Microfinance – for better or worse?

- A study on how microfinance impacts the livelihood of families with disabled children around Lake Atitlán, Guatemala.

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Abstract
Most of the disabled people in the world live in poverty. In order to escape poverty, microfinance is said to be a solution. The Microfinance Institutions do not, however, incorporate everybody who is poor in their programs, which could be assumed. Disabled people and their families are a group which many times are not included in these programs. Since they many times already faces discrimination and also are excluded from the rest of the society they do not have a solution on how to escape from poverty. In Guatemala where the disabled people most surely also are indigenous gives them double stigmas. The purpose of this research is to identify what impacts microfinance has on the livelihoods of the families with disabled children around Lake Atitlán, Guatemala and subsequent to this what adaptations the MFIs should take when working with families within this target group. In order to collect the data a field study around Lake Atitlán, Guatemala with semi-structured interviews was done. The respondents were mothers of disabled children and employees of two NGOs. To analyze the results, DFIDs Sustainable Livelihood Framework was used. Since the frameworks give a broader spectrum than just one category of life it is easier to see what impacts the microfinance have on the livelihood and what the respondents are lacking in the microcredit program. The research demonstrates that microfinance has positive impacts on some aspects of the livelihoods of families of disabled children even if not to many MFIs within the country focus on them. Another conclusion of the study is that MFIs do not need to make big adaptions in order to work with this specific target group, they need however, inform about disabilities in order to end discrimination.

Key words: Guatemala, Lake Atitlán, Disability, Poverty, Microfinance, Sustainable Livelihood Framework
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Also, thanks to all the women that have taken their time to answer my questions about their livelihood. I hope that their answers and thoughts can contribute to further investigations about microfinance and its effects on the livelihood for families with disabled children. The same goes for everyone who I have interviewed in Guatemala at A.D.I.S.A and IM, thank you.

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This thesis is dedicated to all the people around the world with disabilities, as well as their families and people fighting for their rights.

“Everybody is a genius. But if you judge a fish by its ability to climb a tree, it will live its whole life believing that it is stupid”

- Albert Einstein

Madeleine
# Table of Contents

Abstract ......................................................................................................................... i  
Acknowledgements ....................................................................................................... ii  
Table of Contents .......................................................................................................... iii  
List of Abbreviations ..................................................................................................... v  
1. Introduction .............................................................................................................. 1  
  1.1 Research Problem and Relevance ......................................................................... 1  
  1.2 Background of the study ....................................................................................... 4  
  1.3 Objective ............................................................................................................... 4  
  1.4 Research Question ............................................................................................... 5  
  1.5 Theory and Analytical Framework ....................................................................... 5  
  1.6 Methodology ......................................................................................................... 5  
  1.7 Structure ............................................................................................................... 6  
2. Analytical Framework ............................................................................................. 7  
  2.1 Literature review .................................................................................................. 7  
  2.2 Sustainable Livelihood ......................................................................................... 9  
  2.3 Implementing SLF into the research .................................................................... 12  
3. Methodological Framework .................................................................................. 13  
  3.1 Definitions ............................................................................................................ 13  
    3.1.1 Abductive ...................................................................................................... 13  
    3.1.2 Case Study .................................................................................................. 13  
    3.1.3 Ethnography ................................................................................................. 13  
    3.1.4 Holistic account .......................................................................................... 13  
  3.1.5 Qualitative research ....................................................................................... 13  
  3.2 Methodology ......................................................................................................... 14  
    3.2.1 Choice of Method ......................................................................................... 14  
    3.2.2 Interviews ................................................................................................... 14  
    3.2.3 Data analysis ............................................................................................... 15  
  3.3 Sources and Validity ............................................................................................ 15  
  3.4 Limitation and Delimitation ................................................................................ 16  
  3.5 Ethical Considerations ......................................................................................... 17  
4. Background ............................................................................................................ 18  
  4.1 Research area ...................................................................................................... 18  
  4.2 Disability in Guatemala ....................................................................................... 18  
  4.3 Microfinance in Guatemala .................................................................................. 19  
5. Findings .................................................................................................................. 20
5.1 Mothers........................................................................................................................................ 20
5.1.1 Human capital......................................................................................................................... 20
5.1.2 Natural capital ....................................................................................................................... 21
5.1.3 Financial capital .................................................................................................................... 22
5.1.4 Social capital ......................................................................................................................... 23
5.1.5 Physical capital...................................................................................................................... 24
5.2 Workers of Corazón Re-Habil.................................................................................................... 25
5.2.1 Human Capital....................................................................................................................... 25
5.2.2 Natural Capital ..................................................................................................................... 26
5.2.3 Financial Capital .................................................................................................................... 27
5.2.5 Physical Capital.................................................................................................................... 28
5.3 Workers of IM ........................................................................................................................... 28
5.3.1 Human Capital....................................................................................................................... 28
5.3.2 Natural Capital ..................................................................................................................... 30
5.3.3 Financial Capital .................................................................................................................... 30
5.3.4 Social Capital ....................................................................................................................... 30
5.3.5 Physical Capital.................................................................................................................... 31
6. Analysis........................................................................................................................................ 33
6.1 Answer to research question one: What impacts has microfinance had on the livelihoods of the families with disabled children around Lake Atitlán, Guatemala? .................................................. 33
6.1.1 Human Capital....................................................................................................................... 33
6.1.2 Natural Capital ..................................................................................................................... 34
6.1.3 Financial Capital .................................................................................................................... 34
6.1.4 Social Capital ....................................................................................................................... 34
6.1.5 Physical Capital.................................................................................................................... 35
6.1.7 The new pentagon .................................................................................................................. 35
6.2 Answer to research question two: What adaptions should the microcredit programs take when working with families with disabled children? ............................................................................ 35
7. Conclusion.................................................................................................................................... 38
8. Bibliography.................................................................................................................................. 39
8.1 Articles & Reports ...................................................................................................................... 39
8.2 Books.......................................................................................................................................... 41
8.3 Electronic sources...................................................................................................................... 41
Appendix 1....................................................................................................................................... 44
Appendix 2....................................................................................................................................... 46
Appendix 3....................................................................................................................................... 47
List of Abbreviations

DFID: Department for International Development of the United Kingdom
ECRH: Employee, Corazón Re-Habil
EIM: Employee, IM
GDP: Gross Domestic Product
IM: Individuell Människohjälp
MDG: Millennium Development Goals
MFI: Microfinance Institutions
NGO: Nongovernmental organization
NPDCC: The National People with Disabilities and Carer Council
SLA: Sustainable Livelihood Approach
SLF: Sustainable Livelihood Framework
UN: United Nations
UNFPA: United Nations Population Fund
UNICEF: United Nations Children’s Fund
W: Women
WTO: World Health Organization
1. Introduction

1.1 Research Problem and Relevance

The Millennium Development Goals (MDG) were adopted through the United Nations (UN) Millennium Declaration which were established year 2000. The aim for the 191 UN Member States who now has signed the UN Millennium Declaration (WHO2, 2015) is to improve people’s lives by working with 8 goals which are: eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability and develop a Global Partnership for Development. These MDG were initially guided by 18 targets and 48 indicators (World Bank, 2015).

A solution to fulfill the MDG – to eradicate poverty - could be found in microfinance (IFAD), since it is claimed to bring poor and vulnerable people out of poverty. However, even though there are about 1 billion disabled people around the world (UN, 2011:vii) and are thereby belonging to the largest disadvantage minority group in the world (OHCHR, 2015), the term ‘disability’ was not initially stated in any of the MDGs, nor in its targets or indicators. However, some claimed that disabled people could be included in all of the goals. In 2010 education for disabled children was expressed in the MDG Progress Report and on the General Assembly’s 65th session resolution, “Realization of MDGs for persons with disabilities for 2015 and beyond” (UN, 2011:ix), and was adopted to ensure disable peoples involvement in development. To see how included the disabled people are in the development, the monitoring and identifying of policies and programs needs to be looked into (UN, 2011:vii & 8).

The monitoring is of great importance since there are about 93 million children with disabilities around the world that still face discrimination and are not able to utilize their rights to healthcare and education. This together with the fact that many of these children are also living in poverty puts them in deprived situations which might be hard to overcome (UNICEF, 2015; Handicap International, 2006:12). That about 82% of the world’s disabled people are living in poverty could however be explained by the connection between poverty and disability See appendix 2 (Handicap International, 2006:16).

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1 “The household is regarded as poor if its income or consumption is lower than a predefined poverty cut-off” (Savadogo et al, 2015:1). There are, however, many different definitions of poverty, but most of them seem to state that poverty is a status where one cannot achieve a reasonable living standard (Bellú & Liberati, 2005:2).

