UNIVERSITY OF EDUCATION, WINNEBA

ASSESSING THE ROLE OF MICROFINANCE IN POVERTY ALLEVIATION AMONG MARKET WOMEN IN ABLEKUMA SOUTH

LUCY ACHEAMPONG AKYEA

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A THESIS IN THE DEPARTMENT OF SOCIAL STUDIES, FACULTY OF SOCIAL SCIENCE, SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES, UNIVERSITY OF EDUCATION, WINNEBA IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER OF PHILOSOPHY DEGREE IN (M.PHIL) SOCIAL STUDIES.

DECEMBER, 2016

DECLARATION

Student's Declaration

I, **Aheampong Lucy Akyaa** hereby declare that this submission is my own work towards the Master of Philosophy degree and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

SIGNATURE : ....

DATE : ....

Supervisor's Declaration

This thesis has been read and approved as meeting the requirements of the School of Research and Graduate Studies, University of Education, Winneba.

SUPERVISOR'S NAME : DR. G. Y. DAKE

SIGNATURE : ....

DATE : ....

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DEDICATION

This work is dedicated to my husband – Mr. Kwadwo Danso Amoafoh and my children; Amoafo, Addo, Asare and Abena Akyaa for their kindness, support and prayers during the period of this work.

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ABSTRACT

The concept of microfinance has become an important poverty alleviating tool in many parts of the world. This study was therefore conducted to assess the role of microfinance in poverty alleviation among women in Ablekumah South Sub – metro in the Greater Accra Region of Ghana. Four research questions were formulated to guide the study. Purposive sampling technique was used to obtain a sample size of fifteen women for the study. Data was collected through interviewing participants and analysis was done using descriptive statistics based on the themes in which they emerged guided by the research questions. The study revealed the following among others. Although the microfinance credits were given out to help the poor women to enable them work themselves out of poverty, the beneficiaries were confronted with some challenges. Their trading activities helped them to save with some formal banks. Based on the findings, certain recommendations were made. Microfinance agencies should engage professionally competent staff in performing the operational task such as education and monitoring beneficiaries. There should be a mechanism to control the issue at guarantors. The beneficiaries should be given at least three months graced period to begin repayments of their credits. Future studies should be conducted in other Metropolitan, Municipal and District Assemblies in Ghana as well as investigating the effective management of microfinance credit schemes.

CHAPTER ONE

INTRODUCTION

1.0 Background to the Study

Poverty is a problem to the developing world. It is estimated that 22 per cent of the population of the developing world live below $1.25 a day (World Bank, 2012). Poverty is quite prevalent in several parts of Ghana. Many of the people living in the poverty endemic areas of Ghana lack the basic necessities in life such as food, education, infrastructure and financial services among others. To this end, strategic initiatives have been adopted by international agencies like the UN and Governments of many nations to combat poverty. The millennium development goals and Ghana Poverty Reduction Strategy (GPRS I) are some of the interventions aimed at eradicating extreme poverty. The principle underlying these interventions is to ensure that the poor have access to basic amenities and essential services in life including financial services of which mainstream banks ignore the poor. Women are more affected by the lack of credit access from mainstream banks particularly in Africa. In Africa, laws on inheritance of property favour men more than women, hence, women often lack 'collateral and tangibility' to pledge for loans from mainstream banks (Buvinic et al., 1979). As a result of lack of collateral, many forms of informal financing options are available for women. These include but not limited to voluntary savings associations (popularly known as susu in Ghana), Self Help Groups and rotating savings and loans associations amongst others. Though these interventions have contributed in their own small way to alleviate poverty, they are mostly found to be unsustainable.

The concept of microfinance has therefore become an important poverty alleviating tool in many parts of the world. According to Khandker (1998) microfinance reduces poverty by increasing individual and household income levels thereby improving the standard of living of the poor. In a related fashion, Morduch (1998) asserts that microfinance programs increase access to healthcare, making preventative healthcare measures more affordable to the poor. In the Ablekuma South Municipality, there has been a proliferation of microfinance institutions in recent times performing their various roles to deal with poverty reduction. The extent to which they contribute to poverty reduction is quite important in this discourse.

Even though approaches to poverty reductions have globally evolved over time, gender poverty reduction still remains an issue of concern. This is partially due to the important role women play in the development of a nation and enlarged numbers of female population are poorer than male (Buvinic, 1998). During this microfinance campaign at the international Year of MICROFINANCE in 2005, Srimivas reminded the world that females are often responsible for the world. She asserted that all people, especially the vulnerable in community are mostly taken care of by women. Therefore matters concerning women should be handled with concern (Mayoux, 2005). Gender poverty thus brings about physical, economic and social development of the vulnerable.

Watkins (1995) said that in the past twenty five years gender poverty reduction has been the prominent socio-economic issue advanced by global institutions such as United Nations, International Monitory Fund and the World Bank. According to Snyder and Tadesse (1995), the result of this is an anti-poverty approach to development, based on the shift to the physiological needs and absolute theories of

1970s that were brought by International Labour Organisation (ILO, 2004) and the World Bank (World Bank, 2000) respectively.

Todaro (1997) asserted that in the 1980s, prominent on the World Bank (1996) agenda was the gender disparity when they noticed that poverty had taken a gender dimension because more than seventy percent of the world's poorest people were female. Hoist-Roness and Florence (2006) noted that female form more than two thirds of the people in the world who are poor. This statement is stressed by a study made by the International Monitory Fund 2005 which revealed that more female population are poorer than male. A lot of studies also portray various reasons why women are poorer than men. Asian Development Bank (ADB, 2005) report on Africa shows that women are poor because they live below one US dollar a day. Many females live in severe deprivation and despair. Moheyuddin (2005) observed that despite their poor conditions, women play crucial roles in the development of the nation. Some of the roles played by women are child bearing, care givers and home makers as he opined. President Roosevelt (the 26th president of the U.S.) said "tax of humanity... if the mother does not do her duty, there will be either no next generation or a generation that is worse than none at all" (Awake, 2003). Furthermore, Calavan and White (1995) stated that female is the basic protector of each child’s health, education, personality, character, emotional stability and intellect. Reports by WB gender policy (1996) Beijing Platform (1995); and UNDP (1997) unveiled that is no there is no effective development strategy in which women do not play a central role. When women are fully committed, the outcomes can be seen immediately; families are better catered for and what is true of families is also true of a whole country. Dr. Kwegyri Aggrey of Ghana said that "if you educate a man you educate an individual, but if you educate a woman you educate a whole nation" (Asante, 2005).

Despite these roles females play, they are not noticed and credited for their efforts in society. Nodding (1992) is of the view that females do great things but they are not appreciated because they are females. In view of this, Synder and Tadesse (1995) opined that female poverty should become the key point in strategies to overcome poverty, hunger and malnutrition because they form the least in the society and are also vulnerable to diseases and death. The World Bank report (1993) supported that poverty among women has an effect on their children. That is, poverty in all its manifestation must be reduced to save more children from the situation. Ebdon (1995) holds the view that there are many several gender mainstreaming polices to minimize the effects women face at the national and international levels which has not yielded the results expected. Over the last twenty five years the World and the UN assigned some of the policies, their concentration was on how women's access to financial services and informal financial markets made possible for micro lending. Several gender studies (Johnson & Rogally, 1997; Yunus, 1998) made known that poor women lack access to finance. Most of them cannot gather capital to either begin or expand any business.

Microfinance has really existed, although mostly in the shadows and unseen by casual observers, since the rise of formal financial systems, and indeed probably predates them. It has only been within the last four decades, however, that serious global efforts have been made to formalise financial service provision to the poor.

In the 1800s, various types of larger and more formal savings and credit institutions began to emerge in Europe, organised primarily among the rural and urban poor. These institutions were known as People's Banks, Credit Unions and Savings and Credit Co-operatives.

The concept of the credit union was developed by Friedrich Wilhelm Raiffeisen and his supporters. Their altruistic action was motivated by concern to assist the rural population to break out of their dependence on money-lenders and to improve their welfare. From 1870, the unions expanded rapidly over a large sector of the Rhine Province and other regions of the German States. The cooperative movement quickly spread to other countries in Europe and North America and eventually, supported by the cooperative movement in developed countries and donors spread further to developing countries.

Meanwhile, starting in the 1970s, experimental programs in Bangladesh, Brazil, notably by Dr. Muhammad Yunus, one of the founders of modern microfinance, helped to push the industry even further into the spotlight. Tiny loans were extended to groups of poor women to invest in micro-businesses. This type of microenterprise credit was based on solidarity group lending in which every member of a group guaranteed the repayment of all members. These "microenterprise lending" programs had an almost exclusive focus on credit for income generating activities (in some cases accompanied by forced savings schemes) targeting very poor (often women) borrowers.

The rise of the microfinance industry represents a remarkable accomplishment taken within historical context. It has overturned established ideas of the poor as consumers of financial services, shattered stereotypes of the poor as lazy and not bankable, spawned a variety of lending methodologies demonstrating that it is possible to provide cost-effective financial services to the poor, and mobilized millions of dollars of social investment for the poor. Micro-Finance Institutions

(MFIs) play a pivotal role in the provision of services to the financially excluded population, particularly the poor and the informal sector.

The negative assertions about the poor as lazy, not bankable and consumers of financial services have been neutralised by microfinance. This has been made possible due to the fact that at the very core of MFIs activities is poverty alleviation, through the provision of capital, creation of employment and capacity building for the productive poor to enable them come out of the vicious cycle of poverty. This forms the basis for this study.

1.1 Statement of the Problem

There is the serious problem of poverty among market women in Ablekuma South Metropolis. These market women who are petty traders in the informal sector are hard hit by poverty than men. This is so because the women find it difficult to have access to microfinance facilities from banks. This is because they do not have the collateral in the form of asset and property to enable them secure loans. Lengthy loan documentation in accessing loans from banks further worsens their plight. Unfortunately, many of these women are household heads. They bare heavy workloads, work longer hours than their male counterparts and do not receive benefits of higher education that will make them take decisions that affect them. Recently, microfinance emerged globally as one of the most effective ways of fighting poverty.

According to Agama (2008) and Osei (2007), microfinance has great impact in transforming the lives of people living in poverty. According to them, microfinance provides productive capital for the poor, gives self-esteem and confidence. On the contrary, Woode (2006) and Hulme and Mosley cited by Asiamah and Osei (2007) ague from their research that contemporary financial schemes are less effective than they appear to be. The question is to what extent has microfinance helped the women traders in Ablekumah South at the family, group and individual levels? How can the program be evolved to assist the down trodden? The answer to these questions is the concern of this research.

1.3 Purpose of the Study

The overall aim of the study was to investigate the contribution of microfinance as poverty alleviation strategy among women in the informal sector of Ablekuma South Municipality.

1.4 Objectives of the Study

The overall aim of the study was to investigat the contribution of microfinance as poverty alleviation strategy among women in the informal sector of Ablekuma South. The objectives of the study were to;

i. Examine the level of awareness of the role of microfinance amongst women in Ablekuma South Municipality

ii. Identify some of the obstacles market women in the Ablekuma South Municipality face in assessing microfinance products and services

iii. Examine the linkage between microfinance and poverty alleviation amongst women in the Ablekuma South Municipality.

iv. Analyse the effect of microfinance on poverty alleviation among women traders.

1.5 Research Questions

1. What is the level of awareness of the market women in Ablekuma South on the role of microfinance?

2. What are the problems market women in Ablekumah South face in accessing microfinance?
3. What are the linkages between microfinance and poverty alleviation among market women in the study area?
4. What are the effects of microfinance on poverty alleviation among the market women?

1.6 Significance of the Study

This study helped to identify whether the credit scheme was useful in the economic activities of the beneficiaries and also whether it contributed in reducing poverty among the women. It also helped to unearth the challenges of the programme in the area and recommend possible solutions.

The findings of the study enabled the government realize the strength and weakness in the implementation of the scheme and help to overcome the difficulties. Lastly, the study contributed to knowledge by adding to existing literature. The study also helped to develop strategies towards proper monitoring of the program. The study also identified weaknesses in the programme for effective delivery of services to beneficiaries and hence the need for further research.

1.7 Justification for the Study

Although several studies reveal that micro crediting could be used as a poverty reduction strategy, since its introduction in the district as a strategy to reduce poverty at the grassroots' level much has not been done to evaluate whether the program was able to reduce poverty among women beneficiaries in the Ablekuma South area.

The assessment of microfinance interventions is necessary to demonstrate to donors and stakeholders that their interventions are having either negative or positive impact. The study will also allow for learning with microfinance in poverty alleviation among women in Ablekuma South.

1.8 Limitations

The methodology relied mainly on in-depth interviews with the participants and observation of their economic and social activities. In this way, the researcher had spent a lot of time in getting in-depth information from the respondent. The researcher also had difficulty in accessing respondents on the days selected for the interview session. The respondents were on several occasions not available at places scheduled for the interview. As such, action was delayed unduly for the collection of data. The researcher also had difficulties in observing fully participant's activities in their natural situation especially during their business periods because they had no permanent structures or specific trading locations. The last but not least was the use of the local language (Ga and Twi) in collecting the data. The entire interview was conducted in the local language and the researcher had to engage the services of interpreter on some occasions. So the researcher had to make adjustments on the time table to suit the three parties involved and that also contributed to the delay of the collection of the data for the study. The recorded interview had to be given to two language experts for transcription to ensure the information transcribed was not distorted.

