

Assessing the Impact of Micro-Finance in Reducing Poverty among Women in the Bolgatanga Municipality in Ghana: A Case Study of Sinapi Aba Trust

James Abagna Azanlerigu¹ Abdul-Rahman Dauda Kuntulo²

1. Department of Procurement and Logistics Management, School of Business and Management Studies,

Bolgatanga Polytechnic, P. O. Box 767, Bolgatanga, Ghana

2. Agricultural Development Bank, P. O. Box 159, Bolgatanga, Ghana

Abstract

The purpose of this paper is to assess the impact of micro-finance on women and poverty reduction in the Bolgatanga municipality, this study touched on a discipline that had experienced paucity in terms of literature availability despite widespread literature in the area in general. The population for the study was all women who were beneficiaries of microfinance from Sinapi Aba Trust, in the Bolgatanga Municipality. Simple random and purposive sampling techniques were employed to select eight-five (85) women beneficiaries and nine (9) staff and management of the company respectively giving a total sample of ninety-four (94). The findings established that women held the view that microfinance has been very supportive as their income levels had increased substantially in contemporary times. The effective loan recovery strategies adopted by the Management of the Microfinance Company included; periodic field visitations and taking insurance cover on clients' loans, use of loan recovery team and the legal system in Ghana.

Keywords: Microfinance, Poverty, Bolgatanga municipality, Sinapi Aba Trust, Women beneficiaries.

1.0 Introduction

The issue of poverty has attracted a global concern in recent times, and many efforts are made in managing it. This is promoted in public policies of many developing countries, necessitated by the adverse effects of absolute poverty, which are manifested in hunger, illiteracy, ill health, total deprivation, and many others, among millions of people in the world. In recent times, donor communities, NGOs and government line agencies have adopted the concept of microfinance schemes as a means of poverty reduction. Micro-credit is seen as a major tool of development; for providing poor people with credit for income generating activities which can help them work their way out of poverty (Fisher et.al. 2002).

There have been many attempts in time past to solve or reduce poverty in rural Ghana. We have had the Structural Adjustment Programme and Economic Recovery Programme both aimed at increasing the welfare of populates of the urban and rural area. We have had so many different models which were geared at poverty reduction. Ghana had also experienced the era of subsidies to small scale farmers and artisans. Unfortunately, all these programmes aforementioned failed to reduce poverty. In the face of the failure, most of the development economists started thinking of new approaches and strategies to poverty reduction. It was at this point that the idea of microfinance was developed in Ghana. This was after there had been claims of the miraculous power of microfinance in reducing poverty in Asia and Latin America. As the idea of microfinance began to spread, many Microfinance Institutions began to spring up. According to GHAMFIN (2007) there are more than 233 MFIs operating in Ghana. Some are banking institutions, NGOs, Christian Organizations and Non-Banking Financial Institutions. The emergence of many MFIs in Ghana appeared give hope to the poor, but some questions that come to mind are: what is the degree of the impact of these micro-loans on the livelihood of the poor especially the women? This paper sought to assess the impact of micro-finance on women and poverty reduction in the Bolgatanga municipality.

1.1 Objectives of the Study

The general objective of the study is to assess the impact of micro-finance on women and poverty reduction in the Bolgatanga Municipality.

The specific objectives of the study are to:

- i. Determine the impact of small loans on personal income by women clients of Sinapi Aba Trust in the Bolgatanga Municipality.
- ii. Determine the poverty reducing potential of the Sinapi Aba Trust microfinance programme in the Bolgatanga Municipality
- iii. Identify factors which determine the demand for micro credit by women in the Bolgatanga Municipality
- iv. Examine the strategies employed by Sinapi Aba Trust, Bolgatanga for loan recovery purposes

1.2 Hypotheses

The following hypotheses were developed and tested as indicated below:

H0: There is no difference between the mean empowerment level of the market women before and after receiving microfinance from Sinapi Aba Trust

H1: There is a difference between the mean empowerment level of the market women before and after receiving microfinance from Sinapi Aba Trust

H0: There is no significant relationship/correlation between amount of credit taken by women and their personal income.

H1: There is a positive relationship/correlation relationship between amount of credit taken by women and their personal income

H0: There is no relationship between the amount of credit and poverty level of women.

H1: There is a positive relationship/correlation relationship between access to credit and the poverty level of women.

1.3 Significance of the Study

The results of the study are likely to provide insight into the operations of microfinance schemes in Ghana. This will help policy makers in formulating appropriate policies for the promotion of microfinance activities, owing to the fact that much studies have not focused on the significance of microfinance as a tool for combating poverty among the urban and rural women in the informal sector of the Ghanaian economy. Second, it is also in the anticipation of the paper that Sinapi Aba Trust will use the findings of the paper to shape their operations. This will go a long way to improve the growth of the microfinance subsector of the Bolgatanga economy. Third, it is believed that the outcome of this study will be of much relevance to the Municipal Assembly and gender advocacy groups since it will provide enhanced knowledge on microfinance and its impact on the economic empowerment of market women.

2.0 Literature Review

Although there is an overall agreement on the notion that men and women experience poverty differently, linking gender and poverty is a complex matter that has increasingly become the focus of analysis. The growing literature on poverty has helped to broaden the definition of poverty and generated greater recognition on the multi-dimensionality of poverty. It called for better understanding of poverty not only in terms of income and expenditure, but in the broader sense of human poverty - a state of deprivation in capabilities (education, health, nutrition, etc). Klassen (2005), Cagatay (1998) argue that the household income/expenditure measurement are important and provide comparative analysis of incidences of poverty between male-headed and female-headed households, they do not show the level of poverty experienced by women and men within the households. The gender dimension of poverty emerge more clearly through approaches of social indicators and those that capture the intra-household processes underlying resource allocation (DAI, 2005). About 25,000 people die every day of hunger or hunger-related causes, according to the United Nations. This is one person every three and a half seconds and it is children who die most often. Yet there is plenty of food in the world for everyone (Mosley, 2001).

2.1 Causes of Poverty in Ghana

Ghana is a developing country with an estimated population of about 25 million. The economy is predominantly rural/ agriculture contributing about 41% of GDP.

