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The Impact of Microfinance on Women Empowerment in the Kpone Katamanso Municpal Assembly

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Abstract
Microfinance is a financial service that provides small loams, savings and other financial products to individuals or groups who lack access to traditional banking services. The Kpone Katamanso Municipal Assembly which was carved out from the Tema Metropolitan Assembly with the promulgation of the Legislative instrument (L.I) 2031 was selected for the study on the impact of Microfinance Institution (MFI) on women empowerment. A descriptive approach was adopted for the study. Primary and secondary data were used. Two sets of questionnaires were administered in the study; one each for clients of the MFI and the officials of the Eddieyn Microfinance Ltd. Combinations of purposive and convenient sampling methods were used to select the MFI and the clients for the study. The main findings of the study revealed that the presence of MFI has contributed to a large extent, an increase in access to credit and savings mobilization. This contributed in women's ability to improve their petty trading, hence increase their income, and subsequently leading to good health and education for their families, acquisition of assets and taking part in household decision making. Based on the findings it is recommended that financial education be intensified by financial institutions to educate women on financial services available and how to access them through meetings and seminars. Also, the Municipal Assembly should encourage MFIs to establish their branches in rural areas.

Keywords: Microfinance, Microfinance Institution (MFI), Women Empowerment, Eddievyn Microfinance Ltd, Kpone Katamanso Municipal Assembly

1. Introduction

The microfinance industry, over the past four decades has grown to become a major development tool of the world, both in terms of beneficiaries as well as the financial inputs that it received. The microfinance concept assumes that, ceteris paribus, credit to the poor, would lead to increased jobs, household well-being and poverty reduction (Egyir, 2010) [8].

Microfinance is beneficial to developing communities; provide people with access to savings, credit insurance, credit cards, payment and transfer services. Hossain (2002) states that microfinance empower women with the rigorous study as to have proved that microfinance aid poor family to be able to afford children education, have huge impact on the nutrition and health of the poor, particularly children.

Microfinance is not only a possible answer to gender inequality and difficulty of obtaining loans but it encompasses much more. Siwar *et al*. (2011) [21] states that microfinance may increase women's access to social and income generating activities. This would be due to the better socio-economic position women gain when joining a microfinance program (Siwar *et al*., 2011) [21]. Also, microfinance is used as a tool to empower women in low-income countries in their households and communities, by making them self-employed.

Studies conducted by ILO (1997) [10] and Ellis *et al* (2007) showed that the lack of financial capital is the single biggest constraint preventing women from expanding business enterprises. In the words of Yunus (2003, p.171) [24], microfinance 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. Combined with other innovative programs that unleash people's potential, microfinance is an essential tool in our search for a poverty-free world.

The spread of microfinance methodologies during the decade of the 2000s has helped raise financial inclusion in Ghana. The number of total clients of MFIs grew from 1.3 million in 2001 to 3.5 million in 2006, to 5.5 million in 2010, and finally to around 8 million by the end of 2016 (GHAMFIN, 2018). Microfinance has reached a wide range of market niches in Ghana, from rural smallholders to traders to urban small enterprises, due to the variety of different types of institutions engaged in microfinance (most of them savings-based), including: rural and community banks (RCBs), savings and loans companies (S&Ls), credit unions (CUs), financial non-governmental organizations (FNGOs), and mobile savings collectors (known as susu collectors).

Ghana currently, has 137 microfinance companies in good standing after about 347 of such institutions had their licenses revoked by the Bank of Ghana in 2019. The Bank of Ghana in the statement explained that new measures they have been put in place to ensure that existing institutions remain structurally and administratively safe enough to continue with their businesses by complying with the rules (Business News, 2019).

In view of this, the study looked at the impact of microfinance on women empowerment in the Kpone Katamanso Municipal Assembly of Ghana.

2. The Concept of Microfinance

Mohammad Yunus was not a 'celebrity' as a Bangladeshi economist, yet he became a worldwide renowned person. He started by giving small amounts of money as loans to the poor women in Jobra, Bangladesh. This small project developed and grew in 1983, that is the Grameen Bank was created with Yunus as its founder. The innovative aspect of the Grameen Bank was that loans were given to people who were uncreditworthy according to official banking standards (Perkins, 2008) [17]. Yunus won the Nobel Peace Prize in 2006 for his work in the microfinance industry (Global Envision, 2006) [6]. The Grameen Bank established a success rate of repayment up to 97% (Grameen Bank, 2013) [11]. Now he is a famous man traveling across the world and sharing his ideas (Dickson, 2013) [5]. Besides Yunus' Grameen Bank, there are hundreds of other microfinance institutions throughout the world, consisting of 10,000 organizations', 150 million clients and involves about US $70 billion (Augustine, 2012) [2]. When we narrow these microfinance institutions down to Bangladesh, we still see many active institutions. These institutions are called Microfinance Institutions (MFIs) (Salim, 2011) [20]. Besides the MFIs, there are several actors and stakeholders involved in the network surrounding microfinance. So why is microfinance so popular throughout the world and particularly in Bangladesh? This can be explained by the difficulties for people living below the poverty line to get formal loans through commercial banks. Most of the banks have many requirements for clients, which poor people cannot comply with. Microfinance can offer an alternative (Khandker, 1998b) [14]. Second, access to formal credit is biased to men, making it more difficult to formally borrow money for women than for men. In Bangladesh and many other countries, a woman is obliged to get consent from her husband or male guardian (Rahman *et al*., 2009) [19]. Not only are women hampered to borrow money because of the exigency of consent, women are also restrained because of their social and gender inequality (Khandker, 1998a) [13]. MFIs make it easier for women living in the rural areas in Bangladesh to get a loan; the imposed requirements fit better to the social and economic conditions of women. One of the goals of microfinance is to reduce the gender inequality in Bangladesh (Dasgupta & Barbattini, 2003) [4].

2.1 Sources of Microfinance

According to the Asian Development Bank, microfinance services are provided by three types of sources;

1. Formal institutions, such as rural banks and co-operatives.
2. Semiformal institutions, such as non-governmental organizations; and.
3. Informal sources, such as money lenders and shopkeepers.

Institutional microfinance includes microfinance services provided by both formal and semiformal institutions. A microfinance institution is an organization that provides financial services to the poor. This very broad definition includes a wide range of providers that vary in their legal structure, mission, methodology, and sustainability. However, all share the common characteristic of providing financial services to a clientele poorer and more vulnerable than traditional bank clients in collaboration with the MFIs. There are also a number of other non -governmental self-help promotional institutions engaged in cooperative enterprises, health care, family planning, education or other social and local activities (Holloh 1998, p. 1). The role of these financial self-help groups is often to channel subsidized credit to individual borrowers or to mobilize internal savings. They vary considerably according to origin, objectives, membership, institutional affiliations and financial experience and have their origin in neighbourhoods or local communities, in religious, social or economic activities (Holloh 1998, pp.1-2).

2.2 Approaches of Microfinance

For the purpose of this literature, there are two main diverse approaches to microfinance. They are the institutional approach and the welfarist approach.

2.2.1 Institutionalist Approach

The microfinance industry is dominated by an Institutionist paradigm (Morduch, 2000), Woller *et al*. (1999a) asserting that a MFI should be able to cover its operating and financing costs with program revenues. The conceptual foundations of the institutionist paradigm stem to a large degree from the work of researchers at the Ohio State University's Rural Finance Program.

Their analysis of the field of rural credit agencies established by several LDC governments during the 1960s and 1970s diagnosed the primary cause of failure to be the lack of institutional viability (Gonzalez-Vega, 1994). The institutionist argument is consistent with Hollis and Sweetman (1998a) who discuss six historical cases in an attempt to identify the institutional designs that facilitated success and sustainability. Morduch (2000) reports a rough estimate that only 1 percent of MFIs are currently financially self-sustainable and that not more than 5 percent ever would be.

Additionally, Bennett and Cuevas (1996) argue for the need of building sustainable financial systems for the poor from three perspectives: a) financial sector development, b) enterprise formation and growth, and c) poverty reduction for 19th century loan funds in the UK, Germany, and Italy.

The authors concluded that subsidized loan funds were more fragile and lost focus more quickly than those that obtained funds from depositors.

2.2.2 Welfarists approach

Welfarists argue that MFIs can achieve sustainability without achieving financial self-sufficiency (Morduch, 2000) and (Woller *et al*., 1999a). They argue that donations serve as a form of equity, and as such, the donors can be viewed as social investors. Unlike private investors who purchase equity in a publicly traded firm, social investors do not expect to earn monetary returns. Instead, these donor investors realize a social or intrinsic return. Social investors can be compared to equity investors who invest in socially responsible funds, even if the expected risk-adjusted return of the socially responsible fund is below that of an index fund. These socially responsible fund investors are willing to accept a lower expected financial return because they also receive the intrinsic return of not investing in firms that they find offensive. Microfinance social investors, generally earn zero financial returns and relying totally upon intrinsic returns.

