

Microfinance and Rural Women Empowerment in the Kpandai District of Ghana: The Role of SEND Ghana Microfinance Scheme

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Abstract

The study investigated the extent to which SEND Ghana's provision of financial resources has improved the livelihoods of poor women in the Kpandai District in the Northern Region of Ghana. It particularly evaluated method and type of financial services that the organization extends, the type of economic activities that clients invest their credit in the informal sector of the economy, the challenges associated with the financial programme and ways that the programme could be improved to address their economic and social problems.

It found out through the use of focus group discussions and personal interviews with beneficiary women that there were significant improvement in beneficiaries' lives. Apart from training in business and loan management that each beneficiary woman benefits; 39% reported improved access to child education, 27% in access to healthcare services and 14% in improved nutrition among others. The study therefore concludes that SEND-Ghana's unique approach of training women and giving them loans on incremental basis have empowered many women in the Kpandai. We recommend to make the scheme more useful; SEND Ghana should review the loan package for each cycle by about fifty Ghana cedis (GhC 50), a downward review of the interest rates and an extension of the period for repaying the credit.

We further conclude that microfinance could be a tool for vulnerable groups' empowerment if they are properly targeted and the approach tailored-made to suit them.

Keywords: Women, economic empowerment, microfinance, Kpandai District, SEND Ghana.

1.0 Introduction

Empowerment of women and other vulnerable groups have been a daunting task for both governments and non-governmental organizations. Empowerment is a process that enables the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them (Kabere, 2001). The success of the Grameen Bank in Bangladesh in the late 1970s and 1980s put microfinance on the limelight of economic empowerment of women the world over.

Economic empowerment of women connotes making financial services accessible to women in a way that would enable them increase their assets and capabilities in life (Sen, 2001). In Ghana, various policies and legislations such as the Non-Banking Financial Institutions Law, Ghana Gender Policy and the Ghana Microfinance Policy among others have been pursued with the aim of empowering women. These laws and policies have created the enabling environment for both public and private institutions including non-Governmental organizations to go into microfinance services.

As a result, many organizations have devised various strategies that would make financial services accessible and more importantly useful to the poor and vulnerable. However, attempts by both government and private institutions to make adequate microfinance services accessible to the rural poor remains a challenge (Egyir, 2010)

Despite strides made by Ghana over the years to reaching a middle income status country in 2011, poverty reduction is still a daunting task. Ghana's poverty is characterized by gender and regional inequalities but also rural-urban disparities (FAO, 2012). Women in both urban and rural areas and regions represent the poorer social groups (GLSS, 2005).

This paper is a study of the strategies and effects of SEND Ghana microfinance activities in the Kpandai District of the Northern Region. It sought to ascertain the effects of microfinance on economic empowerment of women by;

- Examining the types of financial services SEND Ghana gives to its clients.
- Ascertain how the credit is disbursed and the mode of payment.
- Investigating the effect of the microfinance services on the economic activities beneficiaries.

The study focused on women because; women are poorer gender group in Ghana yet are more in the informal sector (GLSS5 and FAO, 2012) and therefore would need more financial support and also because the effects of women empowerment has larger effects on the family and households. (Hulmes and Mosley, 1996; Rogaly, 1996).

2.0. Overview of Concepts

2.1 The Concept of Microfinance and Economic Empowerment

Microfinance is one of the concepts that has received a lot of definitions in development literature. Otero (1999) defines microfinance as the provision of financial resources to very low-income poor people who are self-employed. These financial resources include not only the traditional savings and credit but also other non-financial services such as insurance, pension and payment services (Ledgerwood, 1999). Schreiner and Colombet (2001) define microfinance as the attempt to improve poor household's access to small deposits and loans neglected by formal banks. Microfinance, therefore, involves the provision of both financial and non-financial services to marginalized rural and urban folks who are not covered by the formal financial sector. It is thus an economic development approach in which institutions provide financial services to low-income and self-employed people who are unable to be served by the financial market. Sometimes the services provided by microfinance institutions extend beyond the traditional savings and credit to include social intervention in the area of education, health, sanitation and environmental protection.

This study concurs with the United Nations (2005) definition that Microfinance encompasses the provision of financial services and the management of small amounts of money through a range of products and a system of intermediary functions that are targeted at low income clients. It includes loans, savings, insurance, transfer services and other financial products and services.

Conclusively, microfinance institutions are organizations that extend small loans and other financial services to marginalized groups to enable them engage in income generating activities as a source of livelihood. Although they provide credit to clients, they are not part of the formal financial sector but often associated with the semi-formal sector. These institutions are not owned by the government and because of that they are often referred to as NGOs.

2.2 Microfinance, Poverty Alleviation and Development

Making microfinance services available to poor alone is not a panacea to their poverty alleviation but could actually worsen their plight if these services are not used well (Hulme and Mosely, 1996; Rogaly, 1996). The focus should be on helping the poor to sustain a specified level of well-being by offering them a variety of financial services tailored to their needs so that their net wealth and income security can be improved (Wright, 1999)

Mayoux (2001) states that while microfinance has much potentials, the main effects on poverty have been;

- Credit is making a significant contribution to increasing incomes of the better off poor, including women;
- Microfinance services are contributing to the smoothing out of peaks and troughs in income and expenditure thereby enabling the poor to cope with unpredictable shocks and emergencies.

