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Microfinance as a Mechanism for Women Empowerment: A Case Study of Techiman Municipality in Ghana

Romanus D. Dinye [α] & Irene Nora Dinye [σ]

Abstract - This paper seeks to make an informed contribution to the ensuing debate on the real significance of microfinance as a strategic instrument for poverty reduction with particular reference to the empowerment of women in developing countries. Most women in these countries are faced with certain challenges which hinder the realisation of their full potential of capabilities. After a review of pertinent literature on microfinance and women empowerment, inferences are drawn for subsequent conclusion from a case study of women involved in the operations of the Opportunity International Savings and Loans Limited (OISL), a microfinance institution in the Techiman Municipality in Ghana. A census survey of the target group was intended but the practical realities of capture covered a high of 90 out of the total of 116 women beneficiaries representing a coverage of 77 percent at confidence level of 95 percent with an acceptable 0.05 margin of error.

Market women who benefited from the company's microfinance Trust Group Lending Programme are empowered through the Opportunity International Savings and Loans Limited's microfinance programme not only in the areas of their businesses, but at household as well as at their group and therefore community levels. Nevertheless in the event, the men's contribution to the household expenditure decreased with the realisation that their women counterparts earned more income and were able to cover much of the household's expenses. The use of the weekly repayment schedule by Opportunity International Savings and Loans Limited's programme tended to be inconvenient since the business cycles of the women differed. The interest rate of 41 per cent charged by lending group was adjudged by the respondents as high.

For effective and sustainable services' delivery, the Company required pertinent information on the needs of the market women so as to design products to meet the specific requirements. An arrangement of flexible loan repayment schedules for the market women will make the programme more productive and attractive to them. Opportunity International Savings and Loans Limited should also explore the possibility of family business loans delivery services to encourage cooperation between the husbands and wives.

Keywords : development, microfinance, poverty reduction, women empowerment.

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I. Introduction

In economic history, microfinance is quite a recent phenomenon that has grown exponentially since the last two decades. Investors, donors, and financial institutions have realised the potential that capital can be for development by banking with the poor. In the past, it was assumed that poor people were unbankable since they were only capable of taking out small loans, and had no collateral. Grameen Bank in Bangladesh proved, that not only is the poor bankable, but microfinance as an activity is quite profitable. Since then Micro Finance Institutions (MFIs) sprang up all over the world and reached millions of poor people (Simanowitz and Walter, 2002).

In essence, a Micro Finance Institution (MFI) acts as a bank for the poor. The purpose of microfinance is to provide credit and the attendant services to the poor that are not made available to them through the traditional banking system. These loans can be as tiny as $50, and are typically used by the client to start a small business. MFIs which operate primarily (though not exclusively) in the Third World, are faced with difficulties including lack of collateral, infrastructure and mobility (Brandsma and Chaouli, 1998).

A salient feature of microfinance is its almost exclusive focus on women who make up the majority of the poor globally. Countries in which women are oppressed or treated as second class citizens are always the ones who suffer the highest rate of poverty. A recent World Bank report confirms that societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth, weaker governance, and a lower living standard of their people (Cheston and Kuhn, 2002).

Providing women with access to credit can turn around an entire economy. There is significant evidence that when a woman's business succeeds and she makes profit, it goes to her family. Men are more likely to use funds on leisure. They are also more mobile, and therefore more likely to default on loans. Children are better educated and cared for when women contribute income to the family (Grasmuck and Espinal, 2000). Women's increased income benefits their children, particularly in education, diet, healthcare, and clothing

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(Cheston and Kuhn, 2002). Women are less risky (Morduch, 1999). They tend to take out smaller loans than men, and invest the money in safe business ventures, usually close to home (Cheston and Kuhn, 2002). Women's businesses are typically smaller than men's, have fewer, if any, employees, and are more likely to rely on family members for support (Grasmuck and Espinal, 2000). One of the reasons often articulated for supporting microfinance and targeting women by microfinance programs is that microfinance is an effective means or entry point for women empowerment. By putting financial resources in the hands of women, MFIs help level the playing field and promote gender equality.

a) Problem Statement

MFIs around the world have been quite creative in developing products and services that avoid barriers that have traditionally kept women from accessing formal financial services. These include collateral requirements, male or salaried guarantor requirements, documentation requirements, cultural barriers, limited mobility, and literacy. Nevertheless, there are still many problems which include those associated with the microfinance approach to women empowerment and poverty reduction.

Microfinance is hailed as a means of promoting economic opportunity, poverty reduction and women empowerment. However, when women take a microcredit loan to start a business, it is often the men who control how the loan is used (Rahman, 1999). In most Third World communities, men have better income-generating activities, access to wider markets, and enjoy a higher societal status than women. Some argue that when men control the loans given out to women, it further enforces patriarchal control over women's lives (Murdoch and Haley, 2002).

Although the Ghanaian constitution abhors discrimination of any kind, inclusive of that based on gender dimension, the situation remain far fetched. There still exist clearly defined roles in the country's social cultural set up ensuring specific conformity amounting to women subordination to men. The gender relational outcomes generate obstacles and constraints that intricately reinforce each other. The implications vary from the individual level, to the household to the wider society realm impeding the full enjoyment of human rights by the women. In the Techiman Municipality, women are not expected to make decisions of borrowing money, buying and selling property without reference to their husbands or any other man responsible for their conduct. They cannot to give out money without due permission of their attendant male counterpart in whose charge they are put. These and other socio-cultural considerations, as it were, determine women's skills endowment and capability, experience, knowledge and confidence. They impose on women what is acceptable to do, determine the norms of their behaviour, legal rights giving them a certain perceived values.

