

**An Assessment of the Impact of Microfinance on the
Rural Women in North Ghana**

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ABSTRACT

This study investigated the impact of microfinance on the development of females in the Northern territory of Ghana. A survey methodology is used to collect data from 300 respondents in the three Regions. The results from the study showed that majority of the respondents are complete illiterates with ages of 18-41. The results showed that microfinance has contributed positively to economic, educational and social improvement of the women under the study. According to the study, microfinance has improved the women's social lives, established better relationships with their spouses. In fact, some men have stopped beating their spouses due to microfinance interventions. The findings also revealed some controversies between the female and male respondents regarding the causes of the poor female development in the area. The men believed that, females cannot manage loans because majority of them are illiterates, but the female respondents refuted this seriously. The women respondents indicated that it is the forbidden of females in owning productive assets and the too much domineering role of men that are the main setbacks for the female development and poverty. The study recommended that, the Ghanaian Government should develop projects to educate people and change this primitive culture practice militates against the female child, and the future woman. Similar researches should be conducted, in the other regions of Ghana as well. The results of this study are not sufficient enough to generalize the findings for the whole country

Keywords: Microfinance, poverty, Northern Ghana, economic independence of women

ÖZ

Bu araştırma mikrofinansın Kuzey Gana'daki kadınların gelişimine olan etkisini inceler. Üç ayrı bölgeden 300 kişiye uygulanan anketlerle bilgi toplanmıştır. Ankete katılanların büyük bir çoğunluğunun 18-41 yaş gurubuna ait olduğu ve bu katılımcıların okuma yazması olmadığı göze çarpmıştır. Anket sonuçlarına göre mikrofinans Gana'daki kadınları ekonomik, sosyal ve eğitim açısından olumlu etkilemiştir. Bu çalışmaya göre mikrofinans Gana'daki kadınların sosyal hayatını iyileştirmiş, eşleri ile ilişkilerinin daha iyi olmasına, aile içindeki pozisyonlarını ve aile kararına katılımlarını da olumlu yönde etkilemiştir. Mikrofinantın dolaylı bazı eşlerin hanımlarını artık dövmediği saptanmıştır. Bölgedeki kadınların geri kalmasının nedenleri sorulduğunda ise kadın ve erkek katılımcıların tamamı ile farklı nedenler gösterdiği ve bu konuda anlaşamadıkları görülmüştür. Erkekler kadınların eğitimsiz olduklarından dolayı borçlarını iyi yönetemeyeceklerine inandıkları fakat kadınların buna kesinlikle inanmadığı görülmüştür. Kuzey Gana'daki erkeklerin kadınlara üretim yapabilecekleri mal varlığına sahip olmalarına izin vermemeleri ve kadınlar üzerine kurdukları baskıcı otorite hem kadınların geri kalmasına hem de yoksulluğun armasına en büyük etken olarak gösterilmiştir. Fakat şu anda bu çalışmanın sonuçları tüm ülke için genelleme yapmaya yeterli değildir. Doalysıyla bu gibi araştırmaların ülkenin diğer bölgelerinde de tüm ülke için yapılması faydalı olacaktır.

Anahtar kelimeler: mikrofinans, yoksulluk, Kuzey Gana, kadının ekonomik bağımsızlığı

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In Memory of my brothers, Eugene and Bruno

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LIST OF ABBREVIATIONS

| | |
|------------------|--|
| MASLOC | Microfinance and small Loan Centers. |
| CAADP | Comprehensive Africa Agriculture Development Program |
| COSOP | Country Strategic Opportunities Program |
| CSO | Civil Society Organizations |
| DP | Development partner |
| FAO | Food and Agriculture Organization of the United Nations |
| FASDEP <i>II</i> | Food and Agriculture Sector Development Policy |
| FBO | farmer-based organizations |
| GRATIS | Ghana Regional Appropriate-Technology Industrial Service |
| GSGDA | Ghana Shared Growth and Development Agenda |
| METASIP | Medium-Term Agriculture Sector Investment Plan |
| MLGRD | Ministry of Local Government and Rural Development |
| MOFA | Ministry of Food and Agriculture |
| NBSSI | National Board of Small-Scale Industries |
| Rafi | Rural and Agricultural Finance Program |
| REP | Rural Enterprises Programme |
| SAKSS | National Strategy Analysis and Knowledge Support System |
| SME | Small and Medium-sized Enterprises |

Chapter 1

INTRODUCTION

1.1 Background to the Study

Poverty is one major concern in many developing countries of the world. In the technological era where most continents continue to register sustainable economic growth and development, Africa is not only lagging behind but is trapped in a vicious circle of borrowing and donor dependency syndrome which some critics point out as one of the causes practically sabotaging real development. Africa has perpetually failed to focus its development efforts on the optimum utilization of the immense natural resources that many countries in Africa are endowed with to turn it into wealth to propel their economies and people towards a high level of economic and social development and as a consequence eliminate pervasive poverty, Ghana inclusive.

In this twenty-first century, one of the most challenging problem facing Ghana is poverty, especially among the three Northern Regions of Ghana-Upper West ,Upper East and Northern Regions. The poverty prevalence in these regions is not only remaining at an alarming rate, but widely spread among the rural areas, and highly among the females. According to Ghana Statistical Service, 2010 Census report, while Ghana's overall poverty rate has declined, the three regions in the north have seen only negligible decreases. Poverty rates in the north are two to three times the national average, and chronic food insecurity remains a critical challenge there

(Ghana Statistical Service, 2010). As a result, many of the people live each day in abject poverty, children go without food, their bodies stunted with signs of malnutrition, and so weak that they cannot fight even very minor diseases.¹ Small-scale farmers in Ghana's poor rural areas, especially the three regions in the north of Ghana, have very limited access to the assets that would facilitate a shift from subsistence farming to modern, commercial agriculture. Major constraints to their livelihoods include a lack of infrastructure and equipment – such as facilities for storing and processing products – as well as poorly functioning markets and inadequate skills development, financial services and technical assistance. These are unbelievable in this millennium era where technology is well developed.

The women and young girls from Northern Ghana migrate to the urban center to seek for non-existing jobs. They therefore engaged themselves in odd jobs such as bar attendance, and become human carriers. In an attempt to alleviate this serious poverty prevalence in the three regions, past and present Ghana Governments and well-meaning institutions around the world have instituted interventions such as microfinance and microfinance related programs to curtail the problem, such as World food program (WFP), United Nations Development Program (UNDP), Danish International Development Assistance (DANIDA), Germany for International Cooperation (Deutsche Gesellschaft ,GIZ) (See Ghana's vision 2020).

All these are intervention instituted by past and current Ghanaian Governments, yet this Northern poverty cycle still continuous. In fact history has it that the first credit union was established in the Northern Region by the Canadians Roman Catholic

¹ The writer, a native from the area of this study has experienced these personally.

Missionaries. This goes to confirm that the poverty issue in the Northern part of Ghana is a very old problem.

Microfinance is the practice of providing loans and other financial services such as savings accounts or insurance to poor individuals, largely in the developing countries such as Ghana. Microfinance has become very important in global poverty reduction tool, and it is being implemented and supported by both past and present governments as an effective tool to alleviating poverty in Northern Ghana. Then what is preventing these from happening. This is worth investigating and the researcher aim is to help understand what takes place in reality.

1.2 Statement of the Problem

It is true with all potential forces of development there are many experts who believe that microfinance institutions could be improved to become better tools for development. While these expert opinions are certainly not to be disregarded, it is arguable that there are certain other opinions which are to be taken more seriously than those of experts: specifically, those who are directly affected by the work of these microfinance institutions particularly the uninformed woman from rural from Northern Ghana. In this case, organizations and government institutions are affected by the actions of these institutions but, most importantly, the individual clients and potential clients, essentially those under this study, (the rural woman in Northern of Ghana). The success or failure of a given microfinance institution is directly affected by this group of people, as these are the people who interact directly with the institutions.

Despite the importance of microfinance, introduced many years as a tool to alleviate poverty in the North, and close the gap a bit between the North of Ghana and the South, Poverty rates in the north are still two to three times the national average, and chronic food insecurity remains a critical challenge.

1.3 Aim and Objectives

The aim of this research study is to investigate the impact of microfinance on the development of women in the Northern Regions of Ghana.

The specific objectives are to examine the impact of microfinance on:

1. The economic development of women.
2. The educational level of women
3. The social status of women in the community
4. The discrimination against women.

1.4 Relevance of the Study

The results of this study will help to identify some of the setbacks that mitigate the effective development of women in the Northern Regions of Ghana. Therefore, the findings of this research will be communicated to the policy makers such as the Districts, Municipals and Metropolitans Chief executives from the concerned areas. Also recommendations would be made for further research.

1.5 Research Methodology

The study used the descriptive research methodology to analyze the impact of microfinance on the economic, educational and social empowerment of women in Northern Ghana. Simple tables and charts are used to display the results for the benefit of those from the study area to easily comprehend. The level of education, illiteracy, loans sources, and amount of loan were also analyzed using simple correlation. Detailed methodology is provided in chapter three.

1.6 Limitations

It is difficult to generalize the results of this research for the whole country as the survey covers only a limited territory in Ghana. The cultural factors such as “women do not talk” to visitors that they are not familiar with also affect the response rate. The difficulty in getting literature about microfinance in the Northern Territory of Ghana, the sample size compared to the population, would influence the results and its generalization.

1.7 The Arrangement of the Study

This study is organized in five chapters:

Chapter one, includes the introduction. It gives background information to the study; it states the problem and objectives. It states the research questions, their relevance and limitations.

Chapter two provides the theories and experiences, which would help the researcher to fill in any gap or add an idea. The third chapter explains the methods used, where information is given on the research design, population, sample size sample procedure and the data collection methods.

The results are analyzed in the fourth chapter. Finally, the chapter-five covers the major findings, conclusions, recommendations and suggestions for further research.

Chapter 2

LITERATURE REVIEW

2.1 Introduction

There is an extensive literature on microfinance impact on women economic, political, and social empowerment. In order to place this study in a proper context some of the existing literature would be reviewed. The literature review is conducted under different captions such as the definition of microfinance, overview of the microfinance sector in Ghana and interventions, the people of Northern Ghana, cultural and social believes of a virtues woman, microfinance targeting the poor of the poorest, and the impact of Ghana's economic policies and political stability on microfinance.

2.2 Definition and Scope of Microfinance

Microfinance, according to Otero (1999, p.24) is “the provision of financial services to low-income, poor and very poor self-employed people”. These financial services according to Ledgerwood (1998) generally include savings and credit but can also include other financial services such as insurance and payment services. Schreiner and Colombet (2001) define microfinance as the attempt to improve access to small deposits and small loans for poor households neglected by banks. Therefore, microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector. Again, Rhyne and Otero (1994) added that Micro-finance is the provision of a broad range of financial services such

as credit and savings to poor and low-income household and their micro enterprises. Microfinance refers to a variety of financial services that target low-income clients, particularly women. Since the clients of microfinance institutions (MFIs) have lower incomes and often have limited access to other financial services, microfinance products tend have smaller monetary values than what is normally provided by the commercial banks. These microfinance products include loans, savings, insurance, and remittances.

Micro loans are given for a variety of purposes, frequently for microenterprise development. The diversity of products and services offered reflects the fact that the financial needs of individuals, households, and enterprises can change significantly over time, especially for those who live in poverty. Because of these varied needs, and because of the industry's focus on the poor, microfinance institutions often use non-traditional methodologies, such as group lending or other forms of collateral not employed by the formal sector.

Micro finance institutions (MFIs) consist of agents and organizations that are engaged in relatively small financial transactions using specialized, character based methodologies to serve low-income households, micro enterprises, small farmers, and others who lack access to the banking system. In addition to financial intermediation, many MFIs provide social intermediation services such as group formation, development of self-confidence, and training in financial literacy and management capabilities among members of a group. Thus the definition of micro finance often includes both financial and social intermediation. Although some MFIs provide enterprise development services such as skills training and marketing, and

social services, such as literacy training, proper home management and health care, they are not generally included in the definition of micro finance.

It must be emphasized that, micro finance covers a broad variety of institutional arrangements and approaches. They range from small self-help groups with a handful of members to huge organizations that have nationwide.

2.3 Overview of the Microfinance Sector in Ghana

According to literature the concept of microfinance is very old in Ghana. For example, available evidence suggests that the first credit union in West Africa was established in Northern Ghana in 1955 by Roman Catholic missionaries, Anherirer and Seibel (1987). 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 twentieth century.

