

## **Economic empowerment of people with disabilities (PwDs) in Zanzibar through their inclusion in microfinance and vocational training institutions**

By Talaa M. Said Zanzibar Association of the Disabled uwz@zanzinet.com

**MESSAGE:** Poverty among PwDs can be reduced if government and private micro financing and vocational training institutions are willing to include them in their programs

### **INTRODUCTION**

The World Health Organization (WHO) estimates that 10 percent of any population comprises PwDs. However, studies carried out in Zanzibar estimates the disabled population to be 4 to 6 percent, with most of them living under poverty line of one USD per day. Poverty among PwDs is associated with deep-rooted attitudes of families, communities and government of excluding PwDs in development programs. As a result, PwDs are very poor due to the low literacy rate and limited employment opportunities. Poverty has made PwDs vulnerable to sexual harassment and abuse, dependent on others for their basic needs and therefore unable to lead independent lives.

Owing to these problems, the Zanzibar Association of the Disabled (UWZ) introduced loan and vocational skills schemes in 1990 to empower PwDs economically. However, UWZ economic empowerment initiatives address the needs of very few PwDs and in doing so, it excludes PwDs from the mainstream. On the other hand, microfinance and vocational training institutions can accommodate a large number of PwDs in an inclusive approach within a short period of time. This article presents four reasons why micro finance and vocational training institutions should include PwDs in their programs.

### **PwDs have the right to access services and resources**

The right to access services and resources is a basic human right that PwDs are entitled to get. For instance, constitutional and human rights recognise that all people have the same rights and should not be discriminated because of disability, economic, ethnic or social status. Similarly, the UN Declaration on Human Rights and the ILO recognize that PwDs have the right to work and lead a sustainable livelihood. The UN Standard Rules on Equalization of Opportunities for PwDs also encourage microfinance and vocational training institutions to make their services accessible to PwDs to enhance sustainable livelihood.

In other words, all these conventions and document emphasize that PwDs can be empowered economically through loans and vocational skills to have a sustainable livelihood. Micro finance and vocational training institutions can facilitate PwDs to exercise their rights by:

- disseminating information that can be understood by people with different types of disabilities,
- consulting PwDs and Disabled People Organizations on types of services they require ,
- reviewing policies and regulations to address needs of PwDs,
- modifying their buildings and working environment to make them accessibility for the blind and the physically disabled.

### **Relevance of microfinance and vocational skills for economic empowerment of PwDs**

Microfinance and vocational skills are relevant to PwDs who, due to their socio economic status, are unable to join the labour market. Microfinance and vocational training institutions use problem-based and participatory approaches in their trainings to encourage the participation of people with low literacy. For example, UWZ has learnt that by using these approaches, PwDs learn business skills quickly and effectively. This type of training also promotes sharing of experiences and problem solving.

In addition, microfinance institutions currently use group lending for people with low income status. UWZ has no experience of this approach, but it is appropriate to PwDs as it reinforces accountability, control and financial discipline.

In regard to vocational training, UWZ found tailoring and mechanics to be relevant skills for inclusion of PwDs in labour market. This does not mean, however, that PwDs should be excluded from other types of vocational skills. With training and guidance, people with disabilities can participate in different types of vocational training.

The Millennium Development Goals of “reducing poverty by half by 2015” recommended involvement of PwDs in vocational skills, income generation activities and small loan schemes. The countries which implemented this reported that over a million PwDs were included in labour force within a short period. By participating in the labour force, the lives of these PwDs and those of their families were improved.

### **PwDs are capable of running viable and profitable project**

PwDs in Zanzibar have demonstrated the capacity to run viable and profitable projects. From 1990, UWZ offered loans and vocational training to 200 PwDs. To date, 100 PwDs are running successful businesses. These PwDs have demonstrated to the public what the disability movement is emphasizing “look at our abilities, not our disabilities”.

Repayment is a big question for most of the microfinance institutions. At the beginning of UWZ loan schemes, the repayment rate was very low. This resulted from deep -rooted attitudes of PwDs of receiving charity and grants. With training and close follow up, the repayment rate within the past five years (2000 – 2004) has remained between 60 to 70 percent. However, repayment has been noted to be low in PwDs engaged in farming and weaving. This is attributed to the fact farming is a seasonal engagement and weaving has a lot of market challenges.

In contrast, the 2003 Research Review on Microfinance for the Disabled revealed that repayment rate has remained above 90 percent, similar to that of non –disabled people. These findings indicate that PwDs can be trusted with loans.

PwDs’ capacity in running viable and profitable businesses is attributed to the following:

1. Careful and thorough assessment of IGA projects prior to loan distribution;
2. Provision of counselling services to creditors;
3. Provision of business skills training to creditors
4. Provision of a favorable interest rate of 15 percent
5. Provision of a motivation package i.e. increases in loan level after repayment and equipment at a subsidized cost for those completing vocational training.

## **Including PwDs in Microfinance and vocational skills promotes an inclusive society**

An inclusive society is a society that treats people equally regardless of their socio-economic status, gender or disability. An inclusive society addresses the needs and demands of each individual as of equal importance. Building an inclusive society is a process which requires the commitment of all the concerned. That means, microfinance institutions should develop policies that do not discriminate PwDs.

A recent internal review of UWZ (June 2004) observed that PwDs are unwilling to be integrated in mainstream loan facilities. Their reasons were their applications would be disregarded and the interest rate is very high, about 30 percent. Therefore, by accepting and providing services and resources for PwDs, microfinance and vocational training institutions would be taking one of the many routes to develop an inclusive society. This will improve the acceptance and recognition of PwDs by society. Inclusion of PwDs will facilitate change in policies as well as increased credibility of institutions.

### **Conclusion**

Poverty in PwDs can be significantly reduced by including them in microfinance and vocational training institutions. Government and private microfinance and vocational training institutions have a big role to play in ensuring that PwDs have independent and sustainable lives by empowering them economically through loans and vocational skills.

This can only happen if government and private institutions accept the following:

- accessing resources and services is a right of PwDs,
- Providing loans and vocational skills are appropriate strategies for the economic empowerment of PwDs,
- PwDs have the capacity to run businesses and
- including PwDs in microfinance and vocational training promotes an inclusive society.