The study agrees with Hulme and Mosley (1996) that when loans are associated with an increased in assets, when borrowers are encouraged to invest in low risk income generating activities and when the very poor are encouraged to save, the vulnerability of the very poor is reduced and their poverty situation improves. As pointed out by the former UN Secretary General Kofi Annan during the launch of the International Year of Micro Credit in 2005, that sustainable access to microfinance helps alleviate poverty by generating income, creating jobs, allowing children to go to school, enabling families to obtain health care, and empowering people to make the choices that best serve their needs (UN, 2005). However, this would only happen when programmes are properly designed can make valuable contributions through financial investment leading to the empowerment of people. Earlier, United Nations (2000) and United Nations Capital Development Fund (UNDF) noted the key role of microfinance in development because it is key to the economic and social development of women and other vulnerable groups. Otero (1999) underscores that microfinance offers the poor the opportunity to access productive capital, which together with human capital that is achieved through education and training, and social capital that is achieved through local organization building, move people out of poverty. By making capital accessible to the poor does not only strengthen their sense of dignity but equally help to empower the people to participate in the economy and society.

We are however of the view that access to, and good management of microfinance by the poor could lead to significant improvement in lives. The usefulness of microfinance as an empowerment tool depends on the mode of delivery, the capabilities of beneficiaries to manage the funds and opportunities available for beneficiaries to put the funds in productive uses.

2.3 Women's Empowerment and Microfinance: Competing Paradigms and Underlying Assumptions

Mayoux (2005) identifies three fundamental paradigms on microfinance vis-à-vis gender and empowerment. The first paradigm is financial self-sustainability. This paradigm stressed on the need to provide rural people particularly micro entrepreneurs with sustainable financial resources and this is to be done by the village banks

and savings and credit unions. The underlying assumption of this model is that when women have access to and control over financial services, they are economically empowered which naturally enable them to make decision, take part in negotiation, have greater mobility, etc. because it is presumed that income leads to power.

The second paradigm according to her is the Poverty alleviation paradigm. This paradigm involves an increased outreach to the poor, providing them with small credit for production, improved saving facilities and also organization of training programmes to improve their skills. Women are again the target in this paradigm because they form the majority of the poorest segment in our societies yet they still take charge of the well-being of their respective families. The basic assumption here is that increasing the access of women to credit leads to an increase in their income which brings about positive impact on household income. The prediction of this development is that it will contribute to the total well-being of the family and also increase the roles that females play in the home thus an improved position and status.

The final paradigm on the debate on microfinance and gender empowerment is the feminist empowerment paradigm. In this paradigm, microfinance is seen as a good entry point for negotiation and change in issues relating to women's rights and gender equality. The focus of the paradigm is more on the social and political empowerment of women because its implications touch more on the strategic needs of women. Sometimes, the implications of the paradigm also touch upon the economic class stratification of women thereby bringing about the necessary change in gender relations and women's empowerment.

This paper partially disagrees with the three paradigms of microfinance and gender empowerment explanations put forward by Mayoux (2005). With regards to the financial self-sustainability, the ability of women to derive power from income depends on the entrepreneurial skills of the woman. That is her ability to invest the income into productive ventures that will yield her profit. In some cases, the credit given to them is rather channel into buying basic food staff for the family upkeep and even in extreme cases the money is taken away from them by their husbands and spent on alcohol and "table top meat" at market places. Secondly, it also depends on the socio-cultural practices of the people. As the case is in some places in Ghana and elsewhere in Africa, women by tradition are not supposed to own any productive assets. Given the two scenarios, income might not be able to bring about power thereby empowering women naturally as Mayoux claims.

The study again does not agree completely with the second paradigm which is about poverty alleviation. Given the hostile socio-economic environment of our societies, the assumption of this paradigm might not be able to stand the test of time. This is because the causes of poverty are not only economic but equally social and just by increasing the income of women. Quite that apart, the credit that the women receive in the first place is so small to bring about an improvement in the household income especially in extended families. At best, the loan goes to complement the family sources of income and depending on the range of the sources, the impact of the loan as a complement might not even be felt at all.

Barring on the above, microfinance is surely a sure pathway to the economic and social development of women. The controversy is how it is administered. SEND Ghana's approach but one of the many approach of making microfinance services useful to the very poor in society. This study finds out the extent to which this approach is useful to the very poor.

2.4 The Evolution of Ghana's Microfinance Industry

Before the advent of microfinance existed the culture of savings and borrowing from friends, relatives as well as groups within the context of self-help in order to engage in small retail businesses or farming ventures. Ellen and Aryettey (1996) explain that many of the poor, especially women, and those in rural communities depended largely on informal banking services and semi-formal savings and loan schemes. This was after formal banking came into operation. Regarding the emergence of banking institutions, anecdotal evidence suggests that the first cooperative credit union in Africa was established in Jirapa in the Upper West Region in 1955 by the Canadian Catholic missionaries through the assistance of the then Rev. Father Peter Poreku Dery of blessed memory (Egyir, 2010). Presently, the credit union idea is now well embraced by 28 countries in the African continent and provides the opportunity for poor people to save and access credit for income generating activities. The Credit Union System makes credit accessible to contributors buy without collateral and also instils the savings habit in them. However, with this system, beneficiaries must be able to save for a period. This makes many poorer people unable to benefit from the scheme as they cannot save to benefit from the scheme. The credit union system though good is middle income groups and not the very poor. It does not also focus much on capacity building of beneficiaries and as such beneficiaries may be able to put their loans in productive uses. In the 1950s and 60s, Ghana witnessed the establishment of special banks targeted at specific sectors of the economy. The Agricultural Development Bank and the National Investment Bank were established to make credit available and accessible for agriculture and capital investments. Again, these microfinance services were out of reach of the poor and vulnerable groups because their inability to collateral and meet their terms of payment.