2 Disabilities is a term which is use to cover impairments such as problems with the structure and body function (WHO1, 2015). If one cannot perform activities or live like other people with the same age, gender, social and cultural state it could be defined as a disability (Sen & Yurtsever, 2007:238).
It is said that disability is a cause and a consequence of poverty, so if poverty will be reduced, so will the prevalence of disabilities. (DFID, 2000:1). Factors, like malnutrition, lack of medical care and violence can increase a low-income person’s risk of becoming disabled (UN, 2011:7; Elwan, 1999:iv). This could be seen in Guatemala, where many of the indigenous children living in the rural areas are poor and due to this, are suffering from lasting problems with their development (Landguiden, 2014:32) creating disabilities among them (Handicap International, 2006:16). The Guatemalan government’s decision to prioritize other sectors over necessities like medical services and education increases the risk that indigenous children living in poverty will form disabilities. For example, health expenditures only amounted 6, 7% of Guatemala’s Gross Domestic Product - GDP in 2012, placing the country on 88th place in comparison to the world. The country also had 0.6 beds per 1000 population in 2011 and life expectancy at birth 2014 was 71,74 years, which putted the country on 144th place out of 224 (CIA, 2015). Even though 7 out of 10 indigenous people are living in poverty (IFAD, 2012) and there is a connection between poverty and disability (Handicap International, 2006:16) there are no exact numbers on how many people having disabilities in Guatemala can be found, however one report point at around 10-12% of the population have some kind of disability (Al Thani, 2004).

In order for disabled people and their families in Guatemala who faces double stigmas due to most of them being poor and living with a disability or a family member with disability to escape poverty microfinance could be a solution (Sarker, 2013:118; Handicap International, 2006:6). Microfinance is a term used when talking about economic aid to low-income men and women. The services included in microfinance are usually savings and credit, but insurance and payment services can also be find within the term. Small loans are often given so the low-income person gets a working capital to start up its own business. It is common that MFIs also give the low-income person other services such as financial training even if not all MFIs do so (Ledgerwood, 1999:1).

Disabilities can affect families and many parents are shocked when they find out their child has a disability (Sen and Yurtsever, 2007:240). They might face daily challengers (Zinkin & McConachie, 1995:11) with, for an example costs they did not had before (Stabile & Allin, 2012:65). Since women with disabled children also might be struggling (Whisson, 2014) as they are usually the one taking care of the child and therefore less likely to have a full-time job, (LaPlante, M.P. et al, 1996 cited by Elwan, 1999:14) there are some Microfinance Institutions –MFIs who want to focus on them as a vulnerable group within the society (Whisson, 2014).
Microfinance is said to help empower women by providing financial services that will help them to contribute to the livelihood\(^3\) of themselves as well as their families. It is also said to contribute to gender equality and decrease the discrimination against women. This might be seen as an important tool for women living in poverty since 70% of the poor in the world are women, and that they have not been able to access financial services from commercial bank in the same way as men. However, it has been shown that the women starting their enterprises from microfinances usually pay for the education for their children first (ILO, 2008:2). This can be related to UNFPA statement that microfinance can help a whole family to improve their livelihood and get out of poverty (UNFPA).

By applying the Sustainable Livelihood Framework (SLF) I have been given the opportunity to investigate the role and importance of microfinance for families of disabled children. The conventional definitions on how to eradicate poverty are usually focused on certain aspects while the SLF gives a broader view on factors on how to look at poverty (Krantz, 2001:1). Thus, by looking into the many aspects of people’s livelihood a broader picture on the effects of microfinance will be clearer and it will be evident what parts of microfinance impacts families more than other. This is also relevant for the organizations working with microfinance and their method used when working with families of disabled children.

The research was conducted in the villages around Lake Atitlán in Guatemala and the families who have been interviewed are all belonging to two of the three Maya groups living around the lake. The group is very homogenous but will not be generalizable with other Mayan groups due to the specific area (Creswell, 2014:203). The results might nevertheless be useful for further research in the future. The primary source of this research has come from mothers of disabled children living around Lake Atitlán, Guatemala whom are members of Corazón Re-Habíls network, but secondary sources have also been used.

This research is relevant since disabled people and their families’ still faces discrimination around the world, especially in Guatemala where many of them live in poverty and have no chance of escaping it. If microfinance could be a solution for these people it could be a step in the right direction of fulfilling the MDG of eradicating poverty, as well as including this focus group. The aim for the study is therefore to look into microfinance and its effects on the livelihood for families of disabled children, and see if the network Corazón Re-habíl (who are working with these mothers) need to change their methods concerning the microcredits, and

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\(^3\) How communities, households and individuals make a living are all summed up by the umbrella term Livelihood (Handicap International, 2006:19).
fill the blackspot of the subject.

1.2 Background of the study
The National People with Disabilities and Career Council (NPDCC) writes that, due to lack of acceptance, people with disabilities are still discriminated against (NPDCC, 2009:3), which one can see from a survey made in United Kingdom which showed that 70% of the families with disabled children experienced that their community lack acceptance for disabilities (Bennett, 2009:5). Some studies show that there still are misconceptions about disabilities (NPDCC, 2009:3; DFID, 2000:5), like one survey in Madagascar that found that 48% of the respondents believed that disabilities were contagious (D’Aiglepierre,2012 cited in UNICEF, 2013:11). Even if a country like Guatemala has adopted a political stance supporting disability rights, the implementation has been slow and people with disabilities still make up less than 1% of the formal labor market as of 2012 (Utrikesdepartementet, 2012:17) which might be connecting to the surveys made in the United Kingdom and Madagascar where knowledge about disabilities seemed to be the problems.

Corazón Re-Habíl is a network consisting of different NGOs that works to strengthen the position of people with disabilities and their families within the society. By handing out information about disabilities to the societies around Lake Atitlán more knowledge will be spread and the purpose of that is to stop discrimination against the disabled people and their families. A step into inclusion for this focus group are also made by creating jobs for them, and handing out microcredits to mothers who have disabled children so they can start their own enterprises. The mothers do not need to pay the money back to the network. The only demand Corazón Re-Habíl has on the women is for them to take part in a savings group where they learn how to save money. The network is also monitoring the groups and holds training and courses for the women in finance in order for them to develop and get more knowledge.

1.3 Objective
The two objectives of this study is, one, to examine in what way, if any, microfinance impacts the livelihood of families with disabled children in Guatemala. This will be measured by the Sustainable Livelihood Framework (SLF), which is a framework to understand people’s livelihood (Carney, 2003). The study will identify if the different factors in peoples livelihood have been affected in a positive or negative manner and if organizations working with microcredit programs needs to change their method when dealing with families of disabled children. The second objective is to contribute to a debate on how microfinance affects the
livelihood of families with disabled children and how organizations who provide microfinance can bring their work to a family that has a disabled member.

1.4 Research Question

- What impact has microfinance had on the livelihoods of the families with disabled children around Lake Atitlán, Guatemala?
- What adaptations should the microcredit programs take when working with families with disabled children?

1.5 Theory and Analytical Framework

The analytical framework used in this study is the SLF which was developed from the Sustainable Livelihood (SL) approach. The aim with the SLF is to look at the factors impacting on people’s livelihood and how they are affected (Carney, 2003:5 & 8). The SLF paints a picture of the complexity and factors that can impact people's livelihood (DFID, 1999). The framework can be used to analyze poverty as well as to monitor if people’s livelihoods situations have changed (Ashley & Carney, 1994:1 – 13; Carney, 2003:9).

In this study the SLF was used to analyze if and in what way the livelihoods of families with disabled children in Guatemala changes, and see if and how microfinance has impacted their lives. The SLF factor was also used to analyze if changes need to be made to adapt to working with families and their disabled children in the microfinance programs. If no changes within the livelihoods has been made it has been clear that microfinance do not help families with disabled children to develop within their livelihood.

1.6 Methodology

A qualitative case study was conducted in the area around Lake Atitlán, Guatemala to be able to answers the research questions. Due to the method, the study is mainly built upon information from primary sources where semi-structured interviews were used to get information about the respondents’ thoughts and experiences, on microfinance, disabilities and livelihoods after starting enterprises. Since the aim was to see how the families perceived their livelihood after being involved in the microfinance program, which includes their everyday life, an ethnographic case study approach was used when collecting data. As well as a holistic approach since the framework is adjustable and can identify different factors impacting on the peoples’ livelihood (Creswell, 2014:186). This is an abductive study due to my interpretation of the respondents’ answers within the SLF. The study also contains secondary sources from previous research on microfinance as well as disabilities.
1.7 Structure
Chapter two presents the analytical framework that have been used in the study and previous studies on the topic. Chapter three treats the methodological framework and the methods used when collecting data and analyzing it. The forth chapter provides a background, which will offer information on the situation for disabled people in Guatemala and microfinance within the country. The fifth chapter outlines the findings and the empirical material from the interviews. After the findings, chapter six will provide the analysis of the findings. The analysis is built on the SLF. The final chapter contains the conclusion which summarizes the main results from the findings and includes advice for further research within the area.
2. Analytical Framework

This chapter offers an in-depth explanation of the analytical framework applied in this study. This study is conducted using the SLF, and the method of implementation during my research will be elaborated on below. A preview of earlier literature will precede the chapter.

2.1 Literature review

Not much is known about the effect microfinance has on the lives of families with disabled children. This thesis aims to contribute to reducing the research gap in this field of study.

A vast amount of literature on disabilities and children with disabilities exists, yet there is a dearth of literature on microfinance to disabled people or their families. The following is a summary of the literature that can be found on people with disabilities and microfinance.

