development Bank (CRDB). Rubambey (2001), further argue that; once the NMFP was implemented in 2001, microcredit was officially recognized as a tool for poverty reduction and with its increased use and exposure to the country. This resulted to a number of microcredit institutions including FINCA, PRIDE and SEDA as well as the NGOs and FBOs which offers microcredit schemes to entrepreneurs. According

to Randhawa and Gallardo, (2003), microcredit industry has faced a number of challenges, including many organizations/schemes which provide microcredit services continued to depend on donor's funds for their operations instead of building their own internal capacity. The interest rates are not set by the organizations/schemes themselves and such, in most cases are set at level which is too low to cover operational costs. Also, the operational problems with respect to microcredit schemes including poor financial and administrative system are some of the factors which hinder microcredit schemes in Tanzania.

1.2. Problem Statement

Until recently, microcredit has been acknowledged as a revolutionary tool in the question of poverty alleviation. As asserted by Fisher *et al*, (2002), microcredit is seen as a major tool of development; for providing poor people with credit for income generating activities which help them work their way out of poverty. Several studies have discussed the benefits of microcredit lending and increasing critique of it on both ideological and substantive grounds (Srinivas, 1997). According to the outcome of a project by the UNDP (2008), microcredit program that combine financing with training are showing positive results in alleviating poverty.

Women form the majority of microcredit borrower (Hulme and Mosley, 1996). But many institutions which offer microcredit facilities operate mainly in urban centres, thus restricting accessibility for the rural women (Ssendi and Anderson, 2009). The value of microcredit in women is seen in their ability to improve their socio-economic status (Hulme and Mosley, 1996). When HIV/AIDS devastate their life, women need precisely the same things they need to overcome poverty; access to education, training, as well as access to banking services and credit (Ansoglenang, 2006). Combined with Anti Retro Virus

(ARV) treatment, microcredit schemes is certainly one of the major instruments for reducing impacts of HIV on women in countries with limited resources (Longuet *et al*, 2009).

Women are more likely to become infected with HIV/AIDS than men (Gilks, 1998) and the impact of HIV in women is often magnified in conditions of poverty (Gayanza and Seager, 2005). Research showed that when women have access to income, they are more likely to spend it on health care, nutritious foods and education which is important in fighting the disease (Rogaly, 1996). Culturally, women are excluded from land ownership which constitutes a major source of rural work and collateral for loan, land is passed on from fathers to sons (Ansoglenang, 2006). They have a duty to find the resources for the upkeep of the families. Women have a multiple household welfare needs such as buying of kerosene, paying children school fees, clothing the children, buying drugs, household provisions, among others to provide (Ansoglenang, 2006). Meanwhile, these women have been marginalized and discriminated against in terms of resource allocation. An analysis of data from Botswana found that HIV results in a decline in per capita household income of 10%, with average income losses almost twice as high for households in the lowest income level (Conford, 2005).

However, what is important to find out in this study is whether rural women living with HIV have access to microcredit. So far no study has been conducted to assess the accessibility of microcredit to women living with HIV/AIDS especially in rural areas. It is for this reason, the study wishes to add more understanding and knowledge on the importance of microcredit to HIV positive women and the challenges these women encounter when accessing microcredit.

1.3. Objectives of the Study

1.3.1 Main Objective

To assess the accessibility of microcredit for livelihood improvement of rural women living with HIV/AIDS

1.3.2 Specific Objectives

1. To assess the accessibility of microcredit to rural women living with HIV/AIDS.
2. To assess the modes of credit provisions for rural women living with HIV/AIDS.
3. To identify the challenges faced by rural women living with HIV/AIDS when accessing microcredit.
4. To evaluate the socio-economic benefits of microcredit to rural women living with HIV/AIDS.

1.4. Research Questions

This study was guided by the following research questions:

1. Do rural women living with HIV/AIDS have access to microcredit?
2. How do the rural women living with HIV/AIDS access microcredit?
3. What are the challenges which rural women living with HIV/AIDS face when accessing microcredit?
4. What are the socio-economic benefits of microcredit to women living with HIV/AIDS in rural areas?

1.5. Significance of the Study

As stated in the above sections, women are the mostly affected social group and hence signify the interest in developing a framework to support them through

microcredit schemes. The study broadens our understanding on the current situation of accessibility of microcredit to rural women living with HIV/AIDS. That being said, this study makes contribution to the existing body of knowledge on the importance of microcredit to women living with HIV/AIDS. Furthermore, the study assists government, policy makers, as well as the management of microcredit institutions in designing appropriate interventions for reaching People Living with HIV/AIDS (PLWHA) particularly rural women. The recommendations from this study provide advocacy platform to encourage the government, donor organizations, and NGOs, etc, in providing financial assistance to rural women living with HIV/AIDS. This in turn would provide an enabling environment for rural women living with HIV/AIDS to gain access to microcredit and improve their livelihood and at the same time manage the impacts of the disease effectively. Thus, the study has got knowledge, policy as well as managerial contributions with respects to its findings.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides literature review of the study. It begins by presenting the description of the key concepts in the study, followed by theoretical perspectives of microcredit. Furthermore, empirical studies related to the study questions and lastly, the conceptual framework which presents the figuratively model of the relationship between HIV/AIDS infected women, microcredit and livelihood improvement.

2.1 Concept of HIV/AIDS

Although HIV and AIDS are related, actually they are two different things (Gilks, 1998). The word HIV stands for Human Immunodeficiency Virus; the virus which infects the cell of living organism as it replicates in. AIDS too can be literally defined as Acquired Immune Deficiency Syndrome, a condition in humans in which the immune system begins to fail, leading to life-threatening opportunistic infections (Madith, 2003). AIDS occur in the late progress of HIV and at that stage the body has very little defense against any sort of infections. According to UNAIDS (2010), HIV is a virus which cannot grow or reproduce on their own, it need to infect the cells of a living organism in order to replicate (make new copies of itself). The virus causes AIDS by damaging the immune system cells until the immune system can no longer fight off other infections that it would usually be able to prevent. What makes HIV so dangerous is that it attacks the immune system itself; the very thing that would normally get rid of a virus (Barnett and Rugalema, 1994). UNAIDS (2010) further explained AIDS is a fatal disease which has no cure or vaccine to prevent it.

The disease is transmitted from infected person through unprotected sexual intercourse (vaginal, oral and anal), by exchange of body fluids such as blood and from mother to child during pregnancy, child birth or breast feeding.

Schoeberlrin (2001) observes that, AIDS case definition includes all HIV infected adolescents and adults aged less than 13 years who have either (a) less than 200 CD4 + T-Lymphocytes per micro liter of blood (1/5000th of a teaspoon); (b) a CD4 +T-Lymphocyte percentage of total lymphocytes of less 14%; (c) any of identified opportunistic infection. This condition progressively reduces the effectiveness of the immune system and leaves individuals susceptible to other infections and tumors.

2. 2 Concept of Microcredit

Microcredit is the most talked about topic in the whole world at the moment, it emerged as a revolutionary tool to fight poverty in the different parts of the world (Hassan, 2003). The definitions of microcredit defer from country to country. Some of the defining criteria used include size - loans are micro, or very small in size; target users – micro entrepreneurs and low-income household's utilization; the use of funds - for income generation, and enterprise development, but also for community use like health or education (Hassan, 2003). As defined by Microcredit Summit (1997), microcredit is the practice of extending small loans to people in poverty so that they can start small businesses and develop savings. Srinivas (1997), a coordinator of virtual library on microcredit defined microcredit as the program which extends small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families. He further sees microcredit to be an effective and popular measure in the ongoing struggle

against poverty, through enabling those without access to lending institutions to borrow at bank rates, and start small business. In addition to that, microcredit is the extension of very small loans (microloans) to those living in poverty that are not considered bankable (Sapovadia, 2006). These people lack collateral, steady employment and a verifiable credit history and therefore cannot meet even the most minimal qualifications to gain access to traditional credit.

According to Ganyaza and Seager (2005), microcredit is a part of microfinance, which provides financial services to the very poor; apart from loan, it includes micro insurance and other financial innovation. Khandker (1998) considers microcredit to be a financial innovation, which originated in developing countries where it has successfully enabled extremely impoverished people to engage in self-employment projects that allow them to generate an income and, in many cases, begin to build wealth and exit poverty. Conford (2000), on the other hand sees microcredit as the attempt to improve access to small deposits and small loan for poor household. Therefore, microcredit emphasizes on building capacity to micro entrepreneurs and helping them during difficult times. He further observes that the demand for microcredit services usually comes from micro entrepreneurs; people who survive by generating income for themselves in very small business activities. Thus, microcredit is a tool for socioeconomic development. It helps in the development of an economy by giving people a chance to establish a sustainable means of income (Yadav, 2010), and eventually increases the disposable incomes which lead to social economic development and growth.

2.3 Theoretical Perspectives

Microcredit theoreticians have advanced two theories; an economic and psychological. The economic theory treats microcredit institutions as an infant industries, while psychological theory differentiate microcredit entrepreneurs from the traditional money lenders by portraying them as “social consciousness driven people” (Khandakar and Constantine 2004).

2.3.1 The Psychological Theory

This theory of microcredit was developed in 1976 by Muhammad Yunus, a Bangladeshi economist, as a means of alleviating poverty and improving the lives of the very poorest inhabitants of Bangladesh (Cons and Paprocki, 2008). In 2006 Nobel speech, Yunus, came up with a proposal to create a poverty free world called “social business”. In his concept of social business, Yunus reasoned, if financial resources can be made available to the poor people on terms and conditions that are appropriate and reasonable, these millions of small people with their millions of small pursuits can add up to create the biggest development wonder (Zaman, 2007). As depicted by him in 2006;

“The poor have skills which remain unutilized or under-utilized. It is definitely not the lack of skills which make poor people poor. The poverty is not created by the poor; it is created by the institutions and policies which surround them. In order to eliminate poverty all we need to do is to make appropriate changes in the institutions and policies, and/or create new ones”.

