



Assessing the Impact of HIV/AIDs Epidemic on Municipalities' Capacity to Deliver Quality Service and Fight Poverty in Tanzania
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Background

Tanzania like many other countries south of the Sahara is hard-hit by the HIV/AIDs epidemic. According to the UNAIDS 2002 report about eight percent of the adult population in Tanzania is infected with the disease. This is causing devastation in many facets of life. The devastation caused by HIV/AIDs is unique because it is depriving families, communities and entire nations of their young and most productive people. The epidemic is deepening poverty, reversing human development achievements, worsening gender inequalities, eroding the ability of governments to maintain essential services due to tax losses, reducing labour productivity and supply, and putting a brake on economic growth and development.

In Tanzania HIV/AIDs is now the leading killer disease in the age group 15-59, accounting for as high as 35.5 percent and 44.5 percent of male and female deaths in that age group. According to the macroeconomic model developed by Cuddington in 1993 to assess the impact of HIV/AIDs on the Tanzanian economy, he concluded that HIV/AIDs might reduce Tanzanian GDP in the year 2010 by 15-25 percent. Per capital income levels are expected to fall by between 1 to 10 percent by 2010. Other researchers have modeled the demographic variables, for example the World Bank in 1992 concluded that if the epidemic does not subside in the years to come, there would be an increase in both adult and infant morbidity and mortality as well as a considerable decrease in life expectancy. Decrease in life expectancy and

increase in adult morbidity is likely to affect the tax revenues collected by both central and local governments. This is likely to affect also the quality of services offered by both central and local government to the citizenry.

Research Problem

HIV/AIDs is considered to have a negative effect on local government tax base and taxable capacity since the victims tend to lose the capital assets that are the basis of their capacity to pay tax. In Tanzania, however, very little is known about the possible impacts of HIV/AIDs on economic variables such as people's livelihoods, assets and its effects on the capacity to pay municipal taxes. Most of the studies on the epidemic are found in the medical areas, which focus on finding ways of reducing the number of new infections and reversing the spread of the epidemic and progressively expanding access to care and treatment for people living with the disease. This study was therefore undertaken in order to investigate the impact of HIV/AIDs on selected local government's capacity to collect tax revenues in order to enhance their capacity to deliver quality services and at the same time reduce poverty in their respective jurisdictions.

These Policy Briefs are a product of the MDP multi country research project, which was funded by the Government of the Netherlands and coordinated by the Municipal Development Partnership for Eastern and Southern Africa. They are intended to inform, contribute and provoke dialogue on strategies for enhancing local government capacity for effective service delivery and poverty reduction in Sub-Saharan Africa. The views expressed here are those of the researchers and should not be attributed to the MDP secretariat.



Research Objectives

The research's specific objectives included:

- To identify the level of awareness of the linkage between the epidemic and Councils' revenue collection among policy makers in three municipalities in Tanzania;
- Establish how much the municipalities are budgeting for HIV/AIDS fighting activities from own resources;
- Establish the extent of HIV/AIDS infection in each municipality; and
- Establish the extent the infected taxpayers' livelihood assets are affected by the epidemic.

Research Methodology

This research employed the case study based participatory action research method. Respondents who had real experiences as far as the HIV/AIDS epidemic is concerned were used to contextualize the concepts in this research. Similarly, as a norm of participatory action research, various stakeholders involved in the fight against HIV/AIDS participated in the research. The stakeholders that were involved in the study were invited to attend the research dissemination workshop. The major aim of the workshop was to verify the research results as well as continue engaging the stakeholders on how best the research results can be used in the efforts of fighting HIV/AIDS in Tanzania. As expected the stakeholders positively deliberated and suggested ways and means to improve the research results. Another output from the stakeholders who attended the workshop was a clear way forward on how the research results can be operationalized in local governments' policy environment.

Three municipalities in Tanzania were used as case studies. The selected municipalities were as follows: Morogoro, Kinondoni and Kibaha. The study utilized both primary and secondary data. Primary data was collected from the in-depth interviewing of appropriate officials in the municipalities and non-governmental organizations, members of Finance and Administration Committee of councilors, and people afflicted and affected by HIV/AIDS. The officials were interviewed individually. Similarly, interviews of people afflicted and affected by HIV/AIDS were on an individual basis. However, the councilors were interviewed as focus groups in each municipality.

NGOs focusing on HIV/AIDS work were used as entry points to people living with HIV/AIDS. Since these NGOs had already some established trust with the individuals infected and afflicted by HIV/AIDS, it was easy to gain

access to people living with AIDs. Most of these people who were approached granted in-depth interviews. Due to the sensitivity of the information on health matters and the epidemic in general, each respondent was interviewed privately. In Morogoro Municipality we used Faraja Trust Fund who introduced us to a newly formed NGO under its auspices by the name of WAVUMO. In Kibaha district council we used Faraja AIDs Orphans Support and Training Centre and in Kinondoni Municipality we used WAMATA.

