

Microcredit and the Socio-cultural Obstacles to Women's Empowerment in Northern Territories of Ghana¹

Hatice Jenkins^{*}
Eastern Mediterranean University

Bibiana Koglinuu Batinge^{**}
Sunyani Technical University

Abstract

This study investigates the impact of microfinance programmes on women's empowerment in the northern territory of Ghana, which is known as the poorest part of the country. A survey methodology is used to collect data from a sample of 247 female entrepreneurs and their husbands (189 women and 58 men) in rural areas. The majority of the sample are aged 40 or below, and many are illiterate. The research findings indicate that although microfinance appears to have some positive effects on women's income, it is insufficient to ease the hardships in the lives of women in northern Ghana. Most female respondents indicated that women are largely forbidden by men to own productive assets such as land and livestock. The traditional domineering behaviour of men remains a significant obstacle. Despite the increase in access to credit, microfinance itself may not be sufficient to eliminate barriers to women's empowerment and to the reduction of poverty.

Keywords: microfinance, poverty, women's empowerment, northern Ghana.

* Prof.Dr. Hatice Jenkins, Department of Banking and Finance, Eastern Mediterranean University. Famagusta-North Cyprus. E-mail: hatice.jennkins@emu.edu.tr. ORCID ID: 0000-0002-1617-7500.

**Bibiana Koglinuu Batinge, Lecturer, Sunyani Technical University. Sunyani-Ghana. E-mail: porsabia123456@yahoo.com. ORCID ID: 0000-0002-1814-4569.

Gana'nın Kuzey BÖlgelerindeki Kadınların Güçlendirilmesinde Micro Kredi ve Sosyo-Kültürel Engeller

Hatice Jenkins
Doğu Akdeniz Üniversitesi

Bibiana Koglinuu Batinge
Sunyani Teknik Üniversitesi

Öz

Bu çalışma, Gana'nın en fakir bölgesi olarak bilinen kuzey Gana'daki mikrofinans programlarının o bölgedeki kadınların güçlenmesine olan etkisini araştırmaktadır. Kırsal alanlarda 247 kadın girişimciden ve eşlerinden (189 kadın ve 58 erkek) oluşan bir örnekleme anket uygulayarak veri toplanmıştır. Örneklemin büyük bir kısmı 40 yaş altında ve okur yazar olmayan kişilerden oluşmuştur. Araştırma bulgularına göre, mikrofinans kuzey Gana'daki kadınların gelirleri üzerinde olumlu bir etki yaratmış olduğu halde, yaşamlarındaki zorlukları hafifletmek için yetersiz olduğunu göstermektedir. Kadınların çoğunluğu tarım üretimi için arazi ve hayvan gibi varlıklara sahip olmalarının erkekler tarafından yasaklandığını ve erkeklerin bu gibi otoriter davranışları yüzünden kadınların birikim yapamadıklarını belirtmişlerdir. Bu nedenle mikrofinans kadınların krediye erişimlerini kolaylaştırmış olsa bile onların güçlenmesine yönelik engelleri kaldırmaya ve yoksulluğu azaltmaya yeterli değildir.

Anahtar Kelimeler: mikrofinans, yoksulluk, kadınların güçlendirilmesi, kuzey Gana.

Introduction

Poverty is a major concern in many developing countries around the world. While many developing countries have reported significant growth rates during the past decade, Sub-Saharan Africa (SSA) is still lagging behind. SSA suffers significantly from poverty and income inequality. As reported by the World Bank (2015), the distribution of income by population quintile in SSA countries shows that the poorest 20% holds less than 10% of total income, while the richest 20% holds disproportionately more than 40% of total income.

Ghana has reported higher growth rates than the rest of the SSA countries. However, it still faces serious poverty and income inequality, especially in the northern part of the country (IFAD, 2015). According to the Ghana Statistical Service (2010) census report, while the country's overall poverty rate was reduced, in the Northern regions of the country poverty rates remained very high. These three northern regions are the upper west, the upper east and the northern regions. The poverty prevalence in these regions not only persists at an alarming rate, but is widely spread across rural areas, and the incidence is greatest among women.