As such, Egyir (2010) notes that it was in 1976 that Rural Banks were established to offer credit services to rural

producers and mobilize savings from rural areas and the informal sector. With the increase in the number of rural and community banks (RCBs), there became the need to form an Association of Rural Banks (ARB) that will represent and seek the supreme interest of the RCBs. Not until July, 2002 when an Apex Bank was established, the regulation and supervision of the RCBs were the responsibility of the Central Bank while technical support was received through the ARB. Though, these banks were now physically accessible in many rural areas, many rural poor and vulnerable groups again could access credit because the insistence on collaterals, savings and payment of high interests. These RCBs are nonetheless the linchpin for rural and cottage enterprises but not the vulnerable groups like women who need microcredit most to free themselves from the fetters of poverty. Noticing this gap, the Government, by PNDC Law 328 of 1991, that allowed the establishment of different types of non-bank financial institutions, including savings and loans companies, finance houses, and credit unions etc. Currently, there are three broad types of microfinance institutions operating in the country (GHAMFIN, 2006). These services include:

1. Formal suppliers of microfinance (i.e. rural and community banks, savings and loans companies, commercial banks);
2. Semi-formal suppliers of microfinance (i.e. credit unions, Financial Non-Governmental Organisations (FNGOs), and cooperatives;

Informal suppliers of microfinance (e.g. “susu” collectors and clubs, Rotating and Accumulating Savings and Credit Associations (ROSCAs and ASCAs), traders, moneylenders and other individuals). These institutions are aimed at providing income to the many poor in the informal sector and who may not have collateral to benefit from the microfinance services provided by the commercial banks. The structure and stakeholders of the current microfinance structure are summarised in Table 1.

Table 1: Structure and key stakeholders of microfinance in Ghana

The key microfinance stakeholders comprise:

(i) Microfinance Institutions, including:

- The Rural and Community Banks,
- Savings and Loans Companies
- Financial NGOs
- Primary Societies of CUA
- “Susu” Collectors Association of GCSCA
- Development and commercial banks with microfinance programmes and linkages
- Micro-insurance and micro-leasing services.

(ii) Microfinance Apex Bodies, namely;

- Association of Rural Banks (ARB)
- ARB Apex Bank
- Association of Financial NGOs (ASSFIN)
- Ghana Cooperative Credit Unions Association (CUA)
- Ghana Cooperative “Susu” Collectors Association (GCSCA)

(iii) End Users

- Economically active poor who are clients of microfinance products and services.

(iv) Technical Service Providers

- Business Development Service Providers to MFIs and their clients.

(v) Supporting Institutions

- Microfinance and Small Loans Centre (MASLOC);
- The Ghana Microfinance Institutions Network (GHAMFIN);
- Development partners and international non-governmental organisations
- Universities, training and research institutions.

(vi) Government Institutions

- Ministry of Finance and Economic Planning
- Ministries, Departments, Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs)

Source: BOG, 2006

In terms of the regulatory framework, rural and community banks are currently regulated under the Banking Act 2004 (Act 673), while the Savings and Loans Companies are currently regulated under the Non-Bank Financial Institutions (NBF) Law 1993 (PNDCL 328). On the other hand, the regulatory framework for credit unions is still being developed to reflect their dual nature as cooperatives and financial institutions. The rest of the players such as FNGOs, ROSCAS, and ASCAs do not have explicit legal and regulatory frameworks, and are largely unregulated (BOG, 2007).

2.6 Non-Governmental and Community-Based Organisations in Microfinance

The approaches introduced by NGOs often are based on group solidarity methods where beneficiaries would come together on the basis of some sort; location, occupations, friendship, family ties, gender, or other grounds to serve a purpose at the community level (CHORD, 2000). With this method and support from their donor partners, most NGOs and CBOs are able to provide credit to many poverty stricken people and places where commercial and rural banks have failed often with welfare-oriented programmes.

Although, some fifty (50) NGOs have active microcredit programs, they are generally multipurpose or welfare-oriented agencies (GHAMFIN, 2006). SEND Ghana is one of the NGOs very instrumental in improving the overall livelihoods of the very poor especially in northern Ghana. This study is a focus on its microfinance programme in the Kpandai District of the Northern region of Ghana.

3.6. Institutional Profile of SEND Ghana

SEND (Social Enterprise Development Foundation of West Africa) – Ghana, was established in 1998, with the vision of guaranteeing peoples' right and wellbeing through good governance and equality of men and women in Ghana. In 2000, started the Eastern Corridor Livelihood Security Promotion Programme (ECLSPP) to help address the practical development needs of rural communities by adopting an integrated approach to the delivery of services to disadvantaged groups. This intervention resulted in the significant improvement in the livelihood of the beneficiaries of about 7,666 women in the area as at 2008 with its unique microcredit programme and others (SEND Ghana Annual Report, 2008). Main projects in the ECLSPP include the following:

1. Commercial women (microfinance programme),
2. Food security through co-operation,
3. Gender rights and peace education,
4. Rural youth self-employment and reproductive health and HIV-AIDS education (Water Aid, 2009).