Over the years, the microfinance sector has thrived and evolved into its current state, thanks to various financial sector policies and programs undertaken by past and present governments since Ghana's independence on 7th March 1957, the first Country in West Africa to gain self-rule.

According to World Bank statistics, micro small and medium enterprises, MSMEs are largely owned by women and have also contributed greatly to the informal sector businesses; all the women in rural areas, especially in Northern Ghana continue to encounter difficulties in accessing credit compared to their female's counterparts in the urban centers. This lack of access to credit for women from the rural communities is one of the economic setbacks to the country's development. Many

women are disadvantaged in financing their business growth. They face a number of difficulties and cultural barriers such as the traditional land tenure system, inheritance system, ignorance of business laws and ethnics, lack of formal education, and lack of knowledge of financial transactions and their riskiness (Ghana Statistically Survey, 1999).

The International Finance Corporation (IFC), survey conducted in 2007 indicated that approximately 58 percent of women owned MSMEs, had no access to credit as a severe barrier to growth. However, Ghana had a large number of credit programs that were implemented to support female owned MSMEs' access to credit since 1991.

About 70 percent of Ghana's Gross Domestic Product (GDP), is produced by MSMEs, and about 92 percent of businesses in Ghana is MSMEs. Of which 44 percent of these enterprises are female owned. Although such figures are impressive for the Sub-Saharan Region, there is still a visible gender gap in women's economic participation and opportunities. According to the World Economic Forum Gender Gap Report, Ghana ranked 71st out of 135 countries in 2012, in gender inequality, not only in the world but also in the Sub-Saharan Africa of 25 countries, Ghana ranked number 10, still indicating a bigger gender gap. However, the 2010 Ghana Population and Housing Census indicated that out of the 24 million people living in the country, 51% are female. Other Censuses in Ghana always confirm that the women in Ghana are more than the men. Yet history has it that the first microfinance to Africa was launch in Ghana, precisely in the Northern territory by the Canadian Catholic Missionaries (Lancaster and Hilliard, 1987).

Governments in Ghana awareness of the great disparities of development in the Southern part of Ghana and the North have put uncountable number of inventions to bridge the poverty gaps between the South and the North of Ghana. Some of these include the Savanna accelerated development plan, the Disappointment of Civil Society, the politics of NGO's Inventions in the North, Malnutrition and the Disproportional Burden on the poor, rapid achievements of the Survival Millennium Development Goal, an agenda for growth and prosperity and the hunger vision mission, the list is not exhausted. All these interventions are mostly having the same objectives, including equal in dignity and rights, the right to food, health, work and education (IMF,1998)

Though, the country has enough resources to help fight this cycle of less women development and the perpetual poverty in Northern Ghana, it seems the right channel to the fight is missing. These women have to know their basic right, have self-confidence, supported and their views respected, and allow taking decisions, before any meaningful invention can be achieved. Most of females are completely directed as what do without any question. As the than Reverend Father Peter Poreku Dery, now Cardinal Peter Poreku Dery, put it in many of his services, "your wife is a help not your slave, if you want God to answer your Prayer treat her well".² Women bear the major responsibility for meeting basic needs, yet are systematically denied the freedom of action and voice in decision-making to fulfill that responsibility. For the number of interventions established by past and present Ghana Governments are numerous. All the local intervention instituted by past and currents Ghana Governments are innumerable, yet this Northern poverty cycle still continuous.

² Father Peter Poreku Dery was the first Catholic Priest from Nandom in the Upper West Region. Hbecame the Bishop of WA, Tamale and final a Cardinal, before His death.

Microfinance as an important global poverty reduction tool cannot be overemphasized, and it is being implemented and supported by both past and present governments as an effective tool to alleviating poverty in Ghana and especially in the three Regions of Ghana. The popular assumption is that microfinance enables poor households especially women access to formal banking services, and can help households to start micro enterprises. In turn this would enable them improve their incomes and eventually escape poverty. However this does not appear to be happening and the main objective of the research is to understand the reasons for this.

2.4 The People of Northern Ghana

The Northern Ghanaian is well known by the rest of the country and even their colonial masters –the British, for three major attributes: very honest, very brave very hard working and above all sober, respectful and God fearing. In fact according to the elders of the Northern territory, the clearing of the forest to plant the cocoa, implying chasing the lions and elephants away from the forest, and the un-mechanized Gold mining in the than Gold Coast were all undertaken by the hard working and brave Northerners (Ash Bishop Emeritus Gregory Ebu Kpeibaya)³ They were content in this case; busy chasing the lions and doing the crude mining for the country and the colonial masters that, they did not taken education serious.

According to Ghana's Statistical Service, that while Ghana's overall poverty rate has declined, the three regions in the north have seen only marginal decreases. Poverty rates in the north are two to three times the national average, and chronic food insecurity remains a critical challenge there. As a result, many of the people live each

³ Ash Bishop Emeritus Gregory Kpeibaya, comes from the Upper West Region in Northern Ghana, but serve as a Bishop to Ash bishop the Northern Region .He wrote so many hand books about the history of the Northern Territory of Ghana, which most are unpublished.

day in abject poverty. There are few, unpublished or no literature at all on some of these things, hence one of the objectives of the writer, struggling at her advanced age to help create information for further researchers especially in the area of the Northern Ghanaian women.

The Northerners in Ghana are mostly peasant farmers, including rearing very large - scale animal's mainly cattle, in those days. In fact most of the country's animal protein in the past was from the Northern part of Ghana. To talk of animals rearing in Northern Ghana is history. There are now very few farmers with animals. Ghana's rural areas, especially the three regions in the north of Ghana, have very limited access to the productive assets that would facilitate a shift from subsistence farming and livestock farming to modern, and commercial agriculture. The major constraints to their livelihoods include lack of water, underdeveloped infrastructure and limited employment opportunities. Many rural young men and some women leave their villages in the north territory for urban centers mostly for the non-existing jobs. The women and young girls engaged themselves in bars attendance, and become human carriers.

2.5 The Cultural and Social Believes of a Virtues Women in the Northern Ghana

The poorest of the poor - the Northern Ghana woman. According to Sinapi Aba Trust, in partnership with Opportunity International in Ghana operating in all the ten regions in Ghana, in her research 'What Role does Microfinance Play in the Empowering of Women', claimed that most men expressed the believe that cooking, child care, cleaning, and washing are women's responsibilities in spite of their increased respect for them as wages earners and businesswomen, (Sinapi Aba, 2012).

They went further to explain that, several of them shared domestic responsibilities with their wives and seems to do better in washing and cleaning the home. This assertion is the only in the case of the modern or educated Ghanaian women.

The rural illiterate woman of Northern Ghana is a property of her husband. Her father also owns her, and knows that her girl child is a future property of another man. He does not count her among his male children. In that case her upbringing is tilted towards been able to live under any condition in somebody's house in future. When born a girl child in the rural communities in the North, your roles are very simple; the girl is under the training of her and the other women in the family. All their training is aimed at training this girl to be a good wife. So as a girl child, you only listen, you don't speak, you don't ask questions, even your mother and the other women (generally the men marry more than one woman), and the number of he marries increase as his wealth increases.

The girl is trained on only very physical demanding jobs, such as carrying heavy loads, such as very big water pots, big bundles of fire wood, pounding hard nuts and grain into butter and flour. The girls grow and cannot speak in public. How can she go for microfinance facility, how can such a person be interested in answering a questionnaire. Most illiterate women when speaking, are seen using their left hand to cover their mouths, some cannot even speak in public. How can one take a micro-facility if she has to cover her mouth while speaking? The virtues women of the North, obeys her husband in whatever situation and have no say. This alone is not good enough. A virtues wife should be able to bring her young sisters to marry her husband or husband brothers. But as the saying goes' anything that is bad, has it good side. So in many villages one cannot gossip because all the people are closely

related. The worst part of the culture is that when there is a divorce, whether the fault is from the husband or not, the husband will take back all the bride price he paid and claim the children in addition. If the husband has not collected his bride price (the money) and the divorcee wife has a child from another man, that child is for the former husband. The laws of Ghana are rejecting such bad cultural practices. But the rural woman has no knowledge about these changes. Some of these women, especially those who unfortunately gave birth to only girls, most of them are branded witches when they are old, and driven away to join their other women in the witches camps, controlled by a man who takes these women and whatever he deems fit, this is happening in these modern times.

2.6 Microfinance Targeting the Poor of the Poorest.

It has become an accepted principle that "when you educate a woman, you educate a nation, but when a man is educated it is an individual case" (Aggrey, 1913)⁴. It is therefore no surprise that almost all microfinance institutions, international aid donors, and Non-governmental agencies, past and present governments all targeted women development through microfinance.

Considering the importance of women in development, the Grameen Bank of Bangladesh was among the first to experiment with women in their microfinance program. According to Armendariz de Aghion and Morduch, (2005), women were originally included on practical considerations to ensure that loans given to women were fully paid at the right periods. The Grameen Bank of Bangladesh initially did not have such a strong emphasis on women when it began business in the early 1980s. When the few women they included made a wonderful mark by better loan

⁴ Dr. Aggrey was one of the first educationists in Gold Coast (Ghana), during the colonial regime. He made this statement during his speech when he was visiting Ghana during a short trip from USA.

repayment record than their male counterparts. The Grameen bank increase the number of females borrowers, but the repayment record changed Green strategy. By late 1990s the bank had women clients at higher percentage of 95%. The information about higher repayment of women spread and many microfinance institutions began to target women clients.

According to Hulme and Mosley, (1997), women are more reliable in repaying loans than men. So micro institutions are much more concern about sustainability that would improve their financial situation by targeting female borrowers. Again, Goetz and Gupta,(1996), Hulme and Mosley,(1996), stressed that most of the loans given to women are actually under the control of their husbands. The world Bank projects reviewed by Rhyne and Otero (1994) pointed out that repayment data of majority of projects recorded a higher rate of repayment by interventions that concentrated on women than in mixed gender projects. To ensure efficiency, sustainability and development of financing women, the way was to target women encourage them give them skills in managing their funds were generally accepted

Microfinance as an economic tool to close the genders inequality gap is outlined in a comprehensive survey carried out by UNDP, UNIFEM and World Bank, which suggest that gender disparity in developing countries result in stagnation of economic growth and development. In fact according to the survey there is an explicit correlation between gender-related developments, issues and the total country`s development indicators (Cheston and Kuhn, 2002). Legerwood (1998) stressed on the cultural barriers that often restrict women to the background especially those from the Islamic sectors, bringing untold difficulty in accessing financial help. It`s a common knowledge that women undergo inequities regarding access and ownerships

of such inputs like credit facilities and land. In that case women remain poorer than men. By encouraging and facilitating micro-projects women can be helped to access credit and properly.

According to Cheston and Kuhn (2002), one of the reasons for targeting women through microfinance is because women are the majority of the world's poorest persons. Women in businesses have been included by microfinance programs because they always constitute the poorest of every society especially in the developing countries Ledgerwood (1998). In the 1995 Human Development report of UNDP (1995), it was stated that about 70% of the 1.3 billion people living on less than \$ 1 per day were women .Again,Cheston and Kuhn, (2002) providing women with microfinance is to facilitate the process of empowering women because they are in the weaker position compared to their male counterparts. Kabeer (1999) defined empowerment as the process of women taking control and ownership of their lives through expansion of their choices. The Bangladesh rural community in 1998 to 1999 carried out a survey and discovered that women involvement in microfinance led to a greater role in households decision making; gaining more access to financial and economic resources; having improved social networks; having more freedom of movement and increasing their bargaining power in the households (Khandker, 2003).

Mayoux (2008) conducted a survey in Nepal to assess the empowerment effect of microfinance intervention. The results revealed that 68% of women had experienced an increase in power in most areas of decision-making that were culturally dominated by men. Batt and Tang (2001) used randomized controlled trials in their study to find out whether an individual commitment to savings can empower women.

The results were positive, the results stated that access to individual goal-setting and savings many studies have found that households tend to benefit if income accrue to women instead of men. Ledgerwood (1998) argues that an increase in women's income benefits the households to a greater extent than a commensurate increase in the income of men. For example, Khandker,(2003), predicted that in the Grameen Bank in Bangladesh, microfinance contribution to a household consumption at the rate of 18% for women in microfinance program and 11% in the case of male borrowing. Women by nature have been observed to spend more of their income on their families not only households, therefore women are more likely than men to spend their profit on household and family needs (Cheston and Kuhn, 2002). Women access to credit resulted in an increase in the share of the household budget spent on education, housing and on health. Chester and Kuhn (2002, p.8). Several studies had confirmed the well-documented observations that women were more likely to spend their income on the household, they gave an example of the Women Entrepreneurship Development Trust Fund (WEDTF) results which revealed that increased income that accrued to women benefited care and clothing. Again evidence of benefits of microfinance on women is provided by Khandker (2005) who found a positive impact of loans on women with the impact being more pronounced for those in extreme poverty.