According to the World Bank (2011), while southern Ghana has reported a reduction of 2.5 million in the number of poor people, northern Ghana has experienced a rise of 0.9 million poor people between 1992 and 2006. Therefore, the traditional north-south divide in terms of living standards still exists. In addition, it is reported by the Ghana Statistical Service (2010) that the poverty rates of the northern regions are two to three times higher than the national average, and that ongoing food shortage remains a serious problem to be solved. As a result, many people live in abject poverty without sufficient food and clean water.

The small farmers in the poor rural areas of Ghana have very limited resources that would help them to make the shift from subsistence farming to modern large farming business. In addition to the lack of infrastructure and equipment, such as facilities for storing and processing agricultural products, poor farmers face ill-functioning markets, limited access to finance and lack of technical assistance (Boateng, Boateng and Bampoe, 2015). In an attempt to alleviate the serious poverty prevalence in the three regions of northern Ghana, the Ghanaian governments and the international development agencies around the world have instituted interventions such as microfinance and microfinance-related programmes.¹ The popular assumption was that microfinance would help the poor, and in particular would empower rural women to start their own businesses or expand existing ones, which would enable them to accumulate assets. It was also expected that this would, in turn, provide women with a sustainable level of income and eventually facilitate their escape out of poverty.

However, this does not seem to be happening in northern Ghana, despite the fact that the economy in the rest of the country is growing. This research aims to investigate how microfinance interventions have affected women in the

northern territories of Ghana and to identify the possible causes of the poor performance of such interventions. The analysis is based on a face-to-face survey conducted by the authors with 247 rural women and their husbands in northern Ghana. Both quantitative and qualitative data were collected regarding how microfinance has affected rural women's level of income, education and social status in their communities.

Literature Review

Access to Credit

The lack of access to productive capital is often viewed as a major constraint for economic development and poverty reduction in developing countries (Mlachila & Chirwa, 2002). Microfinance is basically designed to lend money in a cost-effective way to poor households, with the long-term objectives of eliminating poverty and building institutional capacity (Morduch, 2000; Otero, 1999). Microfinance generally includes savings and credit, but can also include other financial services such as insurance and payment services (Ledgerwood, 1998, 2013). It is suggested by a number of studies that microcredit helps to reduce poverty, in particular the poverty of rural women (Ahmed, Siwar, Idris & Begum, 2011; Chowdhury, Ghosh & Wright, 2005; Hietalahti & Linden, 2006). According to Hulme and Mosley (1997), women are more reliable than men in repaying loans. A review of World Bank projects by Rhyne and Otero (1994) confirms this finding. These authors point out that loan repayment rates in projects that have concentrated on women were higher than in mixed-gender projects.

It is suggested by many research findings that there is an explicit correlation between gender-related development issues and a country's total development indicators (Cheston & Kuhn, 2002). However, Ledgerwood (1998) points out that in many developing countries, there are cultural barriers that often restrict women's participation in the financial sector. Evidence from poverty reduction projects confirms that gender equality is a significant determinant of the successful schemes to eliminate poverty (Arunachalam, 2008). According to Cheston and Kuhn (2002), one of the reasons for targeting women through microfinance is that women represent the majority of the world's poorest persons and are often not given the same opportunities as those offered to men. Therefore, microfinance is expected to increase opportunities for women and help to empower them in their families and communities.

Women's empowerment is often defined as women making their own free decisions and choices for their lives. Mayoux (2008) conducted a research assessing women's empowerment of a microfinance program in Nepal. The results reveal that 68% of the surveyed women indicated an improvement in their power in most areas that were culturally dominated by men. Similarly, Bhatt and Tang (2001) used randomised controlled trials to find out whether an individual commitment to savings can empower women. The results are positive, as many studies have found that households tend to benefit from

individual goal setting and savings if income accrues to women instead of men. Ledgerwood (1998) argues that an increase in women's income benefits households to a greater extent than a commensurate increase in the income of men. For instance, Khandker (2003) estimates that the contribution of microfinance to a household's consumption is 18% for female borrowing compared to 11% for male borrowing. Women have been observed to spend more of their income on their families, not only their households; therefore, women are more likely than men to spend their profits on household and family needs (Cheston & Kuhn, 2002).