Through this theory, Yunus has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability, participation, and creativity (Zaman, 2007). Thus, the borrowers do not need to prove how much wealth they have, they need to prove how poor they are

and how little saving they have (Sinclair, 2007). One major contribution from this theory, it views credit as a cost effective weapon to fight poverty and it serves as a catalyst in the overall development of socio-economic conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable (Cons and Paprocki, 2008). The theory works on the assumption that, if individual borrowers are given access to credit, they will be able to identify and engage in viable income generating activities (Yunus, 2006). The success of this theory shows that, a number of objections to lending the poor can be overcome if careful supervision and management are provided. Yunus (2006) mentioned in his Nobel speech;

“I firmly believe that we can create a poverty-free world if we collectively believe in it. In a poverty-free world, the only place you would be able to see poverty is in the poverty museums. When school children take a tour of the poverty museums, they would be horrified to see the misery and indignity that some human beings had to go through. They would blame their forefathers for tolerating this inhuman condition, which existed for so long, for so many people”.

Yunus has shown how poor people can make small capital from zero by means of micro-credit (Sinclair, 2007).

2.3.2 Economic Theories

According to Zaman (2008), a social business concept is a departure from the underlying assumptions of mainstream economic theories based on competitive general equilibrium theory formalized by Arrow (1964) and Debreu (1959). The economic theories see market as a complete set which consists of both, poor and non poor people (Narvajas, et al, 2000). That is, the market cannot be segregated for poor

and non-poor people. Another contribution of this theory is that, it recognizes risk as a part of the business. A business should always take the challenge to maximize its profit with a probability of making loss (Barnejee, 2001). Zaman (2008) argues, if a business is assumed to be “no-loss” that means any loss will be compensated by government, then the business will be vulnerable to bureaucracy and politics and consequently may develop a tendency to make loss. Remenyi (2000), the gist of the economic argument, adds that, success in any business venture, including the microcredit, is determined by the entrepreneur’s ability to deliver appropriate services and profitability. The economics theories see poverty as an outcome of inefficient allocation of resources (Zaman, 2007). As it was first confirmed by Remenyi (2000), competitive equilibrium tends toward efficient allocation of resources. In conclusion, the economics theorem suggests that any efficient allocation will be sustainable by competitive equilibrium.

Putting the two theories together, Yunus sees poverty as a result of an institutional failure not from the part of the poor people. Yunus has blamed that, the poverty is created by the institutions and concepts that have made up our social system and the policies that we pursue. According to Yunus (2006), the government is supposed to support for minimum subsistence for the poor people of a country. Eventually, the poor people have to depend on borrowing for their subsistence. The economists view poverty as a product of inefficient allocation of resources. They are much concerned with efficient operation of markets and not with how markets develop (Zaman, 2007). Though both theories work on poverty reduction, some contractions arise from these theories. The model proposed by Yunus, dedicatedly work for poor people, who have lack information, skill, money or everything, which

is quite different from the ‘complete market’ assumption of the economist as the market contains both poor and non poor people.

2.4 Selected empirical studies

This part presents some empirical studies conducted related to the study, both positive and negative results on microcredit are discussed.

2.4.1 Positive results of Microcredit

Several studies have shown positive correlation between microcredit and livelihood improvement of the rural women living with HIV/AIDS. In 2009, Longuet *et al* illustrated on how GHESKIO; a centre for PLWHA and ACME; an association that manage PLWHA in Haiti have impacted positively their beneficiaries. The beneficiaries (PLWHA) were given a loan of between £30 and £500, with an interest rate of 2% per month. The loan was given for various commercial activities like selling food products, clothes, warm foods, hardware goods, etc. In his study, Longuet *et al* (2009), select the first 66 women benefited from the loans to illustrate on how the loan has impacted their life. The results showed better living conditions to the first 66 women benefiting from a loan compared to a control group of 30 women with similar initial medical and socio economic status but no loan.

From Concern Kenya, Datta and Njuguna (2008) have also found positive correlation on microcredit and women living with HIV/AIDS. In 2005, Concern Kenya supported its local partner NGOs through provision of microcredit to their most needy clients to help them start small-scale economic activities. In 2008, Datta and Njuguma, made a follow-up study to assess its impacts in two selected group; WOFAK and MMAAK groups. The credit were provided to those who a) are HIV

positive and on TB and antiretroviral therapy; (b) have a business which went down due to illness and (c) are taking care of orphans. The beneficiaries received a credit of an average \$60 and only 49% of total beneficiaries were able to invest in business. Datta and Njuguma (2008) tried to capture the varying degree of change only in the lives of those who invested the microcredit in business. Discussion with the beneficiaries revealed that the benefit of microcredit was not only confined to improvement of economic wellbeing, but reflected also in improved social standing, physical and psychological wellness of the clients. Microcredit improved the capacity of individuals and communities to cope better with shocks arising from the impacts of HIV/ AIDS, thus creating resilience. Restoration of lost income and meeting basic needs were the most commonly mentioned indicators of economic improvements.

In addition to above, Romanns (2008), study in Ghana has also shown how access to microcredit is used to manage AIDS epidemic. The study evaluates the impacts of microcredit on beneficiaries (PLWHA) based on three indicators; economic (the capacity to live on their own, to pay for their children's' school fees, to generate commercial activity), social (the integration and relations with their family and neighborhood, the capacity to recruit other microcredit beneficiaries) and medical (state of health, clinic consultation and adherence to the ARV treatment). The findings of the study were encouraging as for instance in the area of economic indicator, 95% were able to buy food, 92% bought new clothes and 40% have the possibility to pay their rent compared to 46%, 3% and 23% respectively for non beneficiaries group. While social indicator results revealed that, there is a reduction of discrimination/stigmatization phenomenon among the beneficiary to the extent that, 76% feel more autonomous and 92% affirming to be accepted in their

surrounding after receiving loan. Also, results from medical indicator disclosed that, the beneficiaries (96%) were able to take responsibility of their well being in terms of good medical treatment.

2.4.2 Negative results of microcredit

Micro credit has spread extremely rapidly since its beginnings in the late 1970s, but whether and how much it helps the poor is the subject of intense debate (Buckley 1997; Rogaly 1996). From Bolivia, Mosley (1996) conducted a study on Baco Solidario (Bancosol), an NGO providing small credit to vulnerable women and girls. The study had a sample size of 36 borrowers. A half of the respondents were old borrowers who had at least received six credits and the other half consisted of new borrowers who had been approved for credit but were yet to receive one. The latter acted as control group. The study found out that 77% of the borrowers experienced no improvements in their income since the previous year. At the same time, the majority (82%) in the sample were not able to cross the poverty line of 250 *bolivianos* per month. Indeed, some of the poorest borrowers became worse off as a result of credit, which exposed these vulnerable people to high risks. Taking the analysis further, Hulme and Mosley, (1996) had demonstrated that, borrower who already have assets and skills are able to make better use of microcredit. The poor are less able to take risk or use credit to increase their income. For them, business was more likely to provoke likelihood crisis than it was for borrowers with a more secure assets.

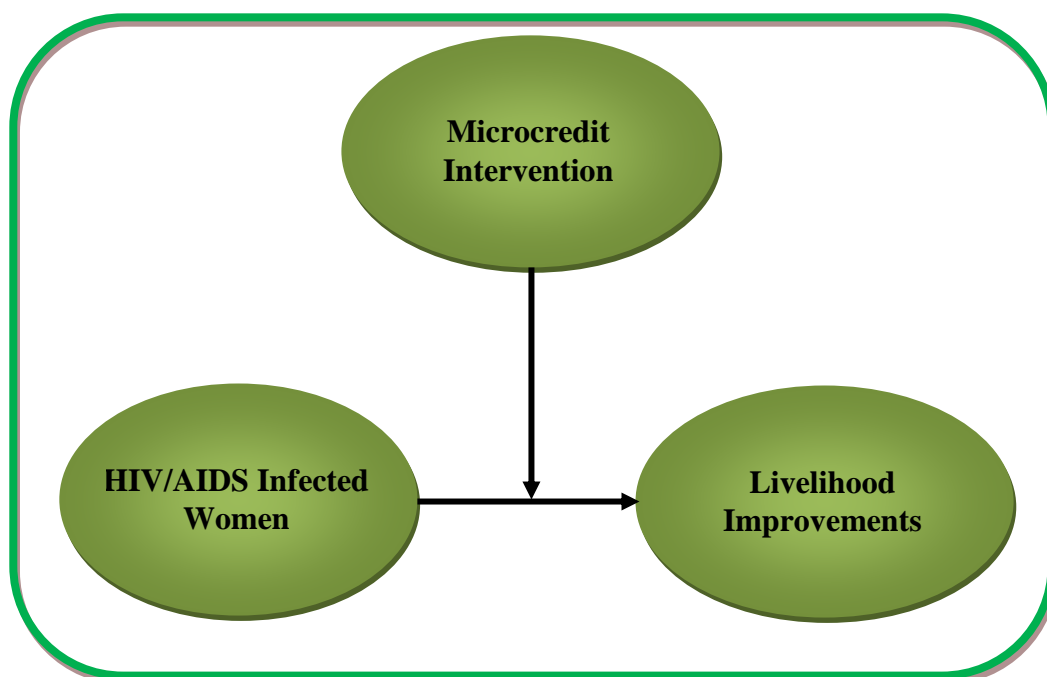
According to Huybrechts and Fonteneau, (2005), microcredit institutions have rarely taken structural initiatives to respond to the special needs of affected households, which is surprising especially for a continent like Africa that is

extremely affected by HIV /AIDS. So, just because a microfinance institution operates in an area with high HIV prevalence does not automatically mean that it reaches and benefits the affected households (Bollinger *et al*, 1999). Financial services offered to PLWHA are rare. Barnes (2005) suggests that, loan products, terms, and selection criteria also influence the extent of participation of these households in microfinance programmes. In addition to that, Bollinger *et al* (1999), has conducted a study to evaluate the impact of introducing microcredit in a new market. In his study, half of 104 slums in Hyderabad, India were randomly selected for opening microcredit branch while the remainders were not. 15 to 18 months after lending began in treated areas; there was no effect of microcredit on average monthly expenditure. Microcredit does help the profit margins of micro-businesses that receive the loans, but that does not translate into better quality of life for the borrowers (Bollinger *et al*, 2010). Although microcredit has claimed more and more budget, it may not always be the best way to help the poorest (Chijoringa and Cassimon, 1999).