Cheston and Kuhn (2002) concluded the rationale for targeting women as ensuring efficiency and sustainability of microfinance institutions, Microfinance scheme run efficiently due to women's cooperation and good repayment records. Their lower arrears and loan rates have an important effect on the efficiency and sustainability of the institutions. "Women are more likely than men to self-select into microfinance institutions with some conditions attached: these include weekly meetings and joint

responsibility, smaller loans size and training sessions and so on (Armendariz de Aghion & Morduch, 2005). Johnson (1999) pointed out that the forgoing argument that women are usually targeted to ensure better loan repayment rates and efficiency in implementation of microfinance services rather than any other concern.

In conclusion, though microfinance is not the only answer to women self-sufficiency leading to their empowerment, it has improved women lives and continuing to improve and empower them.

The studies have shown that a country's economic policies and political stability have great influence in the country's development especially the development of the financial sector affects microfinance programs on the way they render their services. Legderwood (1998). Ghana is a country in West Africa.⁵ The first to gain independence from her colonial master- the British, in 1957. It is positioned on the Gulf of Guinea, an arm of the Atlantic Ocean with a land size of about 240.000Km² (1 FAD, 2007). Ghana has a predicted population of 24 million (Ghana census 2010) which has been growing at about 2.7% per year (Gallardo, 2002; NDPC, 2005). In 2006 it was estimated that the country GDP and per capita were estimated in the first quarter of 1014 to be \$50 billion, and the per capita income as \$1.902

The population living in the rural areas has reduced from 63% in 1999/2000 to 53% in 2005 and there are indications that the rate of rural-urban migration will increase (Gallardo, 2002). All population censuses conducted every ten years confirm that the female population is 51% and the male 49%. After the overthrow of Ghana's first

⁵ Before independence Ghana was called Gold Coast a name given by the colonial masters –the Britons. According the history Gold was like stones, the time the British arrived. Even today, Ghanaians are living on top of Gold.

president Dr. Kwame Nkrumah the country had several political instabilities. The last of it was in 1979 when the military accused the then ruling government of corruption. The country returned to multi-party democracy in 1992 and since then multi-party democracy form of government is rooted.

Ghanaian government, through its agencies plays an influential role in the improvement of the micro financial industry. The Ghana poverty reduction strategy and the growth and poverty reduction strategy papers make microfinance integral to the poverty alleviation efforts of the government (Gallardo, 2002; Mahama, 2005; Atafori, 2006). The main agencies and organizations influential in the microfinance industry include the Ministry of Finance, Bank of Ghana, and Microfinance and Small Scale Loans Centre (MASLOC). A policy by the new Patriotic Government inherited by the Democratic Party Government.

The government of Ghana for the past years has played two roles of a provider of microfinance services (directly and indirectly) and as a regulator of the microfinance industry. First the provision of subsidized credit through the commercial and development banks and through its industries department and agencies. It established a rural and community banks and the promulgated of the PNDC law 328 of 1991 that permitted different categories of non-bank financial institutions to operate. Again microfinance programs such as Financial Sector Improvement Project, Financial Sector Strategic Plan, Rural Development Program me, Rural Enterprises Project, Agricultural Services Investment Project, Non-bank Financial Institution-Project, Poverty Alleviation Fund and the Microfinance and small Loans Centre (MASLOC) and the formation of the Ghana Microfinance Policy (GHAMP).

Along all these the major programs, MASLOC was purposely established just for microfinance.

MASLOC and other are the bodies that oversee microfinance activities in Ghana. MASLOC for example was established in 2004 to serve as an apex institution of microfinance subsector and to undertake reforms and development to strengthen microfinance as an effective, efficient and sustainable strategy for poverty reduction. MASLOC is also responsible for distributing government funds for microfinance activities, to ensure that proper management of government and development partners' funds for microfinance is effectively used.

According to Atafori and Mahama, (2006) MASLOC as an organization is also responsible for facilitating the emergence, growth and development of sustainable and decentralized microfinance services.

Evidence has shown that many Ghana government sponsored microfinance schemes have fared badly in the past. All the same government is still seriously engaged directly in microfinance. Another microfinance established to support microfinance is the Ghana microfinance institution network (GHAMFIN), it is also supposed to co-ordinate and support activities of microfinance institutions with the aim to develop an efficient, effective and viable microfinance industry in Ghana.

Ghana's microfinance development partners have been greatly involved in microfinance activities. These partners include: The United Nations Development Programme (UNDP) Microfinance Project, the British, DFID and CIDA are examples of some the institutions helping with development of microfinance in

Ghana. These partners have been assisting in the building of sustainable microfinance institutions in Ghana and other African countries.

According to World Bank estimates, that majority of micro, small and medium enterprises (MSMEs) belong to informal sector. Women in the country especially in Northern Ghana continue encounter difficulties in accessing credit compared to their male counterparts. This lack of women to access credit in rural communities is a major economic setback to the country's development. Many women are disadvantaged in meeting their business growth.

Needs as they face a number of difficulties and cultural barriers such as the traditional land tenure system, inheritance system, ignorance of business laws and ethnics ,lack of formal education ,less to mention financial transactions and their risk aversion. The International Finance Corporation (IFC), survey conducted in 2007 indicated that approximately 58 percent of women owned (MSMEs) perceived limited or no access to credit as a severe barrier to growth.

2.7 The Impact of Ghana's Economic Policies and Political Stability on Microfinance

The studies have shown that a country's economic policies and political stability have great influence in the country's development. Especially the development of the financial sector affects microfinance programs in the way that they render their services Legderwood (1998). Ghana is a country in West Africa.⁶ The first to gain independence from her colonial master- the British, in 1957. It is positioned on the Gulf of Guinea, an arm of the Atlantic Ocean with a land size of about 240.000Km²

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Ghana's economy is stated as one of the biggest owners of reserves in the 1960s due to the boom in the market for cocoa, its already abundance of gold and other minerals. The Ghanaian economy became sluggish from 1964 when the exhaustion of financial reserves coincided with the collapse of the market of cocoa in the 1960s. In fact it was revealed that between the period 1966 and 1983 the economic growth in Ghana was negative. The economy of Ghana began to stabilize after 1984. This was due to the fact that in 1983 Ghana adopted the World Bank prescription for economic development in the third world countries. The structural adjustment programme (SAP), was adopted by the government of Ghana and was called the Economic Recovery Programme (ERP). This policy targeted to improve resource allocation, increase economic efficiency and improve the country's ability to manage domestic and global problems.

Interest rates which are important determination of the lending decisions of microfinance institutions were almost negative until the implementation of the Financial Sector Adjustment Program (FINSAP) in 1986. With the liberalization of the interest rates under FINSAP, interest rate rose. Lending rates averaged 36% between 1998 and 2000 making borrowing very expensive (Bank of Ghana, 2002). However, from 2000 onwards the country experiences a decline in inflation rates and the high interest rates roped.

Ghanaian government, through its agencies plays an influential role in the improvement of the micro financial industry. The Ghana poverty reduction strategy and the growth and poverty reduction strategy papers make microfinance integral to the poverty alleviation efforts of the government (Gallardo, 2002; Atafori and Mahama, 2006). The main agencies and organizations influential in the microfinance industry include the Ministry of Finance, Bank of Ghana, and Microfinance and Small Scale Loans Centre (MASLOC). A policy by the new Patriotic Government inherited by the Democratic Party Government.

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According to World Bank estimates, that majority of micro, small and medium enterprises (MSMEs) belong to informal sector. Women in the country especially in Northern Ghana continue encounter difficulties in accessing credit compared to their male counterparts. This lack of women to access credit in rural communities is a major economic setback to the country's development. Many women are disadvantaged in meeting their business growth.

Needs as they face a number of difficulties and cultural barriers such as the traditional land tenure system, inheritance system, ignorance of business laws and ethnics ,lack of formal education ,less to mention financial transactions and their risk aversion. The International Finance Corporation (IFC), survey conducted in 2007 indicated that approximately 58 percent of women owned (MSMEs) perceived limited or no access to credit as a severe barrier to growth.

Chapter 3

METHODOLOGY SAMPLE AND QUESTIONNAIRE

3.1 Introduction

To achieve the objectives of this study, a survey methodology and the convenience sampling technique was adapted. The researcher designed and used a simple and structured questionnaire. The questionnaire was arranged in three parts to measure the impact of microfinance on the economic, educational, and social developments of the rural women in Northern Ghana (See Appendix C for the questionnaire).

Descriptive Statistics analysis has also been carried out based on the survey results. In this respect, mean, standard deviation and correlation analysis were added to the analysis.

3.2 Population

The population of this study consists of the three Northern Regions of Ghana. Targeting women mostly, who have businesses, and borrowed credit for business purposes. Also a few men were included in the sample to get the views of the husbands about their female counterparts' economic, educational and social development.

3.3 Sample Selection and Design of the Questionnaire

A convenience sampling technique was used to select a total of 300 respondents, representing the sample size of the study. Of 300, 247 questionnaires were considered valid, 13 questionnaires were rejected for non-clarity of answers, and 40

could not be collected. The researcher benefited from a number of microfinance studies to structure the questionnaire. The questions were divided into three parts.

Part 1: Personal information (demographic characteristics) on the respondents

Part 2: Financial and occupational information on the respondents.

Part 3: Information on microfinance impact on educational, social and cultural aspects affecting women development in Northern Ghana.

3.4 Data Collection

The researcher with the help of family members went to the market place and small business centers (kiosks) to get respondents to answer the questionnaire. This was to ensure that the respondents are those engaged in businesses, to enable achieve the objectives of the study. Few of the respondents were interviewed. These were also to get the views of respondents apart from those in the questionnaires. Data collected were presented in a tabular and charts forms. The researcher also made use of absolute figures and relative percentages in the analysis of the data to bring out the differences between responses. This was to allow meaningful conclusion to be drawn to meet the objectives of the study, based on the listed items from the questionnaire. The main findings of the work are made to form the basis for drawing conclusions in the final chapter.

The first and second categories of questions were the demographic and financial characteristics questions asked which included:

Gender (male and female): The number of male was 58 and the number of female was 189. Though the study is on women, these few male respondents are included to

have an idea of what the males think of the development of their female counterparts in the three regions of Ghana.

Table 3.1: Gender Distribution

| Items (Variables) | | Number of Respondents | Percentage (%) |
|-------------------|--------|-----------------------|----------------|
| Gender: | Male | 58 | 23.5 |
| | Female | 186 | 76.5 |

Source: Survey, Nov.2013

The table below show the age distribution of respondents who fall within the working class. This was to ensure respondents are people who should be responsible and not dependents.

Table 3.2: Age Distribution

| Items (Variables) | | Number of Respondents | Percentage (%) |
|-------------------|-------|-----------------------|----------------|
| Age(years): | 18-30 | 102 | 41.30 |
| | 31-40 | 89 | 36.03 |
| | 41-50 | 36 | 14.57 |
| | 51-65 | 20 | 8.10 |

Source: Survey, Nov.2013

The respondents' educational background was an important variable in the study, because it is stated in the literature that education is an important factor in development. Hence the researcher wanted to know the educational level of respondents, those with no formal education at all (illiterate) are 102 respondents; basic level with 51; junior high school 39, senior high 30 and final 25 respondents representing the tertiary education. This is shown on the table below.

Table 3.3: Level of Education

| Items (Variables) | | Number of Respondents | Percentage (%) |
|-----------------------------|--|-----------------------|----------------|
| Level of Education in Years | Illiterates(0yrs) | 102 | 41.30 |
| | Basic(primary) (6yrs) | 51 | 20.65 |
| | Junior High School (middle) (9-10 yrs) | 39 | 15.79 |
| | Senior High School (12yrs) | 30 | 12.15 |
| | Tertiary (16yrs) | 25 | 10.12 |

Source: Survey, Nov.2013

Questions such as marital status, number of wives, children and dependents of respondents were included in the questionnaire. All are put into table with their percentages and occupational questions, which included; the type of occupation, petty trading farming, government employee and others. Durations of respondents businesses was among this category; started from 1-2 years, 3-4years 5-10years, 11-15 and above.