Welfarists tend to emphasize poverty alleviation. Welfarists envision an industry characterized by a plurality of institutional types including, both profit-seeking and social-mission entities and the depth of outreach here refers to servicing the very poorest of clients, whereas breadth refers to servicing large numbers of clients, even if they are only marginally poor or non-poor.

Morduch, (2000) refers to both institutionists and Welfarists as the "microfinance schism." Driving the schism are competing perceptions of the implications for financial self-sufficiency on depth of outreach. Evidence that exists suggests that MFIs have achieved true financial self-sufficiency and have also tended loan to borrowers who were either slightly above or slightly below the poverty line in their respective countries (Navajas *et al*., (2000).

These MFIs are able to capture economies of scale by extending larger loans to the marginally poor or non-poor. This limited evidence leads many to conclude that, if financial self-sufficiency is desired, then the very poor will not be reached by MFI services. That is, the MFI will not be able to achieve enough depth to reach those who need credit the most desperately.

2.3 Studies of Microfinance in Africa

A study in Uganda, although no findings were reported on the level of poverty between client and non-client households, total expenditures on education, business and household assets, remittances to rural households, and agricultural inputs, used a proxy indicator of the relative poverty or wealth level of client and non-client households. Client households on average spent 35 percent more than non-client households. Borrower households spend 38 percent more on education than non-client households and have an average an extra year of education. Again, an impact study of microfinance in Uganda concluded that there is a measurable impact on social development but no impact on economic development (Maggiano, 2006).

Karubi (2006), in a study about microfinance and empowerment of rural women in Nigeria, found that women in southern Nigeria are extensively engaged in economic activities. It also established that microfinance provides finance to enhance market and rural women's participation in production and trade. Littlefield (2005) reports that the opportunities created by credit availability helps a lot of poor people specially to invest in their own businesses, educate their children, improve their healthcare and promote their overall well-being. This is supported by a study by Karlan and Zinman (2006) in South Africa where recipients of microcredit were shown to be better off than non-beneficiaries.

Driouchi *et al*. (2005) have noted that the presence of micro credit in women's lives in Morocco has tremendously decreased their submissiveness and empowered them in terms of taking decisions in the household. These results are very significant since they mean that without economic empowerment, women cannot challenge gender ideologies that have long been spinning their environment and hence restricting their social and economic performances to domestic chores. The above-mentioned findings suggest that the potentials in empowering women lies in the enhancement of their economic situation and the alleviation of their poverty.

A study conducted on the Debit Credit and Saving Institution (DECSI) in Ethiopia found that DECSI's program has had a positive impact on the livelihoods of its clients. Compared to nonclients, clients have experienced greater improvements over five years (2000 – 2004). Their situation has improved in terms of income, consumption and assets. They also seem to be more food secure and less vulnerable to shocks and have a greater diversification in terms of income sources. The study found that the improvement in economic condition of the clients is a necessary condition for DECSI's program that could lead to social and political empowerment for the marginalized groups. The study also concluded that economic empowerment leads to social and political empowerment. On the other hand, this study also indicated the negative effects of DECSI's program. A considerable number of credit-financed ventures fail with a possible effect on indebtedness and asset depletion of clients. In addition, a high level of school dropout rates of client's children is registered. This is for a purpose of shepherding animals purchased by program fund (Borchgrevink *et al*, 2005).

Another study was conducted on OMO and SIDAMA micro-finance institutions "women clients in Awassa town, Southern Nations and Nationalities Peoples" Regional State in Ethiopia. According to this study, a majority of the clients are involved in the making and trading of food, and food-related products. The study also witnessed that there is no diversification in their business activity. The reason for this is that the production of food and related items trade involves less risk compared to other activities. The study further found that 92 percent of them are not very much aware that the savings are more important than credit to build their future. The researcher's explanation of this finding is that MFI's savings policy is only to cover the risk situation rather creating any element of thrift among the clients.

Nevertheless, the study argued that there is a good influence of micro credit on the urban women working groups in terms of income and self-employment generation. Furthermore, it also reflected in many cases in business improvements, decision making process and asset formation at low levels (Padma & Getachew, 2004).

2.3.1 Women empowerment in Bangladesh

Women empowerment has been one of the top priorities of development agencies and governments around the world and it has been recognized that, even in the developed countries, women continue to experience various forms of discrimination in one way or another. In developing countries, gender disparity or low status of women has been recognized as a sheer obstacle to equality and development. However, women's empowerment has been considered one of the vital achievements in the development process for women, with the responsiveness essentially on women's well-being (Sen, 2001). According to the gender gap index of the world economic forum in 2013, Bangladesh has been ranked 75th out of 144 countries. Bangladesh rose more than 10 places from 86th place in 2012 and was one of two countries that upgraded the most (WEF, 2013).

Microcredit provides an influential tool for income generation, safe keeping of food, human resource development, poverty lessening, and women empowerment (Kessey, 2005) [12]. It is very difficult to find any society without poverty, even in developed countries. The facility of credit may be an important instrument for the poor to safeguard their food security and poverty. Traditional banks and other financial institutions fail to meet the difficulties in general of poor and of women in particular.

The microcredit institutes change by building a set of comprehensive financial institutions, which has elevated the expectation that plentiful poverty can be alleviated. Consequently, economic and social structures can be renovated at the root level by supporting financial services to low-income households (Morduch 1999). Morduch (1998) [16] recognized that potential impact of microcredit is allied with lessening of household weakness ways of easy consumption and income to rural households. In addition, Pitt and Khandker (1998) [18] assessed that microcredit programs have considerably influenced the welfare of rural borrowers including household expenditure, non-land assets, labour supply, and children schooling in Bangladesh. Furthermore, Mizanur Rahman and Ahmad (2010) observed that microcredit provided to the agricultural and rural sectors significantly improved household income, crop production, livestock raising, expenditure, and employment. Women are considered as better clients of microcredit providers, compared to men, because women's access to microcredit has more appropriate improvement outcomes, since women have a tendency to spend more money on fundamental needs compared to men (Pitt and Khandker 1998 [18]; Leach and Sitaram 2002; Pitt *et al*. 2006). A study conducted by Goetz and Gupta (1996) stated that the "success" of reaching women with microcredit was "highly impressive". Only a small number of cases displayed that there was a rise domestic violence for women who did not get the loan or had to wait a long time to get the loan. Moreover, the study also displayed that women are more likely to retain control over their loans in traditional women's work, like livestock rearing.

Another study found that women frequently act as collection agents only for their husbands and sons, so that the men spend the money themselves while women are saddled with the credit risk (Cons and Paprocki 2008). In addition, women tended to lose their control over their loan when the size of the loan was bigger. Montgomery *et al*. (1996) observed that women have full control over smaller amounts of loans compared to bigger amounts.

Despite the controversial documentation, the microcredit program has the highest coverage in Bangladesh, but it still does not reach up to the satisfactory level for all rural women. In addition, women's empowerment is theoretically complex and operationally challenging to scrutinize. Determining empowerment is not only a difficult task, but also a recent phenomenon in the field of social sciences. The implication, consequences, and aims of empowerment differ according to cultural, regional, social, and political context. Most of the empirical studies do not observe the process element of empowerment, making it challenging for the international development community to be assured that its efforts to empower women are successful (Malhotra *et al*. 2002; Osmani 2007). Additionally, the macro-level studies are particularly weak on determining agency and often do not work a relevant conceptual framework (Kurey 2005; Haymanot 2007).

Therefore, household-level studies have made significant progress in conceptualizing broader and context-specific frameworks, but extensively, more works are required in this area. It is assumed that microcredit can subsidize to the sustainable empowerment of rural women in Bangladesh by facilitating them to be financially independent. But still, there is not sufficient information about the impact of microcredit on women empowerment in rural Bangladesh. Against this backdrop, studies on the outcome of microcredit program to rural women empowerment in Bangladesh could increase the understanding of the relationship between microcredit program and women empowerment. This study aims to examine the factors affecting the accessibility of microcredit in rural households and its impact on women empowerment in Bangladesh. This study is expected to help the government, microcredit providers, and the independent researcher to set priorities to formulate alternative programs for rural women development in Bangladesh, as well as other developing countries.