In view of these preceeding assertions, local and international organizations continue to drum home under different advocacy strategies for the empowerment of women through alternative supportive microfinance economic policies. However, there seems to be much skepticism due to the lack of performance tracking and database to showcase achievements and progress so far made in the women empowerment through the delivery of micro finance. This work seeks to make a contribution towards closing this void through the case study of the OISL efforts in the Techiman Municipality in Ghana. This paper derived its inspiration from this lag in the ascertainment of best practice microfinance strategy targeted at the empowerment of market women to successfully undertake their daily economic activities.

II. An Overview of Literature

a) Women's Empowerment

"Empowerment is a process by which individuals and groups gain power, access to resources and control over their own lives. In doing so, they gain the ability to achieve their highest personal and collective aspirations and goals" (Robbins, Chatterjee, & Canda, 1998). Some use the terms *self-reliance* and *self-respect* to define it. Empowerment is an implicit, if not an explicit goal of a great number of microfinance institutions around the world. Empowerment is about *change, choice,* and *power*. It is a process of change by which individuals or groups with little or no power gain the power and ability to make choices that affect their lives. The structures of power directly affect the choices that women are able to make in their lives. Microfinance programs can have tremendous impact on the empowerment process if their products and services take these structures into account.

Kabeer (1999) defines women's empowerment as the process by which those who have been denied the ability to make strategic life choices acquire such ability. This ability to exercise choices incorporates three inter-related dimensions: resources which include access to and future claims to both material and social resources; agency which includes the process of decision-making, negotiation, deception and manipulation; and achievements that are the well-being outcomes. It is important to understand empowerment as a process. Empowerment can take place at a hierarchy of different levels – individual, household, community and societal – and is facilitated by providing encouraging factors (such as exposure to new activities, which can build capacities) and removing inhibiting factors which lack of resources and skills Two vital process levels have been identified as important in

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women empowerment. The first is social mobilization and collective agency. Poor women often lack the basic capabilities and self confidence to counter and challenge existing disparities and barriers against them. Change agents are therefore needed to catalyze social mobilization consciously. Second, the process of social mobilization needs to be accompanied and complemented by economic security. As long as the disadvantaged suffer from economic deprivation and livelihood insecurity, they will not be in a position to mobilize (UNDP, 2001). In many developing countries (especially in South Asia), one strategy which has been found to be promising is participatory institution building in the self-help groups, often coupled with savings and microcredit loans. A closer look at the impact of these schemes on the empowerment of women reveals a mixed picture.

b) Elements of Women's Economic Empowerment

Women's economic empowerment must not be examined in a vacuum. Widespread cultural and economic practices work against their empowerment. To fully assess the opportunities and obstacles that exist, the intersection of political, social/cultural and environmental conditions must be analyzed alongside traditional economic indicators. Factors impacting on women's economic empowerment include:

- Violence: women are the predominant victims of conflict, sexual violence, injury, death, intimidation and human trafficking;
- Lack of adequate access to education, training and technology;
- Lack of access to clean water, sanitation;
- Lack of access to responsible health care/reproductive health;
- Lack of access to credit/finance, safe work conditions, living/minimum wages;
- Cultural practices, tradition, religious interpretations of women's status;
- Women's lack of knowledge about rights and laws (economic, social, political, religious); and
- Lack of adequate representation in decision-making positions and governance structures.

The real issue is that women are often better economic stewards of capital than men. Women are more likely to reinvest profits back into human capital than men. When women have economic power - defined as control of income and capital stock, they gain more equality and control over their own lives, while contributing directly to their children's development (nutrition, health and education) and thereby indirectly to their nation's income growth (ECA, 1996).

There exist many impediments to women's economic empowerment. Recently, the World Economic Forum ran a study on 58 countries to assess the size of the gender gap. The Forum's analysis concluded that no country has managed to close the gender gap with the exception of the Nordic nations. These findings suggest that the world has a long way to go to bring women to the forefront of economic, social, and political participation. Unless women's economic security is strengthened, poverty reduction cannot be achieved towards the realisation of any genuine progress on the United Nation Organisation's stated Millennium Development Goals.

c) Microfinance and Development

Microfinance encompasses the provision of financial services and the management of small amounts of money through a range of products and a system of intermediary functions that are targeted at low income clients. It includes loans, savings, insurance, transfer services and other financial products and services. Microfinance is thus one of the critical dimensions of the broad range of financial tools for the poor, and its increasing role in development has emanated from a number of key factors which include:

- The fact that the poor need access to productive resources, with financial services being a key resource, if they are to be able to improve their conditions of life;
- The realization that the poor have the capacity to use loans effectively for income-generation, to save and re-pay loans;
- The observation that the formal financial sector has provided very little or no services to low-income people, creating a high demand for credit and savings services amongst the poor;
- The view that microfinance is viable and can become sustainable and achieve full cost recovery;
- The recognition that microfinance can have significant impact on cross cutting issues such as women's empowerment, reducing the spread of HIV/AIDS and environmental degradation as well as improving social indicators such as education, housing and health.