Another important question was the source of respondents 'business capital. Respondents chose their sources of capital from the suggested sources, bank, microfinance institutions, MASLOC, susu groups and money lenders. This question is asked in order compare the traditional lending sources with the microfinance institutions. The results showed that the banks, in other words the traditional lending facility is still important. Below are the statistics.

Table 3.4: Source of Capital

| Items (variables) | | Number of Respondents | Percentage (%) |
|--------------------|---------------------|-----------------------|----------------|
| Source of Capital: | Bank | 61 | 34.86 |
| | Microfinance | 53 | 30.29 |
| | MASLOC | 5 | 2.86 |
| | Susu Group | 43 | 24.57 |
| | Money Lenders | 13 | 7.43 |
| | Total no-of persons | 175 | 100 |

Source: Survey, Nov.2013

The amount of credit taken by respondents also was one of the important questions. This is because the size of the loan indicates the size of the business. It is expected that the bigger the amount borrowed, the better the respondent income and the better the business. The amounts were quoted in Ghana Cedi, ranging from, 100-500gh.cedis, 501-1000cedis, 1001-2000cedis, and 2001 and above. The exchange rate at the time of the survey was: one United State dollar (\$) were 2 Ghana cedis. (Nov., 2013). These statistics show that respondents are closed in terms of the amounts borrowed. This is detailed in Table 3.5.

Table 3.5: Loan Amount: in Ghanaian Currency (Cedi's)

| Items (variables) | | Number of Respondents | Percentage (%) |
|--|----------------|-----------------------|----------------|
| Loan Amount: in Ghanaian Currency(Cedis) | 100-500 | 48 | 27.43 |
| | 501-1000 | 36 | 20.57 |
| | 1001-1500 | 38 | 21.71 |
| | 1501-2000 | 31 | 17.71 |
| | 2001 and above | 23 | 13.14 |

Source: Survey, Nov.2013

Note: The exchange rate: 1 US\$ = 2 cedis

Questions on the amount of interests charged on the loans, commissions or fees paid, saving and interest earned on savings, how regular respondents save, and the amount

saved were all part of the financial part of the questionnaire. The last sets of questions were ranking (rating scale), checking the preference attitude scale was used. Respondents were asked of their opinion, on the impact of microfinance on their economic, education, social and barriers to women developments in the three Northern Regions of Ghana, which are the main objectives of this research work. All these are analyzed in the results chapter, the next chapter.

Chapter 4

SURVEY RESULTS

The results of the study are presented in this chapter. The researcher analyzes the data by using percentages (See Appendix A for the statistical results). The intention is to keep the results of the study as simple as possible to enable the majority of people from the study area to read and understand the outcome of this study.

Respondents were asked to give their opinions on a number of statements, including: the economic, educational and social impacts of microfinance in the area of the study (developments achieved through microfinance). They were asked to rank their opinions according to highly agree (the best), agree, neutral, disagree and highly disagree (the worst). These particular sections of the questionnaire were answered by the 175 respondents, these are those who have businesses and also took credit to do business with.

Based on the survey results, the descriptive statistics shows that the average of those who agreed that microfinance helped them to start business as high as 4.0081 out of 5, and a standard deviation of 0.97943.

Unfortunately, the statistics revealed on average of 4.1053 of those agreed that microfinance caused problem in their marriages because they are now financially independent.

If Northern women are allowed to own property such as cattle and land, poverty will be reduced that showed an average of 4.0688.

A simple correlation between source of loan and the educational level of respondents showed that there is a positive relationship which a very high correlation coefficient of 0.655446. Unfortunately, statistics revealed a negative correlation coefficient of -0.847274 between the amount of loan and the educational level of the respondents (more detailed of these statistics are shown on appendices A and B).

4.1 The Economic Impact

With eight distinct scale questions, the respondents were asked to comment about the impact of microfinance on their economic well-being. In this section we summarize and analyze the respondents' answers for six of the questions.

4.1.1 Microfinance Helped Women to Start Their Business

The first question was whether microfinance helped women to start their businesses, and 97 respondents (representing, 38.2% of the sample) highly agreed, 46 respondents (representing 26% of the sample) scored agreed and 57 persons (32.5% of the same sample), were neutral. The disagreed and highly disagreed respondents represented 1.6% and 1.60% respectively. The highly agreed and agreed added together make up a very high percentage of 41.70%. Figure presents the results as a pie chart.

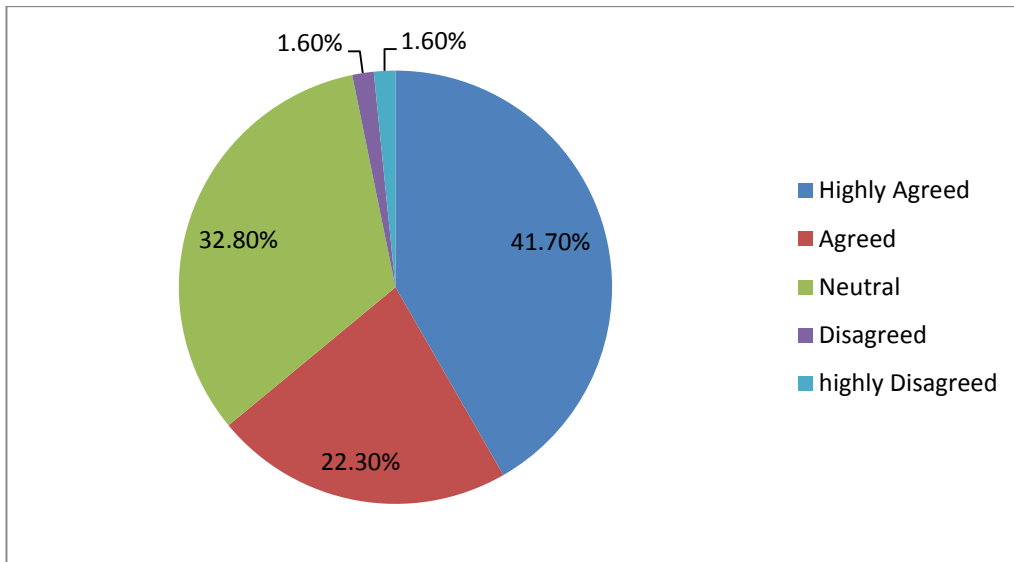


Figure 4.1.1: Microfinance helped me start business

4.1.2 Microfinance Helped Women Expand Farm, Trading and Other Activities.

A similar question to the first one as to whether microfinance helped them to expand their farms, poultry farms, trading or other business activities reveals with 25.1% highly agreed, 27.5% agreed, 41.7% neutral and the 4.9% and 0.8% as disagreed and highly disagreed. This is shown by the figure 4.1.2 below.

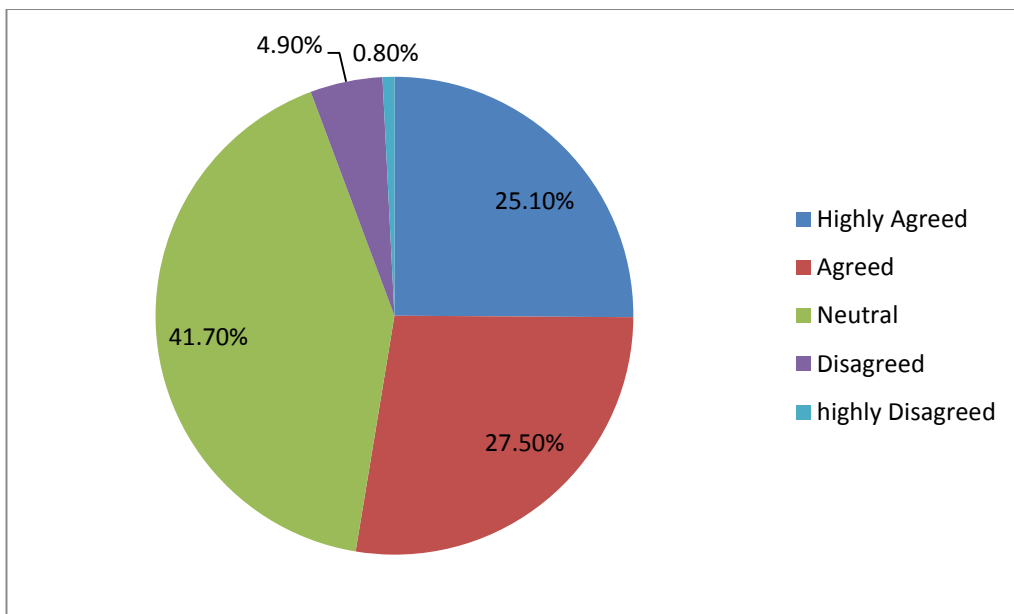


Figure 4.1.2: Microfinance helped expand farm, poultry farm, trading and other activities.

4.1.3 Impact of Microfinance on Women's Income

The question on whether microfinance increased women's income scored a higher percentage of 34.4% of the respondents agreeing highly, while 28.7% agreed, around the same percentage of the neutrality (32.8%) still remain silent, with the same negligible percentage of 0.2% and 2.4% disagreeing. Figure 4.1.3, below indicated this.

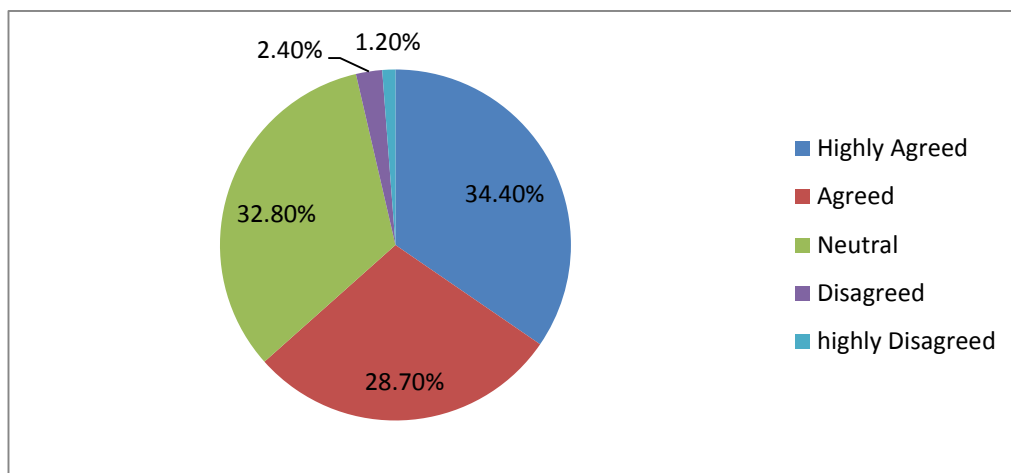


Figure 4.1.3: Microfinance increased my income

4.1.4 Microfinance Helped Women to Renovate Their Homes

When respondents' opinions were sought as of their home renovation, 29.1% and 25.1%, accepted highly agreed and agreed. The neutrality still around the 41.3%. These neutrality confirmed literature that a well behaved Northern woman in Ghana, should allow her husband who is the head of the family to speak to visitors, and be contempt with child bearing and the kitchen matters. The chart below shows these results.

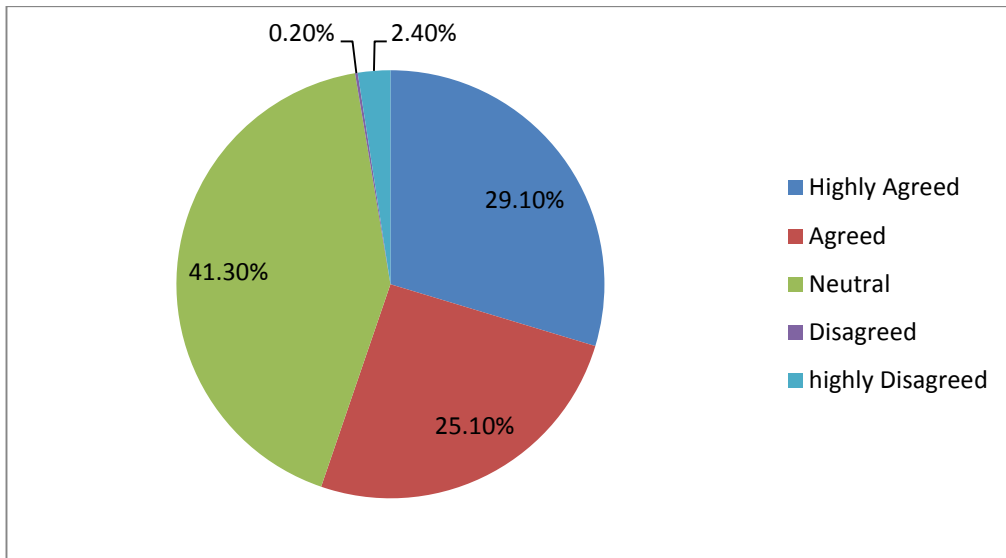


Figure 4.1.4: Home renovation.