This paper examines the effects of the microfinance programme described on the ensuing.

3.6.1 SEND Ghana's Women's Microfinance Model

SEND-Ghana's microfinance model seeks to financially nurture the very poor with no capital or assets to becoming economically viable to become active credit union members. This is done through a unique 5-cycle loan system. In this system, women groups after intensive training on loan and small-scale business management are given loans to go into economic activities. A successful management of the loan by group graduates them to the next cycle where the loan sum is higher. By the time a group would have reached the final cycle they would have had experiences in small scale business management and with the compulsory savings, they would then have the capacity to be active credit union members and have their businesses expanded. By this method, 1081 very poor women have been empowered to become active credit union members by 2010 (SEND Report, 2010)

The organization's approach to microfinance is very unique as compared to other organizations operating in the semi-formal sector. One of the significant differences is a high degree of intensive training and education on how to effectively manage credit and small scale businesses. Clients of the microfinance programme become well versed in savings and loans management, cost analysis, business investment and leadership skills (SEND Annual Report, 2010). Following the organization commitment to improving gender relations in the country, the women's microfinance model specifically target low income women in the most resource underprivileged communities of the Kpandai District.

4.0. METHODOLOGY

4.1. Description of the Study Area

Kpandai district is one of the newly administrative districts in the Republic of Ghana. The district which was part of the East Gonja district was carved out in February, 2008 by legislative instrument (LI) 1845. It is located at the south-eastern corner of the Northern Region. The district is approximately located between latitudes 8 ° N and 9.29 ° N and longitudes 0.29 ° E and 1.26 ° W. It shares boundaries with Nanumba South District to the North, to the West by East Gonja, Nkwanta North District to the East, Krachi District to the South-West and Pru District to the South in the Brong-Ahafo Region (Kpandai District Medium Term Development Plan, 2008). The estimated total surface area of the district is about 1,772.04sqkm of which 5% is covered with water (ibid). The strategic location of the district - the centre between the northern and southern parts of the eastern corridor offers a lot of economic opportunities. It enables inhabitants to engage in multiple income generating activities as it serves as a gateway to both the northern and southern Ghana. SEND Ghana has therefore taken this opportunity to assist women in the district to explore the economic potentials in the district effectively and efficiently to improve their living conditions.

4.2. Sampling size and survey techniques

The study made use of Cochran (1977)'s sampling formula to arrive at a sample size of 136 from a population of 210 women beneficiaries of the programme. Quantitative data was collected by use of structured interviews and unstructured interviews from the sample of 136 women and was analysed by use of tables and figures. The study also collected qualitative data through focus group discussions. In all, five (5) focus group discussions were held with women in each cycle. These qualitative techniques enabled us to investigate further issues and patterns that arose from the quantitative data analyses. The data was collected between the months of March and July 2012 in the Kpandai District.