Microfinance plays a number of positive broad roles in development inclusive of i) helping very poor households meet basic needs and protects against risks; ii) improving household economic welfare; and helping the empowerment of women by supporting women's economic participation and so promotes gender equity. 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. By providing material capital to a poor person, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society (Otero, 1999).

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

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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). Littlefield, Murduch and Hashemi (2003), Simanowitz and Brody (2004) and the IMF (2005) have indicated the critical role of micro-credit in achieving the Millennium Development Goals.

According to Simanowitz and Brody (2004), "micro-credit is a key strategy towards the achievement of the MDGs and in building global financial systems that meets the needs of most poor people." Littlefield, Murduch and Hashemi (2003) noted that 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, experts remain sceptical about the role of micro-credit in development. While acknowledging the role micro-credit can play in helping to reduce poverty, Hulme and Mosley (1996) nevertheless indicated that "most contemporary schemes are less effective than they might be" (1996). 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.

That notwithstanding, microfinance has emerged globally as a 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.

"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 to women 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 women, which in turn promotes their confidence and self-esteem.

d) Microfinance and Women's Empowerment

Malhotra (2002) emphasizes that even after identifying empowerment as a primary development goal; neither the World Bank nor any other major development agency has developed a rigorous method for measuring and tracking changes in levels of empowerment. The UNDP report of 1995 introduced two new complementary indices: the Gender-related Development Index (GDI) and the Gender Empowerment Measure (GEM). The GDI indicator measures the inequalities between men and women in terms of access to basic needs. GEM evaluates women's access to political and economic posts. Some authors have tried to construct alternative indices of empowerment more specifically related to microfinance activity. Ackerly (1995) constructed an *accounting knowledge* indicator. Goetz and Sen Gupta (1996) built an index of *managerial control* on the use of loans, contributions in terms of labour to the financed activity and the control over the entire productive process, including marketing. Hashemi, Schuler and Riley (1996) investigated the change in women's empowerment by creating an *empowerment* indicator built on the following eight criteria: mobility, economic security, ability to make small purchases, large purchases, involvement in major household decisions, and relative freedom from domination by the family, political and legal awareness, participation in public protests and political campaigns.

A majority of microfinance programmes target women with the explicit goal of empowering them. There are varying underlying motivations for pursuing women's empowerment. Some argue that women are among the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. Others believe that investing in women's capabilities empowers them to make choices, which is a valuable goal in itself, but it also contributes to greater economic growth and development. It has been well documented that an increase in women's resources results in increased well-being of the family, especially children (Mayoux, 1997; Kabeer, 2001; Hulme and Mosley, 1997). A more feminist point of view stresses that the financial services represent an opening or opportunity for greater empowerment. Such financial organizations explicitly use microfinance as a tool to fight for women's rights and independence.

The World Bank Global Learning Conference in Shanghai in 2004 confirmed the impact of microfinance: "Studies have showed that microcredit programs positively affect a woman's decision-making role, her marital stability, and her control over resources and mobility. The analysis establishes that a woman's contributing to her household's income is a significant factor towards her empowerment" (World Bank, 2004, p.64).

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Women are traditionally treated as inferior to men because of lack of economic opportunity, authority over income generation, or participation in the public sphere. Microfinance enables women to gain access to all of these empowerment tools. Borrowing credit to start a microenterprise enables the women to have share in the control over household income and entry into the public domain, as well as provides them with economic and educational opportunities. When women have a share in the control over household income, children's nutrition, health, and education improve substantially more than when men control the income. It is becoming widely recognized that poverty alleviation occurs most often when women participate in microfinance programs (Cheston and Kuhn 2002; Simanowitz and Walter, 2002).

Hashemi et al. (1996) investigated whether women's access to credit has any impact on their lives, irrespective of who has the managerial control. Their results suggest that women's access to credit contributes significantly to the magnitude of the economic contributions reported by women, to the likelihood of an increase in asset holdings in their own names, to an increase in their exercise of purchasing power, and in their political and legal awareness. They also found that access to credit is also associated with higher levels of mobility, political participation and involvement in 'major decision-making' for particular credit organizations.

Holvoet (2005) found out that in direct bank-borrower minimal credit, women do not gain much in terms of decision-making patterns. However, when loans are channelled through women's groups and are combined with more investment in social intermediation, substantial shifts in decision-making patterns is observed. This involves a remarkable shift in norm-following and male decision making to more bargaining and sole female decision-making. She found out that the effects are even more striking when women have been members of a group for a longer period and especially when greater emphasis has been laid on genuine social intermediation. Social group intermediation had further gradually transformed groups into actors of local institutional change.

e) Some Criticisms

Microfinance does not reach the poorest of the poor because of discrimination by the loans officers. As with all loan systems, the higher the loan, the greater profit to be made by the lender. Consequently, loan officers often discriminate against very poor borrowers and instead favour the "richer" poor women who can afford to take out larger loans (Simanowitz and Walter, 2002). The very poor who lack even basic needs avoid contact with the rest of society out of shame. They may simply be too embarrassed to display their extreme poverty in public. Simply put, microfinance is not always an attractive option to the very poor (Simanowitz 2000).