4.1.5 The Impact of Microfinance on Economic Independence of Women

The economic independence results were with 25.1% and 22.7% highly agreed and agreed respectively. The neutrality is 49.4%. These neutrality confirmed literature that a well behaved Northern woman in Ghana, should allow her husband who is the head of the family to speak to visitors, and be contempt with child bearing and the kitchen matters. The chart below shows these results.

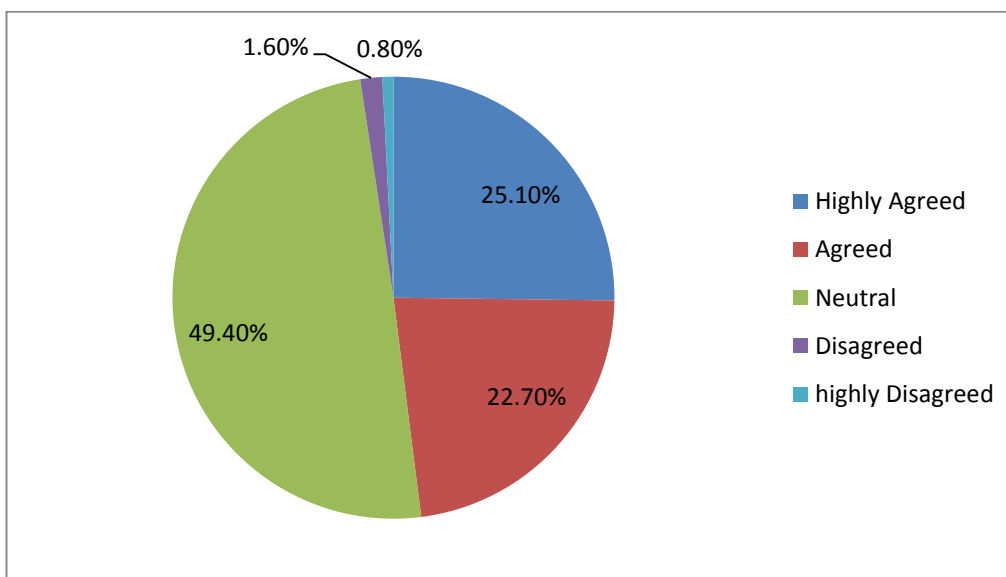


Figure 4.1.5: Economic Independence.

4.1.6 The Owning of Productive Assets (“abomination Statements”)

But interestingly, two simple statements on accumulation of assets, such as land, houses and cattle, and nutrition of the family turned out neutral with responses as high as 32% and 23.5% respectively. The normal neutrality is 39.3% with low as 1.2% and 2.4% respectively. In fact a female respondent on the particular assets accumulating question ,said this, *‘my daughter, what you are doing seems good, but do not asked abomination statement, if you were not a native, no one will answer such abomination question, this particular question is not good, is against our tradition, women don’t own cattle ,houses nor land, please.’* This statistics is shown on the figure below.

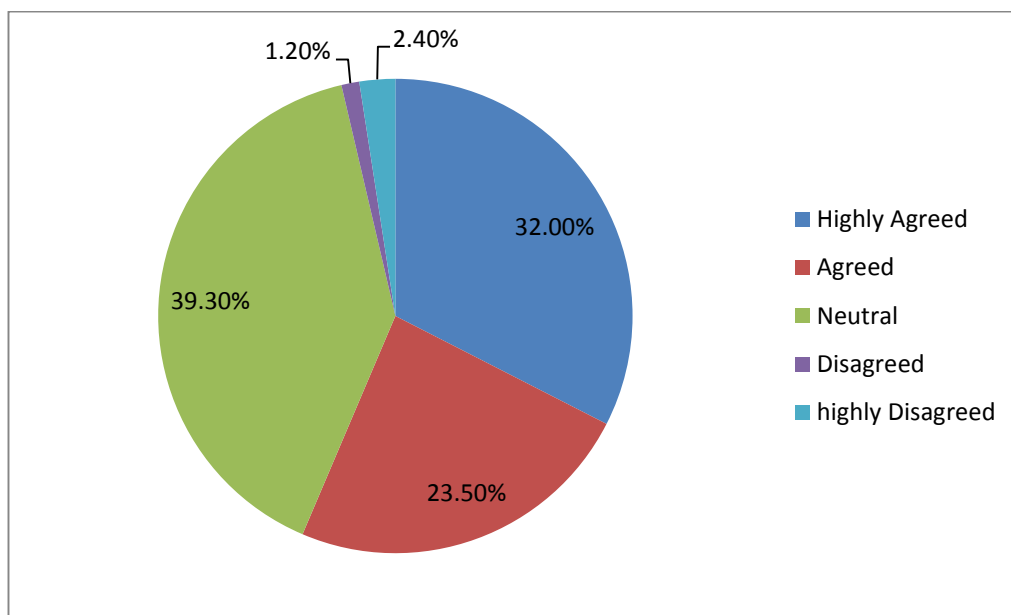


Figure 4.1.6: The “abomination” Statement Chart

4.2 The Educational Impact

Regarding to the impact of microfinance on education, three statements were required of respondents to give their opinions. These included the following: Microfinance provided me an opportunity to improve my education; microfinance

helped me to pay my children school fees and assisted in the education of external family members. Respondents indicated that they were neutral for all these questions. In other words microfinance had no positive or negative impact on their education.

4.2.1 The Impact of Microfinance on Borrowers' Education

Figure 4.2.1 shows that 43.3% representing almost half of the respondents are neutral, while 25.1%,26.7%,3.6% and 0.8% opt for highly agree, agree, disagree and highly disagree respectively.

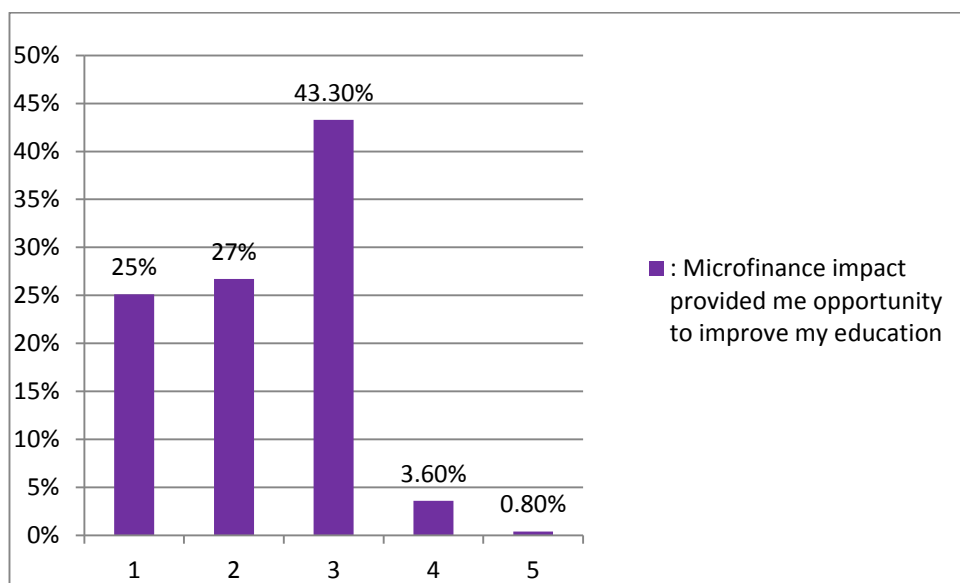


Figure 4.2.1: Microfinance impact provided me opportunity to improve my education

4.2.2 The Impact of Microfinance on Children's Education

The second statement as to whether microfinance has helped to pay the children school fees, also showed a higher percentage neutrality, 37.7%, 25.5%, and 32.4% indicated highly agree and agree respectively. The disagreed and highly disagree scored a minimal percentage of 2% and 2.4%.

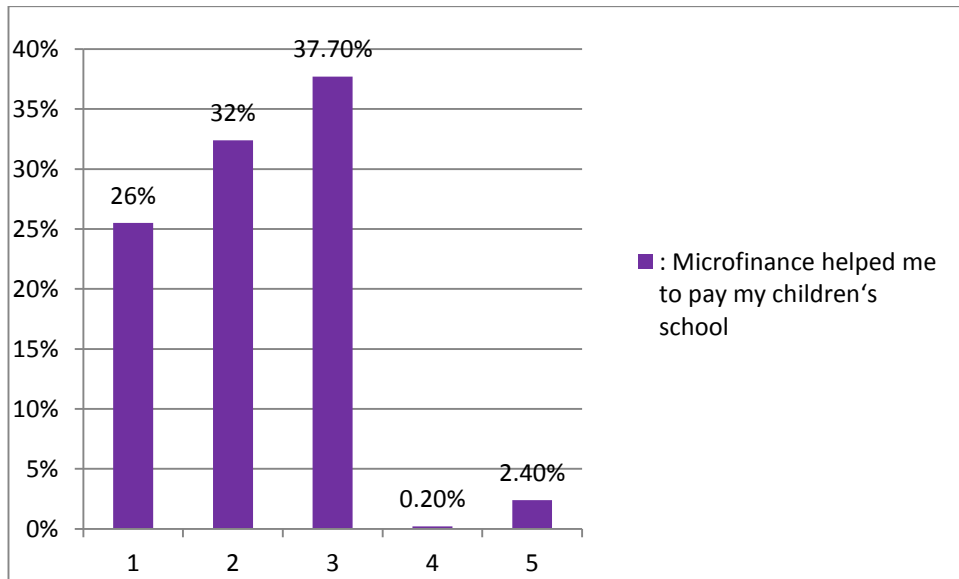


Figure 4.2.2 Microfinance helped me to pay my children's school fees.

4.2.3 The Impact of Microfinance on the Education of Other External Family Members

The last statement on the impact of microfinance in assisting external family members in their education yielded a better positive results, 42.5 and 34% highly agree and agree respectively, though a quite sizeable percentage of 15.8% maintained their normal style of neutrality. The disagree and highly disagree took the usual position of 6.9% and 0.8%

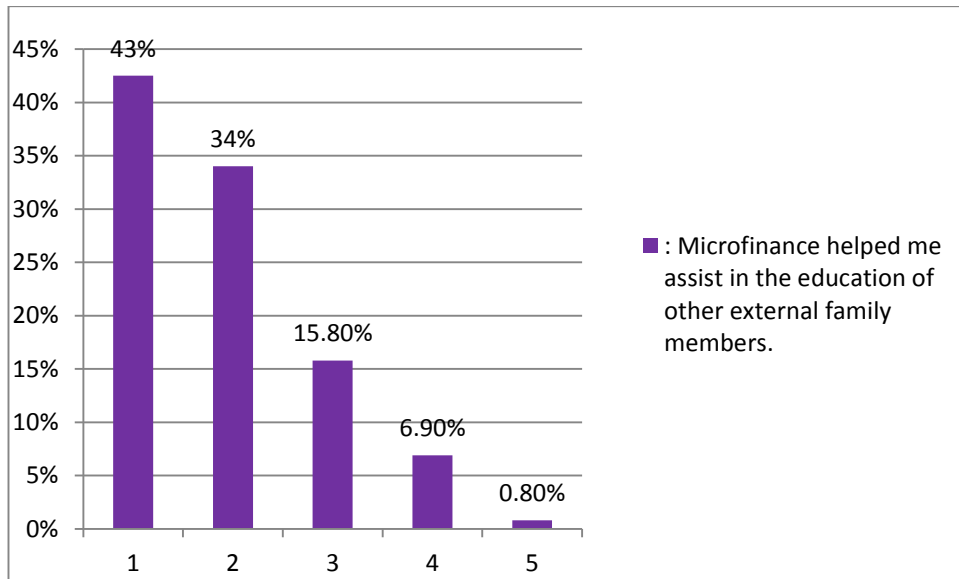


Figure .4.2.3: Microfinance helped me assist in the education of other external family members.

4.3 The social impact

Of the eight statements on this section neutral was scored as the highest for most of the statements. This neutrality response by respondents is not surprising because most of the earlier research findings in literature have confirmed this.