2.5 Conceptual Framework of the Study

The conceptual framework below is the framework that guided the study. It is presented pictorially in the figure below:

Figure 1.1: Conceptual Framework



Conceptual framework for this study is based on the arguments that, access to microcredit can lead to livelihood improvement of the rural women living with HIV/AIDS. Basing on this study, access to microcredit refers to the ability of a person to access small amount of loans which is designed for very poor people for self-employment projects that generate income. The livelihood improvement is regarded as a situation in which the person has capability, assets (including both material and social resources) and activities required for means of living.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the approach of the study. It begins with description of the study settings and then research design. Thereafter, the chapter outlines the selection techniques employed in the study. This is followed the data collection methods and procedures. The chapter winds up by discussing about the data analysis methods applied and the issues of reliability and validity and how they were handled in this study.

3.1 Study Settings

This study was conducted in Kongwa district. Kongwa is one of the five districts of the Dodoma region. The district is administratively divided into 14 wards. It is bordered to the north by the Manyara region, to the east by Morogoro region, to the south by Mpwapa district and to the west by Dodoma rural district. According to the 2002 Tanzania national census, the population of the Kongwa district was 249,760. Kongwa is entirely dependent on agriculture and livestock production, which are locally practiced, largely at household level. Agriculture is characterized by low productivity resulting from low and erratic rainfall, semi arid nature of the area and low moisture holding capacity. These conditions compounded by poor farming practice and overstocking/overgrazing make the district susceptible to extensive soil erosion. The main staples grown in the region include sorghum, bulrush millet, cassava and maize, while major cash crops are groundnuts, sunflower and to a lesser extent castor, and pigeon pea. Livestock is the second contributor to the district economy.

The study was conducted in Kongwa ward which contains Mlanga and Kongwa villages. This district as well as the ward selected for the study was mainly due to opportunity to learn (Stake, 1998). According to Stake (1998), when selecting subjects for study in a qualitative enquiry, varieties and balance are important but opportunity to learn is of great importance. Therefore, the area was considered ostensibly because it contains respondents relevant to the research topic who also agreed to participate in the study. Due to that, it became convenient to the researcher to conduct the research in the said area otherwise; it could have been very difficult to identify people living with HIV/AIDS and to let them agree to participate in such a study.

3.2 Research Design

This study used a case study research design. According to Yin (1994), a case study research approach is an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. To Cohen, Manion and Morrison, (2007) a case study is a collection and presentation of detailed information about a particular participant or small group, frequently including the accounts of subjects themselves. This method provides a unique example of real people in a real situation, enabling readers to understand the situations more clearly than simply by presenting them with abstract theories or principles (Yin, 1994). In this study the case method excels at bringing an understanding of rural women living with HIV/AIDS when accessing microcredit, and extends more experience or adds strength to what is already known through previous research. The case study was an ideal methodology for the study, because it

helped to focus on limited number of cases and provide in-depth investigation needed.

Apart from that, the case approach adopted in this research was multiple embedded as opposed to holistic one where only one case is considered. Multiple embedded case research design is always recommended because it enables taking cases of different realities for purposes of comparison. In this particular study, six cases from small business operators were considered while two cases for microcredit firms were taken on board.

In addition, Yin (1994), classifies case studies into three, namely; exploratory case study, descriptive case study and explanatory case study. Under this classification, this study adopted a descriptive case study approach. So, the design employed in this study may be called descriptive multiple embedded case study design.

3.3 Selection of the Cases

According to Cohen, Manion and Morrison (2007), a useful step in the selection process is to repeatedly refer back to the purpose of the study in order to focus attention on where to look for cases and evidence that will satisfy the purpose of the study and answer the research questions posed. As pointed out above, this study involved six women who own and operate small business entities. Their selection was once again based on opportunity to learn as recommended by Stake (1998). In fact, the researcher is providing counseling services to people living with HIV/AIDS. Upon knowing the prospective participants for the study, they were approached and requested to participate in the study. Those who agreed were taken

on board and those who refused were not compelled. About eight people agreed to participate in the study, however, this study considered only six of them.

Final selection of these six cases was based on theoretical sampling as proposed by Strauss (1987). That is, different realities of cases were considered. Particularly, those taken for the study, involved the ones living with HIV/AIDS, having small business firms and accessed credit from microcredit firm and those living with HIV/AIDS, doing business but have not accessed microcredit. In addition, possibility of being successful in doing business was also considered as much as conditions allowed. In this way, the cases considered for the study allowed comparison and was expected to provide rich findings. According to Yin (1994), two up to four cases are adequate for analysis and reporting. However, this study considered six cases anticipating for better and more interesting findings.

For the case of microcredit operators, only two firms do provide services in the study area. These are FINCA (Foundation for International Community Assistance) and VICOBA (Village Community Banking). Management of these institutions were approached and requested to participate in the study by providing some information. Fortunately, they agreed to provide such assistance to the researcher. One can therefore argue that, selection of these firms was done based on opportunity to learn (Stake, 1998) or on paradigmatic basis (Kuhn, 1962).

3.4 Data Collection Methods

To obtain a complete picture of the participants, interviews were employed during data collection. The interviews were conducted to six women living with HIV/AIDS from Kongwa and Mlanga village. Each respondent was visited in her home for the interview. Before the interviews, participant was asked to give brief

history of herself. The history provided a clear understanding of their real life situations, as well as some insight as to how their own personal histories might affect the outcome of the study. As suggested by Yin (1994), the personal histories can be useful in later stages of the study when data are being analyzed and conclusions drawn. During the interview, open ended questions were mostly used. Open ended questions allow free response as suggested by Yin (1994). The interview guide that was used for interviews may be depicted as appendix 1. Data and information from the management of the financial institutions were also gathered through the use of interviews. The interview guide for this case is attached at appendix 2.

Another method of data collection employed in this study was the documentary review. This was done using internet, information obtained from the brochures provided by the microcredit firms, journal articles and other documents made available by the microcredit institutions.

3.5 Data Collection Procedures

Prior to commencement of the study, the study instrument was converted into Swahili to enable clear conversation because Swahili is a language spoken by almost all Tanzanians. The Village Executive Officers (VEO) were approached, briefed about the purpose and asked to provide permission to conduct the study in the study setting. Earlier on, such permission was already requested and permitted at regional as well as district levels. Both instruments used in this study were pilot tested before full scale data collection. This was done in order to improve the instruments with respect to the issue of reliability of the study findings. According to Janesick (1998), pilot testing the study instrument is good because it allows the researcher to focus on particular areas that may have been unclear previously, it may be used to test certain

questions in the study instrument and it allows the researcher to begin to develop and solidify rapport with participants as well as to establish effective communications patterns. In implementing pilot testing few subjects who were selected conveniently were considered.

3.6 Data Analysis

Data analysis consists of examining, categorizing, tabulating, or otherwise recombining the evidence to address the initial propositions of a study (Yin, 1994). In this study the data was guided by the analytic strategy as proposed by Yin (1994). That is, research questions are the ones which should always guide data analysis. Specifically, data analysis here involved both quantitative as well qualitative methods. For the case of quantitative analysis techniques, tabulation plan was the one mostly employed. With respect to qualitative data analysis method which was the major approach use in the study, three main ways as suggested by Yin (1994) were used. These were; pattern matching of data and information between cases, comparison of data and information and by the use of explanation building. According to Yin (1994) as well as Miles and Huberman, (1994) analysis of case study data is especially difficult because the strategies and techniques have not been well defined in the past and that few attempts have been done to put down strategies and techniques for analyzing case studies. For this reason, much of the work in analyzing case studies depends on the investigator's own style of rigorous thinking, along with the sufficient presentation of evidence and careful consideration of alternative interpretations as was done in this particular study.

3.7 Validity and Reliability

Validity is the best available approximation to the truth of a given proposition, inference or conclusion (Winter, 2000). Validity in case study is important because it is used to determine whether the study measures what it intended to measure and to approximate the truthfulness of the results (Winter, 2000). In case study, validity might be addressed through honesty, depth, richness and scope of the data achieved, the participants approached, the extent of triangulation and objectivity of the researcher (Winter, 2000). Reliability on the other side is the consistency of measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects (Cohen, Manion and Morrison, 2007). In short, reliability is the repeatability of measurement.

In order to achieve validity and reliability, the study employed the following techniques:

- Application of the designated data gathering tools systematically and properly in collecting the evidence.
- Pilot testing of the study instruments to ensure same understanding of the questions by all the respondents
- Triangulation of methods of data collection as well as analysis of data and information gathered (Weber, 1990). The methods used in this study were interviews and documentary review.
- Respondents' validation was carried out as suggested by Kirk and Miller (1986). Actually, before data analysis, all the case stories were taken back to participants to validate if what has been reported in the stories is exactly what was discussed during the interview.

CHAPTER FOUR

STUDY FINDINGS AND ANALYSIS

4.0 Introduction

This chapter presents research findings. It begins by providing description of microcredit institutions operating in the study setting. The chapter further narrates case study stories basing on the research objectives and questions. Lastly, the chapter provides data analysis and summary of the results.

4.1 Discussion of the Microcredit Institutions Operating in the Study Setting

There are two microcredit providers in the study setting. These are FINCA (Foundation for International Community Assistance) and VICOBA (Village Community Banking). This section provides short description of the institutions as presented below:

4.1.1 FINCA

FINCA was founded in 1998, with the intention of providing financial services to lowest income entrepreneurs so that they can create jobs, build assets and improve their standard of living. The institution operates in 13 regions of Tanzania, targeting 85% women who have no other sources of working capital. FINCA has more than 62,976 clients with 3,572 village banking groups. The village banking was designed to reach the poorest of the working poor.

4.1.1.1 Types and Characteristics of Clients

As indicated above, women are the main clients of the institution. They are mostly of the low income group who are involved in small business activities as well as producers and sellers of agricultural products.