Another viewpoint is that microfinance has a potentially adverse effect on women. Some men feel that women's independence is a direct threat to traditional patriarchal power (Murdoch and Haley, 2002). In some cultures, if a man's wife works, and most especially if she generates more income than he does, it degrades the man's sense of masculinity (Cheston and Kuhn, 2002). This can lead to a power struggle as the man attempts to regain dominance over the household and in some cases; it escalates to domestic violence against women (Murdoch and Haley, 2002; Cheston and Kuhn, 2002).

Women with microfinance and activity face a double workload of running business and childcare (Cheston and Kuhn, 2002). Traditionally, women have taken care of children and household work while the men earned income for the family. More and more women are now entering the public workforce, but they are still expected to assume responsibility for all domestic tasks (Grasmuck and Espinal, 2000). The operation of microfinance sometimes creates a large debt for some poor women who are unable to repay the loans (Buss, 1999). Small businesses in Third World countries are subject to a great number of obstacles which include lack of adequate infrastructure, inability to access supplies needed for a business, flooded markets if enterprises are too similar, difficulties with money management due to improper schooling and lack of training or skill, and a vulnerability to crises such as a death in the family or a medical emergency. Borrowing money is always a risk, but particularly so for the poor who are already extremely vulnerable to economic shock. Sometimes all it takes is a business failure or medical emergency to plunge a poor person into severe debt and even greater poverty.

f) Economic Empowerment of Women in Ghana

In response to achieving the Millennium Development Goals, Ghana has been making determined efforts in ensuring the empowerment of women through the institution of various programmes such as microfinance for women. The Ministry of Women and Children Affairs is established by the government of Ghana to steer the affairs of women and children. Through the central government, the Women Development Fund has been instituted to support economic development of women. A total of GH¢200,000 (US$1.0 = GH¢1.50) of the Women Development Fund has been disbursed by the Ministry Women and Children to women groups all over the country as at 2005 for various income-generation activities (GPRS Annual Progress Report, 2005).

In September 2006, history was made in micro-finance administration and development in Ghana when a $50m Micro-credit and Small Loans Fund was officially

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launched, and the Head Office of the Micro-Finance and Small Loans Centre (MASLOC) was inaugurated in Accra (The Statesman, 2006). With the initiation of MASLOC, farmers, fishermen, fishmongers, petty traders, hairdressers, caterers, dress-makers and others in both the formal and informal sectors now can have access to funds to embark on economic activities to better their living. The MASLOC was established early 2004 to undertake the necessary reform and development process that would strengthen micro-finance operations as an effective and viable strategy for poverty reduction. The fund is to make sustainable financial services available to individuals, co-operatives and other groups in communities in order to help them generate wealth, save and expand their mini-enterprises, leading to urban and rural poverty reduction.

The government of Ghana has, therefore, prioritized micro-finance interventions under its Ghana Poverty Reduction Strategy and Growth and poverty Reduction Strategy, hence the launch of the $50 million Micro-credit and Small Loans Fund which is unprecedented in the country's history. It is the largest economic empowerment programme specifically designed to meet the needs of players in the Small-and Medium-Scale Enterprises sector in Ghana. Under this project, the government has tasked District Assemblies cross the country to come out with programmes that would make access to the Fund easier for people in the rural areas. In carrying out such a mandate, the program promotes, educates, enhances and facilitates the operations of non-bank micro-financial institutions and targeted users.

III. Case Study of Techiman Municipality, Ghana

The Republic of Ghana is one of countries stung along the Gulf of Guinea on the west coat of Africa. It is located between latitude 5° 3' and 11° 00' North and between longitude 1° 12' East and 3° 15' west. It has an area of 238537 square kilometres with a population of 25 million more than 50 percent of which is female. Ghana is bordered by Togo in the east, Burkina Faso in the north, Cote d'Ivoire in the west and the Atlantic Ocean to the south. The Ghanaian economy has always been reliant on a number of key exports principally gold and cocoa, although more recently it has developed a burgeoning service sector where most women, particularly market women, generate their livelihoods (Adarkwa, 2012).