4.3.1 Whether Microfinance Improved Women’s relationship with Their Husbands and His Family.

The first question on this section was microfinance improves my relationship with my husband, and more than half of the respondents took neutral, thus 49.40%. Surprisingly the disagreed and highly disagree together scored 25.9%, while the highly agree and agree combined scored 21.1%. Below are the statistics on figure 4.3.1.

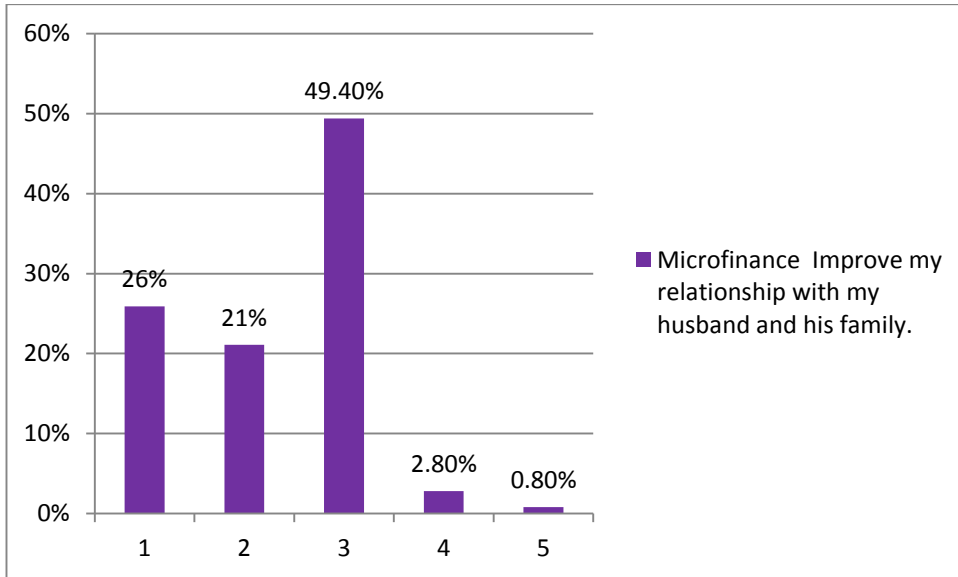


Figure 4.3.1: Microfinance improves my relationship with my husband and his family.

4.3.2 Impact of Microfinance on Women’s Status in the Family

The second question on this was to find out whether microfinance has any impact on their status in the family. Though the highest score was neutral, thus 47.40%, the highly agree and agree sum up gave a bigger score of 48.10%, which is greater than the neutral? The negatives together scored minimal mark. The figure below has the scores.

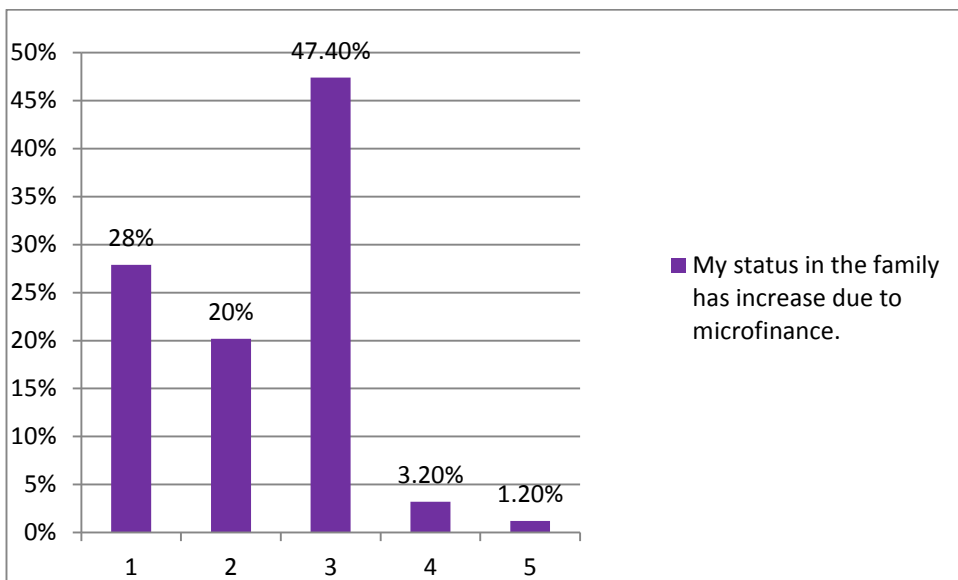


Figure 4.3.2: My status in the family has increase due to microfinance

4.3.3 Microfinance and Women's Participation in The Family Decision Making

My participation in the family decision making has increased was the next question. 50.60% of the respondents ranked neutral, but adding the highly agree and agree together, indicated that microfinance has a positive impact on their decision making in the families. See figure 4.3.3 below.

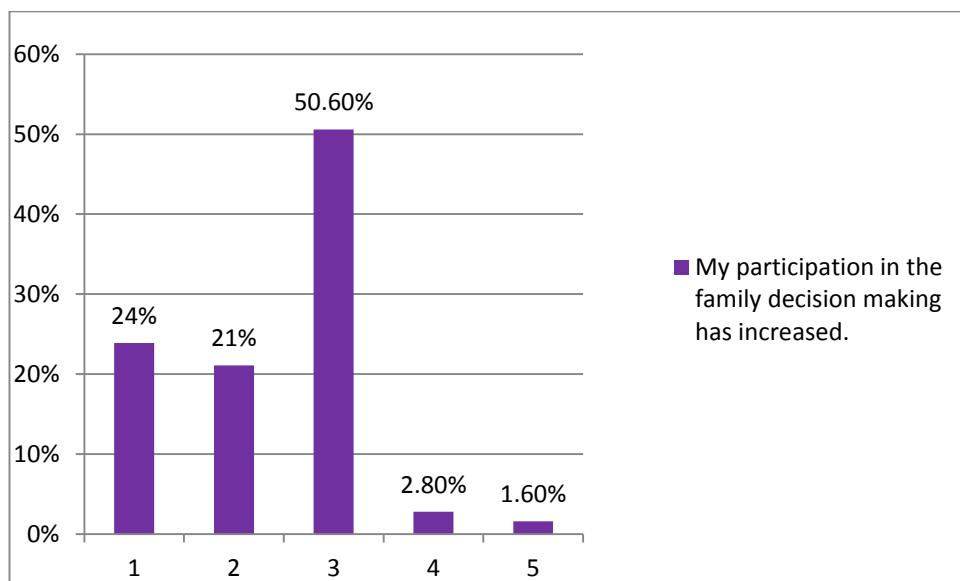


Figure 4.3.3: My participation in the family decision making has increased.

4.3.4 The Impact of Microfinance on Family Decision Taking.

The fourth question on the social impact was whether husband now consults before decisions are taken, 64.4% became silent and 0.8% and 5.7% took highly disagree and disagree. This indicated that consultation in the family is still not positive, though there are interventions due to microfinance.

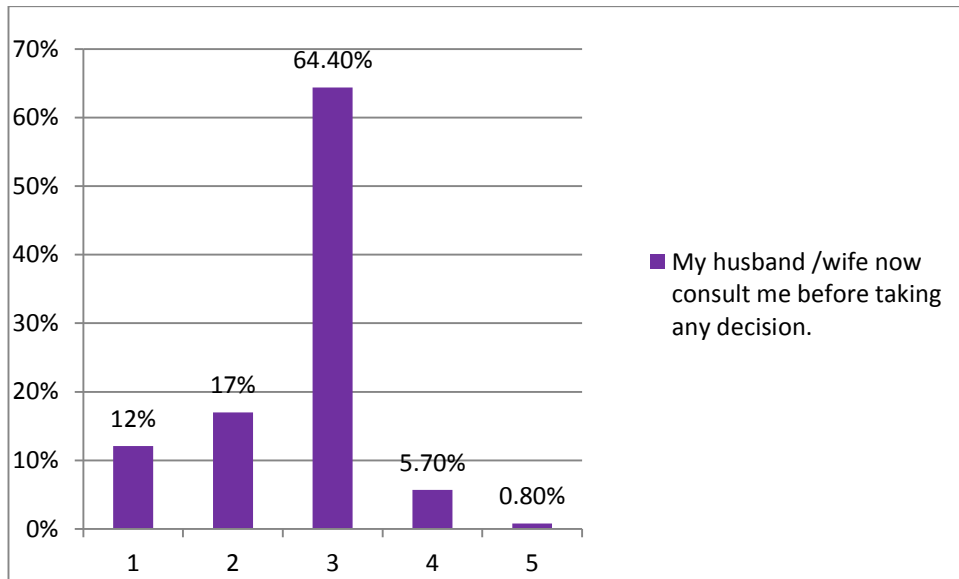


Figure 4.3.4: My husband /wife now consult me before taking any decision

4.3.5 The Impact of Microfinance on Family Violence

Another question on the social impact of microfinance was- my husband has stopped beating me because I can now contribute to the family. The highly agree and agree scored 14.2% and 20.6% respectively. On this very interesting question the neutral scored as high as as 53%,while the disagree and highly disagree have 10.9% and 1.20% respectively. This is a very positive contribution of microfinance should have a bearing on the final results. Figure 4.3.5 details the statistics.

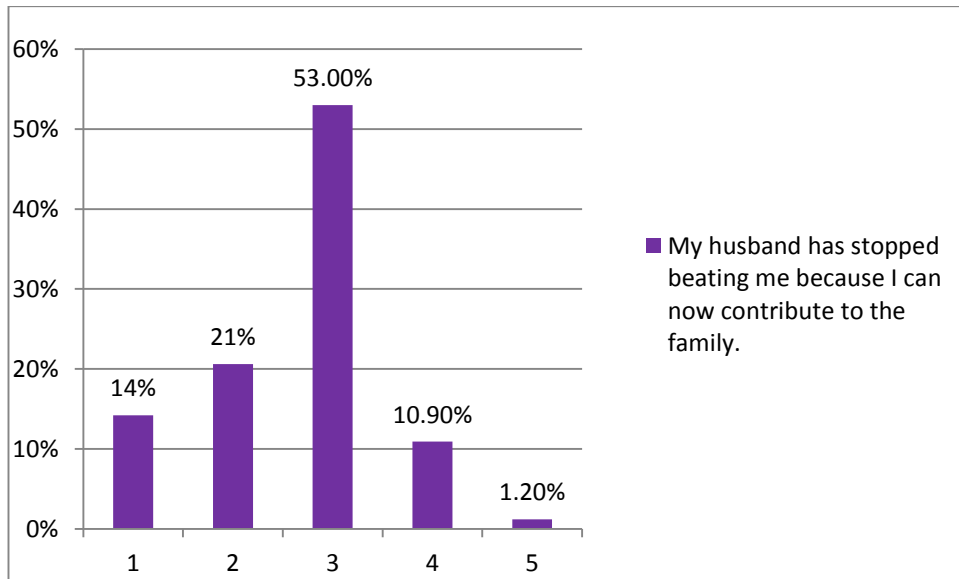


Figure 4.3.5: My husband has stopped beating me because I can now contribute to the family.

4.3.6 Impact of Microfinance on Women's Social Recognition

The question on society's respect towards me, respondents ranking are very close to each other except the highly disagree with 2.80%. The rest 26.7%, 22 %, 44.9% and 3.2% as highly agree, agree, neutral and disagree respectively. The figure below has the results.

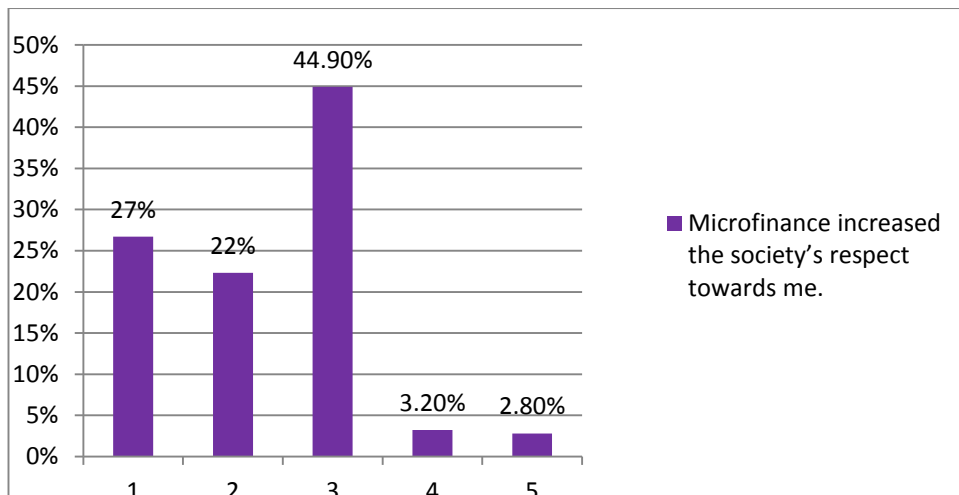


Figure 4.3.6: Microfinance increased the society's respect towards me.