1.9 Delimitation

The study was limited to the role of microfinance in poverty alleviation among market women beneficiaries in the Ablekuma South Municipality in the Greater Accra Region.

1.10 Organisation of the Study

For analytical purposes and easy understanding of issues raised, the work was divided into five chapters. Each chapter focused on a series of themes. Chapter one focused on the introductory part of the thesis. It provides information on the main objectives of the study which highlighted the statement of the problem, objectives and research questions, purpose and significance of the study. The research limitations were raised in this chapter as well as the delimitation. Chapter two dealt with the literature review. It discussed gender poverty and micro credit issues for the study. It drew from the available literature in the field to access valuable information that guided this research. Chapters three and four were devoted to the methodology used in the collection of the data. The data presentation and the analysis formed chapter four. Finally, chapter five concluded the write-up with a summary of the principal findings and conclusions drawn from the study. It also incorporated the recommendations for further studies as well.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 Introduction

In this chapter, I review the literature pertinent to the research problem. The review was done under the following sub-headings:

1. Meaning of microfinance
2. Historical background of microfinance
3. Evolution of microfinance
4. Theories of microfinance
5. The triangle of microfinance
6. The economic impacts of microfinance
7. The concept of poverty
8. Poverty alleviation
9. Microfinance and women empowerment
10. Gender Poverty
11. Microfinance for women

2.1 Meaning of Microfinance

Microfinance is considered to be among the areas that have received much attention as regards literature publication. It has been defined in many ways by a number of researchers. Otero (1999) refers to microfinance as the provision of financial services to low-income, poor and very poor self-employed people. These financial services, according to Ledgerwood (1999), generally include savings and credit but can also include other financial services such as insurance and payment services usually using non-standard methodologies such as character-based lending, group guarantees and short term loans.

According to Schreiner and Colombet (2001), microfinance is the attempt to improve access to small deposits and small loans for poor households neglected by banks. This means microfinance is not only the provision of financial services to the low-income, poor and very poor self-employed people but offers an opportunity for the non-bank poor households to have to small deposits and small loans.

The terms microfinance and microcredit are often used interchangeably. The distinction that is often discussed is the dichotomy between microfinance and microcredit. However, the definition of microfinance by Schreiner and Colombet (2001) includes microcredit (small loans) as an activity of microfinance. This is clearly seen in Khawari's (2004) definition of microfinance, where microfinance is defined to include the provision of a broad range of financial services such as deposits, loans, payment services, money transfer and insurance to the poor and low-income households and their micro-enterprises. It is therefore imperative that a clear line of distinction is drawn between the two.

Microcredit has been defined as small loans. While microcredit cannot be used as a substitute for microfinance, it is worth noting that it forms an integral part of microfinance. Among all the products of microfinance, microcredit is the most popular. It has received international attention by the United Nations when 2005 was declared the International Year of Microcredit

2.2 The Historical Background of Microfinance

The concept of microfinance is not new. Savings and credit groups have operated for centuries. These include the "susu" in Ghana, " committee" in India, "tanda" in Mexico, "arisan" in Indonesia, "seettuva" in Sri Lanka, “tanomoshi-ko or mujin” in pre-1945 Japan, “wichin gye” in Korea, “likelembas” in the Democratic Republic of the Congo, “xitique” in Mozambique and "pasanaku" in Bolivia, as well as numerous savings clubs and burial societies found all over the world.

In the 1800s, various types of larger and more formal savings and credit institutions began to emerge in Europe, organised primarily among the rural and urban poor. These institutions were known as People's Banks, Credit Unions, and Savings and Credit Co-operatives.

The concept of the credit union was developed by Friedrich Wilhelm Raiffeisen and his supporters. Their altruistic action was motivated by concern to assist the rural population to break out of their dependence on money-lenders and to improve their welfare. From 1870, the unions expanded rapidly over a large sector of the Rhine Province and other regions of the German States. The cooperative movement quickly spread to other countries in Europe and North America, and eventually, supported by the cooperative movement in developed countries and donors, also to developing countries.

Meanwhile, starting in the 1970s, experimental programs in Bangladesh, Brazil, notably by Dr. Muhammad Yunus, one of the founders of modern microfinance, helped to push the industry even further into the spotlight. Tiny loans were extended to groups of poor women to invest in micro-businesses. This type of microenterprise credit was based on solidarity group lending in which every member of a group guaranteed the repayment of all members. These "microenterprise lending" programs had an almost exclusive focus on credit for income generating activities (in some cases accompanied by forced savings schemes) targeting very poor (often women) borrowers.

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2.3 Evolution of Microfinance in Ghana

Certainly, microfinance is not a new concept in Ghana. Available evidence suggests that the first credit union in Africa was established in Northern Ghana in 1955 by Canadian Catholic missionaries. However, Susu, which is one of the microfinance schemes in Ghana, is thought to have originated from Nigeria and spread to Ghana in the early 1900s.

Microfinance in Ghana has gone through three faces as follow:

1. Phase one which involved the provision of subsidised credit by Governments starting in the1950's when it was assumed that lack of money was the ultimate hindrance to the elimination of poverty.
2. Phase two involved the provision of micro credit mainly through NGOs to the poor in the 1960's and 1970's. During this period sustainability and financial self-sufficiency were still not considered important.
3. Phase three is concerned with the formalization of Microfinance Institutions (MFIs) which began in the 1990s
4. Phase four involved the commercialiation of and mainstreaming of microfinance and its institutions into the financial sector. The microfinance sector is believed to be what it is now owing to the various financial sector policies and programs pursued by governments over the years. These policies include but not limited to:
5. Establishment of the Agricultural Development Bank in 1965 specifically to address the financial needs of the fisheries and agricultural sector.
6. Establishment of Rural and Community Banks, the introduction of regulations such as commercial banks being required to set aside 20% of total portfolio to lend to agriculture and small scale industries in the 1970s and early 1980s;
7. Shift from regulated financial sector regime to a liberaliSed regime in the 1986 leading to the emergence of other financial institutions;
8. Promulgation of PNDC Law 328 in 1991 to allow different categories of financial institutions including savings and loans companies, financial non-governmental organisations (FNGO) and Credit Union Associations (CUA) to provide a diverse range of financial services to Micro and Small Enterprises

(MSEs). Currently, there are three broad types of microfinance institutions operating in Ghana. These include:

9. Formal suppliers of microfinance (i.e. rural and community banks, savings and loans companies, commercial banks)
10. Semi-formal suppliers of microfinance (i.e. credit unions, financial nongovernmental organisations (FNGOs) and cooperatives;
11. 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).

From the regulatory point of view, Bank of Ghana categories activities in the microfinance subsector according to tier system.

Tier 1 activities comprise those undertaken by Rural and Community Banks, Finance Houses and Savings and Loans Companies – These institutions are regulated under the Banking Act, 2004 (Act 673).

Tier 2 activities are those activities undertaken by Susu companies and other financial service providers, including Financial Non-Governmental Organisations (FNGOs) that are deposit taking and profit making as well as credit unions

Tier 3 Activities is concerned with activities undertaken by Money lenders Non-deposit taking Financial Non-Governmental Organisations (FNGOs)

Tier 4 activities involves activities undertaken by Susu collectors whether or not previously registered with the Ghana Cooperative Susu Collectors Association (GCSCA); Individual money lenders.

2.4 Theories of Microfinance

According to Hulme and Mosley (1996), the proposition that capital investment and other financial services constitute key determinants of economic growth and income improvement continues to drive most development efforts including microfinance. Hulme and Mosley (1996) cite a large number of research results that indicate a strong and positive correlation between growth and the share of investments in GDP. It is precisely this idea that drives microfinance. It is assumed that like the positive relationship between financial investment and economic growth, financial investment of the poor through microfinance services will lead to increased incomes of the poor and ultimately result in poverty reduction (Hulme, 1997). El-Solh (1999) argues that microfinance cannot by itself generate income but should be perceived as an important input in the process of developing micro-enterprises.

Microfinance institutions are perceived as important because they fund micro- and small-scale enterprises which are integral to the private sector which in turn are perceived as an engine of growth for economies of developing countries that have moved from state-directed to market-oriented economies.

El-Solh (1999) postulates two theoretical propositions on the macro-level for supporting microfinance interventions: economic and human resources. By enabling the establishment of new micro-enterprises, microfinance supports the efficient use of labour and capital as factors of production and therefore contributing to economic growth and ultimately to sustainable development.

The human resources theory is quite similar to the economic one. Since it is generally accepted that microfinance is labour-intensive, facilitating access to microfinance is likely to result in the acquisition of new skills and the upgrading of existing ones and thus improve on the capacity of the poor to generate income and improve their livelihood.

In addition to the discussed theories underlying microfinance, another spinoff theory is that of empowerment: the poor become empowered when they participate in microfinance activities (Hashemi, Schuler & Riley 1996; Chester & Kuhn, 2002). By self-selecting themselves into groups and self-managing their groups, and gaining control over the means of making a living, poor people become empowered and independent. Empowerment has been particularly relevant for women who are perceived as being marginalised in most developing countries.

In sum, among the theories that underlie the concept of microfinance it is the economic dimension that stands out as most significant. Poor people are provided with capital which they invest in income-generating activities and make profit. This should result in a virtuous cycle: credit leads to increased production and incomes, and allow for greater consumption and savings, and result in further investment (Meyer, 2002).

2.5 The Triangle of Microfinance

The performance of the financial sector in providing financial intermediation for small and medium size enterprises can be evaluated in three vital dimensions: financial sustainability, outreach and welfare impact (Zeller & Mayer, 2002).

According to Zeller and Mayer (2002), microfinance triangle is the main policy objective of microfinance institutions which are aimed towards development. The internationally agreed objectives of development are the Millennium Development Goals (MDGs). These MDGs are to alleviate poverty and this is done in many dimensions of welfare such as increasing access to education, health, nutrition, women's empowerment and of course basic needs (Morduch, Littlefield & Hashemi, 2003).

Donor organisations and governments differ in the microfinance objective which is of prominence to them; i.e. financial sustainability, depth of outreach and welfare impact. This influences their perceptions on the relative efficiency on the different microfinance institutions (Stiglitz, 1992; Krahnen & Schmidt, 1994).

The main objectives of microfinance institutions are prioritized differently by different authors. Researchers like Otero and Rhyne (1994); Christen*, Rhyne, Vogel & McKean* (1995) argue that increasing access to reach the poorest of the poor (depth of outreach) and sustainability are compatible objectives.

Hulme and Mosley (1996) and Lapenu and Zeller (2002) argue that they may be a trade-off between augmenting outreach to the poorest and attaining financial sustainability. This trade- off is as a result of the fact that MFI transaction costs have a high fixed cost element which makes unit cost for smaller savings and smaller loans high as compared to larger financial transactions. This rule of reducing unit transaction costs with larger transaction size generates the trade-off between better outreach to the poor and financial sustainability, regardless of the borrowing technology used (Zeller & Mayer, 2002). The financial sustainability of the financial institutions and outreach to the poor are two of the three policy objectives of the contemporary developments in the field of microfinance which are mostly achieved through institutional innovation.

Welfare impact is the third policy objective that relates to the development of the financial system and precisely on economic growth and poverty alleviation. The crucial of microfinance is a triangle that reflects the three policy objectives of microfinance - outreach, financial sustainability and impact.

2.6 Economic Impacts of Microfinance in Ghana

Micro-Finance Institutions (MFIs) play a pivotal role in the provision of services to the financially excluded population, particularly the poor and the informal sector . These services rendered to the poor by MFIs have the power to transform the overall living conditions of the beneficiaries. MFIs in Ghana have contributed their quota to the development of the nation in a number ways, some of which are capital provision, provision of employment, capacity building and community development.

2.6.1 Capital provision

At the very core of MFIs activities is poverty alleviation. The provision of capital to the productive poor for their economic ventures is a major step towards the attainment of this goal. MFIs provide capital to their clients in two ways. The provision of micro loans and other social intermediation services like training, empowering the poor to be able to take up economic ventures. Otero (1999) agrees that microfinance creates access to productive capital for the poor, which together with human capital, addressed through education and training and social capital, achieved through local organisation building, enables people to move out of poverty. She further states that by providing material capital to a poor person, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society.

The other side of the capital provision to the poor is by creating avenues for them to make micro savings. Such savings, when allowed to accumulate over a period, could serve as a start-up capital. The initial savings made, sometimes serve as collateral upon which a much bigger sum is granted as a loan to the saver. Whatever form the savings may take, it inculcates the habit of savings into the poor which has a long term effect on poverty reduction.

2.6.2 Provision of employment

The critical role of MFIs is poverty alleviation whereby they seek to increase employment opportunities and enhance income adequate to lift the poor above the poverty line. MFIs in Ghana play significant role when it comes to employment provision. The employment generating power of MFIs is made manifest through their capital provision. Beneficiaries of micro loans are able to create jobs which serves as employment for them. In addition to the employment created for the direct beneficiaries of loans, few hands, in some cases are also employed in the assisted micro enterprises. This makes microfinance a financial sustainable instrument capable of providing capital for and ensuring growth and sustainability in the private informal sector ignored by traditional commercial banks . MFIs offers direct employment opportunities for both skilled and unskilled labour.