2.3.2 Other Studies in Microfinance

A comprehensive study on microfinance conducted by the World Bank in the early 1990s on three of the largest programs in Bangladesh-Grameen Bank, BRAC, and RD found that female client's increased household consumption by 18 takas for every 100 takas borrowed, and that five percent of clients graduated out of poverty each year by borrowing and participating in microfinance programs. More importantly, households were able to sustain these gains over time. Average rural household incomes in program villages increased even for non-program households. One of the programs even influenced village wage rates. Increases in self-employment and subsequent withdrawals from informal labour pools led to a 21 percent increase in wages in the program villages (Littlefield, Morduch, and Hashemi, 2003).

Another impact assessment study on BRAC (Bangladesh Rural Advancement Committee) in Bangladesh suggested that members who stayed in the program for more than four years increased household expenses by 28 percent and assets by 112 percent. Analysis of household level data demonstrated that access to financial services enabled BRAC clients to reduce their vulnerability through smoothing consumption, building assets, and receiving services during natural disasters (Littlefield, Murduch and Hashemi, 2003).

The results by Coleman (2001) and Madajewicz (1999) have a similar structure in that they show the large influence of wealth. While both authors found negative or insignificant effects if averages are considered, there are significantly positive effects for groups with high wealth (Coleman, 2001) and individual loans or low wealth group loans (Madajewicz, 1999).

According to Madajewicz (2003) the mean profits of this group are higher than those of eligible households in villages without a programme by 280 takas, or 37 percent of the average profits in villages without a programme. The difference suggests that group loans do increase profits; however, it is not statistically significant. Mosley (2001), Copestake, Bhalotra, and Johnson (2001) used the sample survey and the case study approaches to assess the impact of micro-loans in Bolivia and Zambia, respectively. Both stories found a positive impact of loans on the clients' economic situation and Mosley also founds evidence for poorer clients benefiting less because they prefer low-risk and low-return investments.

In Thailand, Kaboski and Townsend (2005) found the positive impacts of microcredit when they evaluated the impacts of microfinance institutions in rural Thailand. They found out that micro financing enhances asset growth, consumption smoothing and occupational mobility. The microfinance services as well help in decreasing borrowers' vulnerability, especially if women are the main recipients. Another study by Kaboski and Town send (2005) found that income, consumption and agricultural investment increased among recipients as well as overall wages levels in a village in Thailand. Also, in Mexico a study by Bruhn and Love (2009) identified the positive impacts of microfinance institution as improving business ownership, income and employment.

The positive impacts of microfinance on the economic wellbeing of the people have been documented by researchers who determined the effects through randomized experimental research. In Tegucigalpa and Cholteca in Honduras in 2003, effect assessment studies revealed that 60 percent and 50 percent of the recipients had their sales and incomes increase respectively one year after receipt of credit for working capital. Agricultural Finance Cooperation (AFC) Limited in 2008 in India, assessed development effect of microfinance programmes. Clients reported increase in income from 76% of activities.

Remenyi and Quinones (2000) found that household income of families with access to credit is significantly higher than for comparable households without access to credit. They further found that in Indonesia a 12.9 per cent annual average rise in income from borrowers was observed while only three percent rise was reported from non-borrowers (control group).

2.4 Studies of Microfinance in Ghana

A study in Ghana by Afrane (2002) cited in Ferka (2011), indicates that although microfinance programmes' have every potential to improve the conditions of beneficiaries, they also tend to create disturbing negative impacts if necessary, counteracting measures are not taken. He found that a comparison of the impact situations in both countries reveals that the impact trends and levels were not all that different. However, both positive and negative impacts observed in South Africa were more extreme than those of Ghana. For instance, South Africa scored an overall positive impact of 56 percent as compared with 50 percent in Ghana. On the negative side, the figures were 7.6 percent and 3.3 percent for South Africa and Ghana, respectively.

In addition, the level of negative impacts with respect to the social and spiritual indicators was more pronounced in South Africa than in Ghana. He suggested that the trend may be attributed to the different socio-cultural and economic situations in both countries. In South Africa, where level of sophistication and inequalities are higher, more extreme impact results are likely to occur than Ghana. Afrane (2002), concluded that the two impact studies have established that microfinance projects have impacted the businesses and lives of the beneficiaries in several positive ways, particularly in their economic circumstances and access to essential life-enhancing facilities and services.

The studies established that 43 percent and 44 percent of the enterprises sampled in Ghana and South Africa, respectively, took on new workers. In addition, the total number of people employed by the enterprises surveyed increased by 46 percent and 49 percent respectively, for SAT and SOMED. About 20–25 percent of these employees comprised unpaid family labour. This applied particularly to the home-based enterprises. Afrane (2002) was however, quick to point out that microfinance projects in the two countries had some disturbing and unintended effects as observed in the social and spiritual dimensions of the lives of the clients. This implies that although microfinance projects are expected to generate positive impacts, in some cases, such projects tend to have some adverse effects, particularly on the social and spiritual lives of beneficiaries.

Results of the Freedom from Hunger studies in Bolivia and Ghana indicate that program participation led to increased self confidence in women and improved status within the community. Participants in Ghana played a more active role in community life and community ceremonies, while participants in Bolivia were actively involved in local governments. Similarly, a report by Hishigsuren, Beard and Opoku (2004) on client impact monitoring, some clients of Sinapi Aba Trust, a MFI in Ghana also gave an empirical impact of microfinance. A total of 487 clients were sampled pout of which seventy-one percent were old clients, 25 percent were new clients and four percent were old clients who did not receive credit in their first cycle of loan. Out of the total sample, 87 percent were women. The report showed that there was a significant difference in sales revenue for old clients and new clients. It was reported that there was no significant difference in Net profits, saving and expenditure on children education for old clients and new client. The report showed that remittance had a significant impact on the income of both old and new clients. In another study of Freedom from Hunger clients in Ghana, Mk Nelly and Dunford found that clients had increased their incomes by $36 compared to $18 for non-clients. Clients had also significantly diversified their income sources. Eighty percent of clients had secondary sources of income versus 50 percent of non-clients.

Another study conducted by Alhassan and Akudugu (2009) on impact of microcredit on women income generation capacity in the Tamale Metropolis in the northern region of Ghana revealed that women's perception of the impact of microcredit on their capacity to generate income from income generating activities (IGAs) and personal lives is positive. In the study, about 90 percent of the beneficiary women indicated that microcredit has had a positive impact on them. Some of the women indicated that they were not involved in any IGA prior to receiving microcredit. For those who did, they only undertook IGAs to produce products primarily for household consumption and the surplus if any for sale. For those married to farmers, they helped on their husbands' farms not earning incomes while many others remained at home as housewives with no work to do. It was revealed that access to microcredit have changed all these dynamics with beneficiaries now engaging in IGAs primarily to generate income. From the findings, it is concluded that microcredit has a positive impact on the capacity of women in the Tamale Metropolitan area to generate income to support household livelihoods.

2.5 Impact of Microfinance

Studies have shown that microfinance plays three key roles in development. It helps very poor households to meet basic needs and protects against risks associated with improvements in household economic welfare, and helps to empower women by supporting women's economic participation and so promotes gender equity. The literature suggests that micro- finance creates access to productive capital for the poor, which together with human capital, addressed through education and training, and social capital, achieved through local organization building, enables people to move out of poverty. By providing material capital to poor persons, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society (Otero, 1999 as cited in Asiama and Osei, 2007).

The aim of micro-finance, according to Otero (1999), is not just about providing capital to the poor to combat poverty on an individual level, it also has a role at an institutional level. It seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector. Littlefield and Rosenberg (2004) argue that the poor are generally excluded from the financial services sector of the economy so MFIs have emerged to address this market failure.

By addressing this gap in the market in a financially sustainable manner, an MFI can become part of the formal financial system of a country and so can access capital markets to fund their lending portfolios, allowing them to dramatically increase the number of poor people they can reach (Otero, 1999). Commentators such as Littlefield, and Hashemi (2003), Simanowitz and Brody (2004) and the IMF (2005) have commented on the critical role of micro-credit in achieving the Millennium Development Goals.

According to Simanowitz and Brody (2004, p.1), micro-credit is a key strategy in reaching the MDGs and in building global financial systems that meet the needs of the poorest people." Littlefield and Hashemi (2003) state "micro-credit is a critical contextual factor with strong impact on the achievements of the MDGs. Micro-credit is unique among development interventions: it can deliver social benefits on an ongoing, permanent basis and on a large scale". However, some schools of thought remain skeptical about the role of microfinance in development.