Women households are the cruellest victims of deprivation and destitution. Therefore, any programme for poverty alleviation must aim at improving the living environment of the women folks. The extent of poverty and the importance of the rural sector to the economy make it pivotal for microfinance interventions. Poverty in Ghana like in other Sub-Saharan African countries is predominantly a rural phenomenon. The Ghana Living Standards Survey (GLSS) in 1991 gave the poverty level as 51.7% but there was a reduction in 1999 to 39.5%. This dropped further to 28.5% in 2005. Of these percentages, a large number of women have been seen to be more prone to poverty (Fosu and Tsikata, 2007). The quest to reduce poverty has not been lost since it has been in the books of many governments. (Asiama and Osei, 2007). However the national poverty rate has been defined as the percentage of a country's population which earns less than the country's poverty line. This in Ghana has been estimated to be 31.4% (Development Data Group, 2002). This is revealed in the World Bank Statistics (2007), which gave the population of Ghana as Twenty-two million and nine hundred thousand (22,900,000) and out of this number 18.5% are unable to meet their daily food needs (Ghana Living Standards Survey, 2006).

Poverty in most cases becomes evident because productivity is hindered. For example in late 2007 increases in the price of grains led to food riots. The World Bank warned that 100 million people were at risk of sinking deeper into poverty. Threats to the supply of food may also be caused by Drought and the water crisis. Approximately 40% of Ghana's agricultural land is seriously degraded. In Africa, if current trends of soil degradation continue the continent might be able to feed just 25% of its population by 2025, according to UNU's

Ghana-based Institute for Natural Resources in Africa. Health care can be widely unavailable to the poor. Poverty increases the risk of homelessness. According to the Catholic Action for Street children (CAS), a Ghanaian non-governmental organisation (NGO), which helps street children, who live on the streets of Accra, Ashaiman, and Tema metropolis, there are over 1 million street children nationwide. Increased risk of drug abuse may also be associated with poverty. Rakodi (2002) argued that the household size or composition is a determinant factor of the capabilities, choices and strategies available to it. Gonzalez et al. (2001) have also documented that the size of a household and the availability of income earners are very important elements of vulnerability. Poverty therefore is more prevalent in large household size with few income earners. This means that, in households where the woman is the only breadwinner, members are likely to remain poor. This is because; there will always be pressure on her little resources for the upkeep of the household. Manuh (ibid: 4-5) stated that women “income is indispensable for family survival regardless of the presence of men, since the system of allocation and distribution within many African households usually imposes individual responsibilities on men and women to meet their personal needs”.

2.2 Microfinance and Poverty Reduction

The overarching goal of Government is to reduce poverty and create wealth for the people. Government of Ghana has recognized that tackling poverty is one of the strategies to achieve all the other Millennium Development Goals (MDGs). Therefore Microfinance has been identified one of the viable tools when properly applied could make significant differences in the lives of the rural poor, who are predominantly women (Ministry of Finance Report, 2008).

The main goal of Ghana’s Growth and Poverty Reduction Strategy (GPRS II) was to ensure “sustainable equitable growth, accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralized, democratic environment”. The intention is to eliminate widespread poverty and growing income inequality, especially among the productive poor who constitute the majority of the working population. According to the 2000 Population and Housing Census, 80% of the working population is found in the private informal sector. This group is characterized by lack of access to credit, which constrains the development and growth of that sector of the economy. The observation was stressed in the International Monetary Fund Country report on Ghana of May 2003 that “weaknesses in the financial sector that restrict financing opportunities for productive private investment are a particular impediment to business expansion in Ghana.” Access to financial services is imperative for the development of the informal sector and also helps to mop up excess liquidity through savings that can be made available as investment capital for national development. The Ghanaian financial sector, in spite of the reforms, still experiences a gap between the demand for and the supply of financial services.

Microfinance is often defined as financial services such as credit services, money transfers and insurance for poor and low-income clients, Micro-credit can provide a range of benefits that poor households highly value including long-term increases in income and consumption (Sopheana et al., 2012). Poverty reduction has been a key objective of most development policies and programmes, including microfinance programmes (Hulme and Mosley, 1996). There is overwhelming evidence to demonstrate that families that participate in microfinance programs enjoy an increase in household income (Murdoch and Haley 2002). They also benefit from consumption smoothing and the ability to sustain gains over time (Murdoch and Haley 2002:5; Wright, 2001). Microfinance has been promoted as a tool to reduce poverty, it can promote productive activity, spurring self-employment and income generating activity and it has been forecasted to spur consumption, stimulate local economies and reduce general poverty both in the household and in the community (Leikem, 2012). (Ghalib, 2011) has observed that Microfinance has appeared on the global scale as a crucial strategy to reduce poverty and promote development. MFIs are known for encouraging families to keep children in school and in some cases school attendance have been made compulsory so that participating in the microfinance program would be inevitable (Murdoch et al, 2002).

Microfinance can play a critical role in the realization of the third Millennium Goal, to promote gender equality and empower women. Currently, 70% of people in absolute poverty (living on less than \$1 a day) are women (Cheston and Kuhn, 2002). Microfinance institutions around the world provide small loans and savings facilities to those who were excluded by the commercial financial services, however, according to (Chana & Abdul Ghani, 2011) microfinance is not suitable for all categories of poor people. So, in order to alleviate extreme poverty, women, who suffer the most, must be empowered to break free from their marginalized status in society.

2.3 Microfinance Policy in Ghana

The goal of GHAMP is to promote the delivery of efficient and sustainable microfinance services to achieve wealth creation and poverty reduction, within the context of the objectives of Ghana’s poverty reduction, growth and financial sector development strategies. The policy spells out its objectives as follows;

- (1) Create an enabling environment at the macro, meso and micro levels that supports the operations of the sub-sector;

- (2) Provide avenues for the sustainable flow of funds, adequate infrastructure and development of human capital;
- (3) Ensure a harmonized and coordinated sub-sector;
- (4) Ensure an integrated and sustainable financial system that reaches the poor; • facilitate activities that ensure consumer protection.

2.3.1 Guiding Principles

The overall guiding principle is that microfinance is an integral part of financial systems development in Ghana. Additional guiding principles adapted from Consultative Group to Assist the Poor (CGAP) to inform this policy are:

- (1) Microfinance is a powerful tool for poverty reduction and economic development, but it is not a panacea.
- (2) Government is committed to the development of the sub-sector.
- (3) Adequate provision of financial and non-financial services to meet the needs of economically active poor and the vulnerable. d) Microfinance is a viable and sustainable venture. Microfinance development is about building sustainable local financial institutions.
- (1) Policies are results-oriented and gender sensitive.
- (2) Adequate institutional arrangements in place to enhance the growth of the subsector.
- (3) Providers of microfinance services operate in a competitive and coordinated environment.
- (4) Adequate capacity developed to meet the needs of the sub-sector.