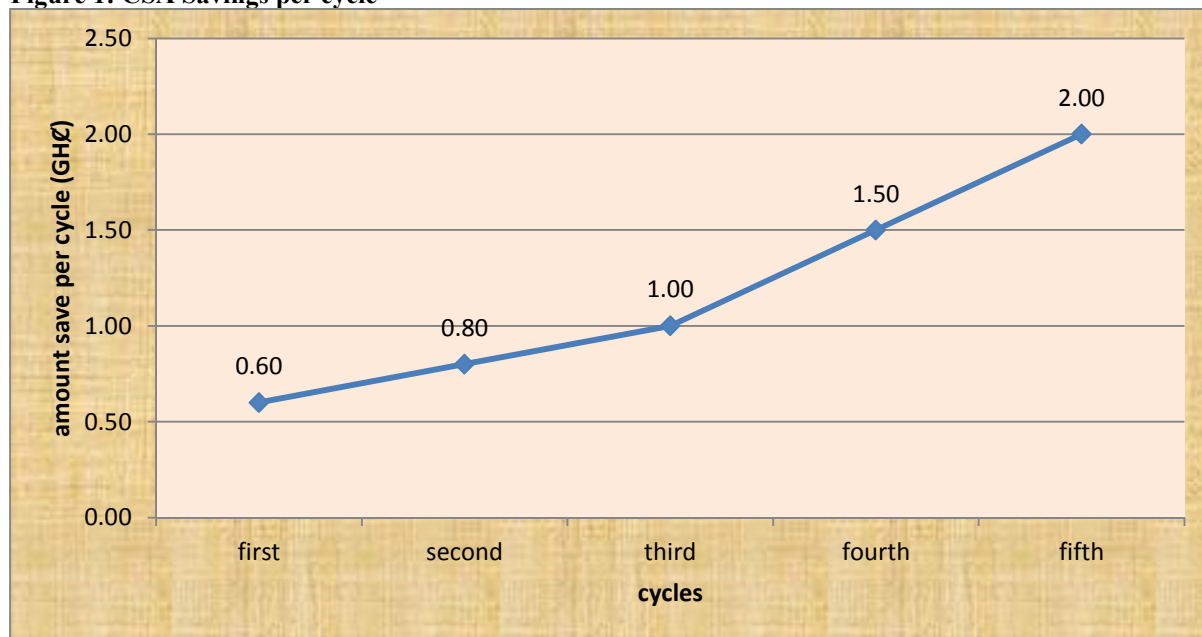
5.0. FINDINGS

5.1 Types of Financial Services

SEND Ghana gives credit and savings services to woman in groups between 16 to 35 members. Each group undergoes an initial three-week training on credit and small-scale business management before credit is given them to start their respective income generating activities. The credit given is not fixed but varies from cycle to cycle. Clients in the first, second and third cycles were given GH¢60.00, GH¢80.00 and GH¢100.00 respectively. Fourth and fifth cycle clients were given GH¢ 150.00 and GH¢200.00 respectively¹.

The organization also offers the opportunity for clients to save. Once you are a member of SEND's financial programme, you automatically have to save with them. The savings are compulsory for all clients. There are two types of savings. One is the Credit and Savings Association (CSA) which is calculated on an interest rate of 1% of the total credit repayment for the cycle. The figure below demonstrates the CSA savings of clients per cycle.

Figure 1: CSA Savings per cycle



Source: Field Survey, June 2012.

As clearly indicated on the figure, clients who were in the first, second and third cycle of the programme at the end of the cycle made a CSA savings of GH¢0.60, GH¢0.80 and GH¢1.00 respectively while fourth and fifth cycle clients saved GH¢1.50 and GH¢2.00 respectively. These savings are paid to the client on request. It is imperative to mention that clients have to complete repaying the credit within the stipulated duration before they are entitled to the savings. Clients who are unable to settle their repayment are denied this amount.

The other type of savings that the organization offers is a compulsory weekly savings. That is, clients have to save on weekly basis. At the end of every week, the credit officers visit all the groups to collect the credit repayment and also the compulsory weekly savings. The weekly savings has no fixed amount. Clients are encouraged to save between 50p to as much as GH¢5.00. They have no individual accounts for depositing the savings but rather a group account. Although the account is collectively owned, each client has her savings in it. Just like the first type of savings, clients are also entitled to the amount that they save on the weekly basis but on the condition that they have successfully completed repaying the loan facility. However, in the event that one

¹ At the time of collecting data 1.8 Gh¢ = 1 USD

defaults in repaying the credit, both the CSA savings and the weekly savings are used to settle the outstanding balance. If her savings are not up to the balance outstanding, then part of the group savings is used to defray the debt. This is one of the rationales behind the group formation. Table 3 gives an illustration of the amount saved by each woman in groups interviewed.

Table 2: Client's weekly savings

Weekly Savings (GH¢)	Frequency	Percent
0.50	30	22
1.00	62	46
1.50	3	2
2.00	39	29
3.00	2	1
Total	136	100

Source: Field Survey, June 2012

As shown on table 4 above, 22% of the clients on weekly basis were able to save 50p. 46% and 2% were able to save GH¢1.00 and GH¢1.50 respectively. 2% of the respondents made a regular weekly savings of GH¢2.00. The remaining 1% saved GH¢3.00 a week. Clients who have been able to save 50p and GH¢ 1.00 for the cycle without missing a week at the end of the cycle saved GH¢8.00 and GH¢16.00 respectively. Those saving GH¢1.50 and GH¢2.00 had in their accounts GH¢24.00 and GH¢32.00 respectively. Clients who made uninterrupted savings of GH¢3.00 for the cycle were able to save GH¢48.00. As indicated earlier, these savings belong to the client upon completing the repayment of the credit. From the compulsory savings alone a successful client would accrue at least GH¢94.4 after going through the cycles. The model therefore does not only encourage entrepreneurship but capital accumulation as well.

5.2 Credit Disbursement and Mode of Payment

SEND Ghana approach to the disbursement of credit is very unique and different from other financial institutions. The disbursement of the credit is categorized into five major cycles with each cycle having the credit that the group members are entitled to. The duration for each cycle is 16 weeks.

The first cycle consist of those who have just been introduced to the programme. At the time of the study, members of this category are qualified to take a credit package of GH¢60.00 per head. Groups that successfully complete the first cycle of the scheme are qualified to receive their second cycle credit of GH¢80.00 per head. Clients who complete the second cycle successfully are migrated to the third cycle where they receive a credit package of GH¢100.00 per head. It is from the third cycle that clients are moved to the fourth cycle. At this stage, the group is given a credit sum of GH¢150.00 per head. The final cycle of the microfinance programme is the fifth cycle. Groups that manage to get to this stage receive GH¢200.00 per head. It is from the fifth cycle that clients are migrated onto the credit union system where they are qualified to receive up to GH¢1,000.00 per head. It is important to mention at this point that clients who are unable to complete repayment or had difficulties in repaying the credit are not qualified to be migrated to the next cycle. The table below shows the various cycles, amount of credit receive, the organizational interest rate (OIR), the credit and savings association rate (CSA), the repayment rate and the weekly repayment of the credit facility.