4.1.1.2 Microcredit Conditions and Requirements

According to the interviews conducted with the loan officers from FINCA, the following requirements and the conditions that should be met for one to qualify for microcredit:

- 1) Attend five weeks training;
- 2) Join a village banking group of 30 to 45 individuals and formulate small group of 5 to 7 people within the village bank called “Speed group”.
Speed group works as a collateral;
- 3) Select a group leader, create group bylaws and open a bank account at any of NMB branches;
- 4) Must own a small businesses and need credit to boost the business and not as an initial capital;
- 5) Able to repay the loan weekly for a period ranging between 16, 20 or 24 weeks;
- 6) Be able to save up to TSHS 5,000 during each loan repayment period, and;
- 7) Discuss with the group members and the loan officers on how the credit will be used.

4.1.1.3 Services Provided

In FINCA, loans are approved and given to groups rather than individuals. Thus, intending borrowers must constitute themselves into a group with evidence of registration by members. Thereafter, they are given group training on mode of operation, basic business skills and transaction in a minimum of five weeks. After these contact sessions and satisfactory training, the group is approved for recognition. After recognition, a group opens an account and each individual fills out a loan application form. On approval, the same amount of the loan is disbursed to individual members. The first loan starts with TSHS 100,000. Successful repayment can result in an increase in a subsequent loan up to a maximum of TSHS 2,000, 000 and above. In addition to working capital, FINCA provides the group(s) with insurance, savings plans, and other services to help them survive in crises such as illness or death in the family, or natural disasters.

4.1.2 VICOBA

TUNAJALI 'WE CARE' program is an initiative of Family Health International (FHI) under Presidential Emergency Fund for AIDS Relief (PEPFAR) that seeks to scale up and sustain care and support services to People Living with HIV/AIDS and Orphans/Vulnerable Children. In Kongwa District Dodoma, TUNAJALI program has introduced the concept of VICOBA. VICOBA is, in some allusion sense, the reflection of the Grameen bank established by Muhammad Yunus of Bangladesh. Strategically, the organization carefully studied the model of the Grameen bank and came up with "VICOBA". VICOBA holds a strong belief that even poor people have skills, capabilities and abilities which when unleashed and utilized effectively can help them to attain and improve their economic development and social welfare."Bye Bye Umasikini" is one of the VICOBA group in Mlanga

village initiated by TUNAJALI. The group started in November, 2010 with 25 members. The members received the training from TUNAJALI in May 2010. They elected a chairman, secretary and treasurer, who among other things manage the cash that is collected by the group members each week they meet.

4.1.2.1 Types and Characteristics of VICOBA Clients

VICOBA targets the poor people and vulnerable groups of the society such as women, young people, aged, disabled, widows and orphans. It is also designed for the less fortunate people who are living under difficult conditions where there are poor social services.

4.1.2.2 Microcredit Conditions and Requirements for VICOBA

Interviews with the chairman and secretary of *Bye Bye Umasikini* group revealed the following requirements and conditions for one to become a member of the group:

- 1) Attend five days trainings offered by TUNAJALI program;
- 2) Join a group of 25 – 30 people;
- 3) Read and understand thoroughly the constitution of the group;
- 4) Get approved by the group's members and leaders;
- 5) Attend group meeting which is held once a week;
- 6) Must own a small business;
- 7) Have an ability to make TSHS 2,500 from own business per week for buying five shares weekly each at a price of TSHS 500;
- 8) Agree to pay the borrowed money with an interest rate of 10%, and;
- 9) Collaterals are not required but the first time applicant must have a referee who is already a VICOBA member to serve as a guarantor.

4.1.2.3 Services Provided

VICOBA are typically savings-oriented. In other words, their activities focus on pooling of savings which are given to members on a rotation basis done according to members' ability to repay the amount taken with an interest. The size of the credit offered in VICOBA groups depends on the amount of shares which have been collected and the ability of that particular group member to repay the loan. *Bye Bye Umasikini* group members started with a loan of TSHS 20,000 for each group member but now they can give a loan of up to TSHS 100,000 for each member. Shares are sold at TSHS 500 and members are required to purchase at least five shares when they meet every week. The money is collected and kept in a safe box made out of metal with three pad locks and each of the three keys kept by three trusted members. The safe box is stored at treasure's house. When the group members meet, they open the box and then count the money to make sure that the records are right. The money is disbursed depending on the priority needs and the amount of shares one has. After receiving the loan, one is required to repay after 3 months with an interest of 10%.

4.2 Description of the Cases

This section provides description of the cases; it includes stories of six women living with HIV/AIDS who are engaged in small business. Three of them have received microcredit from FINCA and VICOBA and the other three have never received microcredit.

4.2.1 Case 1: Received microcredit from FINCA

A passion for tailoring: the story of Dada Fundi

Twenty-nine years old Dada Fundi was just an ordinary girl who grew up in a rural village. As the only child in her family, Dada Fundi wanted to work hard, to make more money so that she can support her parents. She completed standard seven in 1995 and joined Kongwa Mission Centre for tailoring course which took six months to completion. She had passion for tailoring and always admired girls who owned sewing machines. After completing the course, she decided to work as a casual laborer in farms so that she could earn money for purchasing a sewing machine. Within a year, she was able to save only TSHS 80,000. The amount was not enough for purchasing a machine; so her parents gave her some additional money amounting to TSHS 40,000 which enabled her to buy her own sewing machine and started a small business establishment. She opened her tailoring business in front of their house. Starting a business wasn't easy as she was sometimes not getting any business or earning any money for five consecutive days. After three months, she agreed with her parents to move the business to Kongwa town so that she can learn new and modern sewing skills and get exposure to better market conditions. The idea was successful as she was able to earn more than TSH 30,000 per month. While in Kongwa, she met a boyfriend and they decided to live together. In July, 2002, she got pregnant and advised by the doctor to start pre-maternal clinic and test for HIV/AIDS. Shockingly, she was found to be HIV positive. It was frustrating news for her because she never had any symptom related to HIV/AIDS. She decided to go back home and wait for the day of her death. After several counseling sessions, she decided to go back to her boyfriend. She hired a man temporarily to continue with the work while trying to cope with the situation. Although it was tough for her, on

April 2003 she delivered a baby girl. Six months after giving birth, she was on ARV medication and her health kept on improving day by day. She decided to go to work and to hire the man permanently so that she can get time to spend with the baby. The work resumed to normal but she found it very hard to use one machine for two people. She wanted to expand her business by purchasing two more machines. Her idea was to start a tailoring class to girls who have approached her and asked for the training. She started to search for the capital through friends and in the process she heard that FINCA provides support to small entrepreneurs. She joined a group of 5 people and started the procedures of applying for a credit. In 2006, she succeeded to receive a credit of TSHS 100,000. She used the amount to buy a sewing machine for her employee. With the business going on well and growing steadily, she repaid the first loan promptly and went for the second one. This time she received TSHS 200,000 which she used to buy another machine for students, electric iron and ironing table. After accessing the second loan, her business expanded and decided to rent a new room which has electricity. From that time on, Dada Fundi has been receiving loans from FINCA. In 2010, the loan officers from FINCA visited her office and they decided to bump up her loan to TSHS 600,000. With the loan, she further expanded her business and she is currently makes more than TSHS 100,000 per month. She has four tailoring students who come in shifts and spend at least two hours with each student to transfer the most desired sewing skills to many rural women. She charges TSHS 15,000 per month as tuition fees. *“FINCA’s microcredit scheme really helped me to eke out of poverty”* she says, adding that, *“If HIV positive women work hard and intelligently, they will for sure succeed.”* Dada Fundi has a sense of hope and by her actions; she has been able to determine her family’s future.¹

¹ True name was not given due to confidentiality.

4.2.1.1 Socio Economic Benefit of Microcredit

According to Dada Fundi, microcredit has had positive impacts on her business and family life. It has enabled her to improve her socio economic status. This may be evidenced by various indicators like increased income, savings and working capital. The table below demonstrates the situation:

Table 4.1: Business Trend of Dada Fundi Before and After Accessing Microcredit

Indicators for socio economic benefits	Before credit	After credit
Working capital	120,000	> 600,000
Income per month	< 30,000	> 100,000
Saving per month	None	> 20,000
Asset accumulation	<ul style="list-style-type: none"> ○ One Sewing machine 	<ul style="list-style-type: none"> ○ 2 hectare of Farm ○ 3 Sewing Machine ○ 15 chicken
Business trends	<ul style="list-style-type: none"> ○ Work alone ○ One Machine ○ No student ○ No expansion ○ Purchase business items on credit ○ No entrepreneurship skills 	<ul style="list-style-type: none"> ○ Employ one person ○ Three machines ○ Four students ○ There is expansion ○ Purchase on cash ○ Diversify business to poultry ○ Entrepreneurship skills
livelihood improvement	<ul style="list-style-type: none"> ○ Afforded two meals per day ○ Cannot afford medical cost 	<ul style="list-style-type: none"> ○ Ability to eat more than three meals a day ○ Ability to pay for medical cost ○ Ability to meet the basic needs ○ Ability to pay for school fees
Other	Just sustain herself	Living a comfortable life and able to support family on daily basis. The credits have increased confidence and skills

4.2.1.2 Challenges Faced by Dada Fundi

Despite the recorded achievements, Dada Fundi has encountered the following problems when accessing the credit and in the course of running the business:

a) Business challenges:

- Competitions for customers;
- Some customers do not come back to collect their clothes after they have ordered;
- Some customers take clothes on credit and they do not repay, and;
- High cost of materials and electricity.

b) Credits challenges:

- High Interest rate;
- Group heterogeneity;
- Weekly repayment, and;
- Sometimes business goes bad and she has to sell her home property so that she can get money to pay for credit.

4.2.2 Case 2: Received Microcredit from FINCA

Improved Livelihood through Selling Vegetable – Story of Mama Mboga

Mama Mboga (44 years) lives in Mlanga village in Kongwa Maji sub-village. She supports four children and her parents with the income she earns from her farm of green vegetables. She is determined to give her children good education so they can seek opportunities unlike herself as she was not able to complete her education because her father took her out of school and made her get married when she was 14 years old. She started her farm business in 1996 and by then she was earning TSHS 2,000 per day. She does sell vegetable to retailers who come directly to the farm from town and also she sells vegetable at a retail market in Kongwa. Her confidence dropped immensely in year 2000 when her husband left her and got married to another woman, leaving her to raise four children and to take care for her parents.