2.3.2 Direction

The general policy direction of the sub-sector is that the Government of Ghana shall seek to improve and deepen financial intermediation to serve the poor and low-income populations by supporting the building of an inclusive, sustainable and efficient financial services system. In line with national financial policies and other relevant programmes and projects, this policy will be achieved through activities with MDAs and MMDAs, development partners, practitioners, service providers, supporting institutions and end users. The intention is for all these key stakeholders to act in concert to achieve the objectives of the policy and in accordance with internationally accepted best practices, principles and standards.

2.3.3 Strategies

In order to achieve the goal and objectives of this policy the following strategies will be adopted:

2.3.3.1 Institutional Arrangements, Coordination and Collaboration

In order that key microfinance stakeholders act together in a coherent and sustainable manner to build a strong microfinance sub-sector, there shall be well defined institutional arrangements outlining the roles, responsibilities and functions of key stakeholders. Coordination and collaboration among institutions within the sub-sector will minimize duplication and foster complementarities of activities by all stakeholders within the industry.

- (1) Establish a National Microfinance Forum that meets periodically for information sharing and discussion of sub-sector issues among all interested stakeholders, including Government, practitioners, apex organizations, development partners, technical service providers, and end users.
- (2) Establish national, regional and district consultative committees comprising representatives of key stakeholders at each level charged with planning, implementation, coordination, and reporting on microfinance activities within their respective areas.
- (3) Encourage networking among MFIs, Apex Bodies, supporting institutions and development partners. Every type of institution shall be expected to be represented by an Apex body.
- (4) Encourage linkages between formal and informal financial institutions.

2.3.3.2 Capacity Building

A well-developed human capital programme is essential for the building of a sustainable and efficient microfinance sub-sector. Capacity Building in the sub-sector shall involve three strategic areas: human capital, infrastructure and funding.

2.3.3.3 Human Capital

The objective is to develop consistent, comprehensive and coherent training programmes targeting various stakeholders in accordance with their roles, needs and category. Specific competency-based programme shall be designed for practitioners. In this regard, technical service providers shall endeavour to develop and/or adopt standardized Training Manuals appropriate for their needs. Microfinance Apex Bodies, Training Service Providers and Microfinance Practitioners will be expected to develop well focused programmes to train end-users as well as specialized training programmes for the identifiable groups such as women, people with disabilities and the youth. Stakeholders including training and service providers shall collaborate with national and international teaching and research institutions to develop programmes that meet local demands and are comparable to international benchmarks.

2.3.3.4 Infrastructure

Infrastructure development will be pursued with the aim of establishing a base and the provision of adequate logistics to support operations and activities. As part of the process mechanisms shall be put in place to

systematically harmonize the development of infrastructure and the provision of logistics.

2.3.3.5 Funding

A fund shall be created to meet the needs of the sub-sector. Other funds from diverse sources are also encouraged to meet the needs for capacity building. Coordination and tracking at all levels shall be vigorously pursued, to ensure the judicious use of all available funds.

2.3.3.6 Financial Services Delivery and Management

A diverse, sustainable and efficient financial services delivery system is essential for the success of the microfinance sub-sector. Addressing issues regarding credit delivery systems (access to loans, interest rates, and repayment), the categorization of institutions as well as classification potential beneficiaries are key to the operations of the sub-sector. Credit Delivery Mechanisms MFIs shall be encouraged to develop and provide diversified and efficient credit delivery systems that meet the varying demands of the market. There shall be minimum standard requirements which all MFIs will be expected to meet. Interest rates for microfinance shall be market based.

2.3.3.7 Other Financial Services

Other institutions providing financial services such as insurance, leasing and money transfers shall be encouraged to develop methodologies for adapting their products to micro entrepreneurs and low-income households.

2.3.3.8 Categorization of Institutions

A framework for categorizing and grading of existing and emerging institutions especially in the semi-formal and informal sub-sector shall be developed in consultation with all stakeholders. Classifying Target Groups of the Poor, Vulnerable and Marginalized Microcredit should be targeted to those who can use it productively and service debt. Microfinance is also about providing savings and other financial services to the vulnerable and the marginalized, which in the context of Ghana have been identified to be women, the youth and the physically-challenged. In this regard, specific programmes and products shall be designed for women, the youth and the physically-challenged. Mechanisms shall be put in place to ensure adequate, reliable and acceptable methods for classifying poverty levels (such as ultra poor, hard core poor, economically active poor and non-poor) in order to enhance targeting, eligibility and the provision of services, including training and grant-based programmes where appropriate, as well as microfinance intervention.

2.3.3.9 Consumer Protection

The protection of potential and actual end-users of microfinance products and services from unfair practices such as usurious interest rates shall be ensured through public disclosure and transparency in the operations of institutions. In the absence of national consumer protection legislation/regulations that cover financial services, MFI apex organizations shall be encouraged to develop and implement industry standards.

2.3.4 Data/Information Gathering and Dissemination

Accurate, reliable and timely data collection and information dissemination are essential for effective planning, monitoring and evaluation as well as the sustenance of the industry. In this regard, a standardized system for data capture, storage and dissemination shall be promoted at all levels to facilitate the various outcomes of the operations of the industry. The broad objective of the standardized system is to harmonize information gathering, processing and dissemination in order to enhance the activities of the sub-sector. GHAMFIN shall be empowered to process data to be provided through the apex organizations, utilizing the MIX format insofar as feasible. There shall be a central data base system which will be accessible by all stakeholders. Data collection techniques, research findings and all aspects of data management within the sub-sector are a topic to be discussed at the level of the National Microfinance Forum.

2.3.4.1 Regulation and Supervision

Regulation and supervision are meant to ensure that institutions maintain minimum standards of performance and operate within the monetary and financial policies of the country. The industry shall be guided by the following principles:

- (1) All MFIs seeking assistance from Government or donor programmes shall require certification that it is a member in good standing with its respective sub-sector apex organization.
- (2) All MFI Apex Bodies shall be expected to establish appropriate bye-laws, criteria for registration and standards, which shall be periodically reviewed in accordance with prevailing circumstances within the country and in response to international practices.

2.4 Research Monitoring and Evaluation

Research, monitoring and evaluation are essential elements in the promotion of efficient planning, implementation and review of interventions. In line with the objectives of this policy, the following will be pursued:

- (1) Conduct baseline studies on operations and outreach of institutions as well as on a wide range of issues such as policies, institutional arrangements, levels of collaboration and regulatory mechanisms.
- (2) Conduct operations research geared towards improving the efficiency of on-going projects and MFIs.
- (3) Collaborate with universities and other research institutions to conduct periodic research into various

aspects of the operations of the sub-sector.