2.6.3 Capacity building

MFIs Capacity building are efforts, projects or programs, schemes and activities that are aimed at building both the institutional and human resource capacity of financial institutions so that they can more ably and satisfactorily serve their growing customer-base while becoming operationally and financially more sustainable. With this, MFIs are able to initiate projects and programmes that contributes immensely towards the capacity building of their clients in areas of loan management, customer care, pricing, marketing and selling on credit, as well as social and community issues. This is made manifest, usually, at group levels, where clients are urged to form groups to undergo training.

3.6.4 Community development

While the relationship between outreach and financial self-sufficiency (FSS) of microfinance institutions (MFIs) is increasingly well researched, next to nothing is known about the relationship between broader corporate social responsibility (CSR) measures of MFIs and their financial self-sufficiency (FSS). Hoepner, Liu, and Wilson (2011) said, in light of the social promise of microfinance, the CSR-FSS relationship however is also very relevant. Their results further revealed that corporate social responsibility might be a crucial driver of MFI's financial success. MFIs, their investors and policy makers appear well advised to devote more attention to MFIs' corporate social responsibility. This could be the reason why a number of community based facilities like schools, police stations, boreholes and the like have either been provided by some MFIs or renovated by them. The country has also witnessed some medical bills of patients being fully paid for by some MFIs.

2.7 The Concept of Poverty

The term poverty is derived from an old French word poverté, which is pauvreté in modern French, which translates into English language variedly as destitution, distress, meanness and hardship. The word poverty has been defined severally by various authors. The various definitions are seen to be influenced by the context of the situation it is placed in and the views of the person giving the definition (CGAP, 2015).

Poverty may also be defined as either absolute or relative. Absolute poverty, otherwise known as destitution refers to lack of access to means required to meet basic needs such as food, clothing and shelter. Relative poverty on the other hand, considers the individual's social and economic status compared to the rest of society.

In the quest to define poverty, there has always been the question whether poverty is largely about material needs or whether it is about a much broader set of needs that permit well-being. Sida (2005) opined that poverty has a multiple and complex causes. The poor are not just deprived of basic resources but also lack access to vital information they require for their lives and livelihood, information about market prices of the goods they produce, about health, about the structure and services of public institutions and about their health. According to Sida, the poor also lack political visibility and voice in the institutions and power relations that shape their lives. Access to knowledge, education and development of skills that could improve their livelihood are all lacking in the lives of the poor. They often lack access to markets and institutions, both societal and governmental that could provide them with the needed resources and services and lack of access to information about income-earning opportunities.

Hulme and Mosley (1996) drive the definition of poverty beyond material possessions. They defined poverty to include other forms of deprivation and the effects of innovative financial services on those who suffer from social inferiority, powerlessness and isolation.

Poverty is associated with the undermining of a range of key human attributes, including health. The poor are exposed to greater personal and environmental health risks, are less well nourished, have less information and are have little access to health care; they are therefore afflicted with higher risk of illness and disability. Conversely, illness can reduce household savings, lower learning ability, reduce productivity and lead to a diminished quality of life, thereby perpetuating or even increasing poverty.

The World Health Organisation (WHO) adds that the poorest of the poor around the world have the worst health. Comparing social status and health, WHO has revealed that the lower an individual's socioeconomic positon, the worse their health. This directly connotes that the socially and economically affluent in society tend to have better health. There is, therefore a social gradient in health that runs from the top to the bottom of the socioeconomic spectrum. This according to WHO, is a global phenomenon, seen in low, middle and high income countries (WHO, 2016).

Poverty can therefore be said to be a multifaceted concept which includes social, economic and political elements in the life of an individual in society.

2.8 Poverty Alleviation

The terms poverty reduction and poverty alleviation can be used alternatively. Poverty alleviation aims to improve the quality of life for those people currently living in poverty (Jordan, 2013). Poverty alleviation should not be confused with poverty eradication. The former aims to reduce the adverse impact of poverty on the lives of poor people, in a more sustained way, whereas, the latter refers to efforts targeted at ending the very existence of poverty. Closely related to poverty alleviation is poverty relief which refers to policies and interventions that seek to give short term assistance to people who are living in poverty. The major difference, however, is that whereas poverty alleviation tends to reduce the negative impacts associated with poverty in a more sustained manner, poverty relief is short term in nature. Poverty relief is usually linked to some external shocks that push people into a more severe state of vulnerability that they were before. It is accordingly often seen as emergency relief programmes which include delivery of food, clothing, medicals and other valuables during flooding, drought, wars, earthquakes and other natural disasters. The role of the National Disaster Management Organisation (NADMO) in Ghana is of a purely poverty relief in nature (Nthabiseng, n. d.). The United Nations in its Human Development Report for 2007 outlined four key factors for poverty alleviation.

2.8.1 Education

Quality education empowers people to take advantage of opportunities around them. It helps children to acquire knowledge, information and life skills they require to attain their full potential. Training teachers, building schools, provision of educational materials and breaking down factors that prevent children from accessing education are important features of poverty alleviation programmes.

2.8.2 Health, food and water

Many programmes aim at feeding kids at school and providing health services as well. This encourages parents to send the children to school and keep them there. If children have food to and are healthy, they can learn and respond to the needs of the programme.

2.8.3 Provision of skills and training

The youth and abled-bodies in the communities are provided with skills to help them in their farming or other economic activities, which help them earn money to make a living and take care of their families. The beneficiaries of such skills also tend to train others.

2.8.4 Income redistribution

It is important that the government extends its developmental and infrastructural programmes to the rural areas. Infrastructural developments such as road construction, bridges and other economic facilities when extended to the rural areas make it easy for goods and services, and farm produce to be moved to and from the farming communities to urban centres (UNDP, 2007)

Poverty cannot be completely eradicated, as it is largely caused by human factors. Over the past years, there are a lot of Poverty Alleviation Programmes designed to break the vicious cycle of poverty in many households and communities in the world. Even though the results have been remarkable, there is still a lot more to be done. Poverty alleviation involves the strategic use of tools such as education, economic development, health and income distribution to improve the livelihoods of the world's poorest by governments and internationally approve organisations. They also aim at removing social and legal barriers to income growth among the poor. With a bit of effort in the areas mentioned above, it won't take long to see real improvements in the living conditions of the communities such policies are implemented.

2.9 Microfinance and Women Empowerment

Globally, women empowerment at all levels is perceived as a challenge. The marginalisation of women and their subjection under the control of men by some customs and traditions has rendered most women less powerful, if not powerless. This situation, according to Kahn and Noreen (2012) as cited in Mushumbusi and Jan (2013) has rendered women poor; constituting 70 per cent of the world's poor population. Strategies adopted to address the poverty and marginalisation of women have been linked to various women empowerment projects in various countries. Mushumbusi and Jan (2013) further state that many programmes geared towards poverty reduction among women have credit component. This is evidenced in many microfinance activities around the world. Women who are mostly perceived as unbankable, compared to men, are able to save through the provision of credit facilities offered by microfinance institutions. Microfinance has outperformed commercial banks when it comes to women empowerment programmes. Many economically active women lack collateral facilities required to merit credit facilities from commercial banks.

Morduch et. al. (2003) are of the opinion that microfinance schemes are able to reduce poverty and improve the health and education needs of people. Microcredit, a key component of microfinance enables women beneficiaries to engage in profitable economic ventures. This empowers women economically as they become more financially capable to provide support for their families. They are able to meet the health and educational needs of their kids. Morduch et.al. (2003) purport that children of women who are microfinance clients have the benefits of full-time school enrolment and lower drop-out rates. Households of microfinance clients appear to have better health practices and nutrition than other households.

From the perspective of Zamman (1999) microfinance programs play a vital role in women's empowerment. A study conducted by Rose (2004), notifies how access to financial services has improved the status of women within the family and the community. Women have become more assertive and confident, in some regions where women's mobility is strictly regulated; women have become more visible and better able to negotiate in the public sphere. Women own assets, including land and housing, and play a major role in decision making. A survey of 60 micro finance institutions by Cheston and Kuhn found strong evidence that micro finance institutions contribute to women's empowerment. One consistent finding was increased self-confidence and increase self-esteem. Another was women's increased participation in decision-making. Women's Empowerment Project in Nepal, for example, showed 68% of women experienced an increase in their decision making role in the areas of family planning, children's marriage, buying and selling property, and sending their children to school. World Education also found that the combination of education and credit put women in stronger position to ensure more equal access for female children to food, schooling and medical care. Other studies also showed increased ability to make purchasing choices, manage household funds and manage enterprise funds. Women therefore, become more enterprising through microfinance.

Women clients have also experienced improved status and gender relations in the home. Women's financial contributions helped them earn greater respect from their husbands and children, negotiate husband's help with housework and avoid family quarrels over money. The study also found increased respect from and better relationship within extended family and in-laws. Several studies show that women received more respect from their communities than they did before joining a micro finance programme. They also show women taking greater roles in giving advice within the community, organising for social chance and participating in community meeting – in part because they are now able to contribute financially to community need and activities such as funerals. A number of programmes also found increased political participation, including involvement in civic action and women clients being elected to office (UNDP, 1995).

Asiamah and Osei (2007) also maintain that microfinance has the capacity to help the poor meet their basic needs and thereby improve household income. Microfinance is the newest darling of the donor community (Buckley, 1997), the newest silver bullet for alleviating poverty (Karnani, 2007) and a proven way to improve the lives of the poor (Gupta & Aubuchon, 2008). Professor Mohammad Yunus, the founder of Grameen Bank in Bangladesh and the originator of microfinance who is referred as the father of modern microfinance, asserts that 5% of Grameen Bank's clients exit the poverty line each year (Anis, 2009).

The role of microfinance in promoting economic development cannot be overemphasized. It promotes economic development, employment and growth through the support of micro-entrepreneurs and small businesses. By reducing vulnerability and increasing earnings and savings, financial services allow poor households to make the transformation from "every-day survival" to "planning for the future". Households are thus able to send more children to school for longer periods and make greater investments in their children's education. What is more, increased earnings from financial services lead to better nutrition and better living conditions, which translates into a lower incidence of illness.

Despite the positive impact of microfinance on poverty reduction, other studies hold a contrary view. Bateman (2010) argues that micro-credit only offers an "illusion of poverty reduction". According to Hartmann (2012), individual borrowers of microcredit in most occasions find themselves trapped in debts to some microfinance institutions and are forced to repay their debts. Even when clients have lost everything through disasters they are still expected to pay their loans. This is corroborated by Shicks (2011) who points out that one-third of borrowers of microfinance institutions struggle to repay their loans.

Sachs (2009) asserts that microfinance may not be appropriate in every situation in relation to poverty alleviation and empowerment. Sachs (2009) explains that the poor governance infrastructure, dispersed population in the rural areas and gender inequalities hinder the potential benefits of microfinance in Africa.

Adams (2010) notes that credit alone cannot serve MFIs' clients and take them out of poverty. Afrane (2002) also argues that although microfinance has the potential to improve the conditions of clients, it also can create disturbing impacts and hence the need for counteracting measures to curtail the negative impacts in the design of credit programmes.

Finally, Snow and Buss (2001) study microfinance programs in sub-Saharan Africa and conclude that better goal-oriented assessment is needed to determine if microfinance is an effective policy for poverty alleviation. It is important to note that there is no one single solution to global poverty. The solution must include a broad array of empowering interventions and microfinance. In the words of Professor Mohammad Yunus (2003), once mentioned that "Micro-credit is not a miracle cure that can eliminate poverty in one fell swoop. But it can end poverty for many and reduce its severity for others. Microcredit as a poverty alleviation tool would be more effective when combined with other innovative programmes that unleash people's potential, make them more productive.

2.10 Gender Poverty

Although women and men share numerous of the afflictions of poverty, the two often experience poverty in a different way, they both have different poverty lessening significance and are affected in a different way by development of mediations (Moheyuddin, 2005). These gender differences are inadequately captured in conventional poverty examination, designs and monitoring schemes (Liu, 2000). This insufficiency declines the probabilities of accomplishment of poverty lessening interventions (Zuckerman, 2002). Thus fundamentally why gender poverty still remains a problem.

According to International Labour Organisation's (2003), predicted that of approximately 1.2 billion people who live in absolute poverty in the world, the majority of them are women. Conventionally, they have to manage the family with fundamentally nothing to cope with. It means that if one has to starve in the family, it is going to be the mother. In words of Dr. Yunus, a gender poverty activist, "a mother has to go through the traumatic experience of not being able to feed her children during the days of famine and scarcity". Yunus declaration approves Moheyuddin's (2005) statement that, although women and men share many of the encumbrances of poverty, they often experience poverty in a different way, have different poverty lessening significances and are affected by growth interventions. Addressing Oxfam's national conference in 1985, Sithembiso Nyoni of Zimbabwe, one of Oxfam's most experienced associates in Africa reminded the audience that Britain did not overcome its Dickensian poverty of the nineteenth century by a magnitude of development projects (ADB, 2005). She pointed out that European poverty was controlled by both social and economic modification. This then calls for modifications in poor countries for a contraction of the gap between the rich and poor, the powerful and the powerless, and more significantly between women and men. According to Synder and Tadesse (1997), development objectives cannot be entirely reached with majority of poor being women. For these reasons countries that initiate programs that are geared towards gender poverty lessening is likely to bring growth and development to her nation. Women and development is thus a universal perception where one cannot be attained without the accomplishment of the other.