For example, while acknowledging the role that microfinance can play in helping to reduce poverty, Hulme and Mosley (1996) concluded from their research on micro-credit that "most contemporary schemes are less effective than they might be" (1996, p.134). The authors argued that micro-credit is not a panacea for poverty-alleviation and that in some cases the poorest people have been made worse-off. This notwithstanding, microfinance has emerged globally as leading and effective strategy for poverty reduction with the potential for far-reaching impact in transforming the lives of poor people. It is argued that microfinance can facilitate the achievement of the Millennium Development Goals (MDGs) as well as National Policies that target poverty reduction, empowering women, assisting vulnerable groups, and improving standards of living.

In the words of the former UN Secretary General Kofi Annan during the launch of the International Year of Micro Credit (2005), "Sustainable access to microfinance helps alleviate poverty by generating income, creating jobs, allowing children to go to school, enabling families to obtain health care, and empowering people to make the choices that best serve their needs." (Kofi Annan, December 2003).

Although microfinance is not a panacea for poverty reduction and its related development challenges, when properly harnessed it can make sustainable contributions through financial investment leading to the empowerment of people, which in turn promotes confidence and self-esteem, particularly for women.

2.5.1 Microfinance and Poverty Alleviation

The world is caught in the poverty web. Poverty continues to be a major problem facing both advanced and less-advanced countries. The main objective of microfinance is to reduce poverty. In doing this, microfinance provides the opportunity for clients to create wealth (Robinson, 2002).

Targeting women in the society, especially rural women who constitute the majority of the poor, microfinance helps to reduce poverty by creating wealth which leads to an increase in the levels of incomes of the vulnerable. Savings services leads to capital accumulation for investment in the short and long terms. With high levels of income women are empowered. They are able to cater for themselves and children, make decisions that affect their household, educate their children and engage in income generating activities. The extent to which rural financial services contribute to the poverty reduction largely depends on access to these services by the poor. Not only this but also it depends on promising investment opportunities and on capacity of the poor to tap into these investment opportunities. Especially if in the rural areas investment opportunities are not expanding simultaneously with rural financial services, not much can be achieved (Robinson, 2002).

In Bangladesh, where about one third of the world's estimated 30- 40 million micro borrowers reside, the growth has come from specialized microfinance NGO's and Grameen Bank. What began with a few small grants and loans from international donors has now provided over 100 million dollars in loans. The most distinctive feature of the credit delivery system is the absence of middle men between the credit supplier and end user. The bank's cumulative recovery rate is an astounding 98 percent (Yunus, 2001).

Grameen Bank has its own special legal structure, and does not fall under regulatory oversight of the central bank. The bank also aims to raise health and environmental consciousness. Each of its members must plant at least one sapling a year as part of forestation programme. Grameen is perhaps the only bank in the world that encourages birth control, sanitation and a clean environment as part of its lending policy (Yunus, 2001).

In Bolivia the microfinance revolution emerged in the 1990's. Large-scale commercial credit is provided there by BancoSol, a privately-owned bank for micro-entrepreneurs and by a number of competitors following hotly on BancoSol heels (and profits). By 1997 BancoSol, financed by a combination of domestic and international commercial debt and investment and locally mobilized voluntary savings, provided loans profitably to more than one quarter of Bolivia's clients (Robbinson, 2002). The Wall Street Journal (15 July, 1997) notes, the real measure of its success is that BancoSol has spawned a slew of competitions.

In India, despite the large size and depth of its financial system, the majority of the rural poor do not have access to formal finance and financial services. For this reason, innovative microfinance initiatives pioneered by non-governmental organizations strove to create links between commercial banks, NGOs, and informal local groups to create the 'SHG Bank Linkage' (Development Gateway, 2004). India's approach to microfinance making it profitable and so widely available helped the country to reduce the incidence of poverty from about 40 percent of the population in the mid-1970s to about 11 percent in 1996 (Robinson, 2002). Members of SHG recognize that several challenges lie ahead, but still believe it has the right ingredients to be scaled up into offering mass access to finance for the rural poor while improving sustainability' (World Bank, 2003).

The World Development Report for 1990 (World Bank, 1990) found that poverty can be reduced most effectively by a strategy with two equally important elements. The first element is to promote the productive use of the most abundant asset of the poor, labour. Broad- based economic growth through appropriate macroeconomic and microeconomic policies is critical in this respect. There is also an important role for policies targeted at promoting infrastructure development and encouraging income generation activities for the poor. The second element is to provide basic social services to the poor. The World Bank found that primary health care, family planning, nutrition and primary education are especially important in this regard.

In most developing countries, including Ghana, opportunities for wage employment in the formal sector of the economy are extremely limited, and the vast majority of the poor especially women rely on self-employment for their livelihood. Better access to financial services enables the rural women to establish and expand micro-enterprises and thereby improve their income levels and create employment. Even in middle income countries such as Botswana and Egypt, where opportunities for wage employment are greater, many poor households rely on self-employment in micro-enterprises for their livelihood (Peprah, 2009 as cited in Obeng, 2011).

2.5.2 Women's Access to Credit

Access to financial services can help promote equity and can in this context, be linked to better economic equilibrium and to faster economic growth. Also, research has centered on the impact of access to credit on micro-economic development, suggesting that improving the access of micro-enterprises to financial services could have an important positive impact on a country's income distribution (Westley, 2010). Surveys of the literature on financial intermediation and poverty reduction conclude that development of the financial sector contributes to economic growth and thereby to poverty alleviation (Holden & Prokopenko, 2001). A World Bank research looking at cross-cutting evidence substantiates the hypothesis that countries with better-developed financial intermediaries experience faster declines in measures of both poverty and income inequality' (Beck, Demiguc-Kunt & Levine, 2004).

Despite this widely accepted notion, Microfinance programmes have been largely designed, crafted and implemented with the urban population especially the urban women as the intended client and fail to recognize that rural women are active, productive and engaged economic agents with their own financial needs and constraints. Women constitute approximately half of the rural labour force and, while not always counted, they are economically active in each subsector of the rural economy. Even though millions of rural women throughout the world contribute to national development, detailed studies from Latin America, South Asia, and Sub-Saharan Africa consistently indicate that rural women are more likely to be credit constrained than men of equivalent socio-economic conditions (Fletschner, 2009 and Diagne *et al*., 2000).

In many developing countries, rural women face severe constraints when they seek credit from formal lending institutions. Formal financial services such as those offered by banks are often not available to those below the poverty line because of restrictions requiring that loans be backed by collateral. As a result, the rural women usually turn first to informal sources such as friends, relatives, or money lenders, who loan small amounts for short periods, or to informal, indigenous institutions such as savings clubs and lending networks to borrow enough to undertake their livelihood activities. These informal networks are frequently successful in tiding the rural women over difficult times such as a bad harvest, and they enable rural women to build up savings for investments that can help lift them out of poverty. Well-designed products that enable rural women to adequately save, borrow and insure against unexpected shocks are therefore essential in any efforts to strengthen rural women's role as producers and expand the set of economic activities they can undertake, the scale at which they can operate and their ability to benefit from economic opportunities (Fletschner and Kenney, 2011).

2.5.3 Impact of Microfinance on Livelihoods

The impact of Microfinance (MF) on livelihoods is focused in terms of the changes to livelihoods assets and the use of livelihood assets to cope with vulnerability. The provision of MF can assist the poor to find the means to protect their livelihoods against shocks and to build up and diversify their livelihood activities (Johnson & Rogaly, 1997). Chowdhury, Mosley and Simanowitz (2004) argued that if MF is to fulfill its social objectives of bringing financial services to the poor, it is important to know the extent to which its wider impacts contribute to poverty reduction. Social networks play an important part in helping clients escape from poverty. Access to social networks provides clients with a defense against having to sell physical and human assets and so protect household assets.

A study of 16 different MFIs from all over the world pointed out that having access to MF services have led to an enhancement in the quality of life of clients, had increased their self- confidence, and had helped them to diversify their livelihood security strategies and thereby increase their income (Robinson, 2001). Health care and education are two key areas of non-financial impact of MF at a household level. Wright (2000) stated that from the little research that has been conducted on the impact of MF interventions on health and education, nutritional indicators seem to improve where MFIs have been working. MF interventions have been shown to have a positive impact on the education of clients' children because one of the first things that poor people do with new income from micro-enterprise activities are to invest in their children's education (Littlefield, Morduch and Hashemi, 2003).

Women empowerment is a key objective of MF interventions. Women need empowerment as they are constrained by the norms, beliefs, customs and values through which societies differentiate between women and men. MFI cannot empower women directly but can help them through training and awareness rising to challenge the existing norms, cultures and values that place them at a disadvantage in relation to men and to help them have greater control over resources and their lives (Kabeer, quoted in Mosedale, 2003). Littlefield (2003) stated that access to MFI can empower women to become more confident, more assertive, more likely to take part in family and community decisions and better able to confront gender inequities.