(4) Ensure the development of key indicators for monitoring and evaluating the impact of programmes and activities and feedback mechanisms for review of implementation and policy.

3.0 Methodology

3.1 Research design

This study is both a quantitative and qualitative one, it used a descriptive survey and inferential study, usually the former is associated with the deductive approach and is most frequently used to answer the questions; who? What? when? Where? How? And the latter study employs correlation and regression analysis (Saunders, Lewis & Thornhill, 2000).

3.2 Population

For the purpose of this study, the target population was 600 women beneficiaries of the micro-credit schemes instituted by Sinapi Aba Trust and possessed the following characteristics: the beneficiary is a female(s), this is because the research is gender biased and is skewed towards assessing the impact of micro-credit on women, the beneficiary has been with Sinapi Aba Trust for the past ten years, the beneficiary operates a business with the micro-credit in the Bolgatanga Municipality and the beneficiary belongs to a household.

3.3 Sample and sampling techniques

Out of the total of 600 women beneficiaries obtained from Sinapi Aba Trust in the Bolgatanga Municipality a representative sample 85 was drawn for the study. The sample size of 96 from the general population of women beneficiaries was obtained by adopting a formula by Krejcie and Morgan (1970). The lottery method was applied, women beneficiaries' names were written on sheets of paper and folded and put in a bowl. The folded papers were picked at random till a sample size of 85 was met. A sample size of 94 comprising 85 women clientele and 9 staff and management of the company in the Bolgatanga Municipality were used for the study.

3.4 Research Instrument

Questionnaires were employed as the instruments for the collection of primary data in the study. They were mainly designed to elicit both explicit and implicit information. A questionnaire was selected for this kind of study because it is a self-report measure which guarantees confidentiality of the respondents.

3.5 Data collection procedure

Both primary and secondary data were sourced for the study. Self-administered questionnaire formed the main source of primary data whilst related published literature particularly from the internet, journals, text books and reports constituted secondary data for the study. The English Language in which the questionnaires were structured had to be interpreted to non-literate respondents where the need arose.

4.0 Discussion of Results

4.1 Background of Respondents

From the survey, the ages of the respondents interviewed reflect a high rate of the population who are economically active. Of the 85 women interviewed, 16 percent fell within the age bracket of 18-25 years; 22 percent were aged between 26-35 years; 39 percent were in the age bracket of 36-45; 12 percent were in the age bracket of 46-55; and 11 percent above 50 years. The results indicate that majority of the respondents were in the economic age bracket of 36-45 years. The age distribution of the respondents is displayed in Table.1 below:

Table 1: Age Ranges of Respondents

Variables	Frequency	Percentage (%)
18-25 years	14	16
26-35	19	22
36-45	33	39
46-55	10	12
Over 55	9	11
Total	85	100

Educational levels of the respondents were established and indicated in Table 2. 48 percent of respondents had no formal education; 35 percent of respondents had basic education; 11 percent had secondary education, 4 percent had vocational/technical education and 2 percent had tertiary education. The findings showed that majority of the respondents had no formal education.

Table 2: Educational status of respondents

Variables	Frequency	Percentage (%)
No formal education	41	48
Basic Education	30	35
Secondary	9	11
Vocational/technical	3	4
Tertiary	2	2
Total	85	100

Marital status reflects a person's level of commitment, responsibility and mobility among other factors. Knowledge about the marital status of market women was necessary to ascertain their level of commitment and responsibilities to themselves, their families and to society as a whole. In general, people who are married have high financial and social responsibilities to meet. As indicated in Table 3 below, 15 percent of the market women interviewed were single and were therefore mobile and could easily relocate. The proportion of married respondents was 66 percent, 8 percent were divorced and 11 percent being widowed. The result indicates that majority of the women interviewed were married which was good for the study.

Table 3: Marital Status of Respondents

Variables	Frequency	Percentage (%)
Single	13	15
Married	56	66
Divorced	7	8
Widowed	9	11
Total	85	100

The study established that women interviewed are engaged in a variety of business or economic activities. The overwhelming majority are involved in trading-90%, whilst the rest are as follows; farming-8% and public servants-3%. The details are captured in Table 4 below.

Table 4: Economic Activity Engaged In.

Variables	Frequency	Percentage (%)
Farming	2	2
Trading	76	90
Public servants	7	8
Total	85	100

It was also found from the survey that 7 percent of the respondents had one child with about 31 percent having two children. Also, as can be seen from Table 5 below, about 27 percent of the respondents had three children whilst 24 percent of them had four children and 6 percent had five children. The remaining 5 percent respondents had five or more children. 5 percent of the sample however indicated that they did not have children. This means that close to 95 percent of the respondents had at least one dependent. For those who had children, however, the average number of persons per household was lower than the Ghanaian standard of 3. The majority of the women having at least a child also lend credence to the appropriateness of the sample. This is because one of the tests for economic empowerment is ability to pay children's school/hospital fees. Thus, majority of the women having at least one child makes them suitable for the study.

Table 4: Number of Children of Respondents

Variables	Frequency	Percentage (%)
None	7	5
1	11	7
2	48	31
3	42	27
4	30	19
5	9	6
More than 5 children	7	5
Total	85	100

The number of dependants reflects the expenditure patterns of the respondents and their ability to expand their businesses over time. From the field data, it was revealed that about 18 percent of the sampled market women had between 1- 3 dependents whilst 36 percent had between 3-6 dependents. Observing from Table 6 below, 15 percent had 6-8 dependents with 20 percent having 8-10 dependents whilst those with more than 10 dependents were about 11 percent. Table 6 further portrays that all the respondents had at least a dependent. This implies that

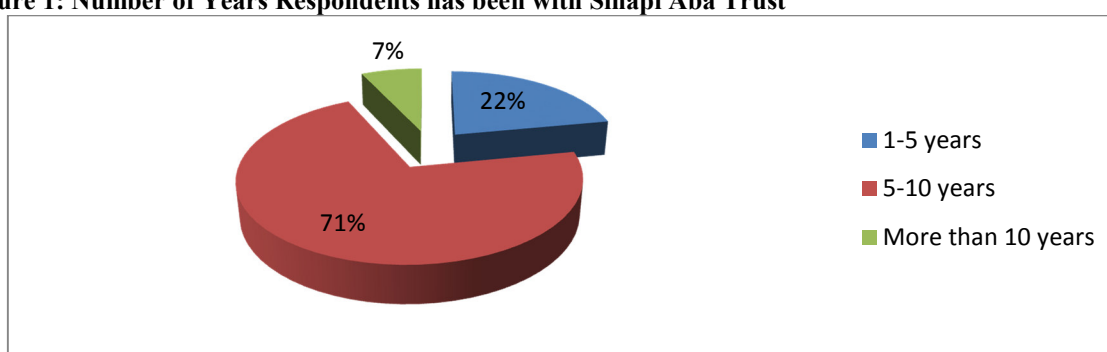
all the women had financial obligations at home.

