

Economic Strengthening Discovering and Utilizing Sound Practices

Sound practices are essentially "what works best in a particular context." They are planning or operational practices or sets of actions that are used to demonstrate and analyze what works (or what does not work) and why. Sound practices make a difference; they have a sustainable effect; and they serve as a model for adapting initiatives elsewhere. The sound practices outlined in this document are culled from the experiences of CRS Zimbabwe's Support to Replicable, Innovative, Village/Community-Level Efforts to support children affected by AIDS (STRIVE) Program over the past two years of program implementation.



Background

AIDS has claimed almost 20 million lives worldwide and an estimated 40 million people are currently living with the illness. In 2001, 12% of sub-Saharan African children were orphans. This number represents 34 million orphaned children, of whom 11 million were orphaned as a result of AIDS. By 2010, the number of AIDS orphans is projected to grow to 20 million (*Children on the Brink*, 2002).

One of the reasons that HIV/AIDS has been so devastating is that it has had a particularly disastrous impact on the economically active segment of society. HIV/AIDS incapacitates wage earners, forces families to take on the expenses required to care for the sick, increases the dependency ratio, absorbs government spending, and stretches household and community safety nets to the breaking point.



For families that are already living in unstable circumstances, the costs of having to care for just one AIDS infected family member, let alone numerous victims or the orphaned children of deceased relatives, can be catastrophic. Beyond the simple medical costs involved, there are the additional costs of income, business, time, funeral expenses, and the care of orphaned children.

Economic Strengthening (ES) interventions seek to repair some of the damage AIDS inflicts upon fragile familial and communal safety nets by providing beneficiaries with an opportunity to increase their financial stability and independence.

Economic Strengthening Interventions

There are a variety of ways in which ES interventions can promote economic stability. Some ES projects promote self-managed savings and credit groups. Others are designed to facilitate market linkages between micro-enterprise owners and profitable markets, frequently with a special emphasis on agriculturally related products.

Many interventions also take the approach of building targeted communities' capacity to mobilize innovative resources such as fundraising, identifying community assets, or creating an inventory of skills and talents within the community.

Sound Practices for Economic Strengthening

Many ES initiatives (such as Internal Savings and Lending Groups or micro-finance support groups) utilize small, autonomous groups of beneficiaries selected from the community. One of the major risks that organizations face when establishing these groups is that they will target only HIV/AIDS affected individuals and households. Initially, such an approach to beneficiary selection seems to make perfect sense; if an Economic Strengthening intervention is designed to increase the economic stability of AIDS affected households, it can maximize its impact by targeting only those households that are affected by the disease.

However, experience has repeatedly demonstrated that ES programs are most effective when they rely on client self-selection. Artificially engineered or predetermined groups will inevitably lack the delicate mix of peer pressure and group accountability that form the basis of most group lending and saving interventions. Furthermore, a group composed entirely of HIV/AIDS affected households is much more vulnerable and unstable than a group composed of both affected and unaffected households. Finally, projects that target only HIV/AIDS affected households run the risk of increasing these households' stigmatization within the community and making them worse off. Therefore, it is a sound practice for agencies organizing potential ES beneficiaries to allow the beneficiaries to self-select their groups, while the agency focuses on packaging its financial services in such a way that it will attract the desired clientele.

Another sound practice that has emerged from experiences with ES interventions is the value of pairing them with other types of assistance that serve to boost household and community resilience. For example, by offering communities access to financial services, correct information on AIDS prevention, and sound nutritional counseling, beneficiaries are able to reap a multitude of benefits which lead to awareness, improved coping mechanisms, and greater resilience. Furthermore, by collaborating with specialized organizations (e.g. AIDS Service Organizations), it becomes possible for each agency to focus on its area of comparative advantage and deliver beneficiaries higher quality services at a lower cost, while reducing community vulnerability to the shocks associated with HIV/AIDS. The lesson learnt is that communities with access to well-designed health and educational services are more economically viable and have stronger safety nets than those without.