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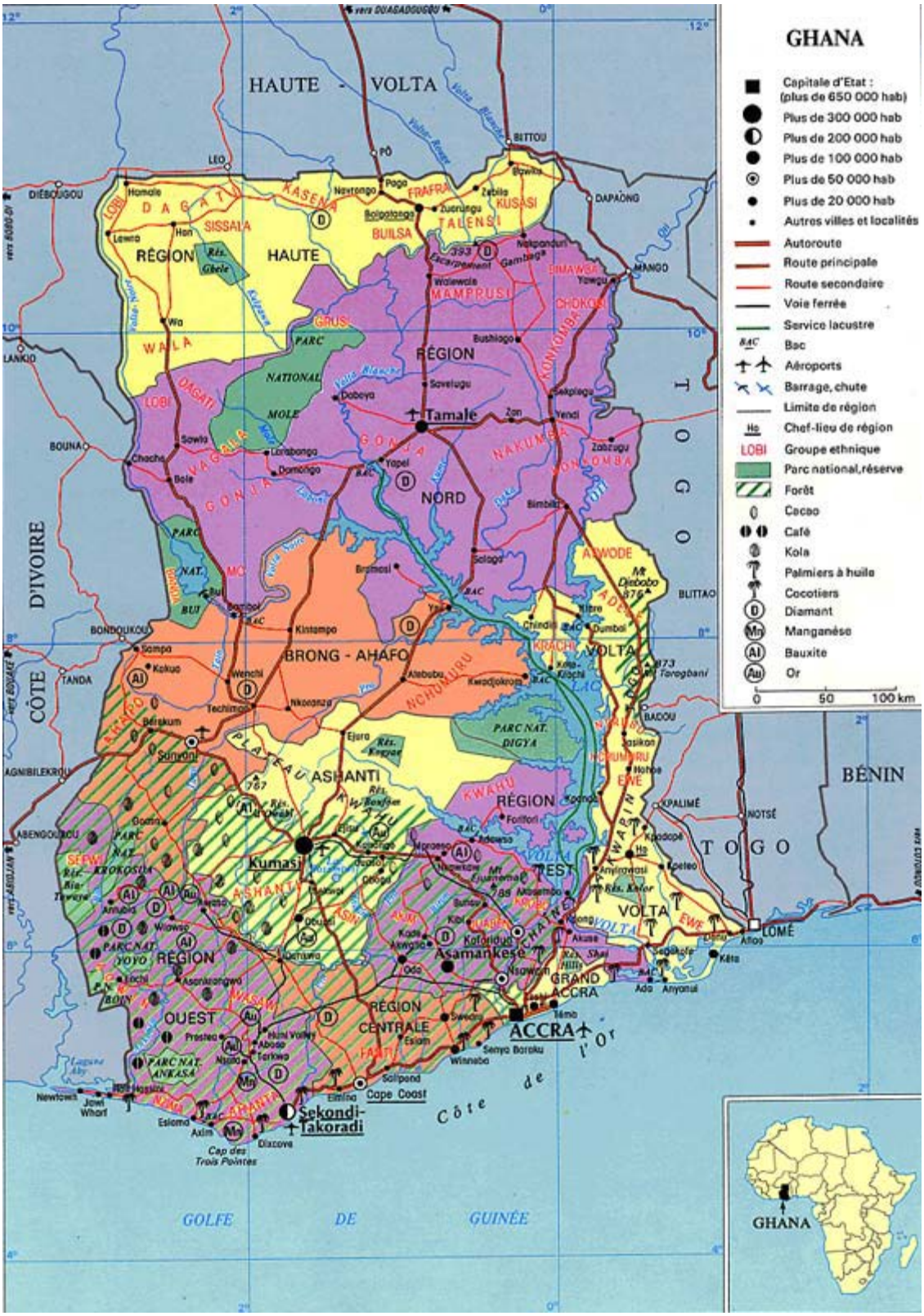
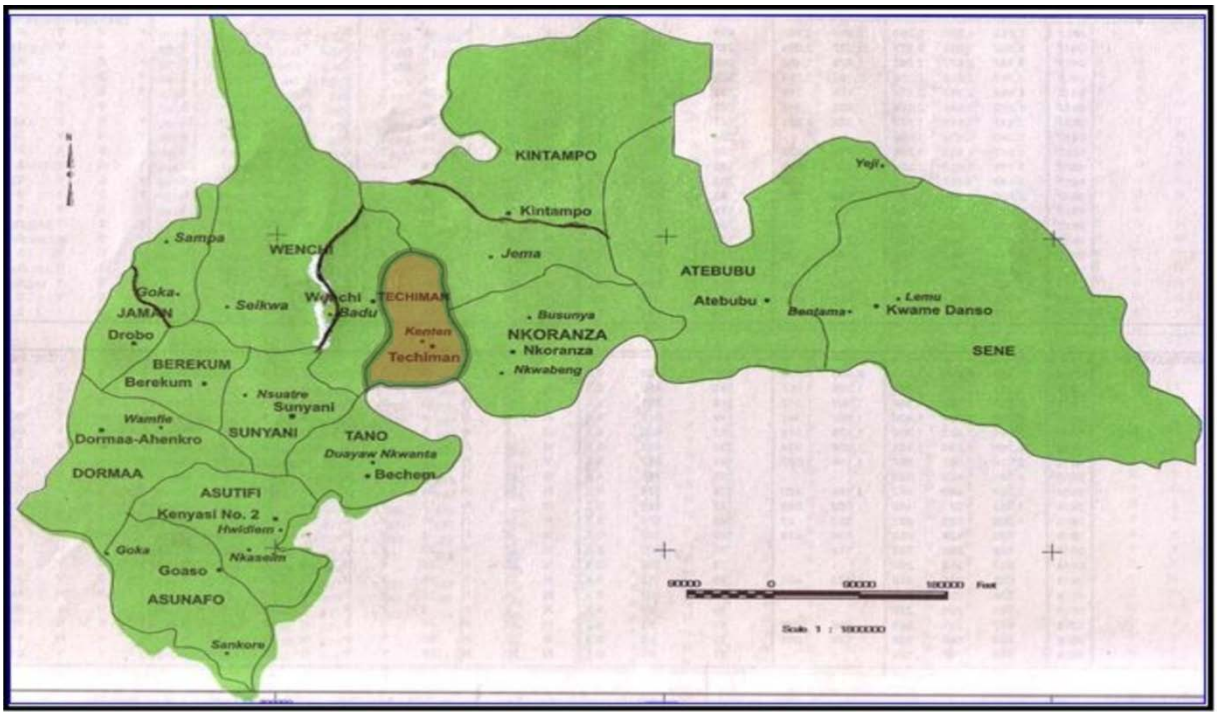