Table 5: Number of Dependants of Respondents

Variables	Frequency	Percentage (%)
1-3	15	18
3-6	31	36
6-8	13	15
8-10	17	20
More than 10	9	11
Total	85	100

From Figure 1 below, the results indicated that most of the respondents have been clients of Sinapi Aba Trust for a number of years. Majority of the respondents constituting 71 percent have been clients of Sinapi Aba Trust for 5-10 years whilst the second largest percentage of respondents has been clients of Sinapi Aba Trust for between 1-5 years. From the results, it can be deduced that women interviewed have been clients of Sinapi Aba Trust for more than ten years.

Figure 1: Number of Years Respondents has been with Sinapi Aba Trust



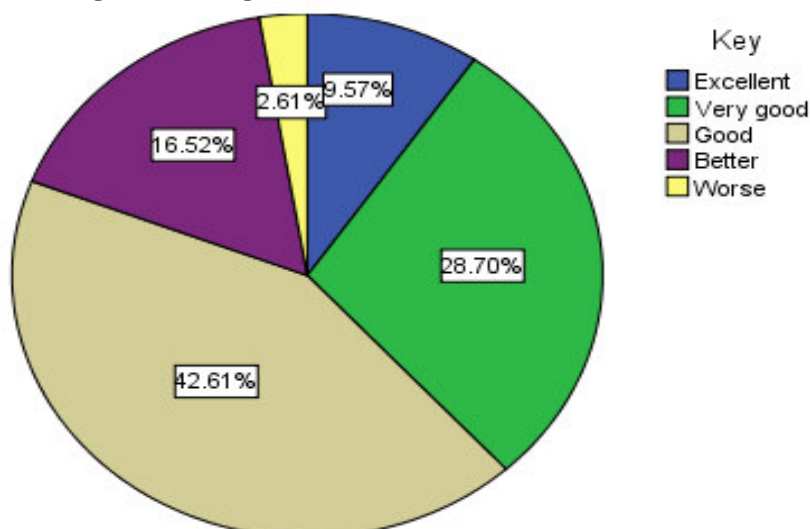
From the findings, the percentage distribution of the amount of money received as loans by women revealed that 23 women had received loans between GH100-500, 37 of them took between GH 500 to 1000 cedis and 9 women indicated to have received 1000-1500 cedis from the micro-credit institution. The study further shows that 5 of the women took up to an amount of 1500-2000 cedis, 8 of the women interviewed took between 2000-2500 as loans whereas 2 women took between 2500-3000, only a woman ever received a loan above 3000 cedis, this is demonstrated in table 6 below

Table 6: Amount of microcredit received by respondents from Sinapi Aba Trust

Variables(GHC)	Frequency	Percentage (%)
GHC100-500	23	27
GHC500-1000	37	44
GHC1000-1500	9	11
GHC1500-2000	5	6
GHC2000-2500	8	9
GHC2500-3000	2	2
Above GHC 3000	1	1
Total	85	100

The study explored the opinion of the women on microfinance whether the credit received from Sinapi Aba Trust had benefited them. In response to the question, 42.6 percent responded in the affirmative by saying it was beneficial. Twenty-nine percent responded by saying it was very useful since it supported their livelihoods and care, 16.5percent of the respondents rated it as better,9.5 percent of the women interviewed said the credit received was excellent. On the contrary, only 9.5 percent of the women interviewed said they were worse off after receiving the credit. From the perspective of the respondents receiving credit from the Sinapi Aba Trust has been substantial since it brought about an improvement in their livelihoods. This is evident in figure 2 below;

Figure 2: Opinion of Respondent on the Usefulness of credit



In spite of women unwillingness in disclosing accurate information on their income, findings demonstrated in table 8, shows that 20 percent of the respondents had a monthly personal income below GH¢100; 45 percent of the women interviewed fell within the personal income cohort of 100-200 Ghana cedis, 18 percent were within 200-400 Ghana cedis; 11 percent had personal income bracket of Gh¢400-600; 5 percent of women fell within GH¢600- 100 income bracket and the remaining 1 percent had a monthly personal income above GH ¢1000.00. Unfortunately, most of the figures are based on estimations since the respondents never kept records on their income. The results showed that majority of the women had personal incomes in the range of GH ¢ 100-200 implying most of the respondents could afford to do much with the amount. The income level of the women before the onset of the microfinance was woefully inadequate and could hardly support them to carry out any life-sustaining business. This is demonstrated in table 7 below;

Table 7: The Income Levels of Women before Benefiting from Microfinance

Variables(GHC)	Frequency	Percentage (%)
Less than GHC100	17	20
GHC100-200	38	45
GHC200-400	15	18
GHC400-600	10	11
GHC600-1000	4	5
Above GHC 1000	1	1
Total	85	100

The results gathered indicated that income levels had increased from a previous minimum amount of less than GH¢100 to a current maximum range of GH¢1500-GH¢2000 and only one (1) out of the eight-five (85) respondents fell within this income range. The results showed that majority of the women fell within an income bracket of GHC300-600 unlike the level of personal incomes of respondents before the inception of credit from Sinapi Aba Trust Company, where most of them fell within GHC100-200; the details are captured in Table 8 below. The results also show a positive impact on income levels of clients. Reasons for this increase in income range were higher profit emanating from increased sales, which was attributable to the support received in the form of micro credit and adoption new marketing strategies. Though majority did not fall within the highest range, they were still enjoying some higher income.