Table 3: Credit disbursement, interest rate and repayment arrangement

Cycles	Duration of cycle	Amount of credit per cycle (GH¢)	OIR (10%) per cycle (GH¢)	CSA interest rate (1%) per cycle (GH¢)	Repayment rate (11%) per cycle (GH¢)	Weekly repayment (GH¢)
First	16 weeks	60	6.00	0.60	6.60	4.20
Second	16 weeks	80	8.00	0.80	8.80	5.60
Third	16 weeks	100	10.00	1.00	11.00	7.00
Fourth	16 weeks	150	15.00	1.50	16.50	10.50
Fifth	16 weeks	200	20.00	2.00	22.00	14.00

Source: Field Survey, June 2012

It was noted that each beneficiary pays an organizational interest rate of 10% and CSA of 1% on every loan. The

CSA is given to the back to the woman on completion. As indicated on the table, clients who were in the first, second and third cycles paid an organizational interest of GH¢6.00, GH¢8.00 and GH¢10.00 respectively. Groups that were in the fourth and fifth cycles at the end of the cycle paid an interest of GH¢15 and GH¢20 respectively.

CSA 1% ranges from 0.6p to GH¢2.00 depending on the cycle of the group. The repayment of the credit is on weekly basis. At the end of each cycle, a successful client does not only complete payment but also has savings. This does not only contribute to capital accumulation but instils the habit of saving in members. SEND Ghana's approach therefore is different from conventional microfinance schemes because it pays head to training and human capacity building by nurturing woman to manage loans on incremental basis and to accumulate capital. In this way, woman are not just empowered economically but have their capacities enhanced in small scale business management.

5.3 Clients Income Generation Activities

In Ghana, private enterprise development have been acknowledged as the engine of growth and significant economic transformation (Tackie, 2004). The sector's contribution to employment especially for women is about 91% of the active labour force (ibid). Most women empowered by this model engage in private enterprise development.

However, the development of the informal sector is impeded by the lack of credit and training in small scale business management. With the support of SEND Ghana's microfinance scheme, many beneficiaries have been able to go into or expand their small businesses than before. The major economic activities that respondents were into are illustrated on the table below:

Table 4: client's economic activities in the informal sector

Occupation	Frequency	Percent
Bread baking	2	1.5
Food vending	23	16.9
Petty trading	68	50
"Pito" brewing	34	25
Dress making/Hair dressing	9	6.6
Total	136	100

Source: Field Survey, June 2012.

5.3.1 Petty Trading

It was revealed from the study that 50% of the women were into petty trading. They were into the distribution of agricultural goods such as maize, yam, millet, groundnuts, beans, palm nuts, vegetables, and fish, among others. They were equally not left out in the distribution of such industrial goods as textile, garment and rubber. Those who are into the distribution of the aforementioned goods travel to markets within and outside the district to either buy or sell their goods. Some of the common markets they visit include Salaga, Bimbilla, Wulensi, Yendi, Keta-Krachi, Kpandai, Kumendi and Yeji. Petty trading in agricultural produce was seasonal.

5.3.2 "Pito" Brewing

"Pito" (Local Beer) brewing is the second largest economic activity that women in the Kpandai district are engaged in. It was observed that 25% of the women were into "Pito" brewing and selling. "Pito" is local alcohol brewed from either millet or maize.

A calabash of "Pito" costs 50p and a gallon which is about four litters costs GH¢3.00. The peak of their profit making season is between October and January when the price of millet/maize is low because of the newly harvested produce. The demand for "Pito" is also on the increase because of such festivities as Christmas and New Year although they are occasions that do not last for more than four days. Sundays are also special days that "Pito" is more consumed. However, from February to September which is the lean season for most northern communities, there is an increase in the price of millet/maize. As a result of the hike in the price of the malt without a corresponding increase in the price of "pito", the profit margin of brewers dwindles.

Members interviewed noted that the model afforded them to be able to buy cooking pots, benches and calabashes among others to be able to start their brewing businesses.

5.3.4 Food Vending

It was also observed that some of the beneficiary women of the financial package were into the selling of cooked food to the public. This accounted for 16.9% of the total number of respondents interviewed. The food they prepare to sell on daily basis include plain rice, rice balls, "waachie", "kenkey", "fufu", "koose", "tubaane", light

soup, “banku”, among others. Much of these foods is sold on the “wayside” and highly patronised by those who are within the low income brackets who consider such food to be “cost effective”. They usually prepare the food on a very small scale especially on ordinary days when patronage is not that high. However, on market days, they increase the level of production. In both situations, they admitted that they are making a little profit from their activities.

5.3.5 Dress making/hair dressing

Certainly not everybody is endowed with the same potentials. Whereas some are very good at “pito” brewing, food vending and petty trading, others too are also excellent in dress making and hair dressing. Dress making and hair dressing are economic activities mostly dominated by women. About 6.6% of the beneficiary women of the microfinance programme were into this occupation. In fact, these are activities that do not require any formal training but apprenticeship. Quite a number of rural and urban women are into these activities simply because they are unable to further their education. They are basically into the sewing of new clothes ranging from “slit and cabar”, shores, trousers, shirt and skirt. They also engage themselves dressing other ladies hair. Dress making and hair dressing which are more of an industrial activity were also found to be seasonal. The peak of their business is during festivities like Ramadan, Christmas, New Year, Easter and Eidul-Fitr where people sew new cloths and beautifully dress their hair to celebrate them. Thereafter, it is once in a blue moon that they are fully engaged so far as their activities are concerned. Market days also offer them the opportunity to still carry on their business because people especially those in the remote areas bring their torn cloths to be sewed

