

BRIEF REPORT

IMPACT OF MICRO CREDIT SCHEME FOR PERSONS WITH PHYSICAL DISABILITIES IN HERAT, AFGHANISTAN

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ABSTRACT

The present study presents the results and impact of the micro credit scheme of the International Committee of the Red Cross (ICRC) physical rehabilitation centre in Herat, Afghanistan. The author used a descriptive method to retrospectively analyse the data. Results showed that the repayment rate is 70% and impact 6 months after completing the loan is that 65% of the clients continued with their business, showing improved confidence and living conditions. There was an element of “exclusion by others”, which should be studied further and analysed through interactions with the neighbourhood community during the first interview at the client’s home. When necessary, an awareness programme should be carried out within the community. “Exclusion by staff” appears to exist for persons with paraplegia, as there is a trend to prioritise the sustainability of the scheme instead of its accessibility to the most vulnerable groups. Since the beginning of 2009 however, efforts are under way to register persons with paraplegia and to involve physiotherapists in their follow-up.

Key words: Impact of micro credits, persons with disabilities, Afghanistan

INTRODUCTION

At present it is estimated that almost everybody in Afghanistan has been affected directly by the conflict. Today, one third of the population lives below the poverty level and cannot meet the basic needs. Another one third just manages to cope with the basic food needs (1).

The International Committee of the Red Cross (ICRC) whose mandate is to protect and help all victims of conflicts, started to work in Afghanistan in 1987. As a neutral and independent humanitarian Organisation, ICRC developed many activities in Afghanistan: protecting detainees, helping separated families with Red Cross messages and reunifications, supporting hospital care, improving

water and sanitation services, providing food relief, strengthening Red Crescent society, assisting wounded persons and persons with disabilities.

In order to assist persons with disabilities, the ICRC established 6 Physical Rehabilitation Centres (PRC) within the country. They are located in Kaboul, Mazarf-i-sharif, Jalalabad, Gulbahar, Faizabad and Herat. At the beginning, the centres were providing prostheses only to war wounded amputees. In 1994, the centres started to provide rehabilitation services to other persons with physical disabilities, for example, those with polio or paraplegia. However despite these services, it was noted that persons with disabilities were still excluded from the societal mainstream. They had no access to education or employment, and were struggling for survival.

It is known that persons with disabilities in developing countries are the poorest of the poor and have a very bad quality of life. Factors like the lack of accessibility to health services, rehabilitation services, education and the lack of job opportunities often make them incapable of breaking the vicious circle of poverty. According to Elwan (2), "It is often noted that disabled people are poorer as a group than the general population and that people living in poverty are more likely than others to be disabled."

In order to reach the millennium development goals, microfinance - and more specifically micro credits - has been promoted for the development, particularly for persons with disabilities. However, research has shown that persons with disabilities continue to be excluded from socio-economic interventions like micro credit.

In Afghanistan, it is estimated according to the National Disability Survey (NDS) of 2005 (3), that 2.7% of the population has a disability, and the survey mentions that men are unable to work due to their impairment. Cairo mentioned in his book *Chroniques de Kaboul* (4), "In this devastating country, because so many people are in need, social reintegration for the disabled persons is like climbing a mountain barefoot".

Finding a way to allow persons with disabilities to contribute to the family welfare by their activities, is a step towards alleviation of poverty. In this context, in 1997, the Physical Rehabilitation Centre of ICRC started to follow a comprehensive approach in the rehabilitation of persons with physical disabilities. Apart from the functional rehabilitation, a socioeconomic programme was added that included educational, vocational and micro credit services for persons treated in the centre.

AIMS OF THE STUDY

The aim of this study is to analyse the results and impact of the micro credit scheme at Herat until 2008, and discuss it in the light of the mechanisms of exclusions described by Simanowitz (5).

METHODOLOGY

The micro credit scheme of the Herat centre includes the five steps described by Velema (6).

1. Selection of clients

The clients of the programmes are:

- Any person with a physical disability registered and included in the ICRC Orthopaedic Programme
- The person should physically be able to manage a business by himself/herself.

Exceptions are made for persons with severe disabilities and for women.

- The person should be at least 16 years old.
- The person should be resident in the area prescribed by the ICRC security rules, meaning places that can be safely surveyed and visited by ICRC staff and vehicles.
- The person should be from a poor family.
- The person should conform to the programme rules and procedures of the ICRC micro credit programme.