Table 8: The Income Levels of Women after Benefiting from Microfinance

Variables(GHC)	Frequency	Percentage (%)
Less than GHC100	5	6
GHC100-300	10	12
GHC300-600	36	42
GHC600-900	17	20
GHC900-1200	9	11
GHC1200-1500	7	8
GHC 1500-2000	1	1
Total	85	100

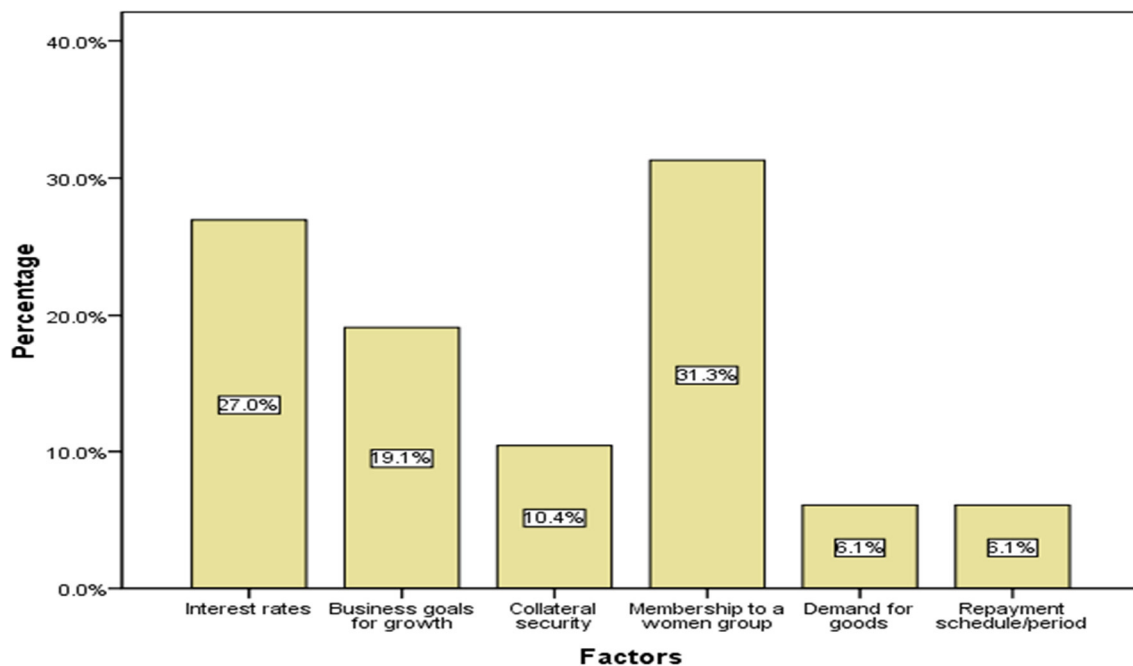
According to the data collected, over eighty (80) percent out of the eighty-five (85) women beneficiaries

of the micro loans from Sinapi Aba Trust said their standard of living had improved whilst 19 percent of the women interviewed said their standard of living had not improved. Those who experienced appreciable levels of standard of living were able to pay their wards school fees regularly, contribute to housekeeping, and expanded their business among others.

According to the survey the impact of Sinapi Aba Trust in reducing poverty among women has been encouraging. Majority of the women interviewed said the microfinance had enhanced their income levels substantially. The details are depicted in Figure 5 below. Almost all the respondents concluded that their business activities are profitable and have led to improvements in their living conditions.

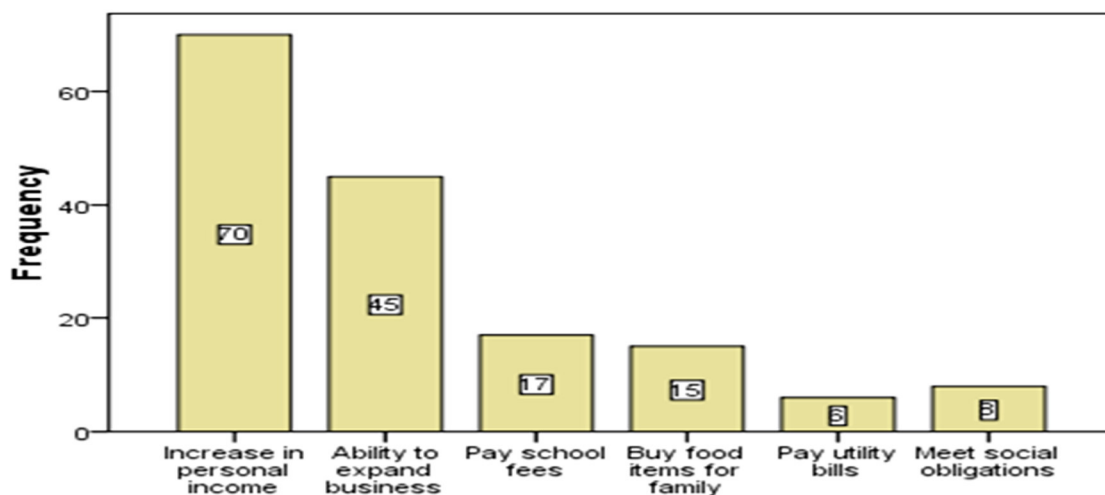
The results from figure 3 showed that 31.1 % of the respondents said the major determinant had to do with whether one belonged to group or not. This is because most of the microfinance institutions especially Sinapi Aba Trust mostly preferred group-lending owing to high rate of repayment default associated with individual-lending. The second highest number of respondents representing 27% indicated the interest rates mostly influenced their decision to go in for any credit.

Figure 3: Impact of Sinapi Aba Trust in reducing poverty among women



According to this category where the interest rates were very high they declined to accept such loans. The analysis as captured in figure 4 below revealed that nineteen percent of the women interviewed mentioned individual business goals for expansion; 10.4% of the women interviewed said the collateral security issues determined their demand for credit from the microfinance institutions and 6.1% of the women interviewed mentioned demand for their goods and repayment schedule for loans as determinants for credit.

Figure 4: Factors that determine the demand for microfinance by women



The ‘before’ and ‘after’ analytical tool was employed to compute scores for ‘before’ and ‘after’ receiving microcredit were tested using a paired-sample T-Test statistical method. The output from performing a paired sample t-test on the ‘before’ and ‘after’ receiving microcredit abilities scores data gives a p-value of 0.000. Thus, the probability of getting a difference of 0.39 between the mean abilities scores is 0.000. Therefore, the study rejects the null hypothesis with these data, and concludes that there is sufficient evidence to suggest a difference between before- and after- microcredit abilities of the market women. The results of the paired-sample T-test are presented in Tables 9, 10 and 11 below.

Table 10: T-Test Results

Variables	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 BMICROFINANCE	2.15	82	.912	.101
1 AMICROFINANCE	2.54	82	.773	.087

Table 10: Paired Samples Correlations

Variables	N	Correlation	Sig.
Pair 1 BMICRO & AMICRO	82	.627	.000

Table 11: Paired Samples Test

	Paired Differences			T	Df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean			
Pair 1 BMICROFINANCE- AMICROFINANCE	-.41	.750	.087	-4.8	81	.000

Table 12: Regression Analysis of impact of microfinance (amount of credit taken) constructs and the personal income and poverty level construct

Predictor	R	R square	Beta	t	sig.
AMTCREDIT	0.672	0.293	0.533	9.518	0.000

Dependent Variable: Personal Income

Predictor	R	R square	Beta	t	sig.
AMTCREDIT	0.672	0.312	0.433	9.518	0.000

Dependent Variable: Poverty level of women

Table 13: Educational status of respondents

Variables	Frequency	Percentage (%)
Secondary Education	1	11
Tertiary	8	89
Total	9	100

Where: T value = -4.8, Degrees of freedom=81, Significance (2-tailed) = .000

The correlation of approximately 63% significant at 0.000 implies that the mean scores difference between the economic abilities of the market women ‘before’- and ‘after’ the microfinance are significantly correlated. Table 13 below shows the results of the regression analysis.