Figure 1 : Administrative Regions in Ghana

For political and administrative expediency, Ghana is divided into ten administrative regions with each one further subdivided into a number of decentralized Metropolitan, Municipal and District Assembly units. The Techiman Municipality, the study area of reference in context, is one of such basic political administrative units. It is situated in the Northern part of the Brong Ahafo Region and lies between longitudes $1^0$49 East and $2^0$30 West and latitude 8^0 00 North and $7^0$35 South. The Municipality shares common

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boundaries with four other districts: three in the Brong Ahafo Region and one in the Ashanti Region. The Wenchi District lies t o the Northwest, Kintampo South to the Northeast, Nkoranza district to the South- East and Offinso district lies to the South (TMTDP, 2006-2009).



Source: Techiman Municipal Assembly-Medium Term Plan 2006-2009.

Figure 2 : Location of Techiman Municipality in the Regional Context

Techiman Township which constitutes the hub of the Techiman municipality accommodates an extensive open air traditional market which has been structurally modernized through the construction of new stalls stores and warehouses. The market is the largest food crop market in Ghana and in fact one of the largest periodic markets within the West African sub-Region. Its strategic location has attracted people and businesses from various parts of country as well as other West African countries.

The sphere influence of the market extends beyond the boundaries of Ghana into the territories of its sahelian neighbours of Bourkina Faso, Niger and Mali. The activities of the market commence on Thursday feverishly running through Friday to end on Saturday each week. It is in this market that most of the OISL's women clients in the Municipality operate.

It was, therefore, to constitute a more conducive environment to find out the impact of the micro-credit schemes on the empowerment of the women beneficiaries.

IV. Research Methodology

The research process commenced with a review of pertinent literature on women empowerment, microfinance, poverty reduction and their relationship within the context of development. Dictated by the main thrust of the research, the case study design approach was adopted to assemble, analyse, assess and describe the impact of the OISL Trust Group Lending programme on the socio-economic empowerment of their clients, the market women. As at the time of the study, the sampling frame of the beneficiary target group of women operating in the market could not be ascertained. The situation necessitated the conduct of a rapid reconnaissance survey with the assistance of the Opportunity International Savings and Loans Limited (OISL), field staff which revealed a figure of 116 women beneficiaries in the market. They were mostly into the purchase and resale of groundnuts, beans, rice, millet, and maize. Others handled the marketing of yam, cassava, cocoyam and plantain all of which quite clearly are agro-based. Non-farm related activities included the sale of alcoholic and non-alcoholic beverages hair dressing, seamstressing and the sale of secondhand goods.

Snowballing, a non-probabilistic sampling technique was purposively used to identify and interview the target women group. The distribution of the women who received credit could not be identified in any systematic patterned order. By the snowballing technique, the investigators began with one case, a

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woman who received credit from OISL, and based on information about the interrelationships from that case and subsequent ones, other cases were identified and the process was repeated.

It was intended to cover all the 116 women beneficiaries to be in operation in the market as at the time of the survey. Nevertheless, a total number of 90 out of the 116 units of investigation were captured in the survey representing a coverage of 77 percent which is scientifically quite acceptable having attained a confidence level of 95 percent with 0.05 margin of error. Structured questionnaires were used in carrying out the research to obtain data on the contribution of microfinance towards the empowerment of market women in the Techiman Municipal Assembly.

V. Analysis and Results

a) Respondents' Demographic Features

Age of respondents: The survey revealed that 7.8 per cent out of the 90 women interviewed were between the ages of 18-22 years, which is the age group with the lowest frequency, and 37.8 per cent of them were between the ages of 23-27 years which is the dominant age group benefiting from the loan facility. The women involved were youthful and constituted a vibrant labour force whose empowerment is beneficial to socity. Table 1 depicts the age group characteristics of the women captured by the study.

Table 1 : Age group of respondents

Age group	Frequency	Percent (%)
18-22yrs	7	7.8
23-27yrs	34	37.8
28-32yrs	18	20.0
33-37yrs	17	18.9
38-52yrs	14	15.6
Total	**90**	**100**

Source: Field survey, January, 2009.

Marital Status : The majority (57.8 per cent) of the women interviewed were married with 34.4 per cent being single. A few (3.3 per cent) of them were widowed and the remaining 4.4 per cent divorced. Their empowerment has implications more implications for the married one, who in the patriarchal setting are accountable to their husbands.

Educational Status : In terms of education, most of the women interviewed had no formal education, meaning they could neither read nor write and these women constituted 54.4 per cent of the women. For the remaining 45.6 per cent have had some formal education, (63.4%) of them attained the Junior High School (JHS) level. Those who have had secondary education constitute 22.2 percent and1.4 per cent were those who have had tertiary education.

b) Business Impact

Since the most direct anticipated benefits of microcredit concern clients' businesses, it is important to discuss the effects of OISL Limited's program in that area. Running a successful business does not only contribute to women's improved welfare, but also directly and indirectly to their empowerment.