2. Needs assessment

Despite the fact that there is no formal needs assessment form, the social worker usually directs persons with disabilities to the appropriate service according to their age and areas of interest. However in the micro credit project, 2 formal interviews are organised in the office so as to assess and match the motivation and feasibility of the projects, with the applicants. It is during this stage that the project supervisors also assess the physical condition of the client, and make sure that physical rehabilitation is either completed or the person is under follow-up.

3. Choosing an intervention

It is left to the client to propose a project, find an appropriate place for the business and to prepare a list of goods which need to be purchased. The supervisor surveys the house of the applicant and carries out a household and business assessment.

The project is then presented to a committee of experts (all persons with disabilities) who assess the candidate's capacities and the feasibility of his or her plan, in line with ICRC guidelines (7). Unlike some other micro credit projects which propose grants rather than loans, ICRC gives interest-free loans. The amounts of the loan are large enough, and the instalments long enough, to be able to refund the micro credit. Furthermore, the ICRC amount for loans is not fixed but adapted to the project, with a maximum of US\$ 700 for the first loan and US\$ 800 for the second and third ones.

These guidelines prevent some clients from getting more than they need, and others from complaining that they do not have enough to realise their plan.

4. Monitoring/ follow-up of clients

The supervisor goes with the client to purchase the necessary goods to start the business. This process is very important in order to show the client how to purchase things appropriately according to the plan. The follow-up is carried out once a month at the business place.

The Monitoring Visit methods include

- Unannounced visit to the business site
- Observation of the business and use of the Micro Credit Monitoring form at the spot
- Summarising and filling findings in the office, and action plan for necessary follow-up

A day before going to the field for the monitoring visit, the supervisor checks the refund status of the clients to be visited. Clients who have not paid for 3 months (without very good reasons) are black-listed and the follow-up is done twice a month.

5. Organisational structure

The ICRC centres in Afghanistan, including the one in Herat, have a regulatory framework which is adapted every year and implemented by the staff of the social

department. The members of the staff are persons with disabilities. A supervisor from Kabul oversees the implementation of the guidelines, and a general meeting is held twice a year in Kabul.

RESULTS

Table 1 presents the number of clients according to the type of impairment or disability.

Table 1: Micro credit clients between 2001 – 2008

Double Amputees	Amputee above Knee	Amputee Below Knee	Polio Both legs	Polio others	Paraplegic	Other disability	Total
11	37	43	9	16	36	176	328

Amputees were the first group to receive micro credit (27% of the population of persons with disabilities who received micro credit). Those with paraplegia were one of the centre's largest groups to have had access to the service (10% of the all clients). Among amputees, the number of clients decreased according to the severity of the impairment (47% below knee, 41% above knee, 12% double legs amputation).

Table 2 indicates the repayment rate and impact. Clients who did not refund for 3 months were listed as "stopped the micro credit" and black-listed.

Table 2: Repayment rate and impact

Repayment rate	2001 to 2008	N
Refunded the loan in time	96	136
Impact	2008	N
Stopped after MC	6	17

MC= micro credit, N= number of clients who receive a loan

From 2001 to 2008, the repayment rate was 70%. In 2008, 6 months after having completed the repayment scheme, 6 clients out of 17 had stopped. The impact is seen in the fact that after 6 months 65% were continuing their business in 2008.

Table 3 indicates the psychosocial factors related to the impact after 6 months.

Table 3: Factors related to the Impact

Year	N	Confident	Improved skill	Self esteem	Improvement in living condition
2007	12	12	12	12	12
2008	11	11	11	11	11

(N= number of beneficiaries who completed their loan and continued without support)

The impact questionnaire after 6 months showed that all clients who continued their business improved their skills in 2008. They also improved their living conditions and showed improved confidence.

DISCUSSION

Following the mechanism of exclusions of Simanowitz (5), it was observed in Herat that Self exclusion was minimised as clients are chosen from the persons treated in the centre. These people knew the staff and had developed some confidence as they went through the orthopaedic and physiotherapy services. However, in the case of persons with paraplegia, there was definitely a self exclusion. The social work team observed that few paraplegics were candidates for this programme. It appeared that they were less motivated for socioeconomic rehabilitation as they expected food grants rather than a self-generating income project. The effect of a charity grant on self-exclusion mechanism has also been reported by Lewis (8), Thomas (9) and Handicap International (10).