4.3.7 Impact of Microfinance on Women's Political Activities

The last but one, question was on been political active. For the first time the disagreements won the day with 17.5 % combined. The others highly agree, agree and neutral had 15.8%, 19.8%, and 47% respectively. This results tally with early literature confirmation-that the female decision making process should start from her home, and empowered when a girl before she can contribute to society. Therefore if they are not empowered, then they cannot be politically active through any intervention, not only microfinance. Therefore respondents disagreed been political active.

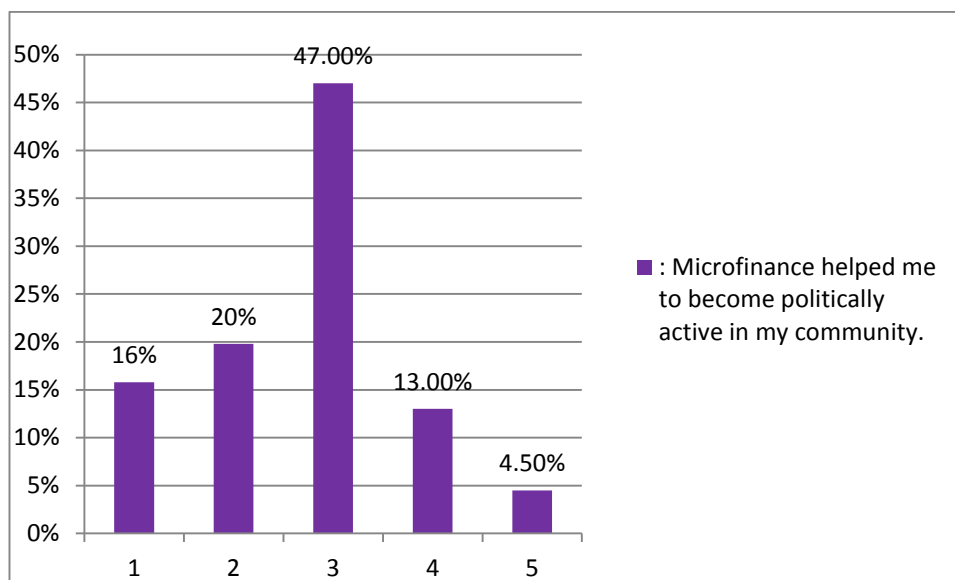


Figure. 4.3.7: Microfinance helped me to become politically active in my community.

4.3.8 Impact of Microfinance on Marriages

The last question on this section-social impact, on financially independence, a 11 % and 17% took highly agree and agree. Indicating that they have more problems with their marriages because they are financially independent. The neutral, disagree and highly disagree scored 49.80, 18.00 % and 4.90 % .The figure below has the figures.

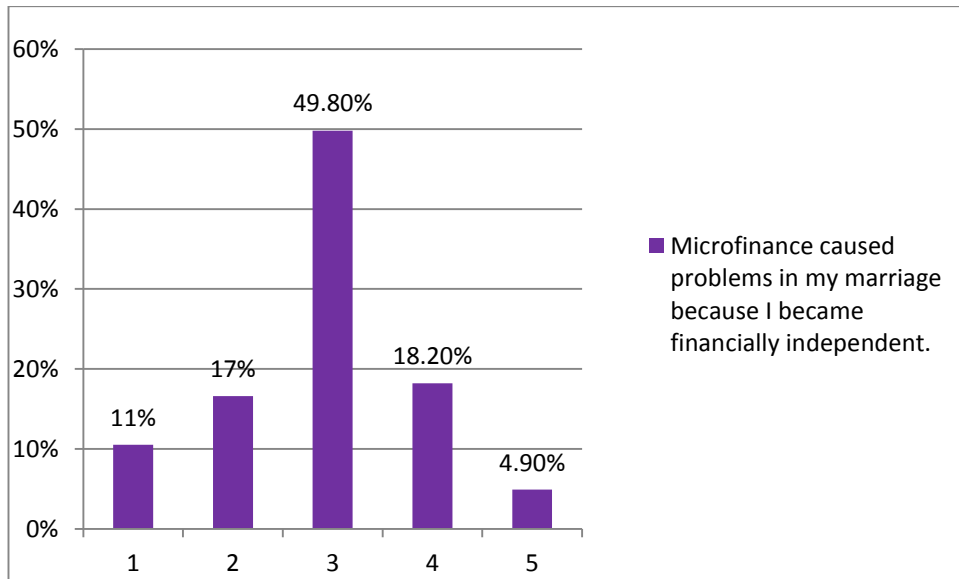


Figure 4.3.8: Microfinance caused problems in my marriage because I became financially independent.

4.4 Cultural Barriers

This section was divided into male and female. In all five statements were posed, and respondents were asked to rank their options. In the statements the males and females opposed one another. The first was: Because women are not educated enough they cannot manage loan 2.02% of the female opted for highly agree, and almost the men, 15.38% took highly agree (there are only very few men in the sample). On the statement that if women are encourage to own property poverty will reduce in Northern Ghana, 58.70% with 1.6% , indicated highly agree. If women be financially self-sufficient divorce will increase had both parties taking almost the same position. Below are the statistics on Figure 4.4.1.

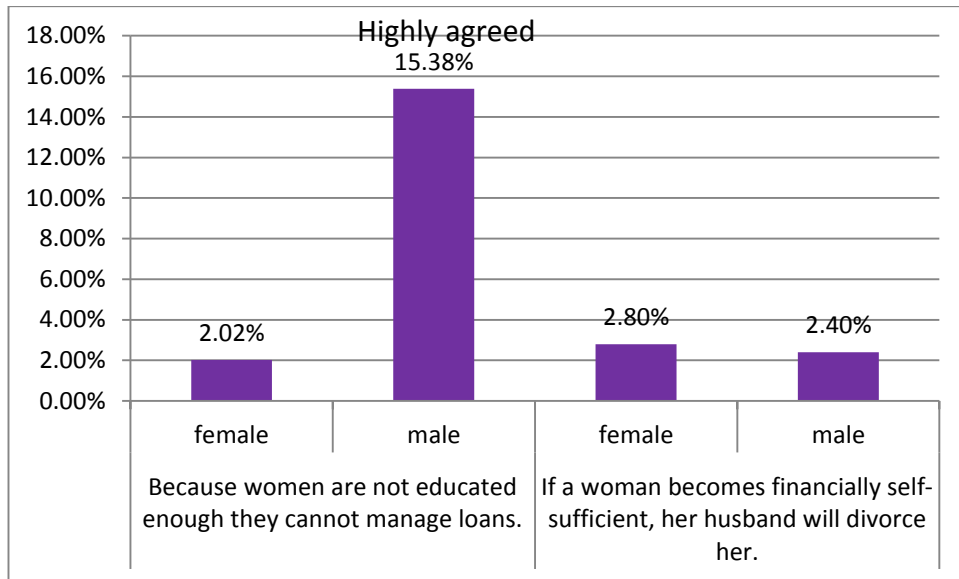


Figure 4.4.1: Loan management, women property owning and financially self-sufficient chart.

The last two questions on the culture barriers on women in Northern Ghana was on the women been allowed to own property such as cattle and land, which was considered as an “abomination” question, has been tilted to add, poverty reduction, in the area under study, and it scored highly agreed with a percentage of 63.96% by the female respondents, and just 1.21% of the male counterparts supported that. Last but not least was the domineering role of men, as a setback of development and the area and women backwardness, 55.9% of the females indicated highly agreed and 3.2% of the men agreed. The chart below confirms that.

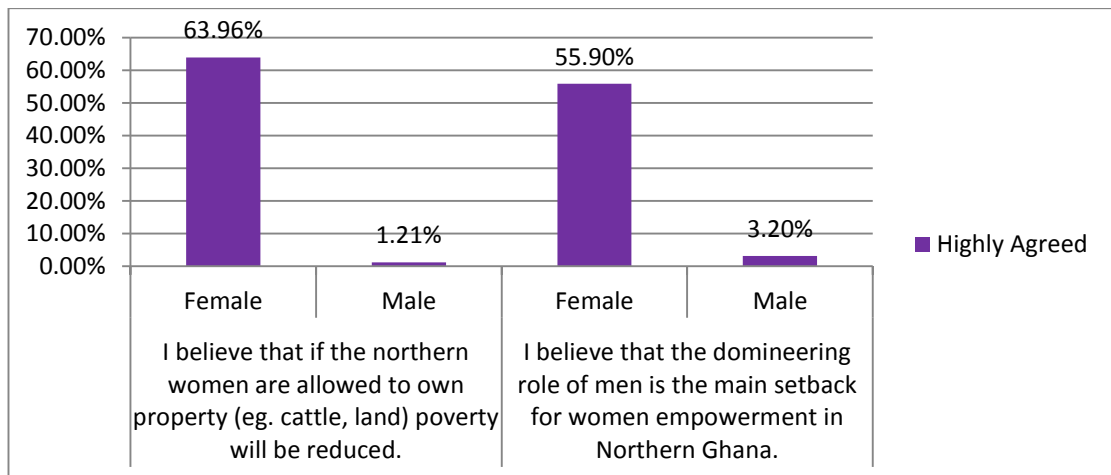


Figure.4.4.2 Two main setbacks for reducing poverty in Northern Ghana

According to the above findings two important conclusions can be drawn:

a) Women are not allowed to own certain property.

b) The domineering role of men.

Chapter 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings of this research study. Microfinance, the supply of micro and small size loans and basic financial services to the venerable poor, especially microfinance is widely acknowledged as an effective tool in the fighting women's poverty.

5.2 Major Findings

It has been revealed that majority of the respondents are illiterates, complete illiterates, with not even a basic formal education, with few children but, have many persons depending on them for a living. This is a clear contributing factor to the higher poverty level in the three Northern Regions of Ghana because many persons depend on very few individuals for living.

Also, it is found that, in Northern Ghana respondents borrow from banks more than the microfinance institutions and Government loans programs. This goes against the belief that microfinance is mostly done by microfinance institutions. Though the banks interest rates are higher than the microfinance facilities, especially those established by Ghana Government (MASLOC) .Respondents found it convenient to borrow from the banks rather than Micro-institutions. This indicates the inefficiency of microfinance institutions in reaching down to the very poor in the North of Ghana.

The study shows that Microfinance has a positive impact economically on the lives of the Northern women of Ghana, because majority of the respondents expanded their businesses, their income increases, and some even agreed that they renovate their homes, although a sizeable number of the respondents were neutral. They did not know whether microfinance has any impact on their lives though they have used microfinance facility. This is not anything surprising as it is a confirmation of old day's literature about the women under the study. This says that virtues woman has no life on her own, but everything of her depends on her husband. These may be some of the virtues women still living in Northern Ghana.

A finding on the impact of microfinance on education has a positive effect. Majority of the respondents assisted their external family members in their education, but remained silent on their own children education. This neutrality on their own children education is right, even if the women are the sole sponsors of their children education they don't have to say it because a virtues wife in the area under this search work does not speak.

Other major findings were the social impact of microfinance. Research findings show that relationships, women status in the family, consultations on decision making have all been improved. In fact, it is confirmed that their husbands have stopped beating them because they can now contribute to the family income. Unfortunately others indicated their marriages are on the rocks because they are now financially independent through microfinance.

Findings on the barriers to women development in Northern Ghana revealed controversies; almost all the males agreed that the women cannot manage loans

because most of them are illiterates, all the women refuted it. Whiles the female respondents said the men do not allow them to own property and also the men domineering roles are most of the developmental sets backs and the perennial hunger in the area, almost all the men also refuted that.

5.3 Conclusions

In conclusion, assessing the impact of Microfinance on the economic, educational and societal development of the women under this research, confirmed that microfinance has impacted on them positively. Although majority of the respondents' are illiterates, with strong cultural believes, they still had active roles in the economy. Most of the respondents have used microfinance and they are aware positive impact that microfinance had on their lives.

5.4 Recommendations

First and foremost, the area under the study is too large for the generalization of the results. Therefore many and similar researches should be conducted in the area, and the researcher hopes many researchers should be interested in undertaking research in this area.