Increased working capital : About 97.8 per cent of the women indicated that their working capital had increased as a result of their loans from OISL Limited. Their loans and earnings had been enough to break their dependency on supplier credit, and were able to purchase more stock using a combination of cash and credit. In almost all cases, the increase in capital gave the women more options and greater control over their businesses. In Table 2, the working capital situation of five specific clients and the cumulative circumstances of rest prior and after the loan from OISL are depicted.

Table 2 : Evidence of increased capital of clients

Clients	Working Capital prior to loan (GH₵)*	Working Capital after loan (GH₵)*	Difference (GH₵)*	Percentage change (%)
Hafisa	200	350	150	75
Mari	350	850	500	143
Elizabeth	100	300	200	200
Mamatu	50	130	80	160
Tiwaa	150	300	150	100
6-90th client	72,400	155,050	82,650	114.2
Total	**73,250**	**156,980**	**83,750**	**114.3**

Source: Author's construct, January, 2009

*(GH₵1.5= US$1.0)

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In Box 1 is a record of the experience of a client on how increased in working capital has help her.

Box 1 : Empowerment through Increased Capital

Awura Ama, an OISL client, shared her experience of empowerment as she transitioned from selling used-clothing that she obtained on credit to managing her own used-clothing business. "Before joining OISL, I did not have much money, so I had to collect the goods from somebody, sell them, and give her the profit before she would give me some as commission. Every week I would have to render accounts to the supplier, what had been bought, what is left, etc., before she would give me other goods to sell. . . . Because I now have my own money which has increased my working capital by about GH¢500.00, I am able to negotiate well for good prices. If what my suppliers are selling is not nice, I can go to a different store to purchase what I think people will buy. The time that I spend with my business has reduced because I now have my own money, unlike the past where I was working for somebody so I had to be able to sell all day long before she would give me my share. So I was tired all the time and in a rush to make sure that I spend more time on the business to ensure that people buy it. But now I have my own business

Source: Author's fieldwork, 2010

The increase in working capital is particularly important for the women's empowerment. This is basically so, because when women have their own capital or have access to cash credit, they have considerably more power and prestige in the marketplace. However, Cheston and Kuhn in their draft paper in 2002 on "Empowering Women through Microfinance" noted that although increased esteem does not automatically lead to empowerment, it does contribute decisively to women's ability and willingness to challenge the social injustices and discriminatory systems that they face.

Relationships with suppliers and customers: A majority (77.8 per cent) of the women reported of having improved relationship with customers and 73.3 per cent had been able to expand their businesses. Some (44.4 per cent) had been able to diversify into other profitable product lines such as running groceries and selling ice water in the house. In many ways, the women had been able to capitalise on the increased capital they have received from OISL to become successful businesswomen and breadwinners in their household and communities. The Women clients had a reputation for trustworthiness and responsibility that enhanced their relationships with their suppliers and customers and improved their businesses. As the women used the loans, business training, and advice they received from OISL Limited, they were able to expand into more profitable lines of business and build their customer bases.

c) Household and Family Relations

Women's ability to influence or make decisions that affect their lives and their family is considered to be one of the principal components of empowerment. As much as 70 per cent of the women experienced an increase in Their decision-making roles in the areas of family size determination control over income, sending their children to school and taking other decisions such as buying and selling property-all areas of decsion making traditionally dominated by men.

The women who were found to be married (57.8 per cent of clients) were now part of making decisions process about what should finally prevail in their households with their husbands. This represents a step forward because previously these women's husbands would have made such decisions without their input. Traditionally, men are responsible for providing food, clothing, children's allowances (pocket money), and cooking and cleaning supplies in Ghana. If, however, a woman earns enough to help cover typically male expenditures like school fees, rent, furniture, and transport, her decision-making power will immensely increase. The women were particularly proud of their financial contribution to their children's education not only because it helped them earn the respect of their husbands but also because it gave them the opportunity to ensure the best possible education for both their daughters and their sons. They were also proud of their financial contribution to their household food needs. The table shows evidence of the increased financial contribution of the women to the upkeep of their household after the loan from OISL.

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Table 3 : Evidence of increased financial contribution of married clients per week

Client	Area of contribution	Prior to loan (GH¢)	After loan (GH¢)	Change (%)
Awura Ama	Children's education	6	10	66.7
	Food	3	7	13.3
Hafisa	Children's education	3	3	-
	Food	3	5	66.7
Amdatu	Children's education	2.50	5	100
	Food	7	7	-
Georgina	Children's education	5	5	-
	Food	10	15	50
Efua	Children's education	10	16	60
	Food	10.50	14	33.3
6-90nd client	Children's education	1,081	1,796	66.1
	Food	1,551	2,218	42.4
Total	Children's education	1,104.50	1,835	66.4
	Food	1,584.50	2,266	43

Source: Field survey, January, 2009.

The women believed that their financial contribution had helped them earn greater respect from both their husbands and their children. This attest to the studies by Grasmuck and Espinal (2000) in the Dominican Republic which showed that children are better educated and cared for when women contribute income to the family. The analysis of impact of microfinance by the World Bank Global Learning Conference in Shanghai in 2004, established that a woman's contributing to her household's income is a significant factor towards her empowerment (World Bank report, 2004).