Her husband lost his second wife in 2003 and decided to return to her and she took him back, unaware that he was HIV positive and would soon infect her. In ill health, she was unable to continue with the farm business. In May 2007, her life took a more hopeful turn after proper medical care and treatment offered at the District hospital. She continued with her farm and learned about FINCA from her fellow friends who were also HIV positive. She joined the group after five weeks of training. She used her first FINCA loan of TSHS 200,000 to purchase more seeds for different types of vegetables, farm equipments as well as fertilizer. The loan transformed her business into a big farm and began to grow cabbages and tomatoes. In 2009, Mama Mboga applied for the second loan of TSHS 400,000 and used to purchase a bicycle so she could transport her products to the market as well as diversifying her projects by starting a chicken keeping project. To finance her growth, she employed two young men to help her with the farm work as well as in chicken project. Having the people to help made her life easy. This gave her enough time to rest for the betterment of her health. With her success in the farm and in chicken project, Mama Mboga is earning more than TSHS 150,000 per month and has less stress, something that has had a positive impact on her health. She has increased her loan size to TSHS 600,000. After investing in her business and paying for her children's school fees, Mama Mboga can set aside savings for her family. She feels like her life has completely changed and she is better able to handle the ebbs and flows of her illness. She is happy to be part of the FINCA family, to be a successful woman, and perhaps most importantly she says *"I have learned to appreciate each day that breaks"*.²

² True name was not given due to confidentiality.

4.2.2.1 Socio Economic Benefit of Microcredit

According to Mama Mboga, the help from FINCA assisted to diversify and expand her business. She has increased her loan size to TSHS 600,000 and is now able to put savings aside toward achieving her dream of seeing her children to complete their education. The table below reveals the situation:

Table 4.2: Business Trend of Mama Mboga Before and After Accessing

Microcredit

Indicators for socio economic benefits	Before credit	After credit
Working capital	160,000	600,000
Income per month	< 60,000	> 150,000
Saving per month	None	> 15,000
Asset accumulation	<ul style="list-style-type: none"> ○ ¼ hectare of farm 	<ul style="list-style-type: none"> ○ 1¼ hectare of Farm ○ A bicycle ○ 50 chicken
Business trends	<ul style="list-style-type: none"> ○ Work alone ○ Green vegetables ○ No expansion ○ No entrepreneurship skills 	<ul style="list-style-type: none"> ○ Employ two people ○ Green vegetables, tomatoes and cabbage ○ Expansion of garden ○ Diversifying from farm business to chicken ○ Entrepreneurship skills
livelihood improvement	<ul style="list-style-type: none"> ○ Afforded two meals per day ○ Lack of children school fees ○ Poor health status ○ High self stigma, anger, stress and isolation 	<ul style="list-style-type: none"> ○ Ability to eat more than three meals a day ○ Ability to pay for children school fees ○ Improved health status ○ Reduced stigma ○ Ability to meet basic needs ○ Improved household decision making
Other		Able to support children on daily basis.

4.2.2.2 Challenges Faced by Mama Mboga

Despite the success, Mama Mboga encounters the following challenges to her business:

- a) Business challenges:
 - Drought;
 - High cost of agricultural inputs;
 - Storage of harvested vegetables.

- b) Credits challenges:
 - High interest rate;
 - Stigma and discrimination from the group;
 - Credit diversion;
 - Weekly repayment.

4.2.3 Case 3: Received credit from *Bye Bye Umasikini* VICOBA group

Traditional local brew – Story from Mama Pub

Mama Pub, 49 years old, a widow and owner of a Pub which is a family business in Mlanga village specializing in selling local brews for eight years. Mama Pub learnt brewing skills from her sister who learnt the skills from their late mother. She was earning TSHS 20,000 per month from the sale of local brews. In 2002, her husband died and left her with three children who were at primary school level. Life became very tough and the sale of local brew alone was not enough to sustain family needs. Four years later, Mama Pub suffered from Tuberculosis followed with shingles. Her relatives took her for medical checkup and found her HIV positive. Her health was severely poor, she could barely work and she decided to take her children out of school and transfer them to her parents in Nkulabi village. She then went to stay with her sister who introduced her to other women who were also HIV positive. Her colleagues gave her moral support and encouraged her to move on with life. After ten months on ARV medication, Mama Pub regained her strength and moved

back to her village to face life again. Her business was disrupted and she was having no capital to put it back again. She was receiving home based care services from TUNAJALI. In 2009, she attended the VICOBA training organized by TUNAJALI. They used the skills to formulate a group of 25 people and started their VICOBA program known as *Bye Bye Umasikini*. Her sister gave her TSHS 20,000 and she used the money to buy shares from VICOBA. In 2010, she managed to get a loan of TSHS 50,000 and used the money to reopen the business and worked very hard to repay the loan. After three months, she applied for the second loan and got TSHS 70,000 which she used to purchase a big tank for brewing local beer. Being HIV positive, she experienced stigma which became a threat to her business but she kept on working. In September 2010, she applied for a credit of TSHS 100,000. She used the loan to introduce beers, Cognac spirit and local soup known as ‘Makongoro’. The feedback from her customers was good and now she has plans of hiring a girl to assist her on preparing local brew and soup. She thought of hiring someone to help because of the heavy job and also to please some customers who felt uncomfortable to buy food which has been cooked by HIV infected person. After few months, her income tripled and her two sons were able to return to school. She is working on taking her daughter back to school too. Before approaching VICOBA, Mama Pub had limited understanding of business; she was only working just to earn money for daily subsistence. Now she has learnt the importance of saving and taking good care of the customers. She has plans to expand her business to ‘Mnadani’ area and sell food and drinks during the market day. Mama Pub recognized the importance of credit as she realized, without it, her business could not be where it is today.³

4.2.3.1 Socio Economic Benefit of Microcredit

³ True name was not given due to confidentiality.

According to interview conducted with Mama Pub, microcredit has had positive impacts on her businesses and family life. Through credit, she was able to reopen her business and opened the door for more success in her life. The table below highlights the situation:

Table 4.3: Business Trend of Mama Pub Before and After Accessing Microcredit

Indicators for socio economic benefits	Before credit	After credit
Working capital	20,000	100,000
Income per month	< 20,000	> 60,000
Saving per month	None	> 5,000
Asset accumulation	<ul style="list-style-type: none"> ○ House ○ Few business utensils 	<ul style="list-style-type: none"> ○ 3 hector of maize ○ 1/2 hector of groundnuts ○ Many business utensils
Business trends	<ul style="list-style-type: none"> ○ Work alone ○ Selling local brew ○ No plan for expansion 	<ul style="list-style-type: none"> ○ Plan to employ a person ○ Selling beer, cognac, soup and local brews ○ Business expansion
livelihood improvement	<ul style="list-style-type: none"> ○ Hard to get one meal ○ No school fees ○ Poor health status ○ High dependency 	<ul style="list-style-type: none"> ○ Ability to eat two meals a day ○ Pay school fess ○ Pay for medical cost ○ Reduced dependency ○ Improved health status
Other	<ul style="list-style-type: none"> ○ Work for food 	<ul style="list-style-type: none"> ○ Able to support two children at school and started to repair house

4.2.3.2 Challenge Faced by Mama Pub

Apart from the success outlined in the above table, there are a number of problems which hinder the smooth operation of the business. The following are some of the challenges experienced by Mama Pub:

- a) Business challenges:
 - Competitions;
 - High cost of water, and;
 - After they get drunk, her customers harass her sexually.

- b) Credits challenges:
 - Stigma associated with HIV/AIDS;
 - Group heterogeneity in the VICOBA;
 - Difficult to obtain a credit guarantor;
 - Credit diversion from the main purpose;
 - Weekly repayment, and;
 - Obtaining 2,500 for buying shares every week.

4.2.4 Case 4: No Microcredit

The Potte's hands business – Story from Mama Vyungu

Mama Vyungu was born 52 years ago. She is married with five children. Before being diagnosed to be HIV positive, Mama Vyungu used to sell groundnuts in Kongwa market. She was able to make not more than TSHS 1,000 per day. The amount enabled her to purchase kerosene, salt and sugar for the family. In 2006, she suffered from Tuberculosis and a year later was diagnosed to be HIV positive. Since then, her health kept on deteriorating day by day. She was enrolled on ARV but poor diet, stress and economic hardship worsened her situation. Her husband, who used to make and sell charcoals, had become addicted to alcohol after discovering that her wife was HIV positive. He refused to test for fearing of the truth. Mama Vyungu carried the burden of taking care of the family on her own. In 2008, she decided to change the business and started to make pots. She switched to that

business because it was not demanding; she can make the pots while at home. She is now a famous potter, a business which involves all her children. During the day of interview, her three sons were away in Kongwa market selling the pots. She obtained the skills from her grandmother when she was young. Her customers are other villagers but on Sunday's she send her children to town to sell pots in the big market. Her business is not doing well. Sometimes it takes weeks without selling a single pot. In the village, many women know how to make their own pots so her idea was to send the pots to Dodoma and meet the potential buyers. Mama Vyungu also wants to diversify her business by keeping chicken and sell them at Mbande (Dodoma –Dar es Salaam main road). The biggest obstacle to her plans is capital to expand her business. She was a member of *Bye Bye Umasikini* VICOBA group but the group members suspended her from the group because she was not able to raise TSHS 2,500 per week for buying shares as this is a requirement for all members. In 2010, she joined a group of women living with HIV/AIDS and they approached Small Industries Development Organization (SIDO) which offers small loans for small business entrepreneurs. The loan officer discouraged them with the list of requirements for the loan. They were required to declare any assets like a house, plot of land or home furniture's like fridge, TV, set of Sofas as collateral for loans. She requested her husband to allow her to use their small hut as collateral but he strongly disagreed with her and threatened to divorce her if she kept on insisting. Mama Vyugu did not loose hope and now she has joined another groups of HIV infected people and they are planning to approach Tanzania Social Action Fund (TASAF) to request a loan so that they can start a dairy goat project. *“I have not lost hope, I know if I will get a loan I will be able to expand my business, increase income and improve the family livelihood situation all together”* she said.⁴

⁴ True name was not given due to confidentiality.

