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“Competition for Resources in a Changing World:
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Determination of the Potential of Micro-Financial Services in the Rural Community Kuito, Bié Province (Angola)

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Abstract

Microfinance was recognised as an effective poverty alleviation tool in many regions of the developing world. This study evaluates the potential of micro-financial service, their providers and demand for these specific financial products in the Bié province (namely community Kuito), an area of Angola that was mostly affected by the civil war. The survey was held under the patronage of the development project “Centre of Agricultural Education in Bié Province” (Angola) from the Institute of Tropics and Subtropics of the Czech University of Life Sciences Prague. In this physically and socially damaged area, several development organisations (Oxfam, Care, Concern, etc.) intervene in order to improve living conditions and empower women as well as to integrate the work of veterans. The primary data collection was carried out by co-operation with these organisations by interviews and questionnaires handed out among their co-workers and among selected households of community Kuito. The results clearly show evidence of strong need for stable input market, technical support, and consultancy for local farmers/entrepreneurs. From this point of view is not the short money supply the only constraining factor of rural development. It also analyses the current status of organisations working in target area, their ability to provide these requested financial services and discusses their influence on the product or money market formation which is the prerequisite for stable income generation. Recommendation derived from the study suggests that it would be highly advisable to intensify the co-operation among organisations working in target area, local authorities’ representatives and organisations providing foreign developing projects. Based on primary data, personal observing and qualitative interviews, this study evaluates the community Kuito as well as the Bié province has still not overcome problems caused by war and does not use its potential on such level which would attach the steady income generation throughout the year for all groups of local population.

Keywords: Angola, co-operation, income generation, microfinance