Hulme and Mosley (1996) also made this point when they referred to the naivety of the belief that every loan made to a woman contributes to the strengthening of the economic and social position of women. MF projects can reduce the isolation of women as when they come together in groups they have an opportunity to share information and discuss ideas and develop a bond that was not there previously (Hulme and Mosley, 1996). By providing material capital to poor people, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society (Otero, 1999). It helps to empower women by supporting women's economic participation and so promotes gender equity. Based on various case studies, MF has played a crucial role in reducing poverty, promoting education, improving health and empowering women.

Concerning financial assets, MF contributes to enhance financial capital of livelihoods assets, which can be converted into other types of capital and be used for direct achievement of livelihoods outcomes (DFID, 1999).

Microfinance also contributes to building up physical assets. According to Marconi & Mosley (2004), clients reflected significant increases in ownership of livelihood assets such as livestock, equipment and land. They stated that this should not be surprising as poorer clients are more risk averse and less likely to invest in fixed capital and so are more vulnerable to having to sell productive assets in the event of a shock (Marconi & Mosley, 2004). 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 organization building, enables people to move out of poverty (Otero, 1999).

2.6 Microfinance and Livelihoods of Women in Ghana

Whether microfinance services have created significant changes in the livelihoods of rural women or not is discussed from two dimensions (Akudugu, 2009). The first dimension is the opportunity created by the microfinance institutions for people to save, borrow or engage in other financial activities such as insurance and money transfer. The second dimension is the application of proceeds due from access to credit into production. A major guiding principle of rural banks, credit unions and microfinance institutions that were established with financial and human capital from rural people is that the rural people would participate in the administering of credit to themselves.

Such participation in loan decision-making and repayment is expected to result in efficient and effective intermediation of credit and enables the institutions to serve the microfinance needs of their catchment areas. These institutions do not exclude women from participating. In fact, most of the mainstream gender issues as their priority. Many analyze the roles that males and females play in communities and target the disadvantaged, who more often than not are women.

In spite of the participation of rural people in the establishment and administration of these institutions, studies have shown that about 78 percent of rural households do not have access to financial services. This figure appears large, unless it is understood that those who do not have access include those who have never attempted to participate in the financial system as well as those who attempted and failed. These categories of people are considered as having limited access to microfinance services due to certain fears. Their fears were usually based on wrong information or perceptions that they hold about the financial institution. In a survey by CMA (2008) only 11.5 percent of the women respondents who have attempted to borrow have failed. Those who sought information and made attempts were largely successful (70%). Out of those who were successful, many were given the full amount they applied for (72.5%); only a few were not given the full amount applied for (27.5%). The issue of effectively educating rural women to understand the financial systems becomes critical (Akudugu, 2009). The perceptions people hold about a system has been found to influence the decision to participate in it.

When people are not well informed, they can act in ways that are not beneficial to their livelihoods. For instance, a study by Akudugu in (2009) showed that women in the Upper East region who perceived that high education is a requirement for accessing credit from financial institutions were less likely to be successful when they attempt to access credit. Similarly, those who perceived that the application procedure was cumbersome, that there was difficulty in accessing land for cultivating cash crops, that the interest rate was high, the distance to bank was far that banks would refuse credit to women with low income levels, or have small farm sizes, grow no cash crops, have no previous bank savings, and were not members of economic associations, were less likely to be successful with loan application.

This is because such applicants refuse to seek further clarifications on the workings of formal financial institutions, or fail to alter behaviour and therefore resign themselves to their fate. Those who learn from financial information they received are those who are encouraged to save and receive credit later or are given credit and encouraged to save during repayment. The survey results indicate that, many women have received about GH¢500.00 because of the mere fact that they engaged in micro enterprises and participated in financial literacy meetings organized by microfinance institutions. Sometimes the actual financial needs of the micro-entrepreneurs are not adequately assessed and the monies they are given are far below what is needed to spur investment and growth.

What is of key interest though is that, whether credit is rationed or not, many of the women who learned and have associated with microfinance institutions have indicated that they have benefited somewhat from their association with the micro-financial system to a large extent. It is noted that the women who said their livelihoods have been influenced are of varied backgrounds: Age, marital status, family size, educational level, occupation, scale of operation, farm size, religion, ethnicity, and location, remote rural versus close to urban. Over 70 percent of women respondents said when they borrowed micro-funds they used most (60%) of it for working capital or investment capital and the gains from investment, although small, have increased family food supply, supported child education, medical care and occasionally led to the establishment of new micro enterprises.

2.7 Profile of the Study Area

The Kpone-Katamanso Municipal Assembly is one of the 260 Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana, and forms part of the 29 MMDAs in the Greater Accra Region.

Kpone-Katamanso Municipal Assembly (KKDA) was carved from the Tema Metropolitan Assembly in 2012 with the promulgation of the Legislative instrument (L.I.) 2031.The Assembly was inaugurated on 28th June 2012 to commence work. It started its official business on the 4th of July 2012. The District is located in the Eastern part of the Greater Accra Region and stretches from the coast to the lower southern slopes of the Akuapim Mountains.

The Kpone-Katamanso District is only a 38 kilometres drive from Accra, the capital city of Ghana. Kpone is the administrative capital. It shares boundaries with Shai-Osudoku District the north and Ningo-Prampram District Assembly on the east, Adentan Municipal to the west, Ashaiman Municipal Assembly, Tema Metropolitan Assembly and the Gulf of Guinea on the south.The population of the Municipality according to 2010 population and housing census stands at 109,864 with 53,376 males and 56,488 females.

3. Methodology

The techniques employed and the ways they are applied in conducting any research can considerably affect the result of a study. Therefore, a judicious choice of methodology and how these methods are used can simplify and facilitate the collection and analysis of data (Kumekpor, 2002) [15]. It is therefore imperative that reliable methods are devised to obtain information in such a way as to make the results tenable, dependable and predictive.

3.1 Research Design

“Research design refers to a plan, blueprint or guide for data collection and interpretation- a set of rules that enables the investigator to conceptualize and observe the problem under study” (Adams & Schvaneveldt, 1985. p.12) [1].

The study design that was adopted in this study was basically descriptive. According to Best (1998), a descriptive design is concerned with the conditions or relationships that exist, such as determining the nature of prevailing conditions, practices and attitudes; opinions that are held; processes that are going on or trends that are developed.

According to Yin (1984, p.23), it is a kind of empirical inquiry which investigates a contemporary phenomenon within its real-life style context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. Added to that, the method is mostly used for intensive study of individual units. By adopting this method, a single entity or phenomenon is explored, bounded by time and activity.

3.2 Study Population

The target population comprises of 156 microfinance women clients of Eddievyn Microfinance Ltd. The population encompasses people who have been engaged in microfinance activities for at least four years and live in the Kpone Katamanso Municipality. People with long experience in microfinance activities are chosen because they are well informed and know much about the pros and cons of microfinance activities, so they can reflect better to the research.

3.3 Sampling Procedure

It would have been extremely difficult if not impossible to cover all micro finance institutions, beneficiaries of micro finance programmes and non- beneficiaries in Ghana. As a result, a combination of both probability and non-probability sampling techniques were used in this study. A multi-stage sampling technique was employed to sample out the Municipality from the region, communities from the district and the beneficiaries from the communities for the study.

Multistage sampling refers to sampling plans where the sampling is carried out in stages. First, a purposive sampling technique was adopted to select the municipality because of its location and the special interest of the researcher in the municipality. At the municipality level, a simple random technique was used to select the communities. This was done by dividing the communities in the municipality into four (4) clusters. One cluster was chosen at random using the lottery method and a purposive sampling technique was used to sample every client (beneficiaries) of microfinance within the chosen cluster. This was adopted for this study because it has the advantage increasing sampling precision, ensuring that essential areas are represented and lastly guaranteeing that all areas in the populations were adequately represented in a sample.

In order to triangulate and beef up the data that were collected from the target group, a purposive sampling technique was used to select key informants (service providers of microfinance) and other stakeholders who might hold some vital and relevant information for the study.

3.4 Sample Size

In all, 156 respondents will be chosen for the study. The selection of the sample size of 156 women clients of the Edievyn Microfinance Ltd below:

$n=N\div [1+N (A) 2]$

Sample Frame (Total Number of Clients) =258

$n = N \div [1 + N (A) 2]$

Where;

n = Sample Size

N = Total Number of Microfinance Women Clients

A= Level of Confidence is 95 percent, this was chosen because the convenient method reduced the possibility of non-response drastically.