Research Findings

- The study has demonstrated that HIV/AIDS is depleting the five capitals espoused by the Sustainable Livelihoods conceptual framework. Of the most important capital any individual can possess, human capital, is the most affected capital. This certainly places HIV/AIDS pandemic as a threat to humanity. Similarly, all other capitals, namely, natural, physical, financial and social are highly affected by the epidemic. By affecting the above five capitals as given in the Sustainable Livelihoods framework, HIV/AIDS threatens the efforts of local government authorities to plan and implement their programmes in a sustainable manner. For local government development plans to be sustainable there is a need for them to be internally financed. With the death of taxpayers, the internal capacities of these local government authorities are weakened. The results of the study have demonstrated that households affected or afflicted by AIDs find it too difficult to pay property taxes as well as other taxes;
- In a similar manner, HIV/AIDS as it has been shown in the study is causing infected individuals to fail to continue managing their businesses. Closing businesses is another way local governments lose taxes. In other words, local governments lose tax revenues when the taxpayers are affected by HIV/AIDS. This fact is a cause of concern as the actual tax collection is likely to decline if more tax payers are to be affected by the epidemic;
- The research has revealed the extent to which internal financial capacity is weakened if a municipal worker is infected and eventually dies of the epidemic. It reveals that municipalities are using a substantial amount of resources for taking care of a sick worker as well as burial costs;
- The study also established that policy makers

have been sensitised to link the possible implications of the epidemic with the socioeconomic well being of their government. However, councillors complained of distribution of resources to fight HIV/AIDS. Their observation was that there is very little linkage between the micro, meso and macro levels. They indicated that more resources are distributed at a macro level and leaving a little if any resource to be used at micro level. Micro level in their sense implied the ward and village/street levels.

- The study also revealed a gap at a meso level whereby despite the demonstrated awareness of possible socioeconomic problems that are likely to be caused by HIV/AIDS, the same councillors do not press their authorities to set aside some budget for HIV/AIDS control. Relying on external sources for resources to fight HIV/AIDS possess a serious problem of becoming totally vulnerable to external environment; and
- From the discussion with the experts from the field and in-depth interview with various stakeholders including respondents who are HIV positive and those with full-blown AIDs, it seems the rate of HIV infection is yet to be abated. Various reasons were unravelled during the discussions on why this is the situation. The main reason that was echoed by respondents, including those who were infected with HIV/AIDS, was poverty. A majority of respondents concluded that without tackling the poverty problem, it would be difficult to really change the behaviour of individuals who are confronted with the high risk of being infected. Without empowering girls and women to have real negotiation power in sexual matters decision making it will be a difficult thing to combat the disease. Provision of practical education as a means of ensuring economic empowerment to women if coupled with jobs and business opportunities creation were seen as the best approach to fight the disease.

Recommendations

- From the findings of the research the following recommendations were made:
- It is recommended that efforts to fight HIV/AIDS must involve all stakeholders in all aspects including allocation of resources. Allocating resources at the micro level would increase the capacity of micro institutions in fighting poverty through various local initiatives;
- Since HIV/AIDS epidemic is more of a socio-economic problem, more research is still needed to discern how the social fabrics is being impacted by the epidemic. This will provide a better prevention policy formulation framework;

- Since it has been concluded that the effectiveness of communication of HIV/AIDS information that has been used in Tanzania has not imparted the right intended knowledge, it is recommended that other better means of communication should be utilised. A good number of respondents still associate HIV/AIDS with witchcraft hence a need of better communication strategies to eradicate these myths;
- Since HIV/AIDS affects mostly the human capital, the capital that to a great extent controls other types of capital, it is recommended that local government policy makers should allocate own resources to prevent more HIV infections. This will assure the local governments to continue getting taxes from their residents on a sustainable basis; and
- Finally, we recommend that there is an urgent need for central government to step in with support to ensure access to drugs, which extends life of HIV/AIDS patients. This will reduce the vulnerability of people living with HIV/AIDS, their households, and to a large extent the local governments themselves if the loss of tax revenue due to ill health is taken into account.

About MDP

The Municipal Development Partnership for Sub Saharan Africa was launched in 1991 as a multi year partnership between municipal governments and associated institutions and bilateral and multilateral donors. The Partnership was designed to be an alternative model of development assistance, operating regionally and nationally, dedicated to building local institutional effectiveness in Sub Saharan Africa. The Partnership is organized in two units both of which share the same objectives and methodologies. The Eastern and Southern Africa unit covers 25 countries and is based in Harare, Zimbabwe. The Western and Central Africa unit covers 22 countries and is based in Cotonou Benin.

About the Authors

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