In Ghana, although poverty alleviation strategies have been successful in decreasing poverty to some extent, the country still suffers from poverty, especially in rural areas, where poor people account for up to 52% of the total population. Of this population, self-employed households cultivating agricultural crops are the most vulnerable group, as their income level fluctuates sharply with the weather conditions (Steel & Andah, 2003). The Ministry of Finance in Ghana has indicated that microfinance can be a financially sustainable intervention to facilitate poverty alleviation (MOFEP, 2015). However, it is believed that strategies for microfinance intervention encounter various challenges, including inadequate diversification and efficiency, high interest rates and lack of funds to meet the increasing demand (MOFEP, 2015).

In 2010, the Population and Housing Census of Ghana reported that of the 24 million people living in the country, 51% are women. Furthermore, micro, small and medium enterprises (MSMEs) are largely owned by women and contribute greatly to the informal sector. Nevertheless, women in rural areas, especially in northern Ghana, encounter difficulties in accessing credit compared to their female counterparts in the urban centres. This lack of access to credit for women from rural communities is one of the economic impediments to the country's development. Many women are disadvantaged in financing their business growth and face a number of cultural barriers, such as the traditional land tenure system, the inheritance system, ignorance of business laws and ethnics, lack of formal education and lack of knowledge of financial transactions and their riskiness (GSS, 1999).

The International Finance Corporation (IFC, 2011) reports that approximately 58% of women who own MSMEs have no access to credit, and this is considered the most severe barrier to growth. Therefore, it is not surprising to see that Ghana is ranked as 101st among 142 countries in the Global Gender Gap Index 2014 report (WEF, 2015) with an index score of 0.66. The index measures gender inequality among various countries, with the highest possible score being 1 (equality) and the lowest possible score 0 (inequality).

Socio-cultural and Gender-Specific Constraints

Microfinance is widely accepted as a sustainable method of empowering women and alleviating their poverty, particularly in poor societies where women lack access to traditional financial services. However, the role of microfinance in

such societies is usually hampered by a number of factors, including socio-cultural norms and gender-based constraints. Using the term 'structures of constraint' Folbre (1994) explains the cultural norms that identify the relationships between different groups in a society, mainly between the genders. She demonstrates that this structure entails some holding dominating positions over others, in addition to an identification of the choices available for each group, including their access and control over resources. Correll (2004) asserts that the patriarchal logic of this structure and its patterns of gender inequality constitute a major challenge for microfinance institutions (MFIs) and hinder their roles in facilitating women's participation in the economy.

Social barriers to female entrepreneurs' access to microfinance can also be explained by the notion of 'headship of a household' and by the way this is defined based on gender relationships. This concept identifies, mostly based on gender, one family member as the head of the household. In an investigation of this notion in South African households, Rogan (2016) reports that most respondents use gender when referring to the characteristics of the head. It is believed that in societies where the level of patriarchy is high and the notion of headship is a norm, major and highly valued roles such as the primary wage-earning responsibilities are assigned to males, while female roles are limited to domestic duties such as cooking and childrearing. In that sense, a lower value is given to the aptitudes and activities associated with women. In such societies, men are the heads of their households, while women are expected to be dependent on their husbands, and this dominance is usually accepted as a kind of submission or respect (Bendroth, 1999). In relation to microfinance, wives in such patriarchal societies may be coerced into ceding loans to their husbands, or even forced to give up the returns of their ventures into the control of men (Karim, 2011). These practices undoubtedly divert microfinance credit away from its intended goal and hinder its role in empowering women.

