

**HelpAge  
International**

*age helps*

# Income-generating activities for older people affected by HIV and AIDS



Over the past three decades, the HIV epidemic has had a devastating impact on older people, particularly in sub-Saharan Africa. With the death of adult children, older people have taken on the responsibility of caring for their grandchildren and other vulnerable children. Around 50 per cent of children orphaned as a result of AIDS in east and southern Africa are cared for by older people.

Providing care has a major economic impact on older men and women, as they face increased costs for food, shelter, clothing and schooling at a time when their ability to earn a living is decreasing. Whereas previously, older people would have expected to be supported by their adult children, HIV has led to a reversal of roles. Many older carers say that providing for the costs of their grandchildren's education is one of their biggest financial challenges.

As well as the impact of HIV on older people as carers, many older people are also living with HIV. With significant increases in access to antiretroviral therapy (ART), many people are now living into older age with HIV. With the success of increased access to ART and the subsequent ageing of the epidemic comes a challenge. Older people need a secure income, for many reasons: to enable them to continue to adhere to their treatment regimen; to be

*Caring for other family members has a major economic impact on older people*

### **The ageing of the epidemic**

Improved access to ART is leading to increased numbers of older people living with HIV. Economic support is needed if they are to continue to adhere to their treatment regime.

able to travel for health check-ups regularly; to have a diet with adequate nutritious foods; and to pay for any necessary medical tests and medicines that may not be provided free of charge.

Programmes to engage older men and women in income-generating activities can help to mitigate the impact of HIV, as highlighted by the case study below.

### **Financial challenges facing older people**

As well as the economic challenges arising in relation to HIV, many people already lack income security in older age. In most middle- and low-income countries, the proportion of older people living in poverty is higher than for the general population.<sup>1</sup>

- In most African countries, fewer than 1 in 10 older people receive a pension.<sup>2</sup>
- Older people are often perceived as a credit risk and denied access to the benefits of microcredit often afforded to younger people.
- In Mozambique, for example, the average monthly cost of caring for an orphaned or vulnerable child is around \$21. Secondary school fees cost \$6 a year, but many children have to board, at a cost of \$12 a term. The average monthly income for older people is just \$12.

### **What support do older people affected by HIV need?**

Programmes that encourage a range of income-generating activities (IGAs), particularly small-scale loans accompanied by training in business skills, can help to mitigate the economic impact of HIV on older people. When implemented at community level through community structures to encourage sustainability and ownership, IGA programmes focused on loans and training can play an important role. Successful programmes have helped reduce the perception that older people are not creditworthy and are too high a credit risk.

#### **How to implement a loan programme with older people**

##### **Application procedure**

Loan applications should be made in writing with a business proposal. These can then be endorsed by a local leader or official. Criteria should be agreed for those eligible to apply.

##### **Administration through community structures**

Whether you are forming a new structure to administer loans or using an existing one, it is important that the programme is owned by the community and endorsed by local leaders. Older people should have a role in the selection of loan recipients to ensure community ownership and accountability.

Working through local community structures is also essential for sustainability. The structures should be run by officials elected by older people to help ensure transparency. It is helpful if the structures can be formal legal entities and have the requisite documentation, including a constitution to guide their operations.

##### **Exchange and learning visits**

A common challenge seen with loan programmes is that older people are often reluctant to take out a loan because they are concerned about their ability to repay. Exposing older people to successful loan and training programmes can help them to draw practical lessons from other older people's experience and to motivate them in their own activities. It is useful to identify programmes in close geographical proximity so that the context, and any potential challenges, are likely to be similar.

### **Community ownership**

Implementing loan programmes through community structures that include older people in their membership and leadership is crucial in ensuring ownership, sustainability and accountability.

## Loans for older people: Joyce, 54

My husband divorced me and left me with four children. In 2005, my daughter died due to AIDS, leaving me with her two children.

In 2008, I started a small business selling vegetables, but it collapsed, and I was unable to take care of my family, which now included my two children and three grandchildren. I was later selected as a beneficiary for the small loan project for older people. After training, I was granted a loan of 10,000 Kenyan Shillings (KSh) to restart the grocery and vegetable business. I requested to switch to a small hotel business, which I felt was more viable. I was then given an additional KSh10,000. Now, my business is doing well and I am able to meet my household needs and repay the loan. I am even able to save some money for future use.

What is most important to me is that I am now able to pay tuition and exam fees for my three grandchildren. I could not have managed were it not for the loan.

### Training for loan recipients

To ensure the success of a loan programme, it is important to provide some basic training before money or materials are distributed. Training should last between three and five days and cover a range of issues, including:

- money management and record keeping
- business planning and marketing
- loan conditions
- leadership and group formation
- savings and credit
- ageing issues

### Choosing a business to invest in

It is important to help older people develop business ideas that are appropriate to their physical abilities, localities and family set-up. Older people are not a homogenous group, and dictating the types of business the programme will provide loans for can cause difficulties for the recipients and ultimately jeopardise the success of the programme.

Business ideas selected by older people themselves are likely to be the most successful. These might include:

- selling animal or farm produce
- selling local bread/baking
- setting up a small shop or café
- selling firewood or timber
- selling tap water
- selling spices
- renovating/renting rooms
- selling second-hand clothes.

### Agreeing terms with older people

It is critical to take into consideration older people's circumstances and needs when setting loan terms. Where possible, it is best to establish longer-term loans with interest rates below the usual bank loan rates because older people are often only able to repay in very small instalments. Each loan recipient should also have a guarantor to help if repayments become difficult.

*“The cash has really assisted me very much and I am now self-reliant. I can now repay the loan and I have boosted my business by buying a sewing machine as part of it. Our family has a better life than before.”*

*Dorcas, 62, Kenya*

## Monitoring

Monitoring should be carried out on a regular basis. Visits by a loan officer should involve a discussion on the progress of the business and any problems and challenges being encountered. The loan officer should support the recipient and try to suggest solutions. It can also be useful for loan recipients to be required to submit progress reports alongside their monthly repayments.

## Key points

- **Older people living with or affected by HIV need economic support** – older people face specific economic challenges in relation to HIV. It is important that financial support is tailored to older people's specific needs.
- **Training in business skills** – before loan money or materials are distributed, older people may need training on issues of business selection and management, marketing, record-keeping, and other relevant topics.
- **Working with existing community structures** – working with existing community structures and local leaders to facilitate ownership and sustainability of loan programmes is key to smooth delivery and a successful programme.
- **Ensuring accountability** – developing a loan agreement and having guarantors endorse loan applications ensures that repayment rates are maintained.

## Notes

- 1 *HelpAge International, Forgotten Workforce: Older people and their right to decent work, HelpAge International, 2011, p.7*
- 2 *HelpAge International, 2011, p.6*

**Practical guidelines on HIV and AIDS are available at:**  
[www.helpage.org/resources/practical-guidelines](http://www.helpage.org/resources/practical-guidelines)

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HelpAge International helps older people claim their rights, challenge discrimination and overcome poverty, so that they can lead dignified, secure, active and healthy lives.

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