4.2.4.1 The Business Trend of Mama Vyungu

As depicted in the table below, it is clear that, Mama Vyungu’s business is stagnant in growth. She was not able to access a loan and hence she could not pull enough resources on her own to expand her business and improve socio-economic situation.

Table 4.4: The Business Trend of Mama Vyungu

Indicators	Socio economic situation
Working capital	10,000
Income per month	< 20,000
Saving per month	None
Asset accumulation	None
Business trends	<ul style="list-style-type: none">○ Work with children○ Plan for expansion
livelihood improvement	<ul style="list-style-type: none">○ Hardly one meal per day○ No school fess○ Cannot meet basic needs○ Poor health status○ Stigma and rejection○ Reduced household decision making

4.2.4.2 Challenges faced by Mama Vyungu

During the interview with Mama Vyungu, it was leant that, she faces a number of challenges including:

- a) Business challenges:
 - Poor storage of pots which break easily;
 - Competition from other pot makers;
 - Poor health condition, and;
 - Lack of capital for business expansion.

- b) Credits challenges:

- Lack of collateral;
- Lack of husband's consent, as he is the owner of family assets;
- Lack of capital for purchasing VICOBA shares.

4.2.5 Case 5: No Microcredit

Living by Grace – a story from Bibi Mayai

Bibi Mayai (65 years) is a grandmother who is taking care of three grandchildren who have been left by her daughter who died in 2005 with HIV/AIDS. The family of four shares a single bedroom in a very small mud hut in Mlanga village. Besides the caring burden, Bibi Mayai has been living with the HIV virus for four years. She was diagnosed HIV positive two years after the death of her daughter. She contracted the virus when taking care of her daughter. To help support her family, Bibi Mayai started a small business of selling boiled eggs in the local market. She sent her grandchildren to the market to sell the boiled eggs. She is aware of the importance of education for grandchildren but she cannot afford to send them to school. She had started her business with a small capital of TSHS 10,000 and if the business is good and kept on expanding she can make TSHS 1,000 as a profit per day. Bibi Mayai is also involved with groundnuts farming. Currently, her health has deteriorated and she has been advised by a physician not to engage in difficult chores. She does have knowledge on how loans and microcredit operates and she wished to get a loan of TSHS 50,000 so that she can start a business of tomatoes and green vegetables. In 2010, she joined VICOBA group and withdrawn herself after failing to obtain a credit guarantor and money for purchasing shares. She approached neighbor and friends for support, but they refused to guarantee her because they

though she will not be able to repay the money. She is aware about FINCA but she has never approached them because she is illiterate and find it very difficult to deal with the forms and procedures for loan accessibility. She also perceived FINCA as a powerful institution which favors people with big business.⁵

4.2.5.1 The Business Trend of Bibi Mayai

According to the interview, Bibi Mayai family’s fate seemed to be written by forces beyond her control. She has a very poor economic situation as shown in the table below:

Table 4.5: The business trend of Bibi Mayai

Indicators	Socio economic situation
Working Capital	5,000
Income per month	< 15,000
Saving per month	None
Asset accumulation	1 hectare of farm
Business trends	<ul style="list-style-type: none"> ○ No expansion ○ Work with grandchildren
livelihood improvement	<ul style="list-style-type: none"> ○ Hardly one meal per day ○ Cannot afford school fees ○ Cannot meet basic needs ○ Poor health status ○ High stigma
Other	Cannot afford taking care of grandchildren

4.2.5.2 Challenges Faced by Bibi Mayai

Bibi Mayai is faced with a number of challenges in doing her business and when trying to access credit as indicated below:

- a) Business Challenges:
 - Business competition;

⁵ True name was not given due to confidentiality.

- Poor health condition.

- b) Credits Challenges:
 - Illiteracy;
 - Stigma and discrimination;
 - Lack of microcredit information, and;
 - Lack of credit guarantor.

4.2.6 Case 6: No Microcredit

Stigma makes my life a hell - story from Mama Chakula

Mama Chakula is 50 year-old HIV-positive widow and a mother of six. She learnt her serostatus in early 2006, following the death of her husband due to HIV/AIDS. At that time, Mama Chakula owned a small restaurant, a business which she shared with her late husband. They used to make a profit of TSHS 50,000 per month and spent all the money they made for food, tuition fees and uniforms for the children. In the same year, she began suffering from a persistent cough and skin rashes, and other people suspected her of suffering from AIDS. Owing to her deteriorating ill health, Mama Chakula lost her ability to work and closed the business. She faced a lot of stigma and rejection from her family, neighbors and friends. At the same time, she was condemned by late husband's family for the death of her husband. They took a farm and a house and left her homeless. She approached the elders for her rights but they told her, that is a punishment for being a witch wife. She gave up on life and wished to die soon. In 2009, a friend who was also HIV-positive, came to her rescue and borrowed her TSHS 15,000. She used the money to start her business again. The money was not enough; she started by selling breakfast only and ultimately stigma killed her business. Because she had really lost weight and she had rashes all over her body, people refused to buy food from her shop

because of myths that they might catch HIV from eating at Mama Chakula’s place. She had heard about FINCA but she was worried to approach them and asked for money due to her illness. She was afraid that she would never be able to repay. She was apprehensive about borrowing money because she has once seen people’s properties being taken when they failed to repay their loans. She feared that if she could not repay the loan, she might be sent to jail or they will sell the few properties she has remained with. She has seen how other women are struggling to repay the loan and she thinks the same could happen to her. Trapped in the cycle of poverty; Mama Chakula had no reason to hope that things could get any better.⁶

4.2.6.1 The Business Trend of Mama Chakula

There is no doubt that Mama Chakula has a poor socio economic status as indicated in the table below:

Table 4.6: The Business Trend of Mama Chakula

Indicators	Socio economic situation
Working Capital	15,000
Income per month	< 20,000
Saving per month	None
Asset accumulation	None
Business trends	<ul style="list-style-type: none"> ○ Work alone ○ Plan for expansion
Livelihood improvement	<ul style="list-style-type: none"> ○ Hardly one meal per day ○ Cannot afford school fees ○ Cannot meet basic needs ○ Very poor health status ○ High stigma and discrimination ○ Increased dependency to parents and relatives.

4.2.6.2 Challenges Faced by Mama Chakula

The following are the challenges faced by Mama Chakula:

⁶ True name was not given due to confidentiality.

- a) Business challenges:
 - Poor health status;
 - Lack of capital.
- b) Credits challenges:
 - Lack of collateral;
 - Stigma and discrimination, and;
 - Fear of failure to repay the loan.

4.3 Case Analysis

In this study, data analysis was guided by research questions. Research questions set the direction in the processes of data analysis as proposed by Yin (1994). Based on developed research questions, data was condensed into summary to help identifying key factors, key issues and key concept related to women, HIV/AIDS, microcredit and livelihood improvement.

4.3.1 Accessibility of Microcredit

According to the people interviewed, it was discovered that women living with HIV/AIDS who are involved in small businesses have a greater chance of accessing microcredit. The business conditions are seen as a major determinant in terms of microcredit accessibility. Accessibility on microcredit does not depend on business alone, it also depends on the ability of a person to make the profitable business which enables her to repay the loan, put savings aside and improve the socio economic status. The interviews revealed that, women's living with HIV/AIDS stands the same chance of accessing the credits, if they are able to meet the required conditions. Poverty, poor health conditions, reduced working capacity, stress, fear, stigma and rejection were mentioned by the participants as the main obstacles

limiting their accessibility to microcredit. For example, Mama Vyungu could have accessed microcredit but she was denied access due to her inability to buy shares from VICOBA. The type of loans offered in the study settings, favours mostly, those women who have the business running or they have a small capital already, for those who owned nothing, they had a limited chance of accessing credits and they remain poorer. Without access to credit, women living with HIV/AIDS are often stuck in the cycle of poverty with no opportunities to improve their lives or those of their children. What has also been evidenced from the findings is that, there are no special treatments or programs for women living with HIV/AIDS with respects to accessibility of microcredit. The whole process of accessing microcredit is based on the business conduct. If one does not meet the rule of the game, she is kicked out.

4.3.2 Modes of Providing Microcredit

FINCA and VICOBA were mentioned by respondents as the main microcredit providers for women living with HIV/AIDS. The credits in this institution were offered in a form of groups, ranging from 5 to 10 people and 25 to 30 people, for FINCA and VICOBA respectively. Groups work as a collateral. A group leader has a mandate to make sure that, the entire members present during the day of repayments. If one does not have money, it is the responsibility of the entire group to contribute and pay for the loan. The maximum limit for contributing to a person who failed to repay is three times and on the fourth time the group has the mandate to resale assets and other belongings of a person who failed to pay the loans. According to the interviews, groups were associated with stigma and conflicts. Women living with HIV/AIDS are despised within the groups and their contributions are not taken very seriously. There are times when they are sick and other members

do not understand their situation. All the respondents wished to receive credits on individual basis and be responsible for everything. And if they are required to be in groups, they recommend to the microcredit provider to allow them formulate the groups of people living with HIV alone, because they understand their situation and it will also help to fight stigma and discrimination.