The regression equation used to test the relationship was as follows: $CRE = a + \beta PINC + E$

Where: CRE = Amount of credit taken by the respondent, a & β = Intercept and slope coefficients of the regression equation $\beta PINC$ = Personal income of the respondent.

The result shows that the amount of credit taken by women has a positive effect on their personal income ($\beta = 0.533, p < 0.005$). The beta coefficient was in the same direction as hypothesized and the regression explained 29% of the variations in customer retention. The hypothesis that “There is a positive relationship between the amount of credit taken by women and their personal income” was supported. The second hypothesis was formulated to establish the effect the amount of credit taken by women and poverty level. The regression equation used is: $CRE = a + \beta POVLEVEL + E$ Where: CRE = Amount of credit taken by the respondent, a & β = Intercept and slope coefficients of the regression equation $\beta POVLEVEL$ = Poverty level of the respondent

The results from Table 13 below indicated that there was a significant and positive effect between the

amount of credit taken by women and poverty level. ($\beta = 0.433, p < 0.005$). The beta coefficient was in the right direction as hypothesized and the regression explained 31% of the variations in the customer retention.

4.2 Gender of Staff and Management

Out of the total of nine (9) respondents, there were 6 males representing 67% of the respondents while females were 3 constituting 33%. The staff and management of the Company were therefore dominated by male respondent. Notably findings relate to the age bracket of the respondents showed that majority of the respondents constituting 44% fall into the active and most productive age bracket of 26-35 years. The rest of the age distribution revealed that 22% of the staff and management were between 18-24 years while 33% of the respondents fell within the age range of 35-44 years. The implication is that the Company might not need to employ new staff due to retirement because the current staff are still young, active and economically productive to work especially carrying out field visits and follow-ups on women clients' business activities.

Table 14 Age Ranges of Respondents

Variables	Frequency	Percentage(%)
18-25 years	2	22
26-35	4	45
36-45	3	33
Total	9	100

The educational levels of the respondents were ascertained and indicated in Table 15. The results showed that only 1 staff constituting 11% had basic education while the remaining 87% of the respondents had tertiary education. Since the findings showed that the vast majority of the respondents had tertiary education, it is not surprising that they are working in the financial sector because of the level of knowledge required and nature of the work and Company's staff recruitment policy. Their educational background also facilitated the understanding of the questionnaires and hence appropriate responses were given.

Table 15: Educational status of respondents

Variables	Frequency	Percentage (%)
ndary Education	1	11
Tertiary	8	89
Total	9	100

Another variable that was examined by the study was the professional status of staff at the Sinapi Aba Trust. The presumption was that if they were all professionally qualified and competent administrative staff they would be better positioned to deliver the right results for the Company. The results gathered showed that there was one (1) Branch Manager, one (1) Branch Operations Manager, five (5) Financial Service Officers, one (1) Relationship Officer and one (1) Driver. They alluded to the fact that they grant credit to women who are in the majority. The paper established that the key requirements for the granting of loans are that a prospective applicant must necessarily belong to an active group before a group loan is granted whilst for a personal loan the use of a personal guarantor is required. The reasons for the need for one to belong to an active business association or group are not farfetched as the repayment becomes easy when clients belong to a group because there will be collateral responsibility in the event of default. An individual and group formation is made by members who know themselves very well or have some social ties. This is to avoid the problems of adverse selection and also to reduce costs of monitoring loans to the members who must make sure the loan is paid or they become liable for it

The impact of the small loans or microfinance on the personal income of women clients was assessed from the view point of the staff and management of the Company. One hundred (100) percent of the respondents asserted that the microfinance given by the Company has had positive impact on the personal incomes of their clients. The impact is manifested in the women clients' ability to undertake expansion of their businesses, improvement in the livelihoods of the women and the general empowerment of women in their families and communities. According to them their clients now own valuable assets such as motorbikes, taxis, houses among others as a result of the credit they received from the Company over the years. This coincides with the views of Rhyme and Otero (1992), that MFIs and Rural Banks are financially sustainable with high outreach with greater livelihood that turns to have a positive impact on women and SME development because they guarantee sustainable access to credit by the poor.

4.3 Challenges Sinapi Aba Trust face in granting credit to women clients

The staff and management of the Company indicated the following as challenges they face in granting loans to women clients: lack of trust, problem of repayment of loans, lack of collateral security required on the part of the

women clients, poor records keeping by women clients businesses, non-disclosure of detailed operations of their business activities because they perceived they will be burdened with tax, lack of transparency in the business accounts and related business information, misappropriation of loans granted and lack of proper documentation in terms of business registration and permanent business address.

The issue of trust was a key challenge highlighted by the respondents as they said most of the women groups have had issues of disintegrating because of the lack of trust among the executives and the members making it difficult to advance loans to some groups.

4.4 Strategies employed for Loan Recovery by Sinapi Aba Trust.

In examining the possible strategies of ensuring effective loans recovery, the respondents mentioned a number of strategies currently being used by the Company. The strategies adopted included; periodic field visitations to ascertain how business are doing and to determine repayments of loans; the use of insurance by the Company on loans granted to women clients in the event of a permanent incapacitation, accident or fire outbreak, death of client and in the event of a terminal disease; engaging opinion leaders to induce repayment; the use of an ongoing recovery team and the use of the legal system as the last resort. The implication is that there are many channels through which loans are effectively recovered from clients who default making the Company insulated against shocks.

5.0 Conclusion and Recommendations

The survey data and analysis show positive changes in the women as many of the respondents indicated, the ability to acquire personal belongings, feed and clothe their children and other household members make the economic activity apparently beneficial.

The Sinapi Aba Trust Company faces challenges such as lack of trust, problem of repayment of loans, lack of collateral security required on the part of the women clients, poor records keeping by women clients businesses. The strategies adopted by the Company to ensuring effective loans recovery included; periodic field visitations, the use of insurance on women clients' loans and the use of the legal system as the last resort.