5.3.6 Bread baking

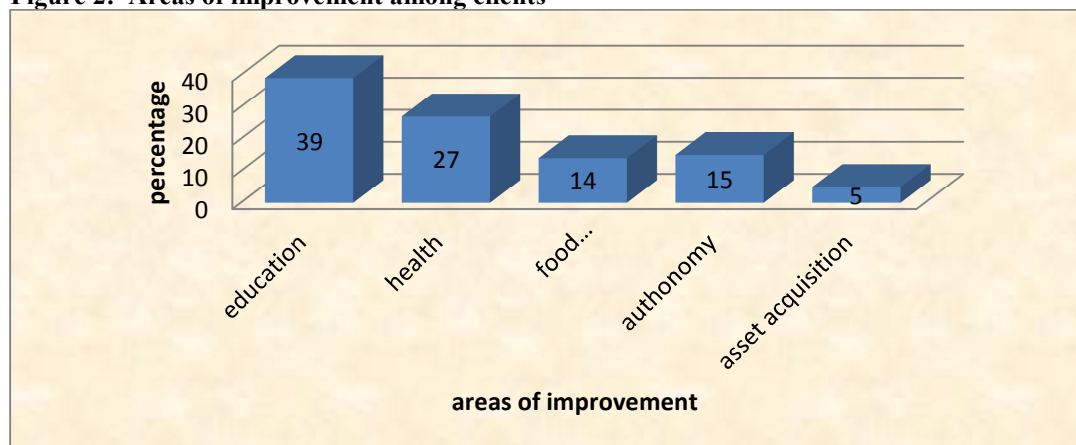
Bread baking in the study area was found to be an unpopular economic activity among SEND assisted women. It was noted that only 1.5% of the clients were into the baking of bread. This can be attributed to the fact that it is not easy to come by the raw materials in the district. Women into this activity have to travel all the way to Kumasi and beyond to buy the flour. Given the cost of production, the amount of credit that is given to clients is woefully inadequate to enable these women to effectively take part in this activity. It is therefore not surprising that bread baking is done by clients who had the opportunity to be employed in the formal sector where they can source loan from formal banks.

5.4 Extent of Socio-Economic Changes as a Result of SEND Intervention

According to Cheston and Kuhn (2002), although microfinance does not tackle all the barriers confronting women, programs if properly designed make valuable contributions towards empowering them. For instance, it has been found that in Bangladesh, beneficiary women of the Grameen Bank credit programmes have experienced a remarkable improvement in self-employment and food security. With the exception of land, it has increased women’s assets holding which is a crucial determinant of overall household expenditures (Pitt and Khandor, 1995). This accession is confirmed by Waheed (2009) when he notes that perhaps the most outstanding contributions of microfinance is the fact that it brings about an improvement in the income and assets level of borrowers which in turn leads to better education, health, nutrition and self-esteem. According to the World Rural Women’s Day (1999), rural women access to financial services increases their level of autonomy.

In fact, the conclusions drawn by the above authors are not different from the findings of the investigation. The survey revealed that although the financial package does not tackle all the problems confronting beneficiary women, there has been some level of improvement in their lives. The benefits that they have derived are not limited to the individual client but extend to include the entire household. Areas of improvement include education, food security, asset acquisition, health and self-dependence (autonomy). This is illustrated in the figure below;

Figure 2: Areas of improvement among clients



Source: Field Survey, June 2012.

It was revealed from the study that the greatest benefit that these women have enjoyed through their involvement in the microfinance programme is their children's education. This accounts for 39% of the total benefits they have derived. According to them, prior to the introduction of the credit scheme, the payment of their ward's school fees was a big problem. And this was the major cause of many of their children being dropped out from school. However, SEND Ghana intervention with credit has made this problem becoming a thing of the past. Women who could not even pay their ward's school fees at the basic level could afford secondary and tertiary fees. When asked how this is possible, they explained that the credit given to them has enabled them to be in business and as a result of that they have been able to make some profit which is channelled into the education of their children. They also explained that their weekly savings and the CSA savings that they are entitled to at the end of the cycle have helped them a lot to take care of their children's education.

Health is one of the areas that the microfinance programme has helped a lot of these women. As it stands now, the mode of payment of health expenses in Ghana is the national health insurance which is now trying to replace the cash and carry system which has operated since the colonial era. Although the insurance scheme has been operational for some time, not everybody is into it. One of the fundamental reasons they give why they were not into the health insurance scheme was that they simply did not have the money to pay for it. This was one of the problems that women in the Kpandai district were faced with. 27% of the beneficiary women of the microfinance programme interviewed admitted that the scheme if for nothing at all has helped them to pay their own health insurance. When asked what about their children, one participant said that "*children do not embark on any economic activity and for that matter are not exposed to health hazards/dangers; What you need to do is to feed them properly and that is not a problem at all because the returns from the business can take care of their feeding.*" The response to whether they pay their husbands health insurance was no. When further probed on why they do not pay for the health expenses of their husbands, one of the respondents said that they women were brought into the house to be taken care of by their husbands and not the vice versa. And if it is they the women who should take care of their husbands, then there is no need marrying.