Clark (1986) asserted that other poverty lessening strategies stressed only listens to the poor, but which is scarcely put into practice. This is because the interventions of gender poverty lessening are hardly instigated to its fullest. According to Clark, what explanations for this is a classic mistake of development often assuming that the poor live in nuclear families and that to profit the male head of the household is to benefit all the members of the household. These are groups of individuals not only helpless but do not work to generate any earnings to increase the capital needed in home running. World Bank (1997) noted that a development approach that undertakes the household as the unit of development also not recognized that more than one-third of all households are headed by women regardless of their poor circumstances. They are responsible for the upkeep of their dependent relatives who are for the most part, children, sick, aged and even men in the society. The UNDP (1997) Human Development Report points out that, the feminisation of poverty is not so much about the number of women poorer than men but rather the harshness of poverty and the greater destitutions women face in lifting themselves and their children out of poverty. Siem (2003) agreed with the World Bank (2002) report on gender poverty that many countries need urgent solution to gender poverty as leads to reduction of child work.

Poverty in women affects all areas of their livelihood but mostly their socioeconomic status. According to Carr et al (1996), poverty is particularly destructive to women's health, especially their reproductive and sexual health; women's health problems are considered less important than other family priorities; girls may be sold into prostitution; and mothers sometimes are forced to sell their bodies just to be able to feed their children. UNFPA (2000) report showed that the benefits of a women's control over her economic and reproductive life reinforce each other. This means when poor women are enrolled in economic activities there may be several hidden benefits apart from increase in women work and reduction of people that suffer from hunger. Some of these hidden benefits could be adequate child care and education, reductions in health rocks themselves and the larger family. In other words gender poverty contributes to high gender rights abuses, child abuse and work, low children education and more to learn but few. Access to financial services is therefore increasingly considered a gender human rights issue as the benefits of vast (ILO, 2004). This statement is supported by Network for Women's Rights in Ghana (NET RIGHT) (2004) who explained that poverty infringes on human rights of poor women. They indicated reducing gender poverty is about observing their human rights.

Universal Declaration of Human Rights also noted, in following concepts which are taken from the Convention on the "Elimination of All Forms of Discrimination Against Women", the "Universal Declaration of Human Rights", the "International Covenant on Economic, Social and Cultural Rights", the Convention on the Elimination of All Forms of Racial Discrimination", and the "Convention on the Rights of the Child".

> *Everyone... is entitled to the realisation ...of the economic, social and cultural rights indispensable for his dignity... Everyone has the right to work... Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services... Everyone has the right to education...(Universal Declaration of Human Rights; Article 22, 23, 25 ,and 26,; UN report on the fifty-eight session of the General Assembly; item 100 of the Provisional Agenda, 1997-2006).*

> *States Parties ... recognise the right to work to the enjoyment of just and favorable conditions of work which ensures fair wages and equal remuneration for work of equal value without distinction of any kind... a decent living for themselves and their families... the right of everyone to social security, including social insurance... the right of every one to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions... the fundamental right of everyone to be free from hunger to the highest attainable standard of physical and mental health... to education-(*Universal Declaration of Human Rights; Articles 6,7,9,11,12,13 ; UN report on the fifty-eight session of the General Assembly; item 100 of the Provisional Agenda, 1997-2006).

The above statement is an indication that poverty in all forms is unaccountable and there is therefore the need for it to be eradicated. There is still a long way to go making gender poverty reduction a core issue, however gender poverty remains at unacceptable levels and progress has been uneven across Africa, Asia and parts of Latin America.

According to Yunus (2008), one way forward to gender poverty reduction is to ensure that poor women are enrolled in regular employment to enable them first attend to their immediate pressing basic needs. It is also possible that when job opportunities are available and accessed by poor women, any other poverty reduction strategy such as free education, feeding and giving out uniforms and other education materials for their children could work out efficiently well in the country.

2.11 Microfinance for Women

Before 1960, microfinance schemes for poor women were almost meaningless. The insistence by women-oriented studies spotlighted due to the difficulty women go through in accessing microfinance. From the adoption and the implementation of microfinance schemes, several researchers (Norman, 1997; Mayoux, 1997, Women's World Banking, 1996) interrogated whether microfinance is capable of reducing poverty among women.

The microcredit uprising started among poor women in Bangladesh in 1970s (Moheyuddin, 2005). Watkins (1995) asserted that the insurgency had it root in the gratitude that the poor people need credit and more importantly they could use loans prolific and responsibly. According Latifee (2003), microfinance refers to programs that are poverty concentrated and that provide financial and business services to very poor persons for the age bracket of self-employment and income. Finance is an influential apparatus to fight poverty. To Yunus (1998), micro financing is the extension of very small loans (microloans) to the unemployed, to poor tycoons and to others living in poverty that are not considered bank able. (Zuckerman, 2002), noted that the people who pirate from microfinance schemes do not have collateral and have very little financial elasticity, so normal banks regard them as too high a credit danger.

These individuals lack guarantee, steady employment and provable credit history and therefore cannot be given the slight credentials to gain contact to traditional finance. Phrang (2004) declared that, it showed that the world was wrong in trusting that poverty and lack of collateral meant that poor people were no credit laudable. Bucklay (1997) is also if the view that, how microfinance agendas influenced on the lives of the poor, can be discovered from the impact studies of Gameen Bank (GB), its partners and others who are poverty engrossed. Siem (2003) reiterated that finance programs unambiguously perused women because they are more compelled than men. Also, women have limited access to wage labour market and have unbalanced portion of power in decision making. According to Bamberger et al (2002), women who were given equivalent access to loans have raised their rank.

The Beijing Platform for Action strategy that was accepted in 1995 was key event in manipulating governments to guarantee women and men have equal access to rights, responsibilities and chances in all areas of life, including monitory activities as those are areas they needed. In a report presented by the secretary general during United Nations General Assembly on the 18th December, 1997, he stated that there was rising acknowledgement of permitting all people especially poor women by growing their access to all the features of making most importantly credit services. The practice became imaginable due to the absence or presence of few profitable banks to supply for deprived people in the various societies. It is in this light that the US First Lady, Hillary Rodham Clinton, a gender futurist individually acclaimed the microfinance program notion. During the fourth international conference on women held in Beijing in 1995, the conference account stated that she lawfully learnt her backing to the promotion of the microfinance scheme. Adding to what she said during the Forth conference on women, Mrs. Clinton again fluttered the program during the

Micro Finance Summit in the United Nations (UN General Assembly Special Section on women in June 5, 2000, New York). She enlightened that the scheme made available soft finances for small trades, which helps elevate the lives of millions of poor people all over the world. She added that, "the program does not only goes at 100 million of the world's poorest relations, but to the poor women and their families who cannot entrée any form of credit to finance self-businesses. The UN Reports (1997-2006), reported that Mrs. Clinton a microfinance advocate, explained microfinance to be:

> *Although it is called micro credits, this is a macro idea… with vast potential whether we are talking about a rural area in south Asia or an inner city in the United States, micro credits is an invaluable tool in alleviating poverty, promoting self-sufficiency and stimulating economic activity in some of the world's most destitute and disadvantaged communities pg. 2.*

The then Secretary General of the U.N., Kofi Annan, who was present at the conference enhanced his voice and said microfinance is a wise asset in human wealth as they become economic players with power, power to improve not only their lives but in a widening circle of impact, the lives of the families, their societies and actions". (The U.N. report, 2000).

A study by the International Fund for Agricultural Development (IFAD, 1991) completed that the lack of profitable banks has led to none-conventional forms of loaning. Other reports (ILO, 2001 World Bank, 1996, WWB 1996) cited the fact that commercial lenders in rural areas prefer to deal mainly with larger scale traders who are few where the impact on poverty reduction among women is nominal. It is in that framework that microfinance has recently expected a certain degree of importance. It is based on the recognition that the latent capacity of poor people as well as poor women would be acknowledged with the availability of small- scale loans. In its report on it survey findings the Special Unit on Micro Crediting of the United Nations Capital Development Fund (UNCDF) explained that women's success benefits more than one person. Several institutions established the world-documented detail that women are more likely than men to employ their incomes on domestic and family desires. Assisting women therefore produces a multiplier effect that expands the impact of the organisations actions.

During the microfinance summit crusade which was installed in 1997, the World Bank (2001), United Nations Development Program (1997) and other contributors discussed how advantageous the program was. According to them the definitive aim is profitable and fully self-supporting in rivalry with other private segment, banking institutions and efficient raising funds makes it possible by creating more occupation, opportunities for the financial sector through variation over reliance on contributor agencies though spinning the initial capital setup. Financial sustainability is, therefore necessary and required from both donors and recipients through good financial management, business, guidance and investment.

According to ILO (2003), it allows the recipients to be more independent, creates employment opportunities and or at least engage women in lucrative doings through informal and small scale lending. Goetez and Sengupta (1996) made known that microfinance programs provide the rural inhabitants with access to finance such as savings. This helps in mitigating against economic variations and also encourages a joint and commenting belongings among the groups formed. In Ghana, for example, the members of the groups formed provide combined collateral and serve as tool for carrying useful economic facts to the others for the development of the group. Their activities through to the superior extent benefit the poor in the casual sector and reduce the risk factors such as go between (known as collectors) sometimes escaping with the contributions made. However, the recipient do not benefit from any exercise from their management and worse, the passing of a contributor leads to total loss of monies donated. Such services providers also lack the secretarial experience so services are limited to certain groups within the community (Taneja, 2009).

In a media release by the International Fund for Agricultural Development (IFAD, 1991) on the theme "Poverty Reduction Strategy in the New Millennium: Emerging Issues, Experiences and Lessons" in May, 2006 it stated that poverty lessening through micro credit schemes all over the evolving kingdoms has been important because the credits were categorized by comparatively small loans, especially few hundred dollars at most with reimbursement period also relatively little for about six months to a year.

Women as the major recipients indulged in various events and the endpoint of the funds mostly include agriculture, trading, small craft and local processing industries (Latifee, 2003). It stated that, "in just twenty years, millions of the world's poor have been lifted out of poverty particularly women". Miller (2003) asserted that microcredit is increasingly ahead commendable in the ordinary finance industry and lightening many poor beneficiaries from the present position because it has successfully extremely deprived people to engage in self-employment plans that allow them to produce an income and in, many cases initiate to build riches and exodus poverty.

According to Mosley (1998), microfinance is an inventive banking where it has effectively enabled extremely impoverished people to participate in self-employment development that allow them to produce an income and create contrast with wealth and exit scarcity. The source of microfinance crusade in the world today is usually accredited to the work of Muhamad Yunus Grameen Bank (Jolis, 1996). Dr. Yunus, a Bangladesh economist who developed the notion due to the economic as well other public and governmental pressures challenging poor women in the country as a means of lessening their poverty and refining the life's of the lack women that he termed "the worse vulnerable and voiceless". The program provides the unfortunate, mainly women with minor loans that they use to launch business and boost their families out of scarcity. Most women in the past rely on informal banking services such as "susu "collectors, semi-formal example NGOs and community based groups. The women use countryside styles that are group loaning to ensure joint liabilities for security of loans. The practices they see as cost lucrative because they do not have to travel nor need guarantee to access loans. Mayoux (1997) clarified that microcredit to be a poverty easing tool with the power of tackling both poverty mitigation and women's empowerment especially in circumstances where women have little or no access to official investment services, due to its accomplishment, the many in the traditional banking industry have begun, thus, the period for accessing the loans becomes a major factor adding credit to microfinance program.

According Phrang (2004), poverty reduction using microcredit draws poor women into commercial economic activities for the first time. That is why microfinance revolution started among poor women. Microcredit programs although targeted the poor as beneficiaries are not only provided in poor countries. Cheryl (2001) pointed out that the world's richest countries, the USA, where 37 million people (12.6%) live below the poverty line, among other organisations provided microloans in the US. During the World Summit for Social Development, held in Copenhagen in March 1995, the significance of improving access to credit for small rural and urban producers, landlers farmers and other poor people with low or no income, with special attention to the needs of women and deprived and vulnerable group was underlined (Katepa, 1999).

According to ILO (2004), the U.N distinguishes that microfinance agenda frees poor people from bondage of poverty leading to increasing their participation in the mainstream economic process. Here, attention is rendered to close the gab (economic and social) created between men and women in accessing credits. Evidence also suggest that the credit given to those women have harvested high value in terms of welfare profits. Feuerstein (1997) declared that poor women upon receiving the credit go in the informal sector and engage in non-farm activities. It is in this light that the study seeks to inspect whether these recognitions are able to empower the women economically and socially to be able to meet their internal welfare needs such as purchasing kerosene, food ingredients, paying children's school fees. Their ability to meet their gender needs empower them to be able to take part in the domestic decision-making process.

Carr et al (1996) asserted that micro credit programs have also, in many cases, increases flexible and supported systems among women who were previously confined to the home. Debtors build solidarity through their participation in loaning circle and village organisation. This is especially significant in Bangladesh, for example, where women's flexibility is controlled and weekly meetings can be a chance for women to meet outside the home and discuss their difficulties. There are also studies that propose even more far reaching social influence, including reductions in fruitfulness rate, assumed to be linked to increase financial self-reliance (Lycette & White, 1994) and more so women in family matters including family finances (Morduch, 1999).

