Chapter 9
Can Access to Microfinance Reduce HIV Prevalence among Women? Evidence from the Literature

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ABSTRACT
Microfinance has been heralded by many as the magic bullet, able to empower marginalized populations by investing into their agency. It has been growing at an average rate of about 40%, and providers have shown interest in reducing HIV prevalence and promoting health educational attainment among beneficiaries’ children especially among women who are vulnerable in most societies. Advocates of microfinance interventions have often stated it aims at improving lives by enabling clients to launch and nurture their own small businesses and enterprises so that they can become independent and improve their livelihoods. However, complementary to microfinance strategy is to assist clients in generating income and growing assets from the impact of crises events such as HIV and related diseases such as malaria and tuberculosis. Sub-Saharan Africa as compared to the rest of the world faces a serious HIV epidemic and the poor in general and women in particular are mostly at risk. This group of people is also the target for microfinance initiatives. The study reviews some theoretical and empirical literature about poverty, HIV and microfinance. The chapter establishes the fact that if microfinance can reduce poverty then it could also be used as a tool for preventing HIV infection. Policy recommendation that will enable microfinance institutions to contribute to the prevention of HIV, and its related diseases are offered.

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INTRODUCTION

As of February, 2011, about 11 countries had achieved a two-thirds reduction in their under-five child mortality rate. Another 25 countries are on track to do so. Even though this is a remarkable improvement since 2004 (World Bank, 2011), more than 100 countries remain off track and only a few of them are likely to reach the MDG target on maternal health and child mortality by 2015. The issue of maternal and infant mortality cannot be discussed outside the context of HIV, poverty and hunger. Approximately half of the world’s population live on less than two dollars a day and extremely cases of poverty and it accompanying problem beckons explicitly in many countries. In the world over, some 125 million children are not in school and more than 500 million women are illiterate. About 1.5 billion people do not have access to safe drinking water within some communities in the Sub-Saharan Africa and Asia and one child in five will not live to see his or her birthday (Chen & Ravallion, 2004).

In addition, about 33 million people are infected with HIV/AIDS globally and HIV/AIDS has claimed more than 25 million lives over the past three decades (WHO, 2011) mostly leaving behind orphans. Every year, about 2.2 million people get infected with the virus. The global picture of HIV/AIDS presented on Table 1 seems to be frightening.

Table 1 shows that more than 50% of infected adults die of AIDS globally and again about 70.3% of infected children die of AIDS globally. It is therefore not possible that by 2015 the world will be able to meet MDG targets on HIV/AIDS.

According to International Labour Organisation (ILO) Report, one out of every five women in Zambia is infected with the HIV virus and there has been an increase in the socio-economic problem of high dependency ratio with about 200,000 orphans left for few to cater for. In Brazil, the story is not different in effect, it is estimated that about 220,000 women are living with the HIV virus.

UNAIDS estimates that between 210,000 and 560,000 adults and children respectively in Ghana were living with HIV at the end of 2003 (UNAIDS, 2004). Ghana Health services has indicated that the national HIV prevalence rate increased from 2.4 percent in 1994 to 3.6 percent in 2003 (GHS, 2003). These devastating effects of HIV infections and its’ attendant conditions have worsened the poverty situation in the world. The impact of HIV has therefore ignited policy interventions necessary to combat the issue; notably the Millennium Development Goals (MDGs) - a millennium project with major goals to be achieved by 2015 has succinctly placed premium on reduction of HIV/AIDS and its related diseases commonly referred in the literature as opportunistic diseases such Tuberculosis and Syphilis, etc.

The two Millennium Development Goals directly: Eradication of extreme poverty and hunger and the combating of HIV/AIDS, malaria and other diseases by the year 2015 are far from being achieved for many countries in Sub-Saharan Africa and Asia. Poverty and HIV/AIDS epidemic are still predominantly the ills of socio-economic development of many countries and a lot of economic energies and resources are needed to arrive at a solution. Such dreams can be materialised through a tactful and responsive intervention and placing major priority on fighting against the spread of the disease among which microfinance has been proposed. In the early seventies, experimental programmes extended small loans to groups of poor women to invest in micro-business, and that