First, WHO (2015) is defining disability as term used for impairments, restrictions with participation and limitations when doing activities. When someone is having participation restrictions it means that the person find itself struggling with situations in the daily life, while activity limitations are problems a person can have when doing a task. Impairments are problems one can have with their body functions as well as with their body structure (WHO1, 2015). If one cannot perform activities or live like other people with the same age, gender, social and cultural state it could be defined as a disability (Sen & Yurtsever, 2007:238). It is important to know that there are mild and severe disabilities as well as constant and episodic ones. This may change from person to person and it does not need to be all or nothing (Braithwaite & Mont, 2009:220). The children of this study do have all kinds of disabilities and they vary from mild to severe.

Based on the global population from 2010 nearly 15%, or about one billion of the world’s population are living with a disability (World Report on Disability, 2011:7), and some researchers have shown that it is stressful to have a child with disabilities (Bruce, Schultz, Smyrnios, & Schultz, 1994; Barnett et al, 2003: 184). According to Sen and Yurtsever (2007:240), no matter what kind of disability a child has it can come as a shock for the parents when they find out that their child has a disability. The reactions parents experience while processing the fact that their child has a disability can be generalized into three phases. The first reaction contains shock, denial, suffering and depression. The second phase involves feelings of guilt, indecision, anger and shame. The third and last phase typically involves bargaining, acceptance and/or adaptation.

As indicated above, parents might have difficulties in handling the fact that their child has a disability, it might also change the family dynamic, the economy (one parent might need to
stay home and take care of the child) and the everyday life of the family. In 2009 one out of five who lived on less than 1$ a day had disability (Bwire et al, 2009) A UNICEF report also show that families with disabled children often lose income and have higher spenditures than other families, and therefore should have the right to receive social protection (UNICEF, 2013: 14). Since the poor usually do not get help from banks this might be a problem.

However, studies have shown that microfinance reaches the poor (International Handicap, 2006: 31). In other words microfinance could be an answer to ending the cycle of poverty.

Microfinance has become a tool to promote entrepreneurship to those living in poverty in low-income countries (Wydick, 2002: 439). Most of the time, the people themselves decide what enterprises they want to create, with technical assistance from the MFIs. The MFIs usually give credits so the low-income microentrepreneurs can buy products and facilities needed to start a business. By doing this, new jobs have been created and people trapped in poverty have embraced a chance to engage in economic activity to provide a living for themselves and their families (Brau et al, 2009:954). At the moment there are not many MFIs which focus specifically on disabled people, or their families. Debashis Sarker writes that from an ethical point of view the MFIs should work harder to reach disabled people and include them as a target population for the MFIs. Since it can be difficult for the MFIs to reach out to this target group they could collaborate with local organizations who know how to locate these populations (Sarker, 2013:123). This is the model of practice that Individuell Människohjälp - IM employs by when donating money to Corazón Re-Habíl, enabling them to give microcredits to women with disabled children living around Lake Atitlán.

Considering that Guatemala was ranked lowest of all the Central American countries on the Human Development Index of 2013 and had the highest levels of inequality in all of Latin America the same year (World Bank, 2014) it is not surprising, that the country has many MFIs most of them giving loans to, impoverished women so they can start their enterprises (Brau et al, 2009:956). Not many MFIs are, however, focusing on women that have disabled children or have a disability themselves. Microfinance could be one solution to the current situation of disabled people in society, allowing them a greater chance to be elevated out of poverty and attain a more respected position in society. Many women with disabilities or disabled children are excluded from society due to the circumstances of the disability situation, making it more difficult to find gainful employment, as well as maintain job responsibilities since they usually need to take care of their child and often find it hard to

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4 Interview with ECRH1, Santiago Atitlán, 24 October 2014. See appendix 1
work specific hours and days due to the child’s somewhat unpredictable needs, such as physiotherapy visits or having a bad day. The additional complications caused by poverty provide one reason that MFIs should work with these women, but they are doubly stigmatized by their socioeconomic status and child’s disability status. Low – income families are already at the margins of society because of their socioeconomic status and the additional factor of having a disabled child creates another web of exclusion.5

As mentioned earlier, there is not much literature on how microfinance impacts the livelihood of families with disabled children. The literature, however, show that there is much more to research on when it comes to disabilities and its relation to poverty. Microfinance could be shown to improve the livelihood of families with disabled children it might in the future lead to MFIs being more willing to focus on families with disabled children and thereby give them a chance for a better life, and take the debate forward on microfinance and its effects on disabled people and their families.

2.2 Sustainable Livelihood

In order to eliminate poverty, the Department for International Development (DFID) in the United Kingdom, adapted the strategy of using the assets people in poverty already have and building upon that. Therefore the aim of the SL is to understand people’s livelihood (DFID, 1999:1), which is also the main focus of this study and therefore, this framework will be used. By utilizing a broad spectrum the framework can analyze people’s livelihood and their strategies to sustain their everyday lives (Handicap International, 2006: 20) and adapt to the different situations (Carney, 2003: 9).

To understand the core of the SL approach the five ground pillars of the model (as of 1999) will be presented. SL are people-centered which means that participants in the focus group must say what they want while the data collector listens to their responses. The second pillar is the Multi-level - according to the SL, to eliminate poverty work needs to be done on several levels, not just one. Relations with the public and private sector are also of importance - conducted in partnership. The fourth pillar is dynamic, which means that supporters coming from the outside need to adapt to the livelihood of the specific person and the changes that can occur in that person’s life. Last is, sustainability involving the balance between “economic, institutional, social and environmental sustainability” (Ashley & Carney, 1999: 7). As mentioned, the SL approach uses a broad spectrum which is suitable for this research. The approach of the thesis has therefore been to listen to the opinion of people receiving

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5 Interview with ECRH1, Santiago Atitlán, 24 October 2014. See appendix 1
microfinance, understand how they are thinking about microfinance, and how that relates to the NGO’s ideas.

DFID created a framework which Lasse Krantz explained as follows: “SL Framework, an analytical structure to facilitate a broad and systematic understanding of the various factors that constrain or enhance livelihood opportunities, and to show how they relate to each other” (Krantz, 2001:3).

One might need more knowledge about the model to understand the rest of the thesis. Starting with the vulnerability context, one can see the external environment that may affect people’s livelihood. The Trends, such as population and resource trends, and national economic trends among others, belong to these factors and these trends might be more predictable than others, but have an important influence on the economic and livelihood strategies one might have. Shocks, which can be defined as conflict or a natural shock, a human health shock an economic shock, or livestock health shock, have the possibility of destroying assets for families. These shocks may also be destructive for people in the sense that they might need to leave their homes or suffer loss of land. There is also the Seasonality factor among the vulnerability context, which includes factors such as prices, productions, health and employment opportunities. This is due to the fact that all of the factors mentioned can shift depending on the season and might strike hard on people in poverty’s livelihood.

Even though not all changes are bad for the people in poverty’s livelihood it would be in their favor to protect themselves from being affected by any of these factors. This could mean saving money in case the house gets destroyed and they need to rebuild it, for example. This is also what Corazón Re-Habíl tries to teach the mothers in their microsavings groups.6

The pentagon diagram, seen in the image above, identifies five different types of assets and their interconnections, which can be both material and social resources. These assets are:

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6 Interview with ECRH1, Santiago Atitlán, 24 October 2014. See appendix 1
Human capital, Financial capital, Natura capital, Physical capital and Social capital. Livelihood is built upon these, showing that a livelihood needs all the assets, not only one (Ashley & Carney, 1999: 46). The pentagon is structured in a way which means that where the lines meets in the center the assets are low, while the best option for a good livelihood is represented when the outer perimeter is expanded to the max. This means that a family’s pentagon may differ depending on their livelihood situation at the moment.

Human Capital includes peoples’ knowledge and how it defines a persons’ livelihood strategy in terms of skills, knowledge, good health and the ability to work. To achieve optimal human capital, the people must first desire it themselves, as well as be motivated enough to fight for it. This can be achieved through education and practicing skills among other solutions. An indirect solution might also be to change the culture, which is often a reason that some do not have access to education, for example. However, new knowledge should be built on the livelihood the person has and how it can change in the future. The second capital is the social capital, which means the pursuit of livelihood’s objectives, which are social resources. It is also said that this can be developed through networks and connectedness, membership in more formalized groups and relationships involving trust, reciprocity and exchange. These are all inter-related in the sense that they all affect one another. If one claims membership in a group, it usually leads to more contacts that involve more networks. If one knows people and has group, it is called membership. That can lead to trust and thereby, a circle is created, including all of the developing indicators in Social Capital.

Natural Capital involves, as one might assume, the natural resources one might include within his/hers livelihood, such as water, forest, land, the quality of air, among others. This means the Natural Capital is in close relation to the vulnerability context since many of these Natural Capital factors might be affected by the shocks, trends, and seasonality of the vulnerability context.