Chester (2002) stated that in micro financing, they lend small amounts of money overtime periods predictably about three months to a year to people who are too poor to acquire credit for the normal banks. They are founded in communities even though they may be part of a larger network of Microfinance organisations in diverse local communities. To qualify for loan, debtor must produce a plan for a commercial business that she will set up or intend to use the loans that will produce profit to pay back the loan. The loan is “stepped” larger and longer to debtors who have given evidence of their financial dependability within the scheme by repaying an initial loan. Microfinance program has come to play a major role in disagreement over time. By giving women access to working capital and training, microfinance helps mobilise women’s creative volume to alleviate and maximise economic output. In this case, women’s rights to financial services, development aid, and equal rights rests primarily on their potential contribution to society rather than on their fundamental rights as human beings and members of that society. Many microfinance organisations encourage unceremonious support by holding regular meetings for borrowers to discuss common challenges, to pull their expertise and to forge solidarity.

Siem (2003) clarified further that the success of microcredits runs profounder than program expansion and cost retrieval. It is the manifestation of a paradigm shift in microfinance, defeating the notion that the economically disadvantaged established a poor risk and are not credit wealthy. It is in this direction that International Donors, government, scholars and other development expects have paid much attention to micro crediting as a strategy capable of reaching women and involving them in the development process.

When men use loans given to women, the status of the women in the household and society is sometimes enhanced and they seem to have increased access to food, new cloths and health care than without loan option (Gotez & Sengupta, 1996). Moving alone and of itself does not signal loss of power for women. Different studies indicate that women retain full and important control on loans in 37% - 77% of cases in Bangladesh which is imposing in Islamic rural areas (Gotez & Sengupta, 1996; Rahman, 1999). Another important access that could ensure success of microfinance program is loan control. Loan control seems to vary in most cases according to the size of the loan, the greater the control by female lenders.

Furthermore it seems that control is also related to the activity in which the loan is invested. If the investment is in an area that is considered type activity then she will have greater control. Finally, control seems to show a relation to the size and profitability of the business of the beneficiary. One major advantage of microfinance is its adoption by key global institutions and actors as a targeted strategy for grass roots poverty reduction (Watkins, 1995). These institutions and actors include the World Bank, the International Monitory fund (IMF), Regional Development Banks, Bilateral Development Agencies and a broad spectrum of the NGO society. Microfinance has also been suggested by the International Labour Organisation (ILO) as a strategy to minimise “income insecurity” (ILO world employment report, 2001). Microfinance figures as an approach to poverty reduction in the IMF (2005) coordinated initiative, the Poverty Reduction Strategy P,apers (PRSP). Microfinance can thus be also seem to be linked to the enhanced Heavily Indebted Poor country (HIPC) enterprise.

Institutional appropriation is underpinned and genuine by the public discourses on its “virtuous” impact at the local level: it is claimed not only to empower the poor and poor women in particular but is presented as an alternative “local” approach that would result in self-sufficiency, rather than reliance. According to WB (2000), the growth and development of microfinance programs over the last 25 years has been remarkable and be indented much to the success of a relatively few microfinance programs and their increasing scale. Most countries especially those of Asia and Africa countries adopted the program to help the region eradicate poverty (Ansoglenang, 2006). As the role of microfinance in reducing poverty is now renowned all over the world. It is no longer the subject of microfinance consultant alone. Government, donors, development agencies, banks, universities, consultant’s philanthropist and others have increasing interest in it. Bamberger et al (2001) in his study of a “Full understanding of Gender Poverty” noted that gender poverty reduction requires evaluation of policies put in place as to how these policies affect each individual beneficiary of these programs. He further noted that looking at the number of people who benefited will only shift the attention of the investors as to how these programs affected each life.

There is also an increasing large body of indication which shows that microfinance can have impacts on gender poverty reduction. Perhaps the most important thing is to find out if the program could help in achieving the objectives as broadcasted by the supporters. This way, the impacts of microfinance system on the poor women will reveal.

2.12 Conceptual Review

The conceptual framework for this study is the Little Opportunity Circle and Improving Opportunity circle. The ideal if the Little Opportunity Circle was adopted, changed and renamed Improving opportunity Circle by this researcher as an initial step in reflecting the role of microfinance in extending the output of poor women in Ablekuma South Sub metro in Greater Accra Region

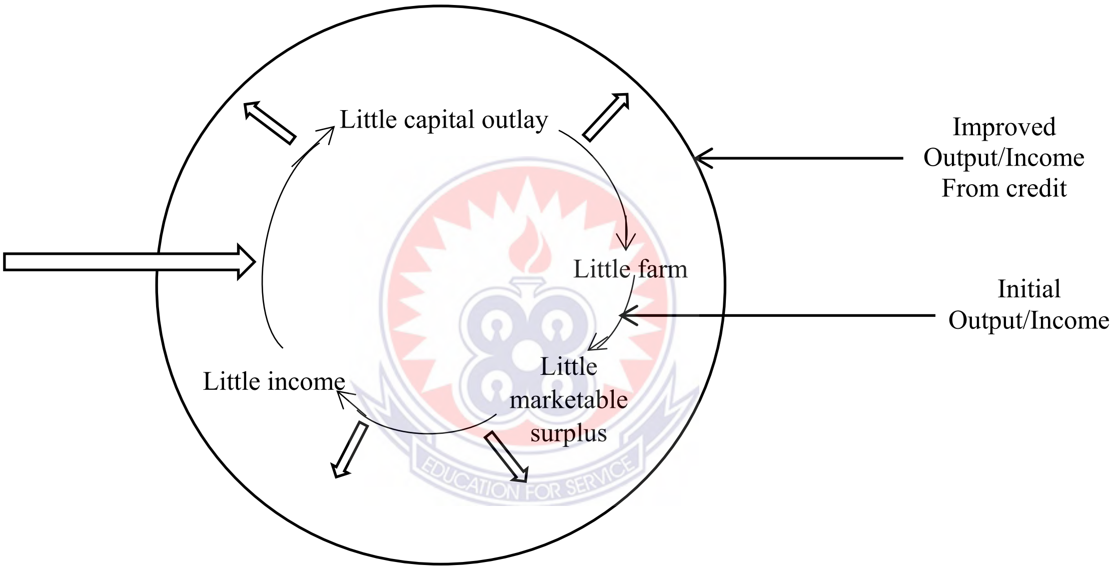

Figure 2.1: Improving Opportunities Cycle

The Improved Opportunity is a modification of Owusu Acheampongs Little Opportunity Circle cited by Ardayfio-Schandof et al (1995). From figure 2.1 the inner circle shows the initial final product and income performance effect of the poor women (as cited by Ardayfio-Schandof et al (1995). The market women had small capital outlay which resulted in small business and small yield. Incomes remain small and the cycle continued reoccurring itself. For this reason it was called the little opportunity circle. With microfinance insertion for investment, business sizes are expected to step-up, outputs will become greater and incomes will multiplied. This is showed by the bigger outer circle. Increase in the size of subsequent loans is likely to further lead to increase in the output of the market women. Accordingly, the first inner circle will expand outwards. This stresses the principle that with the insertion of microfinance, the poor women will create greater wealth than previously. Microfiche should, therefore be important in economically empowering the women and reducing poverty in their lives. In so doing, the vicious cycle of poverty can become a pure circle – more credit, more investment, more output and more income. This situation becomes more unchangeable and further improved when practised from the perspective of Sustainable Livelihood Framework (SLF). Understanding the livelihoods of the poor as stated by DFID (1999) is an improved tool by SLF. The concept is relevant because, in every economy, the availability of credit is very important. In Ghana money, incomes and average holdings are very small. Saving and investing is a real problem. Microfinance schemes therefore becomes very relevant and significant.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter outlines the methodology of the study. It explains the research design, sources of data, population, sample and sampling techniques used in the study. It also describes the data collection instruments, the validity and reliability of the instrument, the data collection procedures and the method of data analyses.

3.1 Profile of Ablekuma South Sub-Metro

Ablekuma South is one of the eleven (11) Sub-Metropolitan Assemblies of Accra Metropolitan Assembly. It is bounded on the east by the Odododiodio constituency, on the west by Weija constituency, on the south by the Gulf of Guinea (sea) and on the north by Ablekuma Central and North constituencies. Ablekuma South Sub-Metro has eight (8) suburbs with a population of 251,000. The eight suburbs are Gbenu, Mampong Okai, Mamprobi, Korle Gonno, Korle Bu, Chorkor, Mamsralor and New Mamprobi. The study was carried out in Korle Gonno. Korle Gonno is an urban community with the predominant ethnic group being the Gas followed by the Akans and Ewes. It is bounded in the north by the Guggisberg Avenue (road) which separates it from Korle Bu. To the south it is bounded by the Gulf of Guinea (sea). It shares boundary to the west with Mamprobi, demarcated by the Eduardo Mohdlanor road. To the east, it is separated from the Korle Lagoon by the extension of the Ring Road West.

Korle Gonno has a total population of about 27,826 with a slight male preponderance. There are 14,426 males forming 51.8 % of the population and 13,400 (48.2%) females. The population of men of 18years and above is 11,615. The predominant occupations of the people are fishing, trading and civil service. There are a few private health facilities in the community with no Government hospital in Korle Gonno itself. The community is however very close to and patronise the Korle Bu Polyclinic and the Mamprobi Polyclinic which are all Government health facilities within the district. The Korle Bu Teaching Hospital which is a referral center is also close by. Below is the map showing the study area

Figure 1: MAP OF ABLEKUMA SOUTH DISTRICT

Source: Ablekuma South Sub Metro

3.2 Research Design

Research design is a systematic and orderly approach taken towards the collection and analyses of data to make meaningful information out of it (Zikmund, 2003; Jankowics, 2005). It is the plan and structure of investigation conceived to obtain an answer to the research problem. Research design is seen as a plan for conducting research which usually includes specification of the variables to be examined and the procedures to be used (Sparrow, 1998) cited in Arthur (2012). Arthur (2011) holds the view that research design indicates the overall plan the researcher uses to collect data in order to answer the research questions including the specific technique he would use to analyse the data. She emphasizes that it spells out the basic strategies to be adopted to collect valid information and how they will be interpreted. Research design is concerned with the method or plan for conducting the research.

The term research design is used to describe a number of decisions which need to be taken regarding the collection of data even before embarking upon the data collection process (Nwana, 1981). Cooper and Schindler (2000) refer to the research design simply as "the plan and structure of investigation so conceived as to obtain answers to research questions". Research designs are therefore plans and procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis (Creswell, 2009) Research design thus constitutes the blue print for the collection, measurement and analysis of data.

The current study adopted a survey research design where responses and perceptions held by the respondents were studied. The survey approach was deemed appropriate because of its inherent benefits. As argued by Mitchell and Jolley (2004), the use of survey leads to obtaining ample information on a sample in a short period of time. Bradburn and Sudman (1998) also argue that survey is part of a person's life experience and the most commonly used method of data collection. In a related fashion, Saunders, Lewis and Thornhill (1997) observe that, survey approach to research design allows the collection of a large amount of data from a sizeable population in a highly economical way. According to Collis and Hussey (2003), surveys attempt to eliminate as much as possible the researcher's influence on the research.

3.3 Population

A population is the total number of people or things from which the sample is selected (Bryman & Bell, 2003). Parahoo (1997) defines population as the total number of units such as individuals, artifacts, events or organizations from which data can be collected. Similarly, Burns and Grove (2003) describe population as all the elements that meet the criteria for inclusion in a study. In this study, the population is defined to be all market women traders at the Ablekuma South Sub-Metro of the Greater Accra region.

3.4 Sample and Sampling Technique

Sampling is a means of selecting a subset of units from a population for the purpose of collecting information for those units to draw inferences about the population as a whole (Thompson, 1992). The sample is the section of the population used for the study (Bryman & Bell, 2003). The purposive sampling technique was employed to select a sample of 15 women engaged in trading in the Ablekuma South Sub Metro of the Greater Accra Region. Fraenkel and Wallen (2003) are of the view that purposive sampling is chosen when a researcher believes that the sample possess the necessary information about the topic at stake.

3.5 Research Instruments

According to Parahoo (1997), a research instrument is a tool used to collect data. Various research instruments are available. These include questionnaires, observations and checklists amongst others. However, the research instrument used for this study is a structured interview guide. Dessler (2014) describes an interview as a procedure designed to obtain information from a person's oral response to oral inquiries. Also, Amunuzzaman (2012) describes interview as a very systematic method by which a person enters deeply into the life of even a stranger and can bring out needed information and data for the research purpose. It is a systematic oral technique for obtaining data, directly from an individual. It is a conversation between two or more people, through which information is collected on a particular subject. The study adopted interview which involves a well-structured questions to serve as a guide for the interview. This means that the respondents were asked similar questions. Just like a questionnaire, interview is a widely-used instrument for collecting survey information, providing structured, often numerical data and able to be administered by the researcher, and often straightforward to analyze (Cohen, 2005).