Moreover, men in patriarchal societies may force their wives to stay away completely from microfinance in order to avoid subsequent conflict with their empowered wives. In a study conducted to investigate women's empowerment and gender relations in the Dangme West district of Ghana, Wrigley-Asante (2012) finds that despite the success of credit programmes in reducing some women's vulnerability to poverty and improving their socio-economic status, other women are still constrained by the legacy of headship, and their decisions are dominated by men. The study also reports that empowering women and improving their economic status leads to power conflicts or confrontations between spouses.

Another point is that the aforementioned stereotypical gender traits can be internalised by females themselves, establishing cognitive barriers to their participation in microfinance services (Ridgeway & Smith-Lovin, 1999). In this light, women tend to be reluctant to enter businesses either because of fear (Wagner, 2007) or to avoid confrontations with their spouses (Wrigley-Asante, 2012). In general, studies show that the gender division underpinned by socio-cultural norms has major implications on MFIs' credit to women. Ifelunini and

Wosowei (2013) study the barriers to female entrepreneurs' access to microfinance services in Bayelsa state in Nigeria and find that social constraints are among the barriers that make access to microfinance in this state very difficult for women. Leach and Sitaram (2002) suggest that some husbands in patriarchal societies stop supporting or even ruin their wives' enterprises because they feel it may threaten their dominant role in the household. Notably, the domineering behaviour of men in households can be classified as an obstacle preventing credit programmes from achieving their social goals. Further, by leaving women out of the potential market or allowing them very limited opportunities, societies fail to use the full potential of their human resources to create wealth and improve the economy (Ifelunini & Wosowei, 2013).

Similar to the above studies, the role of microfinance in empowering women in the northern territories of Ghana is expected to be influenced by these territories' socio-cultural norms and practices. The northern territories of Ghana are one of the most conservative areas in the country. Therefore, the role of microfinance is highly likely to be affected by the patriarchal structures of this area.

Methodology

This study used the survey methodology and a structured questionnaire to collect primary data through face-to-face interviews. A convenience sampling technique was used to select a total of 247 respondents from the northern territories of Ghana. Of the 247 respondents, 189 respondents were female (76.5%) and 58 (23.5%) were male. Owing to the purpose of this research, the majority of the sample was chosen from rural women who lived in the northern territories and had accessed microcredit in recent years. The rest of the sample, accounting for 23.5% of total respondents, were men who also lived in the same territories and had a wife or female family member who had accessed microcredit from formal or informal sources. By including the men in the sample, we aimed to gather information about how men view women's role in their societies and whether men believe that microfinance changed the women's role at home. In that respect, men were asked only the designated questions in the questionnaire.

The age of respondents ranged from 18 to 65 years, with 77% of respondents being 40 years or younger. Of the 189 female respondents, 105 (55.5%) were completely illiterate, whereas 23 out of the 58 (39.7%) male respondents indicated that they were completely illiterate with no formal education. Of the total literate respondents (including men and women), 40% had basic primary education, and the rest had completed junior high school (28%), senior high school (17%) and tertiary education (15%).

The survey was administered by the second author of this paper who is originally from Northern Ghana and speaks the local language. The face to face interviews were conducted and questionnaires were filled by the same author

since most of the survey participants were illiterate or close to being illiterate. Being a local woman from northern Ghana herself the author had good communication with the survey participants that was based on trust and understanding.

The research questionnaire was organised in three major parts: open-ended questions, multiple-choice questions and Likert-scale questions. The first part of the questionnaire was designed to collect information on the demographic characteristics of respondents, such as gender, employment, education, marriage and family. The second part aimed to collect information on loan terms, the size of the microloans and the organisations from which they were borrowed. In the final part, respondents were asked a number of Likert-scale questions to find out whether microfinance made a difference in their lives economically and socially, and whether it contributed to their family members' education. In these Likert-scale questions, respondents were asked to give their opinions on a number of statements to indicate the impact of microfinance on social, economic and educational aspects of their lives. These statements and the respondents' opinions were ranked as highly disagree (1), disagree (2), neutral (3), agree (4) and highly agree (5). Furthermore, the respondents were asked their opinions on the barriers to women's development in the northern regions of Ghana. The answers to the survey questions are presented in the Appendix and discussed in the following section.