Regarding Physical Capital one might see if the businesses have helped the families to afford transportation, securing their homes and a supply of electricity and water. The Physical Capital involves infrastructure, which might become evident if, for example a person needs to work in another village, or in the production of goods, physical capital would be the equipment one would require to do a job more productively. A house might also be a part of Physical Capital and could be in relation to Financial Capital since one usually needs to pay rent or pay off loans on the house. The infrastructure could also be in connection with the financial capital, for example if children have problems getting to and from school by foot and therefore need to take public transportation, then they would need to pay to get to school
which is a financial consideration.

Financial Capital involves how money affects people’s livelihood. The DFID states that there are mainly two types of Financial Capital which are available stocks and regular inflows of money. Available stocks include savings that makes a person not reliant on others. One can save in a variety of ways and it is usually to one’s benefit, since one would have a security net if something unpredictable happens. The Regular inflows of money are income a person receive that is not a salary but instead a pension or other money coming from the state. Hence, it is this capital that all people in poverty are lacking and the most important one to achieve. (DFID1999:1-16). These are the five assets within the pentagon and upon which the questions asked for the research are built.

2.3 Implementing SLF into the research

SLF can be adapted to different situations and aims (Carney, 2003: 14). Since this study aims to look at effects on livelihood of families with disabled children receiving microfinance, the SLF is a well-suited framework since it is, like Carney (2003: 14) stated, adjustable and provides an insight into the livelihoods for these families. Mothers who have received microfinance to open their enterprises may have different pentagon constellations depending on what kinds of businesses they have started and what kind of disabilities their children have. A child with a mental disability, for example, might not need as much financial help as one with a physical disability. To see in what way microfinance has impacted the different capital categories for these families, the interview questions were built upon each asset. At the end, one can see similarities among the families and how they perceive their different forms of capital after starting their businesses and if it has helped them or if the microfinance has caused unforeseen problems in other capital categories. Carney writes that the model is people-centered which one could claim means that the people in poverty themselves need to be a part of defining their livelihood as well as a part of its improvement, if that is what they seek. Thus, as my research is mainly built upon the women respondents’ answers, they themselves have been a part of defining their livelihoods after starting their enterprises, and as well have been given an opportunity to state their points of view about microfinance, what has been positive and what might be improved. Since there is a paucity of research on the subject this study contributes to a new discussion that centers on the families of the disabled people information that, so far has been lacking.
3. Methodological Framework

This section will explain the methodology used in this study. First definitions of words used in the methodology part will be explained. Then the methodology will be presented. Next there will be a justification for the choice of method in this study. The interview preparation will then be explained. Finally, sources and validity followed by ethical considerations will be presented.

3.1 Definitions

3.1.1 Abductive
This means that one is understanding a phenomena while using a framework or ideas (Danermark et al, 2002:80).

3.1.2 Case Study
Case studies are usually used when one is in the field and want to do an in-depth analysis. The analysis is often on an event, activity and program among some things, which is bounded by time and activity, (Stake, 1995 and Yin, 2009, 2012 cited in Creswell, 2014: 14). The case of this thesis is to look into the livelihood of the families with disabled children in this specific area and see what impacts microfinance has on them after starting the enterprises.

3.1.3 Ethnography
To study patterns in behavior, language and actions which can be found in a intact cultural group who are in their natural setting, is a design called ethnography. The data collected within the ethnography design are usually observations and interviews (Creswell, 2014: 14). This method was used in this research since the data was best collect by interviews, and was best conducted in the field.

3.1.4 Holistic account
To understand an issue one might need to look in to the whole picture such as other factors. This is usually done by qualitative researchers when they are trying to understand a problem or issue (Creswell, 2014: 186). In order to achieve a holistic account the SLF was used, since it has a holistic approach (Krantz, 2001:18).

3.1.5 Qualitative research
Qualitative research focus more on face-to-face interviews with open-ended questions. The reason for this is that the interviewees can give their views on the subject. The qualitative
research was used in this research since it focus on the feelings and experiences of the interviewees, and the research tries to explain and interpret them (Creswell, 2014: 183).

3.2 Methodology

Due to a research gap within this subject and area, a field study with a qualitative approach seemed to be the best option to answer the research questions. The study takes its departure from families that have been living in poverty and have disabled children. The reason for this is that the organizations working with microfinances mostly focus on impoverished populations. Therefore, this study takes it departure from families living in poverty. The study aims to investigate how microfinance has changed the livelihood for families and not individual persons. This is due to the fact that there is a research gap on how microfinance changes the livelihood for families of disabled children. Research investigating how microfinance impacts on families’ livelihoods without disabled children has already been made. It has also directly investigated the effect of microfinance on disabled people. This studies approach will therefore provide a new angle within the area of disability and microfinance. This is why a field study is necessary. An ethnographic case study was used when collecting the data since it has a holistic approach and is therefore adjustable and able to identify different factors which may impact on peoples’ livelihood (Creswell, 2014: 186) and since the focus has been a small group of mothers of disabled children living around Lake Atitlán. This is a qualitative research with an abductive approach since I have taken the answers of the respondents from open-ended interviews and interpreted the findings into the SLF.

3.2.1 Choice of Method

Since the aim for this research was to find out in which ways, if any, microfinance has helped families of disabled children and to see if the organizations working with these families should adapt their programs. To do so, interviews seemed to be the best option since not much has been written on the specific subject. I therefore went personally into the field of Guatemala and the areas around Lake Atitlán in order to obtain a deeper understanding on how the microcredit programs work and how it has affected the families. The interviews and observations were conducted between April 2015 and June 2015.

3.2.2 Interviews

The interviews were conducted with help from Corazón Re-Habíl. The stakeholders were mainly mothers who had been receiving microcredit from the network (list of the interviewees
can be seen in Appendix 1). All of the 23 mothers who were interviewed had children who had various different disabilities, which also can be seen in Appendix 1, and they all belonged to a Mayan group. They were also all defined as poor by the network before entering the program. The interviews were conducted in the home of the women. When there were group interviews, the other mothers came to one mother’s home, which already was decided.

Interviews with employees from Corazón Re-Habíl and employees from the Swedish NGO IM (see appendix 1 for interview list) who are providing financial aid, workshops and work assistance to Corazón Re-Habíl were also held. The interviewees from the two NGOs all had been working with microfinance and disabled people, or had understanding in the specific subject. These interviews were used to obtain their point of view on the subject question and to see if there are some relations between the mother’s answers and those of the NGOs. The interviews lasted between 1 to 2 hours and were held in Spanish. In most cases a translator who spoke Tzutujil or Kaqchikel was present. The translators were all fluent in the languages spoken and had all been enrolled in school and thesis writing. Hence they knew how important it was to translate and ask questions without any subjective political stance on the research question or answer.

Before entering the field, the interview questions were prepared with help from the interview guide found in Metodpraktikan - Konsten att studera samhälle, individ och marknad by Esaisson et al, 2012. The questions were all semi-structured in order for the researcher, the respondents and I to be able to elaborate on the questions and answers. All of the interviews were recorded with prior consent from all of the respondents. The consent was taken orally since many of the respondents were illiterate. They were also promised anonymity in order for them to feel secure. Interviews were recorded because some information may have gotten lost if solely writing down the information.

3.2.3 Data analysis
When the findings had been collected the answers from the interviews were compared and put into the SLF. The SLF seemed the best option to analyze the data since it is very flexible and can be adapted when answering both of the research questions.

3.3 Sources and Validity
The primary sources in this study are the mothers who were interviewed, who are all a part of the network Corazón Re-Habíl. However, semi-structure interviews with other stakeholders were conducted in order to strengthen the thesis with other points of views which is required when working with microfinance. Information about the specific subject of the thesis was
difficult to discover but other information in relation to the subject was gathered via books, internet sources and articles which was significant for the study. However, there is a research gap on the specific subject of disability in Guatemala were almost no academic literature could be found.

3.4 Limitation and Delimitation
The biggest limitation for this study has been the language barrier since almost none of the women interviewed spoke Spanish. Due to this barrier, I needed to use interpreters depending on where I was and which language was spoken within the area. A risk when using interpreters is that they might not translate everything the interviewee says, or asks the questions in a non-neutral way that can affect the answer of the interviewee. This might be risking the validity. To obviate this I informed the interpreters of the importance of direct translation word by word. Another limitation which has affected the study was the problem with including the fathers of the disabled children. I did not meet any of the husbands due to their unwillingness to participate. This is something that the employees of Corazón Re-Habíl had told me could happened and something that they explained was related to the macho culture (which can be referred to as characteristics of sexism, aggressiveness, chauvinism and hypermasculinity (Anderson et al, 2008, P:19; Utrikesdepartamentet, 2012, P:13) within the country.

Another limitation was in the fact that the idea of disability is a relatively new subject in Guatemala and it is therefore hard to find information about it from national reports, and to find exact numbers on how many children have disability and how many of them are enrolled in school, the average income for a family with a disabled child, among other worthwhile statics. Many of the information I have comes from primary sources, like the organizations working within the area of disability.