Therefore $n= 258\div [1+258(0.05)2] = 156$

Therefore, total of (156) respondents consisting of the microfinance women clients of the Eddievyn microfinance Ltd were sampled from the target population. Customers sampled were those at Kpone, Saki Bediako, Gulf City and Appolonia. This decision was taken due to time and cost constraints on the part of the researcher.

3.5 Source of Data

The study used both primary and secondary data. Primary data were gathered through field survey to gather information from micro credit programme beneficiaries and some staff of the company. This was done through the administration of questionnaires to the client of the Eddievyn microfinance Ltd after the purpose of the research study was carefully explained to the clients. Interviews were also conducted with the officials of the microfinance.

Secondary data on Impact of Microfinance also was gathered for the purpose of the study. Among these were books, research literatures, articles, journals as well as the Bank of Ghana website.

3.6 Data Collection Tools and Methods

Structured and semi-structured interview schedules were prepared to reach the objectives of the study. A structured interview schedule was prepared containing open and closed ended questions.

The open questions allowed for the respondents to give answers using their own language and categories (Casley and Kumar, 1998) [3]. The questions in this schedule were formulated in a simple and unambiguous way and arranged in a logical order to make it more attractive and comprehensive.

Focus group discussions (FGDs) were held with six groups of women clients to enrich the quantitative data collection. Each of the six (6) groups had twelve (12) members giving a total of number seventy-two (72) women clients.

Another important data collection technique that was considered is the Key Informant interview. A key informant is an individual who has a great depth of knowledge about a specific field and can offer comprehensive information to the researcher. This targeted the top management within the organization, and community leaders.

Observation is an important technique use to collect data when the information is considered sensitive and when a high degree of reliability and accuracy is required. Direct observation was used throughout the period of the field survey with information that were collected and noted down in a field note book.

3.7 Data Analysis

The data that were obtained during the survey were analyzed using both qualitative and quantitative data analysis techniques. Quantitatively, data were coded, counted, categorized into tables and processed to provide frequency table and percentages using the Statistical Package for Social Sciences (SPSS). Qualitatively, information that to be gathered from the interviews and observations were analyzed using descriptive analysis.

4. Results

Socio-Demographic Characteristics of Respondents

The relevance of any research essentially depends on the socio-demographic characteristics of the respondents as it forms the basis of decision making. A clearer understanding of the socio-demographic characteristics of the group involved can therefore not be over-emphasized. It is in the light of these facts that the socio-demographic background of the respondents, in terms of age, marital status and educational status were investigated.

The demographic characteristics which are presented here are based on the data collected from the sample size of 156 respondents of microfinance beneficiary clients who answered to the questionnaires. The respondents were basically microfinance beneficiaries because they are the target group for the study

4.2.1 Age distribution of Respondents

Out of the total of 156 respondents, nearly 18 percent were between the ages 16-25 while 10.3 percent were between the ages 46-55. Majority of the beneficiaries were between the ages of 36-45 forming a total of 37.2 percent. Respondents within the ages of 56 and above 5.1 percent. This indicates that the age cohort structure of micro-finance in the Kpone Katamanso Municipality is predominately middle age. The middle age in the society is the economically active population who has the potential to engage in petty businesses and farming activities. The results show that majority of the respondents are those in the economically active bracket and are poised to use microfinance to the advantage of themselves and their family, this is shown in the Table 1.

Table 1: Age Distribution of Respondents

Age Distribution	Frequency	Percentages
16-25	28	17.9
26-35	46	29.5
36-45	58	37.2
46-55	16	10.3
56 +	8	5.1
Total	156	100

Source: Field Survey, 2024

4.2.2 Marital Status of Respondents

From the information gathered on the field, about 27.6 percent of the respondents were single whiles 64.7 percent were married. Those that were divorce/separated formed 7.7 percent. The marital status of respondents is directly linked to their living conditions as the responsibility to perform certain duties, like housekeeping, children's education and provision of good health for the family is associated with one's marital status. Divorced/Separated parents mostly performed their roles as single parents which normally affect their living conditions. The single women are also would-be married people and therefore need to be financially independent so as to be useful to themselves and their would-be family.

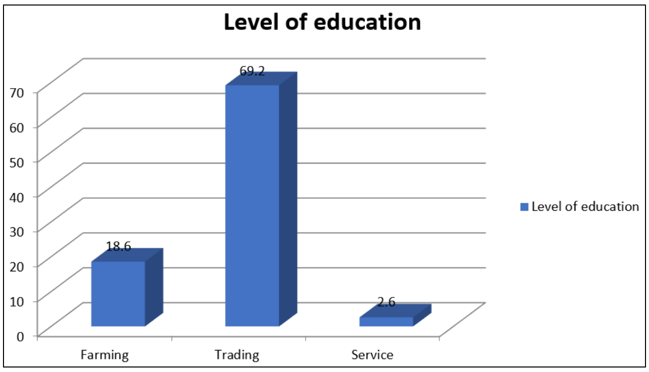
Table 2: Marital Status of respondents

Marital Status	Frequency	Percentages
Single	43	27.6
Married	101	64.7
Divorced/Separated	12	7.7
Total	156	100

Source: Field Survey, 2024

4.2.3 Educational Status of Respondents

The Educational status of respondents plays a major role in the success of their businesses. Information from the field indicated that 52.1 percent of the respondents had no formal education whereas (39.7 percent) had education up to the basic level, 8.2 percent of the respondents had secondary education as being the highest educational status of respondents. This clearly shows that the level of education among women in the Kpone Katamanso Municipal is low. It is therefore important for policy makers in the municipal to give priority to girl child education in their planning. This can be seen in Fig 1.

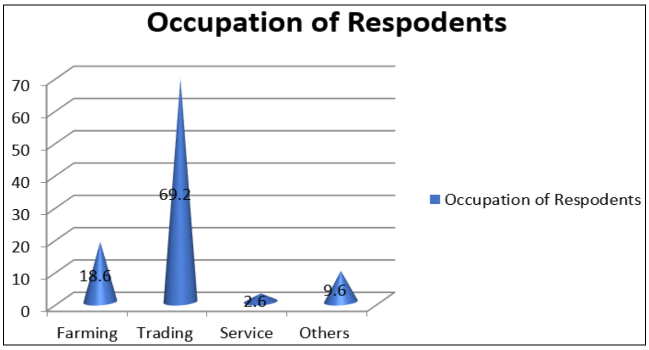


Source: Field Survey, 2024

Fig 1: Educational Status of Respondents

4.2.4 Occupational Distribution of Respondents

The major occupations in which the respondents were employed are classified into four groups as shown in Fig 2.



Source: Field Survey, 2024

Fig 2: Occupational distribution of respondents

From the figure, majority of the respondents 108 (69.2%) were traders who depended greatly on loan from the microfinance institution in the area to finance their businesses. 18.6 percent (29) were farmers with the service sector employing only 4 (2.6%) while 15 (9.6%) were engaged in other occupations.

4.3 Reasons for Joining MFIs

There were different reasons why women in the Kpone Katamanso District joined Microfinance Programme. This was derived from the information gathered from the field which showed that 39.1 percent joined microfinance programme for savings purposes. About 46.2 also joined microfinance programme in order to access credit facilities while those that joined due to payment services were 14.7 percent. Those that joined the MF programme due to saving were to help them accumulate capital to enhance their living conditions. The other groups were also with the intention of getting credit facilities from the MFIs.

The results indicate that all the reasons stated above are important to the respondents on why they joined the MF programme. This is presented in Table 4 below.

Table 3: Reasons for Joining Microfinance Institution

Reasons	Frequency	Percentage
Savings	61	39.1
Credit	72	46.2
Payment Services	23	14.7
Total	156	100

Source: Field Survey, 2024

4.4 Duration of Membership with MFI

The duration of membership with Eddievyn Microfinance showed that about 50 percent of the women have been with the MF programme between one month and one year. Those that have business to do with the MF programme between two years to five years were 23.7 percent while 26.3 percent have been with the MF programme for more than five years. This clearly indicates that the need to join the programme with MF programme has appeared to sound very essential for the past one year. Respondents testified that the current product and service of the MF programme has made access to credit very easy.

Table 4: Duration of Membership with Microfinance Institutions

Duration	Frequency	Percentage
One Month-One Year	78	50.0
Two Years-Five Years	37	23.7
More than Five Years	41	26.3
Total	156	100

Source: Field Survey, 2024

4.5 Financial Assistance from Eddievyn Microfinance

Respondents were asked as to whether they have received financial assistance from Eddievyn Microfinance before. Out of the 156 respondents, 60 percent indicated that they had received financial assistance before, while the rest had not received any financial assistance. Reasons were given by the women on why they had not taken financial assistance from the Microfinance Institutions. Table 5 shows the responses gathered from the field on the financial assistance sort by respondents from Eddievyn Microfinance.