To emphasis on the need for very serious education in the area, is an understatement. For everyone knows that education is the key to development, but this kind of education, the researcher is calling for is to get the men in the area be aware that there cannot be any meaningful development in the area without female participation. Therefore, the women should be allowed to own all kinds of assets once they are good for human development.

The municipals and districts assemblies have a major role to play in Northern Ghana. Traditions that are no more reasonable and degrading to human dignity should be scripted off the system. The female children should be seen as equal as the male children. This would encourage parents with girl children to educate them well, and make them productive citizen of the society which would go a long way to bring development as a whole in the Northern territory of Ghana.

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APPENDICES

Appendix A: Means and Standard Deviations for Each Question

| Questionnaire Items | | frequency | Percentage | Mean | Std.Dev. |
|--|------------|-----------|------------|--------|----------|
| 4.1.1 Microfinance helped me to start my business | H.Disagree | 4 | 1.6 | 4.0081 | 0.97943 |
| | Disagree | 4 | 1.6 | | |
| | Neutral | 81 | 32.8 | | |
| | Agree | 55 | 22.3 | | |
| | H.Agree | 103 | 41.7 | | |
| 4.1.2 Microfinance helped me to expand my farm poultry farm, trading or other business activities. | H.Disagree | 2 | 0.8 | 3.7126 | 0.92524 |
| | Disagree | 12 | 4.9 | | |
| | Neutral | 103 | 41.7 | | |
| | Agree | 68 | 27.5 | | |
| | H.Agree | 62 | 25.1 | | |
| 4.1.3 My income level has increased through microfinance | H.Disagree | 6 | 2.4 | 3.915 | 0.96948 |
| | Disagree | 5 | 2 | | |
| | Neutral | 102 | 41.3 | | |
| | Agree | 62 | 25.1 | | |
| | H.Agree | 72 | 29.1 | | |
| 4.1.4 Microfinance helped me renovate my home | H.Disagree | 3 | 1.2 | 3.7652 | 0.9761 |
| | Disagree | 6 | 2.4 | | |
| | Neutral | 81 | 32.8 | | |
| | Agree | 71 | 28.7 | | |
| | H.Agree | 85 | 34.4 | | |
| 4.1.5 Microfinance helped me become economic independent | H.Disagree | 2 | 0.8 | 3.7652 | 1.0902 |
| | Disagree | 4 | 1.6 | | |
| | Neutral | 122 | 49.4 | | |
| | Agree | 56 | 22.7 | | |
| | H.Agree | 62 | 25.1 | | |
| 4.1.6 Microfinance help me to save money and accumulate assets (eg. land, house, cattle, savings) | H.Disagree | 6 | 2.4 | 3.6842 | 0.92255 |
| | Disagree | 3 | 1.2 | | |
| | Neutral | 97 | 39.3 | | |
| | Agree | 58 | 23.5 | | |
| | H.Agree | 79 | 32 | | |
| 4.2.1. Microfinance provided me opportunity to improve my education | H.Disagree | 2 | 0.8 | 3.6842 | 0.91813 |
| | Disagree | 9 | 3.6 | | |
| | Neutral | 107 | 43.3 | | |
| | Agree | 66 | 26.7 | | |
| | H.Agree | 62 | 25.1 | | |

| | | | | | |
|--|---|----------------------------|------------------------------------|--------|---------|
| 4.2.2 Microfinance helped me to pay my children's school fees | H.Disagree Disagree Neutral Agree H.Agree | 6 5 93 80 63 | 2.4 2 37.7 32.4 25.5 | 3.7045 | 0.95301 |
| 4.2.3. Microfinance helped me to assist the education of other external family members | H.Disagree Disagree Neutral Agree H.Agree | 2 17 39 84 105 | 0.8 6.9 15.8 34 42.5 | 3.3401 | 0.79489 |
| 4.3.1. Microfinance improved my relationship with my husband and his family | H.Disagree Disagree Neutral Agree H.Agree | 2 7 122 52 64 | 0.8 2.8 49.4 21.1 25.9 | 3.3563 | 0.89862 |
| 4.3.2. My status in the family has increased due to microfinance | H.Disagree Disagree Neutral Agree H.Agree | 3 8 117 50 69 | 1.2 3.2 47.4 20.2 27.9 | 3.668 | 0.99751 |
| 4.3.3 My participation in the family decision making has increased | H.Disagree Disagree Neutral Agree H.Agree | 4 7 125 52 59 | 1.6 2.8 50.6 21.1 23.9 | 3.2955 | 1.02692 |
| 4.3.4. My husband/wife now consults me before taking any decision | H.Disagree Disagree Neutral Agree H.Agree | 2 14 159 42 30 | 0.8 5.7 64.4 17 12.1 | 3.0972 | 0.97877 |
| 4.3.5. My husband has stopped beating me because I can now contribute the family | H.Disagree Disagree Neutral Agree H.Agree | 3 27 131 51 35 | 1.2 10.9 53 20.6 14.2 | 3.7045 | 0.94013 |
| 4.3.6 Microfinance increased the society's respect toward me | H.Disagree Disagree Neutral Agree H.Agree | 7 8 111 55 66 | 2.8 3.2 44.9 22.3 26.7 | 3.7652 | 0.93787 |

| | | | | | |
|--|---|-----------------------------|-------------------------------------|--------|---------|
| 4.3.7. Microfinance helped me to become politically active in me community | H.Disagree Disagree Neutral Agree H.Agree | 11 32 116 49 39 | 4.5 13 47 19.8 15.8 | 4.1053 | 0.96116 |
| 4.3.8. Microfinance caused problems in my marriage because I became financial independent | H.Disagree Disagree Neutral Agree H.Agree | 12 45 123 41 26 | 4.9 18.2 49.8 16.6 10.5 | 4.1053 | 0.96116 |
| 42. Because women are not educated enough they cannot manage loans. | H.Disagree Disagree Neutral Agree H.Agree | 4 30 34 74 105 | 1.6 12.1 13.8 30 42.5 | 3.996 | 1.09507 |
| 43. Northern men do not allow women to own property | H.Disagree Disagree Neutral Agree H.Agree | 10 59 29 49 99 | 6.5 28.7 23.1 19 22.7 | 3.2267 | 1.26443 |
| 44. If a woman becomes financially self-sufficient, her husband will divorce her. | H.Disagree Disagree Neutral Agree H.Agree | 16 71 57 47 56 | 4 23.9 11.7 19.8 40.1 | 3.664 | 1.35417 |
| 45. I believe that if the northern women are allowed to own property (eg. cattle, land) poverty will be reduced. | H.Disagree Disagree Neutral Agree H.Agree | 11 26 14 74 121 | 4.5 10.5 5.7 30 49 | 4.0688 | 1.21279 |
| 46. I believe that the domineering role of men is the main setback of women empowerment in Northern Ghana | H.Disagree Disagree Neutral Agree H.Agree | 10 22 2 24 40 | 4 8.9 0.8 9.7 16.2 | 3.6327 | 1.46004 |

Note: 1= Highly Disagree
2= Disagree
3= Neutral
4= Agree
5= Highly Agree

Appendix B: Correlation Table: 1

| Source of Loan | Level of Education |
|--------------------------------|---------------------------|
| Independent Variable | Dependent Variable |
| 61 | 102 |
| 53 | 51 |
| 13 | 39 |
| 5 | 30 |
| 43 | 25 |
| Correlation Coefficient | = 0.655446 |

Correlation Table :2

| Amount of Loan | Level of Education |
|--------------------------------|-----------------------------|
| Dependent Variable | Independent Variable |
| 100 | 102 |
| 5001 | 51 |
| 1001 | 39 |
| 15001 | 30 |
| 2001 | 25 |
| Correlation Coefficient | = -0.847274 |

Appendix C: QUESTIONNAIRE

PART I: PERSONAL INFORMATION

If the respondent agrees to write his or her name and address of telephone number

1. Name: _____
2. Address: _____ Telephone number:

3. Sex? Male () Female ()
4. Age _____
5. What is your educational level?
a) Illiterate b) Primary c) Junior high school d) Senior high school e) Tertiary
6. Marital status?
a) Married b) Single c) Widow/er d) Divorced e) Separated
7. How many wives/ co-wives do you have? _____
8. How many children do you have? _____
9. How many dependents do you have? _____
10. Which religious group do you belong to?
a) Traditional b) Christianity c) Islamic d) Others
11. What do you do for living?
a) Farming b) Petty trading c) Government employee d) others
If others, please
specify. _____
12. Do you have a business? a) Yes () b) No ()
13. If yes, when did you start your business? Please give the year _____

PART II: FINANCIAL INFORMATION ON THE RESPONDENTS.

14. Have you ever borrowed money for your family needs or for your business?
a) Yes. I borrowed for my family needs (consumption, such as food, clothing, housing etc.)
b) Yes, I borrowed for my business
c) No I never borrowed money

d) Other. Please indicate

15. If you never borrowed money from any sources please go PART III, Section D.
16. If you borrowed money from where did you borrowed it
a) Bank b) Microfinance institution c) MASLOC d) Money lenders e) Susu group
17. How much is the loan amount in Ghanaian Cedis?
a) 100 – 500 b) 501 – 1000 c) 1001 – 1500 d) 1501 – 2000 e) 2001 and above.
18. What was the interest rate on your loan? Please clarify whether it was a daily, monthly or annual rate. Daily rate () Monthly rate () Annual rate ()
a) 0 – 5% b) 5.1 – 10% c) 10.1 – 15% d) 15.1 – 20% e) 20.1% and above.
19. Have you paid any other fees or commissions, like commitment fee, or processing fee when you applied for the loan?
a) Yes
b) No
20. If you paid other fees and commissions how much was it? _____
21. If you have savings, how regular do you save?
a) Everyday b) Every week c) Every 2 weeks d) every month e) I don't save
22. How much interest do you earn in a month from your savings?
a) None b) 10 – 20 c) 25 – 30 d) 50 – 100 e) 150 – 200 e) 201 and above.

PART III: IMPACT OF MICROFINANCE ON WOMEN IN NORTHERN GHANA.

In this section we would like to understand how microfinance affected women in Northern Ghana economically, socially and educationally.

A) ECONOMIC IMPACT

| | Highly agree | Agree | Neutral | Disagree | Highly disagree |
|--|--------------|-------|---------|----------|-----------------|
| 23. Microfinance helped me to start my business | | | | | |
| 24. Microfinance created jobs and employment for women in our community | | | | | |
| 25. Microfinance helped me to renovate my home | | | | | |
| 26. Microfinance helped me to expand my farm, poultry farm, trading or other business activities | | | | | |
| 27. My income level has increased through microfinance | | | | | |
| 28. Microfinance help me to save money and accumulate assets (eg. land, house, cattle, savings) | | | | | |
| 29. Microfinance improved the nutrition and clothing of my family | | | | | |
| 30. Microfinance helped me to became economically independent | | | | | |

B) SOCIAL IMPACT

| | Highly agree | Agree | Neutral | Disagree | Highly disagree |
|--|--------------|-------|---------|----------|-----------------|
| 31. Microfinance improved my relationship with my husband and his family | | | | | |
| 32. My status in the family has increased due to microfinance | | | | | |
| | Highly agree | Agree | Neutral | Disagree | Highly disagree |
| 33. My participation in the family decision making has increased | | | | | |
| 34. My husband/wife now consults me before taking any decision | | | | | |
| 35. My husband has stopped beating me because I can now contribute the family | | | | | |
| 36. Microfinance increased the society's respect toward me | | | | | |
| 37. Microfinance helped me to become politically active in my community | | | | | |
| 38. Microfinance caused problems in my marriage because I became financially independent | | | | | |

C) EDUCATIONAL IMPACT

| | Highly agree | Agree | Neutral | Disagree | Highly disagree |
|---|--------------|-------|---------|----------|-----------------|
| 39. Microfinance provided me opportunity to improve my education | | | | | |
| 40. Microfinance helped me to pay my children's school fees | | | | | |
| 41. Microfinance helped me to assist the education of other external family members | | | | | |

D) BARRIERS TO THE WOMEN DEVELOPMENT

| | Highly agree | Agree | Neutral | Disagree | Highly disagree |
|--|--------------|-------|---------|----------|-----------------|
| 42. Because women are not educated enough they cannot manage loans. | | | | | |
| 43. Northern men do not allow women to own property | | | | | |
| 44. If a woman becomes financially self-sufficient, her husband will divorce her. | | | | | |
| 45. I believe that if the northern women are allowed to own property (eg. cattle, land) poverty will be reduced. | | | | | |
| 46. I believe that the domineering role of men is the main setback for women empowerment in Northern Ghana. | | | | | |