Denscombe (2007) points out that interviews are more suitable method of data collection when a researcher needs to gain insights into things like people's opinions, feelings, emotions and experiences. The semi–structured interview was adopted because by their nature, interviewees are allowed to develop their ideas and speak more widely on the issues raised by the interviewer (Denscombe, 2007). The interviews were face–to–face interviews. Thus, it involved a meeting between the researcher and the respondents. This format makes it relatively easy to control and also transcribing and recording becomes relatively easy (Denscombe, 2007).

The interview guide used for the interview had an introductory front page stating the purpose of the interview and assuring interviewees of confidentiality and anonymity. It also had three sections. The first section had to do with the demographic profile of respondents. The second section dealt with women awareness of microfinance products and services while the final section captured women access to micro–loans. The interview in each case lasted between 20 and 30 minutes. The interviews were auto–taped, transcribed and transcription excerpts quoted to support analysis and interpretation. In all, the interview guide contained thirteen (13) items.

3.6 Methods of Data Collection

The researcher made use of interview guide to collect data for the study. Self-administered interviews were used. The interviews were conducted personally by the researcher. The researcher moved from one respondent to another until the required number of respondents needed for the study was successfully attained. The justification for using this instrument was that interviews are easy to quantify and analyse. The self-administered interviews helped to eradicate response error since respondent could consult personal records. The response rates for interviewer-assisted methods are often higher compared to questionnaires. However, a major disadvantage is that it is not good for sensitive questions because the questions are answered at the presence of the researcher. No follow-ups may be required to improve the response rate as applied to questionnaires.

3.7 Method of Data Analyses

Data analyses involve summarising the data and interpreting their meaning in a way that provides clear answers to the research questions. Data collected were checked to ensure regularity and accuracy; this was useful in ensuring that the objectives of the study were being addressed. Data collected were auto-taped, transcribed and analysed qualitatively so as to find answers to the research questions raised in the study.

3.8 Validity and Reliability of Instruments

Validity according to Kankam and Weiler (2010) refers to the degree to which an instrument accurately measures what it intended to measure. In establishing the validity of the instrument, a copy of the interview guide was given to the supervisor to find out whether the instruments measured what they were meant to measure and also checked on the phrasing, understandability and wording of the statements. The supervisor also cross checked the interview items for consistency, relevancy, clarity and ambiguity. This was done before the interview guides were administered to participants.

Hackman (2002) cited in Seidu (2012) views reliability as the extent to which data are consistent, accurate and precise. It is also the extent to which a research instrument produces consistent results when administered under similar conditions. Reliability is a measure of the degree to which a research instrument yields consistent results (Amin, 2005, Saunders, Lewis & Thornhill, 2007). In this study, the reliability of the interview was done by carrying out a pretest of the interview on 10 respondents

3.9 Ethical Issues

Bell (2005) intimates that research ethics is about being clear about the nature of agreement a researcher has entered into with the research participants or contacts. To Bell, ethical research involves getting the informed consent of the participants to be interviewed, questioned and observed or take materials from. It also involves reaching agreement about the uses to which the data collected will be put. Creswell (2009) opines that ethical practices in research involves much more than merely following a set of static guidelines, such as those provided by educational and professional associations. Creswell suggests that researchers need to protect their research participants, guard against misconduct and impropriety that might reflect on their organisations or institutions and promote the integrity of research.

At the onset of the data collection, the researcher sought permission from the individual traders to engage them in this research. The researcher formally introduced herself to the traders and confirmed her identity by showing them her student's identification card. The purpose of the study was revealed to the prospective respondents. The researcher then booked an appointment with them for the interview. This was done to ensure that the traders would cooperate fully with her and to brief them on the area of the research. In addition, each interview guide contained an opening statement requesting for the respondents assistance in providing the required information for the study. The respondents were further assured of confidentiality of the information provided and that the study's findings were to be used for academic purposes only. Respondents were further assured of their personal protection and that they had authority to refuse or accept to be interviewed.

CHAPTER FOUR

PRESENTATION OF RESULTS AND DISCUSSION OF FINDINGS

4.0 Overview

Poverty is a problem to the developing world. It is estimated that 22 per cent of the population of the developing world live below $1.25 a day (World Bank, 2012). Poverty is quite prevalent in several parts of Ghana. Many of the people living in the poverty endemic areas of Ghana lack the basic necessities in life such as food, education, infrastructure and financial services among others. To this end, strategic initiatives have been adopted by international agencies like the UN and Governments of many nations to combat poverty. The millennium development goals and Ghana Poverty Reduction Strategy (GPRS I) are some of the interventions aimed at eradicating extreme poverty. The principle underlying these interventions is to ensure that the poor have access to basic amenities and essential services in life including financial services of which mainstream banks ignore the poor. Women are more affected by the lack of credit access from mainstream banks particularly in Africa. In Africa, laws on inheritance of property favour men than women and hence women often lack 'collateral and tangibility' to pledge for loans from mainstream banks (Buvinic*et al*., 1979). As a result many forms of informal financing options are available for women. These include but not limited to voluntary savings associations (popularly known as susu in Ghana), Self Help Groups and rotating savings and associations amongst others. Though these interventions have contributed in their own small way to alleviating poverty, they are mostly found to be unsustainable.

The concept of microfinance has therefore become an important poverty alleviating tool in many parts of the world. According to Khandker (2005), microfinance reduces poverty by increasing individual and household income levels thereby improving the standard of living of the poor. In a related fashion, Morduch (1998) asserts that microfinance programs increase access to healthcare, making preventative healthcare measures more affordable to the poor. In the Ablekuma South Municipality there has been a proliferation of microfinance institutions in recent times performing their various roles to deal with poverty reduction. The extent to which they contribute to poverty reduction is quite important in this discourse.

The question is to what extent microfinance has helped the women traders in Ablekuma South at the family group and individual levels? How can the programme be evolved to assist the down trodden? In order to find answers to these questions, four (4) research questions were formulated. Data were collected, hence their analysis and discussions in this chapter.

4.1 Summary of Demographic Characteristics of Respondents

Summary of demographic characteristics is presented in Tables 4.1 and 4.2 . Thirteen point three percent of respondents had no formal education, thirty three point three percent each were educated to basic school and middle school levels. Those educated to Senior High School/Secondary school level constituted twenty percent. However, none of the respondents were educated to the tertiary level. This is not surprising as those with tertiary education may be engaged in 'white colour' jobs elsewhere in the Ghanaian economy. Nonetheless, the results depicts that most of the market women have some form of formal education.

Table 4.1 Demographic Characteristics of Market Women (Education)

		Total = 15	Valid percent
Education	No formal education	2	13.3
	Basic/primary school	5	33.3
	Middle school	5	33.3
	Senior high/ Secondary school	3	20.0

From the table 4.1 above, it can be seen that two women representing thirteen point three percent do not have any form of education. Also five women representing thirty three percent are in Basic/primary school. Furthermore, five women representing 33.3 % are in Middle school. Lastly three women representing twenty percent had Secondary School education.

Table 4.2 Demographic Characteristics of Market Women (Marital Status)

		Total = 15	Valid Percent
Marital Status	Married	8	53.3
	Never married	1	6.7
	Divorced	2	13.3
	Separated	1	6.7
	Widowed	3	20.0

Source: Field data, 2016

Table 4.2 above shows that eight women representing fifty three point three percent are married, secondly one woman representing six point seven percent had never being married. Again two women representing thirteen point three percent are divorced. Furthermore, one woman was separated from her husband. Finally 3 women representing twenty percent were widowed.

In terms of age, the average age of respondents was recorded as forty three years.

Table 4.3: summary statistics of age of respondents

	Age
Minimum	28
Maximum	57
Mean	43.4667
Std. Deviation	8.95917

Source: Field data, 2016

From the above the minimum age of a poor market women is 28 years whiles the maximum age was 57 years. The mean for their ages would be 43.4667 and it would have a standard deviation of 8.95917.

Research Question 1:

What is the level of awareness of market women in Ablekuma South on the role of microfinance?

The study investigated how beneficiaries got to know about the programme. Jegede (1995) acknowledged that the source of information has relationship with people's understanding of issues. There is therefore the tendency that the participants' source of information on the scheme may affect their knowledge perceptions of the scheme. Nine out of the fifteen respondents interviewed settled on assembly members, three of the respondents also mentioned that they were introduced to the programme by relatives, with another three also saying they had the information through friends.

One of the participants had the following to say;

Nana, a participants said:

One of the officers in charge of the programme told me I had the credit because of the friend who introduced me. According to him, that friend once benefited and repaid her loan promptly. She also took me through the process because it was my first time. She knows the people and even the procedures already so it was not difficult for me at all. Madam, do you know other applicants have to go to the office and wait till they get someone who knows them and vice versa. Anyway, I was there only five times and was lucky and met my friend. I think something should be done about it or don't you think same.[sic] September 17, 2016.

The above statement indicates that none of the participants benefited from the scheme without a guarantor. According to the participants, the guarantors were people who had some knowledge on the scheme, such as formal beneficiaries and assembly members who also doubled as educators of the participants on the programme. This finding is in agreement with ILO's (1996) assertion that most microfinance lending to female beneficiaries must often use "collateral substitutes" to overcome their lack of traditional collateral, such as properties, equipment or capital which are conventional instruments used to ensure repayment. Consequently, applicants without guarantors do not benefit from the scheme. In effect, the microfinance scheme was not accessible to all poor women as only few popular poor women could access the credits. This finding contradicts Yunus' (1998) assertion that microfinance beneficiaries do not need collaterals to benefit from the scheme. The purpose and objective of micro credit programme as a poverty reduction strategy for the poor people may be defeated with the use of this condition.

The researcher's overriding concern was that the adoption of this approach as a necessary condition to qualify as a beneficiary. However, a study carried out by Ebdon (1995) on some micro credit women beneficiaries revealed that those who used collaterals. This informed the researcher to investigate further from the respondents whether the use of guarantors was a strategy adopted by the service providers to cut down the number of applicants. But none of the participants had any knowledge to that effect but suggested that the service providers were the best people to know. For the service providers, the entire participants agreed that only poor women that were ready to take the risk go through all the process to access the credits. It was clear to the respondents that micro credit involved risk taking. This disagrees with Brown's (1986) assertion that poor women are not capable of taking risk and so are not credit worthy.

The study revealed that the respondent's guarantors were responsible for educating and monitoring the beneficiaries as well. Ten out of the fifteen respondents explained that the education they had from their educators was helpful. However, the other five, although were in favor with their visits affected them so much.

One of the participants explained that the experience she had prior to accessing the credit guided her on the usage although she did encounter some difficulties. To her, the education though not enough, helped her to some extent in deciding on the choice of the economic activity that is trading in vegetables. According to the participants trading with the credits was a better option than other economic activities such as farming, extraction, etc. There is ready market, hence the possibility of their business to yield faster and higher profits.

Sister Oforiwaa, a participant, explained:

My friend who guaranteed for me fortunately was a beneficiary so she explained how her trading activity helped her. Honestly, I was enticed to choose selling of vegetables after her advice although I wanted to go into gari processing. She advised me also to join a susu group that can help me save money on a daily basis which I can use to repay the loan at the end of every month. What she told me actually helped me to some extent although I encountered some difficulties in the earlier stages. [sic]September 18, 2016.

The study revealed that some of the information the participants had through the education from their guarantors guided them to some extent in developing and adoption of strategies and regarding the management of the credit in their business and repayments. Six participants said the education helped them invest the credit in their trading businesses and also work to make enough sales and profit as that can help them repay the credit on time. It is clear from the participants' knowledge and perception about the credit as vital in the use of credit as a reduction strategy. This finding is in line with Khanders (1998) perception that's the poor's knowledge about microfinance facilities influences their perception and the utilization of the credit facility to achieve good results. To Khander, beneficiary's knowledge about the scheme turns to help use the credit better. Mayoux (1997) also confirmed that several studies reveal that the beneficiaries who have little or no knowledge about the credits turn to use the credit for any other purpose rather than the actual purpose for which it was given out.

Maame Esi said:

> *Madam, before I applied for the credits, I heard it was Kuffours money (government), I mean our formal president. For that reason so many people applied. Thinking it was free money they were sharing to poor women. Because I learnt from a friend that some people some time ago went for some money from the assembly but did not pay back. Honestly, it was after the briefing I had from the assembly members that I got to know the actual purpose of the microfinance. The man explains to me in detail the objective of the loan and also the conditions attached. We were three that went but two withdrew their application after the education. So I can say the education is good because it helped me. (sic) September18, 2016.*

Irrespective of the participants benefiting from the education in relation to acquiring knowledge to manage the credit in their economic activity; they had some problems with their educators. Twelve out of the fifteen respondents mentioned during the interview that they had to give out some token of money to their guarantors as their transport fair most of the time they visited the beneficiaries. The other three participants also said they had to give out part of the product they sell. The respondents lamented that as first time beneficiaries the attitude of the guarantors really affected their capital to the extent that the quantum of their wares they bought reduced. Irrespective of the financial resources constraints, the beneficiaries still value the credit facility as a better option than other financial resources available. They explained that accessing the credit was a risk they took because they were aware of the consequences. Twelve participants were able to repay their earlier credits promptly based on the education they had on effective management skills such as regular savings with "susu" groups. According to them their daily savings was what they always used to make their payments. Even though three out of the fifteen participants delayed in repaying, they were also able to repay three months behind time. Originally, the microfinance programme started with men and women, but later focused on women when data showed a dramatically lower credit risk in women (Yunus, 1998). The study also confirmed Bage's (2004) assertion that, micro credit as a poverty reduction strategy has changed the perception that poor people are not credit worthy. He explained that records have shown that poor women could take risk and also they have higher repayment than the conventional borrowers; they rated repayment of poor borrowers at ninety eight percent.