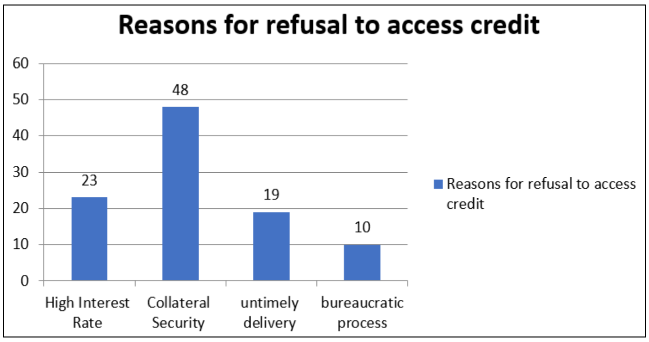
Table 5: Financial Assistance Received

Response	Frequency	Percentage
Yes	90	60.0
No	66	40.0
Total	156	100

Source: Field Survey, 2024

4.6 Reasons for Refusal to Access Credit

Out of a total of 66 beneficiary respondents who refused to access credit from the MF programme, 23 percent indicated that it was due to high interest rate whiles 48 percent said it was due to inability to meet collateral security requirement. 19 percent of the responses were associated with untimely delivery of credit while bureaucracy in the process of credit acquisition accounted for 10 percent of the responses from the respondents. This is shown in Fig 3.



Source: Field Survey, 2024

Fig 3: Reasons for Refusal of Credit

4.7 Requirement for Financial Assistance

Credit acquisition from any financial institution is tied to the clients' ability to provide collateral. This study revealed that out of 90 respondents who acquired financial assistance from Eddievyn Microfinance, guarantors and physical pledge of properties were the main collateral taken by the MFI. Subject to the recommendation of a committee, the loans are either given or refused. With the basic requirement for the award of financial assistance to the women, 22 percent had used physical collateral, 23 percent used savings with the company while 46 percent used guarantors to acquire financial assistance from the company. Most of them also lack proper documentation of physical assets which could be used to access the loan. The easiest form was to operate saving accounts with the bank and by periodic accumulation of savings, financial assistance can be accessed. Table 6 shows the basic requirements.

Table 6: Basic Requirements for Financial Assistance

Duration	Frequency	Percentage
Physical Collateral	20	22.0
Savings	21	23.0
Guarantors	41	46.0
Others	8	9.0
Total	90	100

Source: Field Survey, 2024

4.8 Purpose of Financial Assistance

The women gave different purposes for utilizing the financial assistance as per the field results. While 22.5 percent used it to start their businesses, 51.7 percent used it to expand existing businesses. Those that used their assistance for the payment of domestic activities such as, health insurance bills, electricity, school fees and housekeeping expenses were 25.8 percent.

Table 7: Purpose of Financial Assistance

Purpose	Frequency	Percentage
To start business	27	22.5
To expand existing business	62	51.7
For family up-keep	31	25.8
Total	120	100

Source: Field Survey, 2024

4.9 Financial Assistance/Loan Repayment

The ability to pay back loans/financial assistance was factored into the data collection. It showed that about 77.4 percent were able to repay their loans whiles 22.5 percent were not able to repay their loans. This was buttressed by the information Eddievyn Microfinance which revealed a maximum loan recovery rate as 85 percent with the minimum being 65 percent.

The inability of the women in micro economic activities to repay their financial assistance was mainly due to misapplication of funds. The credit even though sought for a particular purpose were used for different purposes other than the original purpose used to secure the credit.

4.10 Loans received from Eddievyn Microfinance

Most of the applicants (68.3%) have received loans once from the company. Those that had received loans for two and three times were 25.8 and 4.2 percent, respectively. Only 1.7 percent had received loans for four times and more. This has therefore revealed that few women are able to take financial assistance apart from their first loans. This clearly indicates that most first-time borrowers' default and are therefore not able to access the credit subsequently. On the other hand beneficiaries may graduate from poverty as they progress on the ladder.

4.11 Reasons for Saving by Women in Microfinance

The respondents in the study area saved with the MFI for different reasons. Some had the intention of saving to accumulate capital for their businesses. Others saved in order to access credit facility from the company. Many respondents in the study area saved to the take care of their children's school fees and pay their wards hospital bills.

4.11.1 Type of Savings with MFI's

The intention for opening accounts determines the type of saving one made with the MFIs. About 36.5 percent of the respondent had ordinary savings with the bank while 3.2 percent had fixed savings. Susu savings constituted 60.3 percent of the type of savings with the MFI. Ordinary savings, as the name implied, is meant for the purpose of accumulating deposits to meet future cash demand of the clients. Susu savings is on daily basis which allow the clients access to their money after a month of contribution. Table 8 shows the type of savings women

Table 8: Type of Saving with MFIs

Purpose	Frequency	Percentage
Ordinary Savings	57	36.5
Fixed Savings	5	3.2
Susu Savings	94	60.3
Total	156	100.0

Source: Field Survey, 2024

4.12 Rate of Cash Deposit in Savings Accounts

The rate at which cash is deposited differed among the respondents. About 51.9 percent of the respondents were doing daily savings whiles 7.7 percent were doing weekly savings. Those that deposited on monthly basis were 28.2 percent whiles other kind of savings, thus, those who do not have pattern of cash deposit, formed 12.2 percent. Other type of savings was mainly labourers and farmers and people that have seasonal income.

The daily savings was made possible by the introduction of mobile banking where the services are brought to the doorsteps of customers. This daily type of savings was mainly patronized by food venders and traders usually after their daily sales. Table 9 shows how often cash is deposited.

Table 9: Rate of Cash deposit

Frequency of Deposits	Frequency	Percentage
Daily	81	51.9
Weekly	12	7.7
Monthly	44	28.2
Others	19	12.2
Total	156	100

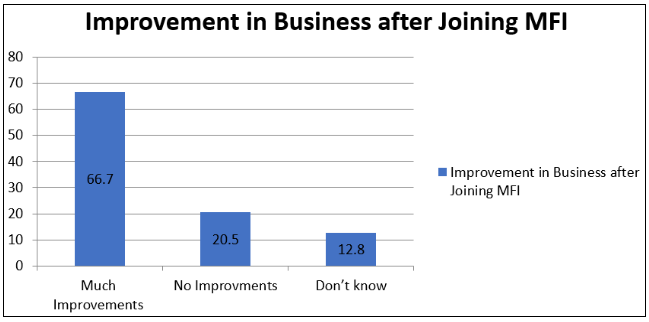
Source: Field Survey, 2024

4.13 The Impact of Microfinance on Women in Study Area

The data collection shows that micro financing generally has a positive impact on the lives of women in the communities of the Kpone Katamanso Municipal Assembly. This was based on the enquiry of the type of improvement and the conditions of women before and after joining the MFI. Factors considered in this regard were; improvement in business, acquisitions of assets, increase in income, educational status of clients children and clients involvement in household decision making.

4.14 Improvement in Business after Joining MFI

Most of the respondents (66.7%) attested to the fact that microfinance has contributed positively to their businesses after joining the MFI. About 20.5 percent however did not see any improvement in their businesses after joining the MFI. Also 12.8 percent did not know whether it has had positive or negative impact. A notable proportion saw increase in their turnover, stock and assets. For instance, some who initially operated from tables-built kiosk and those who were in wooden kiosk also moved to metal containers. Some were able to employ extra hands to assist in the day-to-day business activities. Contrary to the arrangement before joining the MFI, where husbands cultivate the land and share among their wives, those women who were into farming could now cultivate their own farms without recourse to their husbands. All these contributed to the improvement in their income and their ability to meet livelihood related needs.



Source: Field Survey, 2024

Fig 4: Improvement in business after joining MFI

4.15 Acquisition of Assets

The proportion of respondents that saw positive impact in their business, (79%) indicated that there been an increase in the purchase of inputs; whiles 21% used it to expand the physical assets base of their businesses. This involves building of metal containers, renovation of buildings, among other things. Table 12 shows the type of assets improvement of women.