4.3.3 Social Economic Benefits of Microcredit

Results revealed that, HIV positive women who have received microcredit appeared to improve their socio economic status compared to those who have not received microcredit. All the cases that had accessed loans were asked to explain the impacts of the credit on their businesses and family lives; the details are given in the table below:

Table 4.7: The Socio Economic Benefits of Microcredit

Indicators	Cases	With Microcredit	Without Microcredit
Working Capital	Case 1	600,000	
	Case 2	600,000	
	Case 3	100,000	
	Case 4		10,000
	Case 5		5,000
	Case 6		15,000
Income per month	Case 1	100,000	
	Case 2	150,000	
	Case 3	60,000	
	Case 4		20,000
	Case 5		15,000
	Case 6		20,000
Savings per month	Case 1	20,000	
	Case 2	15,000	
	Case 3	5,000	
	Case 4		None
	Case 5		None
	Case 6		None
Asset accumulation	Case 1	<ul style="list-style-type: none"> Increased assets 	
	Case 2	<ul style="list-style-type: none"> Increased assets 	

	Case 3	<ul style="list-style-type: none"> Slightly increase in assets 	
	Case 4		<ul style="list-style-type: none"> No change in assets
	Case 5		<ul style="list-style-type: none"> Reduced assets
	Case 6		<ul style="list-style-type: none"> Reduced assets
Business trends			
	Case 1	<ul style="list-style-type: none"> Employ one person Purchase 2 sewing machines Start tailoring Business expansion Diversify business to poultry 	
	Case 2	<ul style="list-style-type: none"> Employ two person Business expansion Diversify business to poultry 	
	Case 3	<ul style="list-style-type: none"> Plan to employ a girl Business expansion 	
	Case 4		<ul style="list-style-type: none"> Work with her children Plan for expansion
	Case 5		<ul style="list-style-type: none"> Work with grandchildren
	Case 6		<ul style="list-style-type: none"> Work alone Plan for expansion
Livelihood improvement			
	Case 1	<ul style="list-style-type: none"> Afforded medical cost Improved household food security Pay children school fees Meet family basic needs Living comfortable life Supporting family and parents Increased confidence and skills 	
	Case 2	<ul style="list-style-type: none"> Improved household food security Pay children school fees Meet some of the basic needs Improved health status Reduced stigma Improved decision making 	
	Case 3	<ul style="list-style-type: none"> Improved household food security Pay children school fees Meet some of the basic needs Improved health status Decreased dependency 	
	Case 4		<ul style="list-style-type: none"> Reduced

			<ul style="list-style-type: none"> household food security • Lack of school fees • Cannot meet basic needs • Poor health status • Increased stigma and rejection • Reduced household decision making
	Case 5		<ul style="list-style-type: none"> • Poor household food security • Cannot meet basic needs • Cannot afford school fees • Poor health condition • High stigma
	Case		<ul style="list-style-type: none"> • Reduced household food security • Cannot meet basic need • Cannot afford school fees • Very poor health status • Increased dependency • Increased stigma and discrimination

As indicated in the table above, cases with microcredit have shown business improvements in the term of increased assets, number of employees, business expansion as well as diversification, compared to the cases without microcredit. With respect to livelihood improvements, cases with microcredit have also shown good improvement too. Restoration of lost income, reduced stigma, improved health status, food security, education for children's and meeting basic needs were the most commonly mentioned indicators for livelihood improvements. The improvements were also reflected in the ability to save an income on monthly basis. The Cases

without microcredit have shown poor socio economic improvements in terms of savings, asset accumulation, business trends as well as livelihood improvements. According to the results above, microcredit does have socio-economic benefits on business outcomes. Discussion with the respondents who have received credits revealed that the benefits of microcredit were not only confined to improvement of their businesses, but reflected also in improved socio economic status. Microcredit improved the capacity of the participants to cope better with the impacts arising from HIV and AIDS, thus creating resilience.

4.3.4 Challenges Facing HIV/AIDS Women when Accessing Microcredit

Despite the success obtained in microcredit, all the cases have indicated a number of challenges they faced when trying to access microcredit. The challenges are barriers to growth in those who accessed credits and an obstacle for those who have not yet received microcredit. The challenges mentioned by different women are presented below in order of priority:

1. High interest rate;
2. Stigma and discrimination;
3. Weekly repayments;
4. Groups heterogeneity;
5. Lack of collateral;
6. Lack of capital for purchasing VICOBA shares;
7. Lack of husband's consent;
8. Lack of credits guarantor;
9. Lack of good investments at the rural settings;
10. Fear of Failure to repay the loan;

11. Illiteracy, and;

12. Credits diversion.

As indicated above, high interest rate is the main challenge mentioned in the cases, this is followed by high stigma and discrimination which is associated with HIV/AIDS. If not the mentioned challenges, women livings with HIV/AIDS want to see their business flourish and grow so as to improve their livelihood.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter presents conclusion of the study which is followed by recommendations to microcredit providers and the government. The chapter concludes by indicating the study limitation and providing areas for further study.

5.1 Conclusion

In this study conclusion was made after analyzing the findings. This section is devoted for conclusion which has been guided by analytic strategy (research questions and objectives).

5.1.1 Accessibility of Microcredit to Women Living with HIV/AIDS

Responding to the research question on accessibility, this study found out that, access to microcredit by rural women living with HIV/AIDS was found to be limited by inability of beneficiaries to meet the credit requirements stipulated by microcredit providers and not by their HIV/AIDS status. Microcredit institutions require that borrowers must be running a business of some sort. If this is not the case, they require the borrowers to have some sort of physical assets in order to access loans. This includes a house, furniture, or tools such as sewing machines, bicycles, etc. Despite the requirement for a physical asset as collateral, credit institutions require a client to pay an entrance fee either to buy the first set of shares or to set up an account. The findings further revealed no discrimination in terms of microcredit accessibility for HIV positive women. Microcredit providers look at the ability of the

person to pay credit regardless of whether she is HIV positive or not. However, the main obstacle to credit accessibility by HIV positive women is poverty. The HIV infected women suffer from severe poverty due to reduced working capacity, stress, fear, stigma and rejection which hinder their working performance. The results showed that, the HIV women who are in business failed to access microcredit because they work for food and hence cannot manage paying back the loans. According to this study, it was discovered that the kind of loans available are suitable for women with at least small business running or have a small capital already. For the poorer women, the available credit schemes are not ideal because such women cannot meet the set of criteria including buying of shares, opening bank accounts and hence find themselves trapped in the vicious cycle of poverty. In other words, one can conclude that there are no special funds or mechanism that has been designed to help women living with HIV/AIDS to access microcredit. The microcredit providers are doing business. All they need is to maximize their profit at the end of the day. So, whoever can meet the conditions is the prospective client. Women living with HI/AIDS can hardly meet the prescribed conditions.

5.1.2 Modes of providing Microcredit to Women Living with HIV/AIDS

It has been reported that, FINCA and VICOBA are the main institutions where women living with HIV accessed microcredit. Microcredit in these institutions was given to groups and not individuals. Groups have been reported to comprise of 5 to 10 members for FINCA and 25 to 30 members for VICOBA. Groups meet weekly for repayment of the loans as well as discussing other issues pertaining to their businesses. Group mechanism plays an important role, when one of the group members failed to repay the loan, it becomes a collective responsibility of all group

members to contribute and pay for the loan. The study further revealed that group heterogeneity is a challenge to women living with HIV/AIDS. They experienced stigma and discrimination from the group members when their status is known or suspected. Some of the groups are also associated with frequent conflicts. All the participants wished to receive credit on individual basis rather than in groups, and if they receive credit as a group then women living with HIV/AIDS should be on their own. This was suggested by women living with HIV/AIDS because they know how to sympathize with one another in times of sickness and difficulties and help them through with credit repayment.

5.1.3 Social Economic Benefits of Microcredit to Women Living with HIV/AIDS

The study findings demonstrate that, microcredit enables HIV positive women to manage assets which they were not able to manage before. All the cases which accessed credit have increased their business asset. As a result, income and savings increased which lead to livelihood improvements. As explained by Kantor, (2009), livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. According to this study, livelihood improvement was translated in terms of increased women decision on food security, assets, medical expenditure, home purchase and repair, education, investment, levels of spending on children tuition fees, other education expenses as well as individual women's savings. At the family level, unlike in the past, they can make more contributions to their family upkeep; they eat better food, able to pay children's fees regularly and with less stress. At community level, some of the women were able to extend their hand through providing employment opportunities. Another potential benefit of microcredit is helping women living with HIV/AIDS

coping with the disease shock. These shocks could lead to more illness, loss of property, loss of a job, or a death in the household. As added by Kantor, (2009), livelihood is sustainable when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future. Some of the respondents have been in business for a long time, but prolonged illness, stigma and discrimination led to the collapse of their ventures. With additional training and the microcredit they received, they have been able to pick up what they left off and move on with life. Microcredit therefore, may not be the miracle that is sometimes claimed on its behalf, but it does allow households to borrow, invest, create and expand businesses.

5.1.4 Challenges Facing Women Living with HIV/AIDS when Accessing Microcredit

This section provides some of the challenges encountered by HIV positive women when accessing microcredit. The challenges are presented in order of priority, as follows;

a) High interest rate

High interest rate was reported to be an obstacle for HIV positive women to approach microcredit institution for support. Respondents who have accessed microcredit mentioned high interest rate as barrier for business growth and expansion. They have been battling with repayment of loans and other competing needs such as improving livelihoods and expanding their business. If the interest rates were low, women would have been able to breakthrough in business and expand their business to a much larger scale. Most of them argued that, the interest rate was too high, and they end up paying double the amount borrowed.

b) Weekly repayments

It is quite difficult to raise money for repaying the loan every week as it is a way microcredit schemes operate in the study setting. Women living with HIV/AIDS said that they prefer to repay the loan on monthly or bi-monthly fashion because one week window period is not enough to raise money for family needs and for repaying the loan especially in rural uncertain markets.

c) Groups' heterogeneity

Microcredit groups in the study setting are not homogenous. There is big disparity in terms of socio economic, cultural and health condition. For women living with HIV/AIDS, they really find it difficult to work in a group where they feel that they are being stigmatised. It would have been easier for them to work in a group where every member of the group would have understood their situation. Due to their needs, they see heterogeneity of a group as a threat for them to join credit groups and as a result, they cannot get access to loan.

d) Lack of collateral

Many microcredit organizations require collaterals to support groups or individual's applications for credit. For women living with HIV/AIDS, this has been a big challenge. Most of them have used all their savings to get treatment for opportunistic diseases and they have not been able to work to accumulate assets or they have disposed off their assets to get money for basic needs. When such women think of the process to get loan including collateral requirement, they are easily turned off and shy away from approaching microcredit organizations for support.