A delimitation for this study has been the conducted area which was solely around Lake Atitlán in Guatemala where Corazón Re-Habíl is operating. Thus I was able to do an in-depth research within the area and the people living there since most of the people are indigenous. However, the study will, be very homogenous but at the same time not representing all Mayan families with disabled children living in Guatemala. This is because the situations may differ from area to area within Guatemala. It might however bring knowledge to a field not yet well discovered and can be adapted to similar research investigations in the future or be used as a comparison with other homogenous groups within the same field.
3.5 Ethical Considerations

Due to my earlier experiences living in Guatemala before going there to write this thesis, I had some ideas on how the people around Lake Atitlán usually relate with foreigners. I therefore came to the interviews with people they had trust in. Since my aim while interviewing the people in Guatemala was to get as much information as possible without offending anyone, I promised the respondents anonymity in an attempt to make them speak more freely and feel more secure. However, before starting the interviews, I always presented myself and gave them an explanation on why I was there and the purpose of the study. Since I wanted the respondents to speak exactly how they felt, I used as natural questions as possible. This also prevented my own thoughts about the subject impacting on the answers. The interview guidelines and considerations while doing interviews were taken from the book “Metodpraktikan - Konsten att studera samhälle, individ och marknad” by Esaissaon et al, 2012: 251.
4. Background
This chapter aims to give a brief description of the area where the research was conducted and on disability in Guatemala as well as microfinance within the country, in order to demonstrate why this analysis is relevant.

4.1 Research area
The research was conducted in Guatemala, in small villages around Lake Atitlán. This is because I was already familiar with the area and it is where Corazón Re-Habíl is working. Corazón Re-Habíl is a network consisting of different NGO’s working around Lake Atitlán. Their focus groups are people with disabilities and the families of the disabled people. The aim of the network is to make the person with disabilities to feel a part of the society and give them a chance of a life where they are less limited by their disability. This includes handing out wheelchairs, letting children with disabilities go to a school that takes care of their special needs, hand out microcredit to mothers who have disabled children, among some other activities. What has been understood during the time of the research is that many of the families who have disabled children are living in poverty and are most of the time not owning any land.

The lake with its surrounding mountains it makes it a place for fishers or for people to work at the coffee plantations, if they are not working or owning their business like a small shop. They are more or less all Mayans, Tzutujils and Kaqchiquels who are living in the area and have been there since around AD 900 (Vidgen and Schechter, 2013:91). Guatemala is the only country in Central America where the majority of the population is indigenous. It is stated that estimated 51% of the population belongs to any of the 21 Mayan groups within the country. The Mayan population, in Guatemala has been discriminated for centuries and even if improvements can be seen for the Mayans, the still faces discrimination (Minority Rights Group International, 2008).

4.2 Disability in Guatemala
Guatemala has signed the UN Convention on the Rights of Persons with Disabilities which mean that they recognize “that children with disabilities should have full enjoyment of all human rights and fundamental freedoms on an equal basis with other children, and recalling obligations to that end undertaken by States Parties to the Convention on the Rights of the Child (UN, 2006). Guatemala has ratified many other legislatures in order to advance the rights of disabled people. There is however, none in the Guatemalan government who has
been taking responsibility to implement the legislature and put it in the annual budget of the country (Sida, 2014).

Discrimination against people with disabilities is still a problem all over the world and Guatemala is no exception (NPDCC, 2009:3; Sida, 2014; ECRH1, Santiago Atitlán, 24 October 2014). There are however, no clear numbers and facts about disabilities in Guatemala and that is a reason why this research is of importance.

4.3 Microfinance in Guatemala

There are many NGOs in Guatemala, and many are working with microfinance. It is however, hard to find information if the NGOs working with microfinance are focusing on disabled people as well. MixMarkets has provided a page where some of the organizations working with microfinance in Guatemala are listed. See Appendix 3 for full list. None of 39 providers of microfinance have a clear approach of helping people with disabilities or their families. Some have, however, written that malnutrition in Guatemala is a big problem and that they therefore are focusing on mothers (MixMarkets, 2012). Since it has already been stated that malnutrition can lead to disabilities one might argue that the MFIs therefore are involving disabled children and their mothers in the program. However, since none of the MFIs actually have used any words or explanations in relation to disabilities it is arguable to state that their main approach is not disabled people or their families and it is unclear whether they are even working with this focus group.
5. Findings

This chapter aims to lay the base for the analysis in the next chapter. First, the findings from the interviews with the mothers will be presented. Next, the interviews with the staff from Corazón Re-Habl will be presented. Finally, the findings from the employees of IM.

5.1 Mothers

Interviews with 23 mothers were conducted in Tzanchaj, Santa Teresita, San Juan La Laguna, San Pablo and San Lucas in Guatemala. The questions were divided into the different capitals, and will therefore also be separated in the same manner here. This is to make it easier for the reader to understand the different types of capital and how they affect, or not affect the families.

5.1.1 Human capital

The Human capital is the skills a person has, the ability to work for a person and what kind of health a person has, due to DFID. These three components impact a person’s livelihood in a sense that, if one has bad health it will not be able to work, if a person lack skills it can be hard to find a job and a person who lack the ability to work will find it hard to get an income (DFID, 1999: 7). The questions were therefore written from these three approaches.

Since health was connected to human capital, I included questions such as ‘Has the health of your disabled child become better, worse, or remained the same as before receiving microfinance?’ All of the mothers answered that the health of their disabled child has become better after they joined the network, due to the fact that they now can afford medication for their children two women, W16 and W17, said. In order to keep the child healthy, the mothers agreed that it was important to keep clean, both in the house but also oneself in order to prevent getting sick and getting infections. They all also answered that information about disabilities to the society could be helpful in order to prevent discrimination and to increase knowledge about disabilities.

All of the mothers except W3 said that a person who is poor cannot change its human capital without help from others such as organizations. It was also a common answer that money was important in order to get a good human capital. In order to create a good human capital education might be relevant to get skills (DFID, 1999). When asking the mothers if they thought it was harder to enroll a child with disabilities in school in comparison to a child without disabilities they all answered that they thought it was harder to enroll a child with disabilities. This was the answer for all, even if some (W20; W3) said that it had not been a problem to enroll their child with disabilities. Some said it also depended on what kind of
disability the child had. In general, however, all the women said that a disabled child has a harder time enrolling into school in general. The mothers also stated that more resources in the schools are needed in order for the teachers to help the children with disabilities more. There are problems for children with disabilities in school because many get bullied, which W12 stated was heartbreaking for her, because she felt helpless. W2 even said she goes to school on the breaks of her disabled child so the child will not get teased. Another problem in school is that the teachers lack knowledge about disabilities and do not know how to help the children. A statement from W3 who has her child in a special school said that special schools are better and that it would be great to have more special schools. Nevertheless, education is more important for children with disabilities because they need more opportunities to provide for themselves than others without disabilities who might find it easier to get a job without education (W17; W16; W15; W12).

Since all of the mothers are now a part of Corazón Re-Habíl and are microentrepreneurs a question about the process of opening the microbusiness was asked. All mothers except W3 said they got help from the network to open their business and talked about the pros and cons. The mothers were also asked if they thought there was any difference between opening a business with a disabled child compared to opening a business without a child with disabilities. All of the mothers said that they thought it was harder to open a business if their child had a disability since it required more care for the disabled child in comparison to a child without disabilities.

When talking about the hours they worked, the mothers seem to be working more than they thought they would, and they also have less time for the family. W16 said it was worth it since she is able to contribute more in a financially for her family.

W2 said she work less hours than she thought while 14 of the women said they work more than expected. This raised a question about who got the most and least attention in the family. Seven of the mothers said that the attention was equally divided between the family members, and W17 said she had learnt it from a course. Twelve said that they as mothers got the least attention and gave most of the attention to the child with a disability. Nevertheless, all mothers said it was worth everything in order to have their business and if they had known before what they know today they would not change anything.

5.1.2 Natural capital
Natural resources is a good word to explain the natural capital. It is a word for a broad spectrum such of things, as the atmosphere to trees (DFID, 1999: 11). Even if I as a researcher...
referred to the natural capital as the broad spectrum just mentioned, all of the mothers referred to it as land. So this capital is more focused on land.

A question the respondents were asked was if they thought that natural resources could help to improve livelihood. They all answered that it would be easier if they could have a piece of land. W3 is one out of two of the women who owned land, and she said that she first had tried to grow coffee but that it was really hard so she quit. But since it would be an extra income she now has started to grow it again. Eight of the mothers thought that owning a natural resource would be a solution to escape from poverty. Ten said that they would be able to grow food for themselves and then sell the rest if they had a piece of land. All the mothers answered, however, that owning a piece of land could be an advantage for their child with a disability. W1, W3, W8, W11 among some said that the child then could be working with the land, and W15 that it would possible to get natural medication for the child from it.

The negative part of owning a natural resource W2 said could come from the climate changes and chemicals that could kill the crops. Six mothers said that it would be worth the risks if they could invest in natural capital. W3 said that she only would invest if the land was good for harvest.

5.1.3 Financial capital
The financial capital is in DFIDs SL framework another word for the financial resources one has. That is why the first question for the mothers was if they thought money was of importance for them and their families. It was a unified answer “yes” from the mothers. W24 said that money is important because it helps them to send the children to school. There were mixed answers concerning if money is more important now than before. W17 said that it was more important now because they did not have anything before but now they are even able to save. W22 said it was more important because the children are getting older and it starts to get more expensive. W3 said that they did not have anything before so everything was of importance, but now they must save, which is also important. She ended by saying that money has always been of importance, it is just the situation that has changed. Several of the mothers (W11,W16, W18,W19,20) stated that money was more important for a family with a disabled child in comparison to a family without one. An explanation for this, W16 said was because they need to pay more for medication and bringing their children to the physiotherapy, things that families without disabled children do not need to pay.