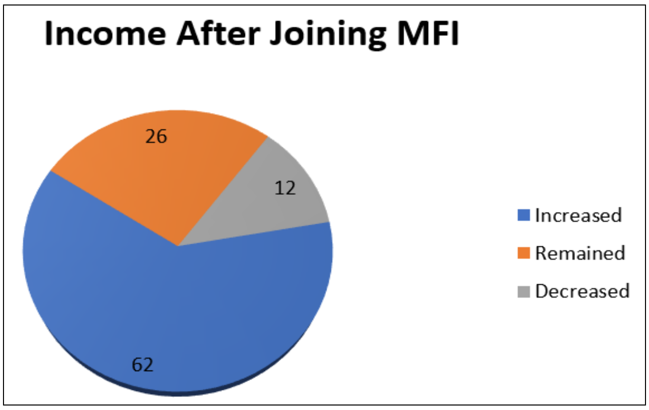
Table 10: Acquisition of Assets

Acquisition of Assets	Frequency	Percentage
Increased Purchased of Assets	124	79.0
Increased in Physical Assets	32	21.0
Total	156	100

Source: Field Survey, 2024

4.16 Income after Joining MFI

Respondents were asked whether their incomes had increased after joining MFI. Responses indicated that 56 percent of the respondents had their income increased by 62 percent after joining MFI from GH₵200.00 to GH₵520.00. While 32 percent of the respondents said their income did not change (GH₵200.00), 12 percent said their income had rather reduced by 20 percent from **GH₵200.00 to GH₵160.00.**



Source: Field Survey, 2024

Fig 5: Income After Joining MFI

4.16.1 Increase in Weekly Income of Women in MFI

Respondents were asked of their weekly income before and after joining the MFI, and about 59 percent saw a weekly increase of their income from GH¢ 50 - GH¢ 100 after joining MFIs per week. About 28.4% also saw an increase from the range of GH¢ 101 – GHs200. Also, 17 percent saw an increase from GH¢ 151 and above. This is shown in the Table 11 below.

Table 11: Increment in Weekly Income of Women in MFI

Weekly Income	Frequency	Percentage
GH₵50-GH₵100	93	59.0
GH₵101-GH₵150	37	24.0.
GH₵151 and above	26	17.0
Total	156	100

Source: Field Survey, 2024

4.16.2 The Educational Status of Wards of Respondents after Joining MFI

Respondents attested to the fact that there has been significant improvement in their ability to give better education to their wards. About 50.6 percent admitted to have very good educational status for their wards before joining MFI. Those that had good and regular educational status for their wards were 37.2 and 12.2 percent respectively. After joining the MFI however, those that had very good educational status for their wards increased from 50.6 percent to 69.2 percent whilst good and regular educational status had reduced from 37.2% to 25.6% and 12.2% to 5.2% respectively.

Good educational status could be measured on households' ability to pay school fees, buy school uniform, buy exercise books, and attend schools with good facilities, effective teachers and good nutrition for children. Table 12 shows the educational status of wards of the respondents before and after joining MFI's.

Table 12: Educational Status of Wards of Respondents before and after Joining

Educational Status	Frequency	Percentage
Very Good	108	69.2
Good	40	25.6
Regular	8	5.2
Total	156	100

Source: Field Survey, 2024

4.16.3 Women Participation in Household Decision making and contribution after Joining the MFI

The field research revealed that 10.8% of the respondents took part in household decision making before joining the MFI whilst 89.2% did not take part in household decision making. However, 38.3% took part in household decision making after joining the MFI. Yet majority representing 61.7% did not take part in household decision making after joining the MFI.

Though the number of those who took part in household decision making increased from 10.8 percent to 38.3 percent, majority (61.7%) of the respondents were not granted the opportunity to contribute ideas towards management of the households. This is because power is deeply rooted in our social systems and values and it is tilted towards men. Therefore, it is unlikely that any one intervention such as the provision of credit may completely alter power and gender relations. Table 13 shows women participation in household decision making and contribution before and after joining the MFI's.

Table 13: Women participation in household decision making

	Before		After	
Frequency	Percentage	Frequency	Percentage	
Took part in Household Decision Making	13	10.8	46	38.3
Did not take part in Household Decision Making	107	89.2	74	61.7
Total	120	100	120	100

Source: Field Survey, 2024

4.16.4 The role of MFIs in the Livelihood of Women in Rural Communities

The Microfinance institution plays major role the in livelihoods of women in rural communities. The following are some of the programmes / roles played by the MFI; provision of Micro savings at the door step of women clients, provision of Micro credit at moderate interest rate and flexible terms of repayment, provision of micro insurance to the poor women to cushion them in times of calamities, the provision of financial education to women on how to keep simple financial records and the effective monitoring and evaluation of client's business activities.

4.17 Problems of MFI in Loan Delivery

The survey indicated that the main challenge of MFI's in loan delivery in the study areas was mainly loan default. For instance, with the Eddievyn Microfinance, the maximum loan recovery rate was 85 percent while the minimum was 65 percent. The main reasons that accounted for the loan default were; Change in business activity after loan, climate and weather changes and mismanagement of loan/financial assistance, COVID 19 pandemic, among others.

The study revealed that loan defaulters are dealt with in various ways by the company. Firstly, the company resorts to persuasion after which the term of payment is rescheduled. The last resort is where legal action is taken against defaulters. Even with all these means to retrieve loan from defaulters, the company lamented on their inability to retrieve all loans due to the relocation of business activity or the residence of defaulters.

5. Summary

The main aim of this study was to examine the impact of microfinance on the empowerment women in the Kpone Katamanso Municipal Assembly. Eddievyn Microfinance was chosen in the Municipality. Also, the study sought to find out the factors that affect access to microfinance and its impacts on businesses, income, education, food and household decision making. Results from the analysis revealed the following findings based on the objectives of the study.

Findings from the study indicated that the procedure and security requirement of obtaining credit from MFIs were easier than with the conventional banking. Based on the firsthand experience of women in the communities and the MFI, it was found that, the procedure and security requirement of accessing credit were modest. It therefore made it possible for everyone to join the formal monetary process. It was one of the most propitious reasons by the women in accessing loan from MFIs unlike the conventional banking where landed and complex collateral were the prerequisite for loan acquisition. This situation made it easier for the women to obtain or access credit from the MFI. The access to credit by the women (clients) led to improvement in their businesses, as many had their sales turnover, stock, fixed assets and incomes increased after their association with the MFI.

The study also revealed that microfinance has contributed significantly to improving the livelihood of women in the Kpone Katamanso Municipality. It was found that majority (64.2%) of the respondent had their weekly and monthly income increased. Majority (64.2%) of the women started their business from personal savings and by dint of hard work were able to access credit from the MFI for the expansion of their businesses. They were able to increase their income steadily and provide not only financial help to their families but also had positive impact on other factors, like improvement in their businesses, acquisition of assets, quality health care for their families, good education for their wards and were able to meet housekeeping expenses. These women brought about positive changes to their financial and social conditions thereby improving on their livelihoods and general well-being.

The results obtained from the analysis, regarding women's role in household decision making process in the family, reveals that microfinance schemes were associated with building up social and economic empowerment.

5.1 Recommendations

Noting that microfinance in itself is inadequate to improve clients' well-being individually and collectively, and hence increase their livelihood frontiers, it is recommended that:

- Microfinance policy should focus on women's empowerment as its cardinal goal, provide capacity building in core areas of knowledge and skills, competencies and gender for policy and impact analysis. Gender issues should become not only part of their mission statement but also of their social intermediation packages.
- The institutionalization should go beyond the current MFI financial profitability accounting. It should integrate within MFIs performance assessment for both financial and client satisfactions. MFIs should, therefore, be engaged in conducting routine institutional assessment both for credibility and accountability purposes.
- Again, although most of the microfinance institutions are giving out credit, it seems the credit is not large enough to improve the livelihoods of women. It therefore recommended that microfinance institutions increase their loan threshold. An increase in loan threshold will have a greater multiplier effect on women's income through profits from income generating activities. Even though the current threshold improves profit, the margin is not enough to have the expected impact on the lives of rural women.
- Finally, there is one thing that lacks in the microfinance programs in Ghana. There is no time frame set for client to be sustainable, when on MF programmes after which time no credit will be giving again. MFIs just enjoy having more clients. This only means that, their programs are not having the require impact. If MFIs are able to set this time frame for their clients, the program will have significant impact on the lives of its clients.

5.2 Conclusions

From the findings, it is concluded that microfinance has a positive impact on the capacity of women in the Kpone Katamanso Municipal Assembly to generate income to support household livelihoods. Beneficiary women are more empowered to engage in income generation activities that hitherto were the preserve of men. There are improved gender relations, social cohesion and solidarity among women all of which support them in their income generation activities. Policy makers and implementers must take advantage of the changing dynamics in women's participation in decision making at the household and community levels. Such policies should be socially acceptable, culturally agreeable, economically viable, politically stable, gender sensitive and environmentally sustainable to the people.

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