e) Lack of capital for purchasing VICOBA shares

Village entrepreneurs are supposed to buy shares from VICOBA before they can get access to loan. The amount of loan that they can be given really depends on among other factors, the amount of shares one may have. For those with disposable income and ability to buy shares, they are better off to get loans, while those with no disposable income to spend on shares, they are automatically denied access to loans. This is a big challenge for women infected with HIV/AIDS who are adversely affected by poverty.

f) Business competition

As it was indicated in the cases, creativity among the business women in the study setting is pretty low. For example, Mama Vyungu faced a challenge of customers because many women in her area were engaged in pot making. Despite that, the rural environment offers few business opportunities. As a result, they end up copying each other's business and creating fierce competition among themselves. That being the case, they are not able to generate enough cash to sustain their business, to improve their livelihoods and repay the loan.

g) Fear of Failure to repay the loan

Lack of good investment opportunities in the rural settings makes many women to fear microcredit. Due to the difficult investment environment in rural areas, women are failing to establish good business which will create income and enable them to repay the loan. People have observed their friend's or close relative's properties being taken away by microcredit organizations because those who have taken loan

failed to repay. Such experiences create fear among women to borrow money from microcredit organizations.

h) Credits diversion

Women living with HIV are faced with many day to day responsibilities such as taking care of their children, other sick members of family, aged members of family and many other endless responsibilities. They have their own needs as well medical and nutritional needs. As a result, many women living with AIDS who had accessed loan for starting small business or improving their business, end up spending the money on other family needs and hence fail to meet their business goals and ultimately fail to repay the loan.

i) Illiteracy

Women who are not educated find it difficult to deal with the credit procedures like filling out the forms, signing, etc, due to their illiteracy status. They also perceived credits institutions as powerful and hence cannot approach them for credit support.

5.2 Recommendations

This section provides some recommendations from the insights gained through the interview, existing literatures and the analysis of data collected from the study area. The recommendations focus on the areas to be improved. Recommendations are made for microcredit providers and to the government.

5.2.1 Recommendations to Microcredit Providers

The managements of microcredit providers are asked to do the following in order to enable women living with HIV/ADS access their services:

1. Reduce the interest rate to enable more people especially those living with HIV/AIDS benefits from their services. All participants commented that the interest rate charged by credit providers is too high. Therefore, there is a need for them to find means of reducing the interest rate charged. One way of achieving this is through mobilization of client's savings, rather than the current situation that sometimes they are forced to borrow money from banks at an interest; and the money is used to lend to customers at a margin which results to high interest rate that the clients cannot afford.

2. Extend the time for loans repayments from one week to four weeks or more. This will enable clients to generate substantial profit by using the borrowed money. Also, the loan repayments should be given depending on the type and stage of business rather than the current situation in which the group members do their repayment on weekly basis regardless of the loan size and the loan term.

3. The credit providers should find a way of modifying the current situation where in order for one to access another loan, the whole group should have completed their repayment of the previous loan. This denies the opportunity for those clients whose their business are performing well and manage to repay the loan before the contract ends, and would like to access another loan immediately as individuals.

4. Encourage the credits beneficiaries to formulate groups of people with common interests. This will help to create active participation, commitment,

good decision making, reduce stigma for the case of HIV/AIDS infected and avoid conflicts.

5. Provide regular entrepreneurship education to their clients to avoid credit diversion and losses. The pre loan training currently conducted does not give HIV/AIDS women capability to compete effectively as it focuses mostly on methodologies.
6. Develop products that target rural self-employed women especially those living with HIV virus.
7. The credit providers should provide grace period to their clients so that the extended credit may be injected and become productive before starting repaying the loan. Currently the clients start repaying their principal plus interest the next week after receiving the loan. Without grace period some of women used to pay what they took as credit, and this might interrupt their business plan and they actually pay interest without really using the money in a productive manner.

5.2.2 Recommendations to the government

In order to improve the credit accessibility for HIV positive women, the Government is requested to do the following:

1. For HIV positive women to remain in business and contribute to the family livelihood, the government should persuade the credit providers to reduce the interest rate they charge on the loans. It can also request them to reduce the

conditions and requirements to enable HIV positive women access their services as well.

2. As a long-term strategy, the Government should establish microcredit schemes to support women living with HIV/AIDS. This could be through increasing budget for HIV/AIDS and the fund to be used for lending. Basing on the research findings, there is no specific organization which offers credit to people living with HIV/AIDS, they just self finance themselves when they need capital or join the groups and apply for credit which do not favour their health situations.
3. Informal microfinance institutions like VICOBA should be encouraged and supported by the Government in order to reach more rural dwellers, especially those living with HIV/AIDS.
4. Most microcredit providers do not provide entrepreneurship skills and business training due to the cost involved, thus they opt for short time training that concentrates on methodologies. The Government should support provision of training to small entrepreneurs.

5.3 Limitation of the study

This study was based on the case study methodology and covered cases in only one District. This was done based on opportunity to learn and convenience. It is however acknowledged that if big coverage and methodologies was changed, the study findings could be richer and more interesting.

5.4 Area for Future Studies

The following areas are recommended for future research.

1. Conducting studies to assess the accessibility of microcredit for livelihood improvement of rural men living with HIV/AIDS by considering many study settings in the country.
2. Conducting studies by using other methodologies like longitudinal or survey research approaches to assess the accessibility of microcredit for livelihood improvement of rural women living with HIV/AIDS.

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APPENDECIES

Appendix 1: Interview guide for Women Living with HIV/AIDS

This study is based at the University of Dodoma. Its major objective is to assess the accessibility of microcredit for livelihood improvement for the rural women living with HIV/AIDS at Kongwa District. Therefore, you are kindly requested to participate in this study by filling in this short form. The information being looked for is only for academic purposes. It is not for any other use. Under no circumstances will this information be given out to any person or institution. There is no need to provide your name.

A. Personal Information

1. Age.....

2. Marital status. Please tick appropriately:

a) Single

b) Married

c) Widow

d) Divorced

3. Income per month. Please tick appropriately:

a) < 30,000

b) 31,000-60,000

c) 61,000 -90,000

d) > 90,000

4. What type of business you are operating?

.....
.....
.....

5. Highest education attained

- a) No education
- b) Primary
- c) Secondary
- d) First degree
- e) Above first degree

6. Number of dependents.....

B. Access to Microcredit

7. Did you know any organizations which provide microcredit within your area?

- a) Yes
- b) No

8. If yes, which one? Please specify.....

9. Have you ever tried to approach any microcredit organization and ask for credit?

- a) Yes

b) No

10. Did you succeeded to get it?

a) Yes

b) No

11. If No, please explain why.....

12. If yes in question 3 above, please explain how did you use the credit?.....
.....
.....

13. In your area, are there organizations which provide credit specifically to women living with HIV/AIDS?

a) Yes

b) No

14. If Yes, which ones? Please explain.....

15. If No in question 7 above, do you think it is important to have a place where women living with HIV/AIDS can go and ask credit?

a) Yes

b) No

16. Please explain the reason for your response above

.....
.....
.....
.....

17. Apart from credit, is there any other support offered to women living with HIV/AIDS within your area?

a) Yes

b) No

18. If yes, what kind of support is being offered? Please indicate.

.....
.....
.....
.....

c) Nature of Microcredit in the Study Setting

19. In your opinion, which among the list below is the easiest way for women living with HIV/AIDS to access credit?

a) As Individual

b) As Group

- c) As Association
- d) Other (please specify).....

20. Which method is being applied in this area to give credit to women living with HIV/AIDS? Please tick below (Multiple responses possible).

- a) As Individual
- b) As Group
- c) As Association
- d) Other (please specify).....

21. Which among the approaches below offer credit support to women living with HIV/AIDS? (Multiple responses possible).

- a) Self help groups
- b) Governments
- c) FBO
- d) NGO
- e) CBO
- f) Others (please specify).....

22. What are the requirements by microcredit organization you know for women living with HIV/AIDS to receive credit?

- a)
-
- b)
-

- c)
.....
- d)
.....
- e)
.....
- f)
.....

D. Challenges to microcredit

23. In your opinion and experience what are the challenges which WLWHA face when accessing credit? Please enumerate as much as you can.

- a)
.....
- b)
.....
- c)
.....
- d)
.....
- e)
.....
- f)
.....

24. In your opinion, what do you think needs to be done in order to overcome the above stated challenges?

- a)
-
- b)
-
- c)
-
- d)
-
- e)
-
- f)
-

E. Impacts of Microcredit

25. Do you think Microcredit is an effective tool for eradicating poverty to women living with HIV/AIDS?

- a) Yes
- b) No

26. If Yes, how please explain?

.....

.....

.....

.....
.....

27. If No in question 16 above, please indicate other tools

- a)
.....
- b)
.....
- c)
.....
- d)
.....

28. What are the socio economic benefits of microcredit to women living with HIV/AIDS? (Please tick. Multiple responses possible).

- 1) Improved health status
- 2) Improve household asserts
- 3) Improve household decision making
- 4) Reduced stigma
- 5) Improved income level
- 6) Increase in saving
- 7) Improve in food security
- 8) Decrease dependency

Other, (please specify).....

29. Please mention other benefit you have obtained from microcredit organization. Use the table below:

Items	Before credit	After credit
Working capital		
Income per month		
Saving per month		
Asset accumulation		
Business trends		
livelihood improvement		
Other		

30. Generally, what do you think about microcredit for women living with

HIV/AIDS?

a) Very important

b) Important

c) Not important

d) Other (please specify).....

Appendix 11: A Checklist for Microcredit Institution Operating in the Study

Setting

1. What are the eligibility criteria does your organisation use in screening clients for microcredit?
2. What is your target group?
3. Does your organization have specific product for marginalized people like those living with HIV/AIDS?
4. Do you think is appropriate for microcredit provider to have specific products for women living with HIV/AIDS?
5. What do you think are the challenges faced by the organization which provide credit to women living with HIV/AIDS?
6. In your opinion, what are the challenges faced by women living with HIV/AIDS in accessing credits?