The findings on research question one of the study revealed that all the participants used guarantors to access the credits. Therefore, they had some knowledge on the purpose and the conditions of the credit. For example, the participants understood that the credits were loans and not gifts of which they have to pay back. Secondly, they understood the purpose for investing the credit on economic activities recognised by the district assembly. What can be deduced from all the fifteen respondents is that, the knowledge of the microfinance programme coming from assembly members and other sources (guarantors) means that the beneficiaries understood the implications of the credit not as a gift but as a loan to be used for no other purpose but for improvement of economic activities and to be repaid within the period of time agreed on before assessing the credits. They indicated that microfinance would enable them improve on their welfare status.

Research Question 2:

What are the Problems market women in Ablekuma South face in accessing microfinance loans?

On problems market women in Ablekuma South face in accessing microfinance loans, they indicated complications in getting sponsors; delay in receiving the microfinance loans, sustaining extra cost during processing stages; complex processes due to burdensome registration, paying of "kickbacks" to guarantors who introduced them to the program and so on.

The study investigated how the beneficiaries encountered such problems. Six respondents settled on the fact that they faced complex processes due to burdensome procedures. Eight of the respondents also mentioned that they also faced the problem of paying "kickbacks" to guarantors who introduced them to the program, with one also saying she had complications in getting sponsors.

Josephine, a participant said:

> *One problem I encountered during my assessment of the microfinance loan was my sponsor who decided to guarantee so that I could access the loan. This friend had sponsored others so I thought she could assist me get my loan. She introduced me to the officer in charge of giving out the loans but unfortunately, she went behind me destroyed my image to the officer in charge so that, I was denied the access to the loan. September 5, 2016.*

Auntie Augustina another participant added that;

> *Getting a guarantor is a problem because not just anybody can become a guarantor, to qualify to be a guarantor one has to be*

> *a government worker, or a respected person in society like an assembly man, a chief, pastor, a Member of Parliament, stunt businessmen and women. Getting such people to guarantee your loan means you must go through a cumbersome process before getting them which sometimes leads to them asking for as much as ten percent (10%) of the credit given. September 2, 2016.*

Asuamah also said:

> *My biggest problem in accessing the timing and the loan size as well as the payment period. The microcredit did not come as fast as I was made to believe. It delayed for over a month and when it finally came, I was disappointed. I had requested for only One Thousand Ghana cedis but was given four hundred Ghana cedis. Then to worsen things, we were told to start paying back within four weeks. Madam this was a problem for me*

(Asuamah, trader Ablekumah sub metro). August 26, 2016

Madam Asem:

> *My biggest problem in accessing the loan is the meetings. Virtually every week we were required to meet and the weekly dues one had to pay. This lengthy meeting times conflicted with other things that I had to do. Madam can you imagine a nursing mother going through this torture. August 25, 2016.*

Research Question 3:

Was the credit support useful in the activities of the beneficiaries?

The first study found out about participants' previous economic activities. Seven participants were into small scale business (petty trading) such as selling of gari, banana and groundnuts and vegetables. Three of the respondents were sales-help and the last five respondents were without regular employment before benefiting from the credit. But those in business had difficulty in managing business due to their inability to access credits to finance their businesses. The women traders kept their business active through buying from other retailers mostly on credit though expensive. This they lamented as putting much financial pressure on them.

They mostly had to buy and resell at quite a higher cost with little or no profits in the form of money. They explained they sometimes struggle to keep their homes running. A participant also explained how she had to struggle to keep her business going even under harsh financial condition because her little capital to buy directly from the farm gate or suppliers. She had this to say;

With emotion Nana Amoa said:

> *Madam; I have to buy on credit from the 'kokonsii' (retailers in the market) sellers. You are a woman so you visit the market regularly so you understand what I mean. Those who have the money buy everything from the farmers in bulk and resell to us. You see, the most painful part of it is that you may witness the cost of the item during the bargaining period but they would resell to you at a higher price simply because you don't have the money readily to pay for the goods repurchased. It's very painful but I cannot do anything about it. They know their prices are very high. Interestingly, they may think they are offering you a favour. Madam, I don't have a choice but to accept their conditions of sale. The worse of it is they decide to give you what to sell even though you will be paying for it. They don't really care whether you will sell to make profits or not. August 25, 2016.*

Sister Nana Ama another participant added:

> *I buy my wares from retailers, though quite expensive thereby making my profit margin small I had no choice. I can sell a whole day and sometimes run into a loss, sometimes I only get what the family will eat for a meal. It makes my business tiring because I have to go to the market everyday including Sundays or even when am not feeling well. I sell so much but because the proceeds of the items I sold was the family only source of income we end up even spending the seed capital which was relatively small. This used to affect my business but now the credits are quite enough for my business. September 23, 2016.*

What could be deduced from the above responses is that, although the participants were previously in the business, they could not make much profit from their sales. They explained that their businesses were not yielding much profit because of their inability to access credit facilities that could help them improve it.

Five out of the seven respondents who were in to trading before benefiting from the credit mentioned they used the credit to expand their original businesses; one said she had to change her formal business because it was not yielding much profit; the rest of the three said they used the credit to begin their business. Nine agreed the amount they benefitted was enough for their business but suggested getting more than one opportunity. However, six participants argued the credit was inadequate for startup capital and they happened to be participants without any of the economic activity. All the participants were still in the business during the time of collecting the data and their responses reveal that the credit support did help them.

As regards to the size of the credit, only three participants lamented that the credit was small. A critical analysis of the economic activities of the participants suggests they are only small or minor economic activities that may not attract any bigger loan. This agrees with Mosley and Hulme (1998) that small-scale trading involves minimal amount of working capital, little or no infrastructure (for example, no permanent selling space is required), and *few literate or* numerical skills, and has the advantage of other women pursuing the same type of activity who can advise the new comers. The Asian Development Bank's Mission report on poverty reduction (2000) also revealed that poor women who went into petty trading did not need a big capital to start or expand their business because the beneficiaries who benefitted from the bigger loan opportunities found it difficult to manage such loans as they might not have the experience in that regard. According to Siem (2003), when credit are so small to make no financial impacts in both the economic activities and lives of poor women shows defeated of intent.

Petty traders do not require bigger loan to expand their business due to their situation (Allan, 1996; Yunus, 1998; Moheyudin, 2005). This confirms Zuckerman's (2002) finding that the credit the beneficiaries had to trade with was enough. This finding is therefore in contradiction with the study carried out by IFAD (2001) which asserted that the financial assistance given to the beneficiaries in form of credit were too small to enable the poor women make meaningful impact in the economic activities of the poor women that benefitted from the porogramme. Another study (IFAD, 2004) suggested that most beneficiaries could not repay credits because the economy activities they indulged in were not economically beneficial. Further explanation they gave was that it would enable them gain better experience when given another opportunity. However, the responses from the participant's showed that micro credit seemed to be useful mostly to the participants who already had some form of economic activity before taking the credits.

With regards to whether the beneficiaries had ever benefitted from any other credit facilities before receiving the microfinance loans, fourteen of the respondents were negative. Only one participants benefitted from a private loan some years back but lost the opportunity when her business collapsed due to the high interest rate. She stated that what she had from the loan facility, although had relatively higher interest rate than the micro credit; this gave her the experience to manage the District Assembly micro credit she got. If beneficiaries have more than one opportunity they may gain more experience in relation to credit management.

The study further investigated whether the credit support received by the participants had been put into the economic activities they indicated. The responses from the participants were positive. All the participants said they chose trading activities because it is a faster way of generating regular income. The responses on how beneficiaries really utilized the credit in their economic activity indicated that seven participants who were into trading before benefitting from the credit used the credit to increase their facility of what they have been selling. Two respondents used part of the credit to pay off debts they owe but were able to start some petty trade with the rest. This finding falls is in line with a study carried by Zuckerman (2002) that poor women come from different economic backgrounds so them to use the credit to satisfy their priority needs which to them was their priority. Although, the responses from the study agrees with khander (1998) that women are likely to spend their money on their family, no matter the circumstance, the danger however lies with how the credit would be repaid if not invested in any economic activity that could generate profits. As regards how the credit helped in the improvement of their economic activities, one of the major views expressed from the participants is as follows:

> *Establishing my businesses; in expanding my small scale businesses; I used the credit to start new business because the old one was not lucrative; created savings opportunities; savings opportunities that gave them the opportunity to access other micro credits [sick] September 19, 2016*

The study found out that all but one participant achieved good results irrespective of the various financial commitments they make daily to their families. The finding therefore contradicts the result of some researches (Muddassir, 2000; Zuckerman, 1998) who argued that the credit rather put untold hardship on the beneficiaries worsening their situation. They argued that microfinance is not the best way of tackling mass poverty.

In relation to whether microfinance effectively supports the business of the poor, the views expressed by the women beneficiaries suggested that agenda behind the scheme was laudable. The participants acknowledged the credits did help them to some extent. But they suggested that their situations would have been better if they benefitted more than once. According to the World Bank Gender Policies (1960) micro crediting empowers poor women through economic mainstreaming. Ten (67%) out of the fifteen participants responses were positive. Then beneficiaries were able to make some benefits from the credit support. The expression by Maami Esi one of the participants is as follows:

> *Used the credits to buy my choice of wares for sale. Increased profit margin through buying directly from the distributors because that was*

less expensive; increased sales through introduction of variety of items for sale; got enough stock of items for sale; capable of buying from the farm gate; started a small business on my own; increased the business capital so could buy in relatively large quantities for sale. [sick] September 20, 2016.

Amoafoaa:

I must say that microfinance loan is very useful to me because I can now buy from the farm gate at good prices, I make profit. I can now finance part of the school expenses of my children. I have been able to buy a mobile phone and a radio. Formally I hardly bought new cloth, the only cloth I could buy were second hand clothing. Now within six months I bought two half pieces of cloth. Yes it is very good.

What could be deduced from these responses is that there were improvements in participants' economic activities. These responses perhaps reflect the main objective of instituting the scheme; that is, micro credit programmes create means for poor women "to work themselves out of poverty through self employment'' (GPRS, 2003 p.34). The key of micro credit programme is to enroll poor women into regular income generating activities. This finding falls in the line with Zuckerman's (2002) publication, a primer she presented to the Gender Action on Poverty Reduction. She noted that micro credit programme for the poor has the power of strengthening the economic situation. That is why the World's leaders see it as a possible means of putting the poor, especially women who are into economic viable situation but cautioned that proper monitoring and education should be added to make it successful. It therefore means that the credit may be useful in improving their economic activities when managed properly.

Research Question 4:

What are the Effects of Microfinance on Poverty Alleviation Among the Market Women?

This question primarily centers on the ability of the microfinance scheme to empower and reduce poverty among the beneficiaries. The researcher therefore looked out for whether it was able to reduce poverty among them. The responses from the interview on this question were quite positive. For example, most views expressed centered on change in the standard of living to some extent.

Auntie had this to say:

> *The income have helped me make some financial decisions. Contributed to the reduction of the work load of my children; my children now go to high school; am able to give my family better and regular meals; I now take care of children to the hospital when sick, I even gave birth to my last born in the hospital; I practised good health through reasonable rest and reduction in less risk jobs. [Sic] August 19, 2016.*

The improvement in economic activities had direct improvement in living conditions for their dependants as well. According to IMF (2005), gender poverty reduction is not only about taking poor women out of poverty but also helping their dependents. According to Yunus (1999), several studies revealed that the vast majority of women who benefit from micro credit are more likely to invest their earnings not only in their business and themselves but more in their families. This Yunus explained as being the main objective of the programme. Additionally he said. "The Grameen's experience demonstrates that, given the support of financial capital, however small, the poor are fully capable of improving their lives" (Yunus, 1999). Perhaps this is the target of the D.A for introducing the scheme and specifically targeting the women. Empowerment drive is demonstrated by the fact that the participants could sell under their business so long as it brings them income. The participants have control over their social condition that they were denied initially.

With regards to how the credit really helped them from their previous situation, the responses among others where that it made them economically independent, gained some respect, and gained control over personal business. Maa U a participant said:

> *I go to church regularly and I've been elected our local church women's leader. You have some qualities to be a leader in the Pentecost church. I don't mean am okay but it's better than before. Some time back I go to church when things go on well at home. You see I even have to sell on Sunday because Monday is a market day and I have to make sure I repay my creditor if not I may not get new wares to sell. Hmm I actually don't want to remember those days. [Sic]August 18, 2016.*

Pitt and Khander (1998) as well as Geotz and Sengupta (1996) argued that micro credit can empower women because it helps them earn their own income, thus increasing their "bargaining power" within their households. Besides, experiences have indicated that women are more inclined to explore wider economic opportunities hence make higher returns to benefit them. Pitt and Khander (1998) states that

“…..the credit the women receive can transform them in long term reciprocal relationship with the institutions that serve them”. Katepa (1999) argued that the economic opportunities generated by the credits are just little obvious benefits that micro credit programmes offer beneficiaries. She indicated that the intrinsic motivation that the women gain cannot be qualified; hence relevant to the empowering of the poor women. However, for poverty to be reduced, poor women have to be empowered. Past experiences have indicated that lack of poor women’s involvement in economic activities can reduce the level of human resources of every nation. These views also suggested that in poverty reduction, women must gain some economic independence. It is evident that micro credit programmes contribute significantly to increasing poor women’s control of their economic condition in various ways. This falls in line with one of the objectives for the use of micro credit to not only solve temporal poverty conditions like being able to afford the basic needs, but also give poor people the opportunity as well as the ability of making some financial decisions on their own (Geotz & Sengupta 1996; Pathiapa, 2003). This finding also confirms an ADB (2002) report on ‘Poverty Reduction through Micro Credit” that acknowledges micro credit as programme that is directed to empower poor and exclude groups by enhancing their capacity to influence the institution that affect their lives, by strengthening their economic condition which therefore will reduce vulnerability of the poor women.