Exclusion by others

Until 2008, 30 % of the clients could not refund their loan and 45 % stopped their business after 6 months. "Exclusion by other mechanisms" mentioned by Cramm and Finkelflugel (11), appears to be present. In Afghanistan, the attitude of the community towards amputees who are injured due to landmines and other war injuries, is generally positive. According to the NDS report (3), "They are a fairly visible group, socially accepted and valorised". However, research has shown

that persons who are disabled due to congenital disability or infectious diseases are stigmatised and discriminated against in Afghanistan. According to the NDS report, “The cause of the disability being more difficult to identify, lack of knowledge and awareness lead to social exclusion and rejection”.

For this reason, some of the clients at the Herat centre were definitely at a competitive disadvantage in the market. The staff members of the social department mentioned the necessity for some clients with physical disability to decrease their price in order to attract customers; however, in the long term this would lead to failure of the business. Therefore special attention should be paid to this aspect. In the first interview, a visit to the neighbourhood community should be organised, in order to find out community perceptions. When necessary, an awareness programme within the neighbourhood should be organised in order to motivate people to buy from persons with disabilities, and especially from those who are disabled due to congenital and infectious diseases.

Exclusion by staff

In such a programme, the staff facilitates the registration of clients for the micro credit scheme. The exclusion of clients by staff is therefore not an issue; especially since 2 out of the 3 staff members of the social department are persons with disabilities, who are well aware of these needs.

However, it was observed that persons with more severe disabilities like paraplegia or bilateral amputation, had less access to micro credit in this programme. This was due to the staff perception that including these groups could increase the risk of failure. In the Herat centre, much emphasis is laid on sustainability and the need to have a higher yearly percentage of refunds. The ICRC Guidelines are clear: “The M.C. programme wants the most destitute disabled to get a chance to start a business, even those at high risk of insolvency. Giving a chance to a destitute disabled is more important than the losses we could face. At the same time businesses that are clearly deemed to fail should not be started”.

In Herat however, these guidelines were misunderstood. This had created a situation where sustainability and a higher repayment rate were sometimes given priority over reaching the most needy persons with disabilities.

An effort was subsequently made to convince the staff of the risk of exclusion of persons with severe disabilities. Since the beginning of 2009, 15 persons with paraplegia have started to receive a micro credit and, unlike many micro credit

projects for persons with disabilities (6), physiotherapists are consulted in order to choose an appropriate income generating activity.

Exclusion by design

This mechanism, often included in the micro credit world, excludes the poorest. The selection criteria include previous business experience, which persons with disabilities often do not have, and the other barrier is entry fees for clients. In Herat, the risk of exclusion by design has been totally avoided. The vocational training often prepared persons with disabilities to carry out an income generating project, and all persons with physical disabilities could have access to micro credit.

Furthermore, no interest was charged and the repayment system was very flexible as it was planned in monthly settlements over 18 months.

Repayment rate and sustainability

The repayment rate of the micro credit programme was good (Table 2), considering the target population of families of persons with disabilities who have less than 1\$ per day per person. Roy (12) does not recommend that persons with disabilities start self-employment without an existing business and without the necessary resource base to run a viable business. However the Herat centre proved that micro credit with the most vulnerable groups could be effective and sustainable.

Impact

According to the impact assessment form, all clients who continued their business improved their skills, self-esteem, confidence and living conditions. However, no data have been collected yet, on the persons who did not continue their activities after 6 months.

CONCLUSION

The ICRC Herat micro credit programme is well organised and effective. There appears to be some exclusion by others, which should be studied further and analysed, starting with interviews with the neighbourhood community during the first visit to the client's home.

When necessary, an awareness programme should be carried out within the community in order to change the community attitudes and promote the sustainability of the business of the persons with disabilities.

While the impact assessment showed good impact among those who continued after 6 months, such assessment should also be done for those who stopped their business, in order to determine the factors which lead to failure.

In terms of clients, the Herat centre continues to give priority to the most vulnerable groups like those with paraplegia, by involving physiotherapists to carry out a need assessment in rehabilitation and to facilitate the implementation of the business.

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