Findings

Financial Institutions from Which Credit Was Obtained

The findings indicate that 35% of total respondents borrowed from rural village banks, 30% borrowed from MFIs, and 32% borrowed from the informal sector, while only 3% of total respondents borrowed from the government microfinance programmes. The Government of Ghana established the Microfinance and Small Loans Centre (MASLOC) in 2006 in order to provide MSMEs with access to finance through cheap credit. Only 3% of the respondents indicated that they or their partner ever borrowed from MASLOC. It is argued by the respondents that the government programmes have a long approval process and require many formal documents that are not readily available to the rural people in remote areas. Furthermore, rural banks and MFIs have a larger branch network and are therefore physically closer to their customers than the government microfinance programmes. One third of the respondents (32%) indicated that they borrowed from the informal sector, that is, either from the susu collectors (25%) or from the moneylenders (7%), because of its convenience and easy access. These findings indicate that traditional methods of saving and borrowing are still used by a significant number of rural people in northern Ghana, while the government microfinance programmes have not been effective in reaching large numbers of MSMEs in the same territories.

Size of Microloans

The size of microloans varies from country to country, depending on the level of per-capita income and the borrowing capacity of microenterprises. In northern Ghana, where the majority of people live in poverty, we would expect MSME loans to be very small. The findings of our survey confirm our expectations that 87% of respondents borrowed very small amounts, ranging from 50 to 1,000 US\$, or in local currency terms, between 100 and 2,000 Ghanaian cedi, whereas only 13% of respondents borrowed above 1,000 US\$. This is an indication that most borrowers are microenterprises with a very small capacity to borrow.

Impact of Microfinance on Women's Businesses Activities and Income

Whether microfinance was helpful to women in northern Ghana in opening new businesses or expanding existing businesses and whether these opportunities in turn helped them to improve their income are important research questions that need to be investigated. In this regard, the respondents were given three statements and asked to indicate how strongly they agreed with them according to the Likert scale, that is, ranking them from 1 (highly disagree) to 5 (highly agree). These statements were:

1. Microfinance helped me to start my business.
2. Microfinance helped me to expand my business activities.
3. My income level has increased.

The respondents' rankings of the statements are presented in the Appendix. Regarding the first statement, *microfinance helped me to start my business*, the survey findings indicate that 22.3% of respondents agreed and 41.7% of respondents highly agreed with the statement. In other words, 64% of the total respondents confirmed that microfinance helped them to start their businesses. Only 3.2% of the total respondents indicated that the opposite was the case, and 32.8% of the respondents were not sure about the answer. The mean value of the answers was calculated and found to be 4 (out of 5). The high mean value supports the statement that microfinance helped the majority of respondents to start their businesses.

In the second statement, respondents were asked whether microfinance helped them to expand their business activities, such as trading, farming or poultry farming. More than half of the respondents (52.6%) indicated a positive response, where they agreed (27.5%) or highly agreed (25.1%) that microfinance helped them to expand their business activities, whereas 41.7% did not indicate any positive or negative effect and remained neutral. However, the mean value of 3.7 out of 5 is still very high, supporting the positive response.

For the third statement, whether microfinance increased women's income in northern Ghana, 54.2% of respondents replied positively that they agreed (25%) or highly agreed (29.1%) that microfinance did help to increase their income. Consistent with the earlier answers, respondents believed that microfinance had a positive impact on their income. However, 41.3% of the respondents remained

neutral, and a small percentage disagreed or highly disagreed (4.4%) with the statement that microfinance had a positive impact on their income. For this statement, the mean value of the responses is calculated as 3.9 out of 5. The mean values of all three statements, 4.0, 3.7 and 3.9, are high and consistently support the positive impact of microfinance on women's businesses and their income in the northern territories.