Women's ability to influence or make decisions that affect their lives and their family is considered to be one of the principal components of empowerment. The survey conducted showed that of those interviewed, 70 percent of the ninety (90) women experienced an increase in their decision-making roles in the areas of family size determination, control over income, sending their children to school and other decisions such as buying and selling property—all areas of decision making traditionally dominated by men.

d) Repayment of Loan

The group treasurer of each Trust Group was responsible for repayments on behalf of the rest of the group, which alleviated the burden of responsibility from the bank and put it into the hands of the clients. If any one member of the group failed to pay his/her weekly portion of the loan, the entire group was denied subsequent loans. Groups were found to function properly because they were free to choose their own members whom they knew, and members could only leave the group after the loan has been repaid in full. The collective responsibility encouraged the members of a group to help each other, if not out of kindness, then at least out of fear that their own privileges will be revoked due to default by another member.

A survey by Cheston and Kuhn of Sinapi Aba Trust in 2002 in Ghana revealed that women had higher repayment rates than men. Their experience with Sinapi Aba Trust, Opportunity International's partner in Ghana, demonstrated a clear difference in men and women's repayment records in its Trust Group Lending Programme. As much 83 per cent of the respondents attested that they were able to repay the loan on time and this was confirmed by loan officers about the good repayment of women than their male counterparts.

Majority of the men who benefited from the loans mostly defaulted in repayment and this became a burden on the other group members. The men normally run away from the community when they found it very difficult to repay their loan. This situation affirms the studies by Grasmuck and Espinal (2000) that men are

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more mobile and more likely to use funds on leisure and therefore more likely to default on loans. Majority (67 percent) of the market women in Techiman were not satisfied with the repayment system. The reasons assigned included the pressure on repayment against a background of high interest rate (29 percent); high interest rate (52 percent) and repayment pressure (19 percent).

VI. Summary of Findings and Recommendations

It was established that the market women were being empowered through the OISL's microfinance programme not only in the areas of their business but at household and community levels. Nonetheless, the women faced certain challenges which hindered the realisation of their full potentials. The contribution of men to the household expenditure tendered to decrease arising from the realisation of the enhanced contribution of their wives as they earned more income and were able to cover much of the household's expenses. The use of the weekly repayment schedule by OISL programme brought about inconvenience to the women since their income generation cycles differed in accordance with their individual businesses. The interest rate of 41 per cent charged by OISL for group lending was adjudged by the respondents as high.

For effective and sustainable service' delivery and the empowerment of the women, OISL required pertinent information on the needs of the market women based upon which the appropriate products can be designed to specifically meet those requirements. An offer flexible repayment of loan schedules to the market women will make the programme more attractive and profitable to them. OISL should also explore the possibility of giving family business loans to encourage cooperation between the husbands and wives.

The target of these recommendations is to provide a general sense of direction for public strategy concerning the economic assistance offered by microfinance institutions such as the Opportunity International Savings and Loans (OISL) towards the welfare of market women within the Techiman Municipality and the country as a whole. The concern is to make the microfinance sector more resourceful and attractive in terms of the provision of financial assistance to market women. At his instance of the OISL micro-credit scheme, the following are recommended:

- OISL Limited sought out and offer a more flexible loan repayment schedules suited to the income generation pattern of the market women ;
- Group lending to women should be encouraged and reinforced so as to reduce default risk and increase the rate of loan recovery to ensure sustainability;
- OISL Limited as much as possible, train the women to help themselves to lower the cost of payroll to enable it reduce its interest rate and appropriately manage operational cost;
- OISL Limited is to incorporate productivity enhancing trainings elements such as modules in leadership that will contribute to women's empowerment;
- OISL Limited to gather information on women's needs and design products specifically to meet those needs so as to empower them;
- OISL Limited should explore the possibility of granting family business loans to encourage cooperation between the husband and wife; and
- OISL Limited to conduct and support research on appropriate measures of empowerment that can be used to monitor and improve their women empowerment process.
- The ministry of women and children, informed by the successful outcome of the OISL Group Lending Programme
- should arrange capacity building assistance training to women to enhance the ability to take advantage of existing micro credit opportunities in the country;
- research and maintain a database on microfinance schemes and make the information available to women groups;
- Sensitise and educate the population on socio-cultural norms tha militate against women empowerment.

VII. Conclusion

The impact of microfinance on women's empowerment in the Techiman Municipality is clearly modest but quite impressive. Those who received the credit were empowered in the economic, socio-cultural, personal and familial of life. The economic advancement of women is crucial to poverty alleviation, and therefore access to financial services is necessarily an integral component towards overall poverty reduction. Women are traditionally treated as inferior to men because of lack of economic opportunity, lack of authority over income generation, and participation in the public sphere. Microfinance enables the women to gain access to all of these empowerment mechanisms. Taking credit to start a microenterprise enables the women to have a share in the control over household income and open up opportunities for their entry into the public domain. As the women gain a share in the control over household income, children's nutrition, health, and education improve substantially more than when men control the income. Although microfinance to women is not necessarily the sole panacea to poverty reduction and its related development challenges, when properly harnessed it can make sustainable contributions through investments leading to the empowerment of women, which in turn promotes and enhances their confidence and self-esteem in society.

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