The overall assessment of the performance of Sinapi Aba Trust showed that it did not achieve fully its corporate objectives; against this backdrop, this paper recommends the following;

Sinapi Aba Trust and analogous microfinance companies should organise training programmes on records keeping and credit management for their clientele base, they should also adopt debt factoring and invoice discounts as strategic loan recovery mechanisms.

In going forward, government should invoke the main objectives of the Microfinance policy that it has set to regulate and control, offer direction, train, and give capacity building to both beneficiaries and other stakeholders of these MFIs companies in the Bolgatanga Municipality.

Other cogent and meaningful social interventions should be mounted by Philanthropies, NGOs, and Government at large to augment the efforts of these Microfinance Institutions to help address the peculiar poverty problems confronting Ghanaian women in both the rural and urban centres.

The paper focused on the impact of the microfinance on economic empowerment of market women in the Bolgatanga Municipality. Since Bolgatanga Municipality is only one city in the Upper East Region, the findings of the study may not be representative enough for generalization, hence, the paper recommends that future studies should widen the scope to include samples from other cities.

REFERENCES

1. Adams, D. and Pischke, J. D (1992), "Microenterprise Credit Programs: Déjà vu" World Development, Vol. 20, pp 1463-1470.
2. Adjei, J. K., Arun, T. G. and Hossain, F. (2009), The role of microfinance in asset-building and poverty reduction, BWPI Working Paper Series, Brooks World Poverty Institute, University of Manchester, forthcoming.
3. Arjan de Haan, ;Drinkwater, M. ; Rakodi, C. and Westley, K.(2002)[online], Methods for understanding urban poverty and livelihoods Retrieved from http://www.ucl.ac.uk/dpuprojects/drivers_urb_change/urb_society/pdf_liveli_vulnera/DFID_deHaan_understanding_livelihoods.pdf (Accessed on 7th September,2015).
4. Asiama, J. P. and Osei, V. (2007), Microfinance in Ghana: An Overview. Department of Research, Bank of Ghana. Accra.
5. Bell, E.,and Bryman.(1993), A business research methods, (2nd edition), Oxford; Oxford University Press.
6. Cagatay, N.(1998), Gender and Poverty, UNDP Working Paper Series,New York, USA.
7. Chana S. H. and Abdul Ghanib, M. (2011) the impact of microloans in vulnerable remote areas: Asia Pacific Business Review, evidence from Malaysia, University of Macau, Macau SAR, and China. Vol. 17, No. 1, 45–66

8. Cheston, S., Kuhn, L., (2000), Empowering Women through Microfinance, The Microcredit CHORD, Inventory of Best Practices in Micro-Finance in Ghana. A research report prepared for the Ministry of Finance in Ghana in connection with Non-Banking Finance
9. Development Alternatives Inc, (2005), Gender and Pro-Poor Growth, (USAID publication).
10. Fisher, T.; Sriram, M. S. (2002), "Beyond Micro-Credit: Putting Development Back into Micro-Finance". New Delhi:
11. Ghalib A. K. (2012), does microfinance reach the poorest? Empirical evidence of programme outreach from rural Pakistan, Retrieved from <http://asad@bcs.org.uk>. Accessed on (20th August, 2015).
12. Ghana Microfinance Network (GHAMFIN) (2006), Performance Benchmarks of Microfinance Institutions in Ghana. Accra, Ghana: GHAMFIN.
13. Ghana Statistical Service, (2006), Pattern and Trends of Poverty in Ghana: 1991-2006, Accra, Ghana
14. Hulme, David, (2000), Impact assessment methodologies for microfinance: Theory, experience and better practice, *World Development* 28, 79-98 .
15. Microfinance Network (GHAMFIN) (2007), Microfinance Poverty Outreach and Performance Assessment: A Study of Rural Microfinance Institutions and Government Programmes in Ghana. Accra, Ghana: GHAMFIN.
16. Ministry of Finance (2008), Microfinance Development in Ghana, Achievements, Challenges and Issues for the way forward, Vol. 1, pp.1-26.
17. Khandker, R. S., (1998), Micro-finance and Poverty: Evidence Using Panel Data from Bangladesh, World Bank Policy Research Working Paper 2945, Washington, USA,
18. Khandker, R.S., H. Samad, R.R. Faruquee, A. Basu, D. Millimet and T. Narayan, (1999), Rural Finance in Pakistan,. World Bank Working Papers. The World Bank, Washington D.C.
19. Republic of Ghana (2006), Ghana Microfinance Policy-GHAMP, Accra.
20. Klassen, S. (2005), Pro Poor Growth and Gender. The World Bank, Washington D.C. Contract and the Implications for Growth." Job Market Paper.
21. Leikem, K. (2012) "Microfinance: A Tool for Poverty Reduction?" Senior Honors Projects. Paper 300. Available from <http://digitalcommons.uri.edu/srhonorsprog/300>. Accessed on (12th August, 2015).
22. Morduch, J, and Barbara H. (2002), Analysis of the Effects of Microfinance of Poverty Reduction, NYU Wagner Working Paper No. 1014.
23. Mosley, Paul, (2001), Microfinance and poverty in Bolivia, *The Journal of Development Studies* 37, 101-132.
24. Pitt, M. M.; Khandker, S. R.; and Cartwright, J. (2003), "Does Micro-Credit Empower Women"? Evidence from Bangladesh. World Bank Policy Research Working Paper 2998. Publications, Thousand oaks', CA.
25. Saunders, M., Lewis, P., and Thornhill A., (2000), *Research Methods for Business Students*, Second edition, Harlow: Pearson Education Ltd.
26. Sopheana, S.; Elen, C.; Bunhor, L.; Visalsok, R. and Finch, N. (2012), Effects of Microfinance on Agricultural Occupation. The University of Sydney Business School, Room 537, Economics and Business Building (H69), NSW 2006 Australia, DOI: 10.7763/IPEDR. 2012. V46. 13
27. Tsikata, D. S. Fosu, W. (2004), Identities, Inequalities and Conflicts in Ghana. Working paper No 5, CRISE. (Centre for Research on Inequality, Human Security and Ethnicity), Ghana.
28. World Bank. (2001), Engendering development through gender equality in rights, resources, and voice ,World Bank Policy Research Report. Washington, DC.
29. Wright, G. A.N. Kasente, D. Semogerere, G. and L. Mutesasira, (2001), Vulnerability, risks, assets, and empowerment: The impact of micro-finance on poverty alleviation,. a report prepared for Micro-Save Africa and Uganda Women's Finance Trust as a contribution to the World Development Report.