A familiar problem that inhabitants in the Kpandai district are faced with is the incident of food insecurity. Although the communities in the study area are agrarian and are well known to be one of the food baskets in northern Ghana, they still experience food shortage in the course of the year. The situation is more serious during the lean season which starts from February to August. The unavailability of food during this period can be attributed to two major factors; the fact that most agricultural produce cannot be stored for a very long period of time and also the habit of farmers selling almost all their produce immediately after harvesting. When there is no food in the house, it is women and children who suffer most. The situation is however reversing to an impressive one. 14% of the women who are into the microfinance programme have witnessed a significant improvement in this area. They have been able to help their husbands who bear the cost of feeding with the profit that they get from their business. In extreme cases, part of the credit that they receive is channelled directly into family feeding. One of the members of "Abutareye 4" group said that during the period of hardship, she buys at least four bowls of maize on every market day to supplement family feeding. An old widow said that "*it was very difficult for me to feed my children after the demised of my husband. But now the microfinance programme has brought a smile to my face. I can now feed my children morning, afternoon and evening. If this programme was not introduced, how was I going to take good care of my children and myself? Thank God for SEND's intervention, if not I would have been dead by now.*" The implication of this statement is that some widows and orphans would have perished if SEND Ghana had not intervened by giving them financial resources

to start a new life in the business world.

It was also discovered from the investigation that 15% of the respondents interviewed have gained autonomy as a result of their involvement in the financial programme. They admitted that they no longer depend entirely on their husbands and other relatives for basic needs. It is quite often to see women depending entirely on their men counterpart to make ends meet. It is certainly not their making but because they are unemployed. The credit provided by the organization has enabled majority of the women in the study area to be actively involved in non-farm activities. Through these activities, they have been able to raise money to take care of their basic material needs. The commonest have been clothes, sandals, cosmetics, manicure and pedicure. Apart from providing for themselves, they also take care of their children and other dependant's basic needs. Most of the widows and the divorced who have nobody to support them have their fortunes tied to this financial package.

The basic measurement of someone rich within the African context is the amount of assets that the person owns. The "have not" are classified as the poor whilst the "have" are considered the better-off. Asset acquisition is therefore a very important determinant of social status as those with it are regarded more than the without. The survey revealed that 5% of the women who have been in the programme have been able to acquire physical assets which they use to facilitate their activities. They include, land, houses, kiosks, bicycles, sewing machines, and cooking utensils. These properties according to them have given them some level of control in the day-to-day administration of their families and communities. They claim that they are now somehow respected more than before because of their ability to obtain these assets which some men in the studied communities do not have. Although some of these assets may not be regarded with urban lenses as that material, these poor rural women treasured them very much.

With due regards to their observation of the programme, responses on the aspirations were full with mixed results. Whereas 48% of the respondents concluded with confidence that their aspirations have been fulfilled, the remaining 52% of the respondents said that not all their expectations have been met. Those claiming that their aspirations were satisfied explained that apart from the fact that they are now financially independent, pay ward's school fees, take care of their health expenses and help in feeding the family, they have been able to acquire assets for themselves. But those who complained that their expectations have fallen short explained that the major problem that they have is the difficulty in paying back the credit. When asked what causes the difficulty, they responded that the period for repayment is too short and that they have no ready markets for their products. These limiting factors make it very difficult for them to raise money to pay back the credit let alone to better their living condition.

All women interviewed attested that by the training acquired and the microfinance, they have been emboldened and become more assertive in carry out their activities. As was aptly put by a focus group discussant *"We no longer throw our hands into despair or resent ourselves to fate, we look for things to do now. We are no longer total dependents on our husbands; we support them to keep the family going"*.

5.5 Conclusions and way forward

All in all, one can conclude that SEND Ghana' microfinance programme is making a lot of progress empowering women economically, socially and even psychologically in the Kpandai District. Its approach of empowering members through training and nurturing them from the management of small funds to bigger funds as well as instilling the saving habit in them is remarkable. Through the programme many women have now become active credit union members and small business operators. Its programme de-emphasizes the profit-making motive of most microfinance institutions which most often make poorer women worst or unable to assess loans. Based on the successes of the programme, one can conclude that microfinance and microcredit programmes would have positive impacts on the poor if they are well targeted, trained to identify, operate and manage businesses in their own environment; and have the savings habit inculcated in them. This however should be done in a sustainable but should not be too profit oriented at least in the beginning.

The need an effective collaboration between government and other development partners to adopt a more holistic approach and pragmatic measures that will take into consideration some of the major social and economic barriers confronting these women. Government should create enabling environment for small and microbusiness such as market linkages, good roads and markets as well as the general wellbeing of the people. For micro-enterprises need domestic markets that are vibrant and well-functioning with people who have the money to buy the products that these enterprises sell (Pollin, 2007). State supported microfinance institutions such as the Microfinance and Small Loans Centre (MASLOC) and National Board for Small Scale Industries (NBSSI) could learn lessons from the SEND's programmes to make their activities more beneficial to the very poor. The state could help SEND upscale her programmes by enabling her access interest free loans to her microfinance programme.

Specific recommendations to help improve SEND's financial programme include; the upward review of the start-up loan to meet the economic realities of the day from sixty Ghana cedis (GH¢60) to One Hundred Ghana Cedis (¢100) and an across board upward review of the loans per cycle and the extension of the loan

repayment period to two months for beginners and a better motivation of the loan officers.

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