W19 and W23 also thought that money could make their disabled child happy and that microfinance is a good solution for families with disabled children to leave poverty. W19
said, however, that she thought that education would be a good solution for them to get out of poverty. A question then raised was if the families had any debts and if they had had them before starting the enterprises and how their financial situation now looked. Many mothers said that they had loans but that they now are starting to pay them back. The only one who did not have loans at the moment, did not have it before either (W11). W4 said that she thought loans were dangerous because it can hit hard if one does not pay back on time. An important aspect concerning the loans is that the microcredits the mothers receiving are not something that they need to pay back, so the loans they have are for something else.

I asked them if they wanted more help from network in the form of more training in handling their enterprises, solutions for not needing to take loans and developing their livelihood. All the mothers answered yes and W18 and W19 said they wanted more knowledge, such as how to find more customers to their shops, how to invest money, workshops on how to develop the business and W10 said she thought it was hard to handle the business when she barely can read and write so she wanted classes for that.

W4, W5, W6, W7, W8, and W9 wanted to go away to a camp with their children so the children could have fun and they would be able to meet other parents and share experiences with each other.

Since that was training they wanted for themselves from the network, I wondered if they thought the network should offer microfinance for their disabled children when they grow older. They all wanted that. W16 and W17 already have their children working within the network and they were pleased with that and stated that a job helps the children to develop independence. W10 said that all the help the child could get as an adult would be helpful. Since many mothers wanted their children to get some economical help as adults I wondered how much better their economy actually had become. The mothers got to rate on a scale from 1 – 10 (where 10 was the best) how much better their economy had become. 0 meant that it was the same as before and then there was minus which meant that their economy had become worse than before starting the enterprises. The average turned out to be 3.86 which meant that the economy had become better in general for all the mothers, this due to no one answering a 0 or negative.

5.1.4 Social capital
Social capital refers to social resources which are created from interactions between people, including networks and formalized groups among other places where interactions are held (DFID, 1999). The questions were therefore directed into this area. To be a part of a society
one could argue that the person needs to be accepted by the people of the society. A question for the mothers was therefore if they thought that the society had changed their opinion about their disabled child after the opening of their business. There was a 50/50 answer rate on whether they thought that the society had changed their attitude against their children and those who said it had not changed or had become worse. W6 claimed that the change of attitude was because of jealousy. W10 said that people in her village started saying that she cheated on her husband after she started to travel to another village in order to sell her products. Her husband therefore started to travel with her so they could stop the rumors. All mothers said that knowledge and education are what is needed in order for this to change.

Many mothers said that social network is important for their disabled children since they can develop with the help of friends. W5 said that a social network was not important for her child, and that her child never leaves the home. They all, however, agreed that a social network is important for them as parents, and with friends they can learn and give advice to each other. According to the mothers, the network, Corazón Re-Habíl has been a great help. They all said that the network has been trying to help them integrate into the society. Some even said that the network is like a family to them because of all the help they have given the families. They all answered the same when asked if social capital is important. The answer was yes.

5.1.5 Physical capital
Infrastructure such as transportation and shelter are included in physical capital (DFID, 1999). Having this in mind the first question asked to the mothers concerned whether they have changed their expenses regarding traffic costs after starting their businesses. The answers differed. Around 50% of the mothers had not change their expenses while the other 50% had started spending more money after starting their businesses. W10 said this was due to having more travels because of work. For some of these mothers, travelling with their disabled child was very hard. W16 complained about the roads and said that changes for better roads must come from a national level. W10 said that all the different governments always promise that they will construct better roads, but none of them have so far kept their promises. Another problem that the mothers stated was the public vehicles. At the moment there is no public transportation that have access to make it easier for disabled people to travel by themselves (ECRH1). W11 said that some drivers at the buses do not have patience to help people in wheelchair to enter the buses and some just drive by them.

There is not only the public transportation that can be a problem for disabled people.
Another question asked to the mothers was if they thought that public toilets for disabled persons were necessary or not. In most villages there was no public toilet at all, nevertheless they all thought that a public toilet accessible for disabled people was needed. It is not only public toilets that are needed for disabled people. All the mothers said that the schools also need to change their accessibility in order for people who has problem walking or are in a wheelchair to move around without help. At the moment some schools have a second floor which some students cannot access according to W18. However, there are not only public places that are in need of changes according to some mothers. W16 stated that she would like to rebuild her house so her disabled child could move around easier, but that they still do not have enough money to do so. They have focused more on giving their child education she said.

When asking the mothers if they thought that Corazón Re-Habíl as a network needed to get more involved in the community and fight for more accessibility for disabled people they said yes, but that it is something that they need to do together. So for disabled people to feel integrated within the society more work needs to be done on a community level.

5.2 Workers of Corazón Re-Habíl
The workers interviewed from Corazón Re-Habíl are actually working for different NGOs that are all connected to Corazón Re-Habíl. Their position in their organizations and within the network is to work with the microcredit groups, in words, the mothers. They are the ones having most of the contact with mothers and do regular check-ups on the mothers and their enterprises. They were not asked the same questions as the mothers instead, they got questions depending on the mother’s answers. The result will be presented below in the different types of capital.

5.2.1 Human Capital
The first question to the staff of Corazón Re-Habíl was whether they believed it was possible to achieve a good human capital by oneself, or if help is needed. All of the employees said that help is needed, but some also said that it must be up to the person itself to be motivated to change their human capital, such as getting an education and the ability to work.

Since education is connected to good human capital and the mothers had stated that education was important I asked the employees why they thought the mothers thought it was harder to enroll a disabled child in school in comparison to a child without a disability. ECRH2 answered that he thought that the Guatemalan culture played a role in it. People have opinions about disabilities even though they do not have any knowledge about it. Another
problem lies with the teachers ECRH1 and ECRH2 said. All four of employees said that the teachers lack knowledge and do not how to work with the disabled children, since the goal is to integrate disabled children (no matter the disability) into classes where none have disabilities. The different disabilities need different approaches and that is not possible within the Guatemalan school system today. However, most of the staff claimed that education is not more important for disabled children than for children without disabilities the employees claimed. The difference lies in the culture where children without disabilities are accepted and children with disabilities are fighting 200 years of discrimination ECRH2 said. That also includes parents of disabled children, as they must understand that education is important, ECRH4 said.

Since discrimination seemed to be a big problem when talking to the mothers and the employees I asked the staff members if they thought that it was important to give information about disabilities in schools and within the community. A unified yes was the answer. In order to stop bullying the network needs to reach out to the community, and they do this better than others from other cities and countries since they know the people and the Maya languages (ECRH1), but it all depends on how much money they have to do so, one from the staff said.

Another aspect concerning the money the network gets and the work they can do with it concerns the health sector. The employees said that they would like to work with health with the families as well but that they cannot do so at the moment. They focus on microfinance and then there is another group focusing on health. The school would however need to work with health as well, even if they (the school) also would need to work with the parents in order for the children to hear the same information at home as in school.

Another form of education the network would like to do is to work more with the whole family and especially the husbands. That it something that could be helpful for the mothers before starting their enterprises ECRH2 said, since the mothers might need to work twice as much as before in order to be able to handle the household and the enterprises. If the husbands get education they might help the mother in the household and they would be able to break the old culture of machismo (ECRH1). The staff agreed with the mothers when stating that it is harder for a mother with a disabled child to start an enterprise in comparison to mothers without a disabled child.

5.2.2 Natural Capital

Regarding the natural capital the employees thought that natural resources could help to improve one’s livelihood in a positive sense. They said that if the people had the right
knowledge they could use it in a beneficial way (ECRH4). It would not however be a one way solution on how to leave poverty they claimed. It could be a solution together with other options ECRH1 said.

There were mixed answers on whether natural resources could be an advantage for a disabled child. 50% said that it would not necessarily affect the child in any matter. ECRH1 brought up a case where the family had a piece of land but did not give any extra to their disabled child but bought soda instead. ECRH3 and ECRH4 said the opposite, that the extra money could be used to buy medication for the disabled children. There was nevertheless a unified answer when asking if it is necessary for them to work with natural resources. They said yes and ECRH4 said that it would be better to give them natural resources and knowledge about it rather than money.

5.2.3 Financial Capital

“Before the mothers start the enterprises, is it necessary that you as a network talk to them about expenses that can arouse from the businesses ?” was a question asked to the staff members. They answered that it is important and that they already do so, so that the women will not get disappointed if they do not get as much income as they thought. The staff said however that they could improve in their work with the mothers by giving them more education and workshops. However, they said that they needed education themselves. This, they claimed, would help them in their work, especially if they would get physiological education ECRH2 said. Another aspect of the microfinance that was brought up during the interviews was whether they agreed with the mothers that it would be good if they should hand out microcredits to the disabled children when they get older. The staff said it would be great if they could help the children as grown-ups but that it is a question about finance, whether they will be able to afford it or not. The goal for the employees of the network is however for their clients to leave poverty and to see how the whole family develops their resources. Another goal for the network is to include the husbands.