According to the Asain Development Bank Report (2002), poverty is characterised by the ability not to take decisions due to lack of finance. Women’s control of credit therefore becomes relevant in poverty reduction as it contributes to women’s ability to take certain decisions concerning their health, families are well as general lifestyle.

The responses on the effects the credit had on improving their formal situations were numerous. For Maame Esi

Some of my children were not going to school but are now regular. Some of them have completed their basic education and are waiting to persue career trade. One of my children is now in vacation school in Planfokrom offering catering. Am able to provide most of the things needed both at home for my children and also some of the extended family members. There is also improvement in my dietary and the health needs of children. My teenage children no longer cater for their own needs.[sic]September 19, 2016

These responses had positive impacts where poverty reduction among women is seen as the ability of participant to cater for themselves and their dependents as well. Mayoux (1997) asserted that children in poor homes usually indulge in child labour activity and work, so are delinquent, become their own care takers, and dietary needs for health living may be a problem. These issues can create poverty circle in families and can be a debilitating factor in children's development. It also suggest that to reduce poverty is to improve on children's health and education. It is likely that when women are helped with resources to improve upon their lives it will affect dependents especially the young ones.

That is why Nuvinic (1998) suggested that feminisation of poverty should be considered a legitimate policy concern as women are increasingly economic actors and heads of households and mothers, their poverty creates rising pressure on the development of their dependents. Girl's education is one important issue the government of Ghana and the international society is battling. According to the GPRS (2003), one key objective of Government in the education sector is to reduce the gender gap in school enrolment. These were to be achieved in medium terms through the provision of scholarship and other incentive scheme to ensure the retention of girls in schools when enrolled. It means that when poor women are capable of sending and retaining their children especially girls in school the budget on these scholarship schemes are likely to reduce.

As regards to what strategies are put in place to maintain current level of economic improvement, the major views expressed by the respondents reflects proper use of the benefits from their businesses. One of the respondents had this to say:

I don't use the money I make anyhow. I always plan prior to spending the income generated from my business; I plowback some of my profits into the business , judicious spending so as not to over spend my capital no matter the need; avoid spending on items that are unnecessary or less important to the family; weekly saving in "susu" which gave me the opportunity for other loans. [Sic] August 28, 2016.

In relation to how the strategies were achieved, the major views expressed by all the respondents were on regular accounting for what have been realised and reinvesting benefits into business. Certainly, microfinance has been beneficial to women in Ablekumah South

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Overview

This chapter deals with the summary of the main points, conclusions drawn, recommendations to stakeholders and then suggestions for further research. Four research questions were formulated to guide the study. Purposive sampling technique was used to obtain the sample size of fifteen women beneficiaries of microfinance facility in Ablekumah South Sub-Metro.

Data was collected through interviewing participants and analysis using qualitative method. The findings were then presented on themes in which they emerged guided by research questions for the study. The researcher aimed at examining whether the microfinance program contributed to poverty reduction among the beneficiaries.

5.1 Summary of the Study

This section summarises the main findings of the study. The aim of the study was to assess the role of microfinance in alleviating poverty among women in Ablekumah South Sub-Metro.

The objectives of the study were:

i. Examine whether the beneficiaries understand the use of the government micro credit program as a poverty reduction tool.
ii. Investigate whether the credit support was useful in their economic activities.
iii. Examine whether the financial support the beneficiaries received from the program reduced poverty among them.

iv. Find out the challenges the beneficiary faced and how they affected the program.

This study was based on the fact that there were challenges that confronted the effective management of the credits. However, microfinance schemes may be good for poor women if these challenges are well solved. The instrument used in collecting data in this research was interview. The purposive sampling was used to select the region, district, town as well as the respondents. The Ablekuma South Sub-Metro of the Greater Accra Region of Ghana was selected for the study. In all, fifteen participants were selected for the study.

Major findings:

1. Beneficiaries of the loans faced challenges of
   - Getting guarantors before taking the loans.
   - Travelling to meetings a number of times and paying dues before accessing the loans.
   - “Killing” time and money due to the cost of travelling.
   - Sustaining extra cost during processing.
   - Paying of “kickbacks” to guarantors who introduced them to the program.
2. The microfinance was very beneficial in terms of
   - Improved standard of living. Respondents were able to expand their original business by changing from the old to a more profitable one.
   - They got the needed amount for their business.
3. Effects of microfinance on poverty alleviation.
   - The impact of the finance was on their businesses and family.

- Another effect is it has helped them gain respect in the society.
- It has also increased the empowerment of women which helps influence institutions that affects their lives by helping them take decisions.

The study revealed that, although the microfinance credits were given out to help the poor women to enable them work themselves out of poverty, the beneficiaries were confronted with some challenges. These problems ranged from guarantor to repayments conditions. According to the findings, it was actually difficult for the beneficiaries to get guarantors which delayed and even prevented the applicant's acquisition of the credits. The poor women who qualified were unduly delayed while making them travel several times to the office before accessing the credits. This act rather turns to aggravate their poor situation because it makes them incur cost which part of the credits was used to pay. Also, it kills the interest the beneficiaries had to start with their business.

Notwithstanding these problems, the study found out the beneficiaries benefited directly and indirectly from the facility. The participants did invest the credits they received into trading which was quite useful to them. The economic activities helped them to generate regular income which turned to be their main source of income. By so doing, they were able to cater for themselves and their dependents. The participants therefore found themselves to be capable of solving some of their financial problems which they could not have done without their business. Some of the participants were able to control their births because their businesses kept them busy which in actual fact helped improve their status. This seems to support the assertion of Mayoux

(2000) that helping poor women rather goes beyond gender poverty reduction but also helps the women have control over their reproductive health.

The study further revealed that their trading activities also helped them to save with some formal banks. This gave some of the opportunity to enroll in the formal financial system; hence benefiting from the banks' small-scale micro credit loans. This finding seems to support the World Bank's (1993) Report that giving women credit facilities can increase poor women's access to credit in the formal banking sector. Thus their economic activities could be used as collaterals to access further loans to expand their business.

5.2 Conclusion

Based on the findings discussed above, a number of conclusions can be drawn. According to the findings of the study, all women have large dependents and are single parents who shoulder most of the responsibilities of their families but had the credits. The participants were therefore confronted with taking adequate care of themselves and their dependents. Thus giving them the credits opportunities to generate regular income was laudable.

Analysis from the data revealed that the knowledge the beneficiaries acquired reduced the risk involved in the management of the credit, it also guided them in inculcating the culture of savings that enabled them repay the credits. Their guarantors also helped monitor their trading activities. This, in effect, contributed to the success of their business.

Although the education the beneficiaries had from their guarantors were useful, conversely the guarantors created some problems for them. The major problems identified were difficulty in accessing them to guarantee especially when a first time a beneficiary and or when you need their services, “paying” them for their services.

Responses revealed that although some of the participants were into some economic activities before benefiting from the credits; their businesses were not yielding the required incomes. This was partially due to their inability to access credits to invest in their business and secondly their lack of education that could guide them manage their business well.

The responses also showed that the economic activities they invested the credits in were currently their major source of income. In so far as they invest the credits in income generating activities, it came to light that some of the participants used part of the credit facility to pay off debts they owed. But the participants did not allow the act to affect their business.

The participants used the income generated from their economic activities for the upkeep of their dependents; such as taking care of their education, providing their needs, eating average meals and the provision of cloths. This in effect contributed in raising their standard of living. The economic activities indirectly contributed in reducing their birth rates.

As much as the Microfinance credit program had challenges, the participants were able to inculcate the principle of savings in addition to direct income it generated from them. Their positive attitudes towards savings with other formal financial institutions towards repayment helped some of them to access credits from them.

The participants encountered some challenges in effective management of the facility for their economic activities. Some of them were early repayment condition, paying kick-backs and delay in repayment as a result of business not yielding early profit. But they were able to control some of the problems at their levels.

Most of the problems identified on the credit scheme were rather administrative than was credit alleged to be caused by participants. They could be solved if the weaknesses identified are addressed. It can be concluded that the role of micro credit as a tool for the poverty reduction is widely established and recognised.

5.3 Recommendations

- Educating the beneficiaries is essential because the education given to the women by their guarantors were useful. There is therefore the need for microfinance agencies to engage professionally competent staff in performing the operational tasks; such as educating and monitoring of the beneficiaries before accessing the credits will be reduced. Education should be centered on their choice of business and savings towards repayment and proper management of the income from the business and the reinvestment of the profits into their business.
- The monitoring of the activities and repayments of the credits should start from the early stages by the service providers and not the guarantors. This could be done through organisation of regular monthly meetings for the beneficiaries. These meetings could be organised in form of a forum where beneficiaries can discuss pertinent issues affecting them. It could be a form of a socialisation opportunity for bringing other beneficiaries together. The group could be registered for recognition to acquire other loans as they know each other and also share problems relating to their economic activities.

- The issue of guarantors could be controlled by rather putting the beneficiaries in groups of same economic activities. This way the group members could be made to guarantee each other. This Yunus (1998) termed "group control tending guarantors".
- The beneficiaries should be given at least three months grace period to begin repayments of their credit and installment should at least be made in then months. Then it is likely the economic activities of the beneficiaries could generate some profits for them to repay their loans.
- A separate revolving fund could be established by government where donors can invest into the hands of experts who are knowledgeable in micro credit program to be in charge of its operations. Quarterly reports should be submitted to stake holders. In that way, they could design policies to effectively manage the scheme.
- There should be better or even more electronic records on both the women and their activities. The available register could not help identify either the beneficiaries or their location.
- The gap between words and deeds, assurance and actions, should be narrowed down and enabling environment should be created by removing obstacles that stand in the way of micro credit industry in Ablekuma South.

5.4 Suggestions for Further Studies

- Another study can be done on women beneficiaries that opted for economic activities other than trading in the town.
- This study can be replicated on women beneficiaries in towns in other Districts, Municipal and Metropolitan Assembly's in Ghana.

- An investigation can be done on administrative challenges confronting the effective management of microfinance credits scheme.
- A study can be done on the sustenance of the microfinance schemes.

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APPENDIX

This interview guide is prepared to obtain data for research purposes. The research is on microfinance and poverty alleviation amongst women in Ablekuma South Sub Metro. You are therefore encouraged to be as honest as possible with your responses. Please have the assurance that your responses will strictly be kept in confidence and used for the intended purpose(s) only.

SECTION A (Demography profile of respondents)

1. Age (in years) ……………………………………

2. Educational background?

   No formal education ☐

   Basic education ☐

   Middle school ☐

   Senior High/Secondary School ☐

   Tertiary education ☐

3. Religion

   Christian ☐

   Muslim ☐

   Other (specify) ……………………………………………………………………..

4. Marital status (please tick appropriately)

   Not married ☐

   Married ☐

5. Number of dependents.

   ……………………………………………………

6. What type of trading are you involved in?

   ………………………………………………………………………………

Section B (Women's awareness of microfinance products/services)

7. On the Likert scale of 1 to 5, indicate your level of awareness of microfinance for products and services. 1 = Very low, 2 = low, 3 = neutral, 4 = high, 5 = very high

Products/ Services	1	2	3	4	5
Loans (microcredit)					
Savings					
Investments					
Micro insurance					

8. In your own opinion do you think you qualify for these products/services?

   Yes ☐

   No ☐

9. Give reasons for your answer in 8 above

   ………………………………………………………………………………
   ………………………………………………………………………………
   ………………………………………………………………………………
   ………………………………………………………………………………
   ………………………………………………………………………………

Section C (Access to Micro Loans)

10. Have you benefited from a microfinance loan within the past three years?

Yes ☐

No ☐

11. If no, which of these reasons best describes why (please tick one)

Have no use of it ☐

Cannot afford cost ☐

Is too time consuming to access ☐

Products do not suit my needs ☐

MFIs not near my reach ☐

Have no collateral ☐

12. If yes, how has the loan benefited you?

Worsened my situation as a result of high interest payment ☐

Indifferent ☐

Can now pay children's fees? ☐

Can now pay utility bills? ☐

Can now access health care ☐

13. Please rate the challenges listed below when applying for a loan using a scale of 1 to 5 where

1 = very serious, 2 = serious, 3 = neutral, 4 = least serious and 5 = not serious

Challenge	1	2	3	4	5
Bribery and corruption of bank officials					
High collateral requirements					
Difficulty in looking for guarantors					
Too much documentation					