5.2.4 Social Capital

When talking about the social capital the staff was asked what they thought needed to change within the society for everybody to feel included. They, (ECRH2 and ECRH3) said that education for the people within the society was significant. When asked what they as a network could do ECRH2 said that they need to involve more people within the network and start to educate people as well in order for a unified society.

A unified society is important, but so is a unified family. Since some mothers said that
their families were more unified now, I asked the staff why they thought the families was more unified now. ECRH1 said he thought it could be because of the change in dynamic, and the extra money. ECRH2 said that the income could mean the same as respect.

5.2.5 Physical Capital
On questions regarding public transportation the employees said that there is barely any in all of the country and that it is not their first priority. ECRH1 said that at the moment it is better if the disabled person asks for help. ECRH4 and ECRH3 stated however that it was a part of their job, together with other organizations to fight with the community in order to get better roads and access for disabled people. They must however have a plan before asking the community representatives to discuss it.

The community representatives should not only discuss better roads but public toilets accessible for disabled people, the majority of employees said. This is so the disabled person does not need to ask for help to access the toilet in public. Not only handicap toilets that are needed in the villages, but schools with better planning would also be needed so the disabled children could move around without asking for help many times a day.

5.3 Workers of IM
The workers of IM all have many years of work experiences within the field of development. Two of the respondents are Guatemalans and have experiences working for foreign development organizations for years, while the third respondent is IMs regional director of Latin America at the time and he is of Swedish origin. The workers of IM got the same questions as the workers of Corazón Re-Habíl. However, the employees of IM answered the questions from another perspective since they are the ones handing out money to the network and are trying to give them knowledge and education in order for the network to improve their work with the mothers.

5.3.1 Human Capital
To create a good human capital the workers of IM answered that the responsibility must come from the person itself but that help from outsiders might be necessary to do so. Help in order to do so can come from the chance of getting to open an enterprise. When I asked the employees why they thought the mothers had said it was harder for them than for mothers without disabled children to open enterprises EIM1 and EIM3 said that a problem can lie in the structures of the family. When many mothers have all the responsibility of taking care of the child with disabilities, the household, and then also the enterprise, it becomes extra work,
especially if the disabled child does not have any place to go, like school and needs to be with
the mother all of the time. IM therefore tries to help the partner organizations to find solutions
for the mothers. EIM1 said that an analysis on whether mothers with disabled children needs
to work twice as much would be necessary in order to see how they can work with the
organizations and through that help the mothers. IM in Latin America always does
evaluations to see how they can be better at their work (EIM3). EIM2 said however that it
would be easier for the mothers if the society also accepted disabilities and if the society
became more equal so the husbands would help out more at home. It is not only the society
that needs to change to make it easy for a mother with disabled child to open an enterprise.
The pros and cons must be outlined clearly for the women so they will see that just because
they will be receiving microcredits to an enterprise does not mean that will have a surplus
income. The different organizations around the country also need to meet and share
experiences with each other to get more knowledge on how to work with the mothers. Since
disabilities are a new term within the country there are not many organizations working with
it. To get more people to learn about it the culture needs to change. Within the Guatemalan
society disability is something negative. The governmental agencies needs to give information
in communities and schools in order to change this.

To enroll a child in school is still hard because the society excludes the disabled people.
The teachers lack knowledge on how to handle the disabled children and to change this, the
whole school system needs to change and improve the employees said. They also claimed that
education is not more important for disabled children in comparison to children without
disabilities, but that it is important to all children no matter who they are and where they come
from. There is however a problem within the Guatemalan school system since most disabled
children cannot get the help needed. A school directed for disabled children could be a
solution, but it will depend on the disability. At the moment it depends on the lack of
resources claims EIM1 and EIM3.

Another aspect which could be improved is information about health. All the employees
said that they need to work more with the organizations regarding health. Many families only
know about the disability of their own child but not about others. Parents should also get more
information on what to do if their children get hurt (first aid) since health is very important
EIM1 said. The schools should also include health into the curriculum. For example, the
health ministry needs to do follow ups to see how children are taking care of their teeth. At
the moment this is not possible with all the corruption in the country. Even if IM is working
with the partner organizations in order for them to teach their clients, it must come from higher courts.

5.3.2 Natural Capital
Natural resources have advantages but are not used in the right ways at the moment. The Maya vision is to live in harmony with nature and respect the nature (EIM3). Most people in Guatemala do however not follow this, so more environmental awareness would be necessary. Another aspect is that there is no land for the poor people. The richest people of the country have most of the land and are destroying it with pollution. A better distribution of the natural resources could help people to live a life without poverty (EIM1 and EIM3). In order for that to happen EIM1 said that a revolution must take place.

If the poor could use natural resources the family of the disabled child could create a better life for the child. Today, owning natural resources creates a high status within the society, so the families that have some could help their disabled child to get a better status in the society with it EIM3 said. To work with natural resources is something that IM could do, and in that case put together a sustainable environment and create a better livelihood.

5.3.3 Financial Capital
There is not only positivity when handing out microcredits. In order to make microfinance better the employees of IM said that a deeper analysis of the pros and cons of starting enterprises for women would be necessary. An analysis of facts about what products are selling well could be presented, as well as which villages are good places to sell which products (EIM1). It is, however, also important to talk about the expenses of opening an enterprise. A calculation of it must exist, said EIM3.

When asking if they should work with the disabled children when growing older and with microfinance they said that IM already work with disabled people in El Salvador. They cannot however individualize and are doing the work through the partner organizations. Their goal is for all the people that the partner organizations are working with to get better livelihoods, and for all to know about their human rights.

5.3.4 Social Capital
“In order for everybody to feel included within the community, what has to been done?” This was a question asked to employees. A common answer was that the culture needs to change. EIM3 said that the shattered country is in a post conflict situation where the wounds from the civil war have not yet healed. A war commission could be a solution for this. After
reconciliation a more peaceful society could be possible and with it, it could be easier to work with discrimination.

As an NGO, IM does what it can to make everybody to feel included. They work with their partner organizations so they can work with people such as mother of disabled children and make them feel included within their organizations. IM does not want their partner organizations to feel that they walk all over them and their ideas. Rather, they guide the organizations in their work and try to emphasize with the organizations that it is good if their clients and members are getting involved within the organization in order for them to feel included. It is however nothing IM forces their organizations to implement.

Included, or at least more unified was something most mothers felt that their families had become after joining the microcredit groups. The employees of IM thought that this was because the dynamic within the family had changed and that the partner organizations are doing a good job strengthening the women in their new role. A part in strengthening the women may come from their social networks that can be created through the microcredit groups. This can help the mothers to feel that they have an identity and new playmates for their children can be found. The employees all said that a social network is of great importance for both the parents to the disabled child as well as the child itself in order to develop and share experiences.

5.3.5 Physical Capital
For disabled people to move around more easily, the employees of IM said that public transportation needs to be accessible for them. That is something that will take a long time to change since the system is really bad. No one at the governmental level want to do anything to change the system since they only help if they can get something from it, like money EIM1 said. IM wants to help their partner organizations to teach people about their rights so the people or the organizations can fight for their rights. If IM would start to fight with the government for human rights and start to gather people in order to do so they can get labeled as a terrorist organization and then make it harder for other Swedish NGOs to work in the country. That is why IM themselves do not pick any fights with the government, even if they think that public transportation that is accessible for disabled people is necessary (EIM3). The same goes for public handicap toilets. It is necessary to have them, but it is up to the community and government to build them. The schools also need to be adapted for disabled children. In order for the children to move around the facilities at schools they need to be
adapted for them, like ramps. If the schools would be adapted it would be a step in the right
direction of a more inclusive society for people with disabilities.
6. Analysis

In order to answer the research questions, What impacts has microfinance had on the livelihoods of the families with disabled children around Lake Atitlán, Guatemala? and What adaptations should the microcredit programs take when working with families with disabled children? I will first explain the impacts that microfinance has on the families to answer research question one and then continue with the second research question discussing what adaptations microprograms can implement when working with families with disabled children.

6.1 Answer to research question one: What impacts has microfinance had on the livelihoods of the families with disabled children around Lake Atitlán, Guatemala?

Since the SLF are built upon the different capitals in the pentagon, it is from this approach that the analysis will be presented. The aim is to get the lines in the pentagon to the outer line which mean that they have achieved their best possible livelihood (DFID, 1999). Since it is very hard for a person to decide upon structural changes that are handled from a governmental level these will not be included in this analysis. Some examples of changes decided on higher levels than the individual are the school system and roads.

6.1.1 Human Capital

The mothers and the employees of IM and Corazón Re-Habíl all stated that if a person is living in poverty, a good human capital can only be achieved with help from outsiders. The person needs however to be motivated in order to achieve it. Based on this, I believe that only motivated people can achieve a good human capital. Since all the mothers in the microcredit groups need to take part in a savings group in order to receive the microcredit, one could claim that the mothers already are motivated and are therefore in a good path to improve human capital. Another motivating factor for creating a better human capital for these women is related to their enterprises. Due to the fact that they are deciding for themselves what kind of enterprise they want to build (ECRH1), this becomes another motivating factor for the mothers. They get the opportunity to start something they actually think is fun and interesting, and one could claim that they therefore want to learn, become more experienced and gain knowledge, and that way improve their human capital. This motivation could be affected by the belief that mothers of disabled children have a harder time of starting enterprises than mothers to children without disabilities. What could also reduce their chances of improving their human capital is that the mothers might now spend less time with families than before and thus lose motivation if they start working more hours than expected. If the mothers did not need to worry about their disabled child being bullied in school or feeling excluded by the
society, this could help them to focus more on their enterprise. However, as the situation is
today with the Guatemalan school system, this is not possible and it could lead to less human
capital. Nevertheless, just by having the disabled child in school and getting some education
is an improvement within the human capital. When summing up the human capital and trying
to compare the positive and negative factors, the mothers all said that the negative aspects
concerning human capital are still less when compared to them having their enterprises. This
means to me that the beneficial factors are stronger than the negative factors and that their
human capital has improved. It has not reached the outer line of the pentagon, but has
improved and that is important in their path for a better livelihood.

6.1.2 Natural Capital
All the mothers thought that owning natural resources would improve their natural capital.
Because of this, I am convinced that their natural capital will not reach full capacity if they do
not get to own natural resources themselves, or if they get enough education in order for them
to understand that owning natural resources do not only bring positivity. However, since
currently they can only think about all the good things they could do with the natural
resources I would claim that their natural capital has not improved. Especially since none of
the mothers have been able to buy some land and therefore cannot see how owning natural
resources would affect them.

6.1.3 Financial Capital
All the mothers answered that money was important for their families, and a majority thought
that money was more important for them because of their disabled compared to other families
without disabled children. Most of them also said that money could make their disabled
children happier. Therefore, money has a more important value for the mothers because they
believe having it will change their disabled child’s state of mind. Since all mothers said their
financial situation had improved, one can claim that their financial capital has improved. It
has not reach full capacity but seems to be good enough for the mothers.

6.1.4 Social Capital
A common statement was that social networks are important because they allow them to share
experiences with others and learn from each other. They also believe that these networks will
improve their social capital by integrating them into society. However, only 50% thought that
the society members had changed their attitude towards them and their disabled children,
most mothers said that their child had problems in school because of exclusion. Even though
the mothers have gained more friendships receiving the microcredit, this has not changed their social capital significant.

6.1.5 Physical Capital

The mothers stated that they would like to build and remodel their houses to allow their disabled children to move around easier in their house. None of the mothers had however, done anything with their houses to improve their physical capital, nor had they bought a car or improved transportation for the disabled child. Therefore I claim that nothing has changed in the families’ physical capital.

6.1.7 The new pentagon

When analyzing the answers given by the mothers on how their livelihood looks like today, after receiving the microcredit one can see that the pentagon has changed. They started having nothing, but now the human, social and financial capital has improved, while the physical and natural capitals are the same as before.

6.2 Answer to research question two: What adaptions should the microcredit programs take when working with families with disabled children?

When looking into the answers from the mothers and the employees of Corazón Re-Hábíl and IM one can see that the microcredit programs could be improved to help the mothers. The most significant part of the microfinance seems to be that the clients, in this case the mothers, are motivated and understand that it is up to them for their enterprise to work. Before starting to work with mothers of disabled children, the MFIs should ensure that they truly understand that they probably needs to work more hours than they have imagined and that they might also not spent as much time with their family as before, if they do not plan to have their enterprise within the home.
When the children are old enough they can be put into school which can make the mothers work without needing to give attention to the disabled child for a few hours. This could help the mother to focus on her enterprise. If the child however, gets bullied or cannot follow the pace as the rest of the class, the child might not want to go back and this could be a stressful situation for the mothers. If the schools receive workshops and information about disabilities by NGOs and other organizations, the situation could be better and the child might be able to attend school without any bigger problems, so the mother would be able to put her energy on the enterprise. If the fathers also receive education from the NGOs about equality and that it is important to help each other with daily chores, it could lift a burden from the mothers and they would be able to focus on their enterprise even more. Additional education for both the fathers and mothers could be obtained if they got involved within the NGO itself. The NGO could by this teach them about procedures and how the NGO work. This could also lead to the parents wanting to be spokespersons for the NGO, and it would be a win – win situation. It could also help the parents to expand their social network by meeting others involved in the NGO.

In order for people with disabilities to get access to public handicap toilets and better roads and sidewalks, society needs to start the fight since it could harm the NGO. However, the NGO provide its clients with legal rights information (ECRH1: EIM3), and this could be another aspect of education for mothers who wants to fight for the rights of their disabled children.

Owning natural resources, especially land, means today a higher status within the Guatemalan society. Land is expensive and finding land to buy is very difficult. For someone without knowledge of natural resources and their management, it would not be beneficial, unless they rent it out to others to earn money. That is however not the idea if someone is a part of a NGO or MFI and have been receiving land to cultivate it and then instead rent it out.

Whether or not money is more important for a family with a disabled child is a complex question. There could however be seen that mothers with disabled children do not need to takes loans in order for them to pay for the family expenses after joining the MFIs. The answer for this could be found in Corazón Re-Habils’ approach against the mothers. Since the mothers need to join a savings group after receiving the microcredit they learn how to save and when they get extra costs a month they can take from their savings and it is not affecting the daily expenses of the family.

There is not a big need for the NGOs to give microcredits to the disabled children when they are adults. The reason for this could be seen in the microcredits to the mothers. They will
hopefully been giving that much help and education so they can help their children as adults of not needing to live in poverty. Because of the discrimination within the society microcredits for the disabled could be good because they can then create their own jobs. The idea is however that they would be able to get a job even though they have a disability. The NGOs should however, do specific calculations for the mothers to see both the positive part of being a microentrepreneurs, but also the negativity in order for them to know exactly what they are giving themselves in to.
7. Conclusion

The objective of this study was to examine in what way, if any, microfinance impacts the livelihood of families with disabled children in Guatemala and how organizations focusing on handing out microfinance to families with disabled children could adapt their programs towards this target group. Barely any of the MFIs working in Guatemala are known for working directed to disabled people or their families. This could be seen strange since about 10 – 12% of the Guatemalan population have disabilities (Al Thani, 2004) and many of these seems to be indigenous (Landguiden, 2014:32; Handicap International, 2006:16), which in the case of Guatemala also includes them living in poverty (IFAD, 2012). Since they also face discrimination (NPDCC, 2009:3) it might be hard for them and their families to get jobs and therefore never being able to leave poverty. A solution could lay in microfinance but since the MFIs do not seem to want to work with these people, they are trapped.

This study indicates that microfinance can help families with disabled children living in poverty to improve some parts of their assets which can be found in the SLF by DFID, and it do not seems like the MFIs have to make big expensive adaptions in order to get a good outcome and to work with this target group. Except giving microcredits, education seems to be of value for mothers of disabled children. Even if natural resources are desirable among the group it needs much knowledge to take care of it and money in order to buy it. Since there are barely any natural resources within the country which is not own by the richer part of the society it will cost a lot, microcredit to start enterprises seems therefore to be the best solution for the mothers of disabled children.

The study was conducted in a specific area with a specific target group where they all had similarities in their livelihood. It is therefore not certain that the results can be adapted into other areas and targets groups. The results could however lead to further research within the subject and if it is true for other areas as well, the MFIs do not have a lot of reasons why not to work with families, especially mothers of disabled children. In order to end discrimination against this target group and fulfill the MDG to end poverty organizations working with development must take their responsibility and include them in their organization, because if they do not and the society discriminates them, who will then care for them and help them get a full worthy life?
8. Bibliography

8.1 Articles & Reports


8.2 Books


8.3 Electronic sources

Available at: http://www.handicap-international.org.uk/resources/library. [Accessed 18 March 2015]


## Appendix 1

*Interviews with women in the program*

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Interviews with workers of Corazón Re-Hábil

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Appendix 2

(DFID, 2000:4)
# Appendix 3

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10 [https://www.incofin.com/](https://www.incofin.com/)
11 [http://www.lmdf.lu/](http://www.lmdf.lu/)
13 [https://www.oikocredit.se/](https://www.oikocredit.se/)
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<td>Kiva²⁸</td>
<td>Peer – to – peer – Lender</td>
<td>3 ASDIR, FAPE, Friendship Bridge</td>
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¹⁸ https://mentorsinternational.org/
¹⁹ http://redkatalysis.org/v3/
²² http://www.seepnetwork.org/
²³ http://www.visionfund.org/
²⁴ http://www.worldvision.org/our-impact/country-profiles/guatemala
²⁵ http://www.fitchratings.cl/default.aspx
²⁶ http://www.fundamicro.net/
²⁷ https://www.incofin.com/
²⁸ http://www.kiva.org/
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(MixMarket, 2012)

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29 http://www.kredits.com/
30 http://www.microfinanzarating.com/