Economic Independence of Women and Their Ownership of Productive Assets

In the microfinance literature it is often argued that microcredit helps women to become economically self-sufficient and gain economic independence. In our survey, when respondents were asked to indicate whether microfinance had helped them to become economically independent, almost half (47.8%) indicated a positive effect on their independence, but the other half (49.4%) remained neutral (see Appendix). This shows that although there were some improvements in women's income due to microfinance, this improvement was not reflected in their personal lives. While some women became more economically independent, others remained dependent on their families. This may be because the change in their income was not sufficient to allow them to become economically independent. However, this result could also be due to the dominant role of men in northern Ghana, where men are in control of the family finances.

Indeed, during the interviews, most female respondents emphasised that women in northern Ghana could not be economically independent. This was due to the tradition that northern women are expected to obey their husbands, who make the decisions for their families. Furthermore, it was indicated by most of the respondents that it was unacceptable for women in their communities to own properties or productive assets such as land, cattle, agricultural tools and vehicles such as tractors. Some women even refused to give their opinions on this topic, as it was considered shameful. This was pointed out by a female respondent, who addressed the interviewer as follows:

My daughter, what you are doing seems good, but do not make this shameful statement, no one will answer such a shameful question. This particular question is not good, it is against our tradition. Women can't own cattle, houses, or land.

It was also pointed out by the respondents that economic independence is not possible for women as long as they have many dependants to look after, including their children and their extended families. In northern Ghana, women are traditionally responsible for providing food for the family through petty farming or by working as cheap labour in the fields. According to our findings, microfinance did help women to start or expand their microbusinesses, but the increased income did not appear to change women's economic independence, given the large families that they have to look after.

Impact of Microfinance on Education of the Family

Northern Ghana is not only the poorest region of the country, but it also has the highest illiteracy rates among its adults. This is also reflected in our sample, in which 41.3% of the people are completely illiterate and 20.3% have only basic primary education. It is expected that microfinance may encourage women to attend schools and learn how to read and write. Microfinance may also help rural women to have the financial means to support their children's education. In our research we asked questions to examine whether microcredit made a difference to the education of the respondents and their families in order to capture the full impact of microfinance on their lives. In this regard, the respondents were asked to give their opinions on the following three statements:

1. Microfinance provided me with an opportunity to improve my education.
2. Microfinance helped me to pay my children's school fees.
3. Microfinance assisted in the education of extended family members.

The results for the above statements are presented in the Appendix. According to the survey, 51.8% of respondents agreed or highly agreed that microfinance helped them to improve their education. Not surprisingly, the respondents indicated that microfinance had a more pronounced effect on the education of their children and their extended family members than on their own personal education. For the second statement, 58% of respondents agreed or highly agreed that microfinance helped them to pay their children's school fees, and 76.3% agreed or highly agreed that microfinance helped to finance the education of extended family members.

Impact of Microfinance on the Social Status of Women

This section investigates whether microfinance had any impact on women's status in their families and communities. Respondents were given four statements and asked to score them, from highly agree (5) to highly disagree (1). These statements are:

1. My status in the family has increased due to microfinance.
2. My participation in family decision making has increased.
3. My husband now consults me before taking decisions.
4. Microfinance has increased society's respect towards me.

For the above statements, the results are presented in the Appendix. The first statement, 'my status in the family has increased due to microfinance', was ranked as neutral by 47.4% of respondents, while almost all the other half, 48.1%, indicated 'agree' or 'highly agree'. Only 4.4% disagreed with the statement. Similarly, the second statement, 'my participation in family decision making has increased', was scored neutrally by 50.6% of the respondents, while 45% of the respondents agreed or highly agreed. Again, only a very small number

of respondents (4.4%) disagreed with this statement that their status in the family was increased by microfinance.

For the third statement, we tried to understand whether microfinance was instrumental in helping women to gain their husbands' respect, so that they would be consulted by their husbands before decisions were made. The statement 'my husband now consults me before taking decisions' was ranked as neutral by 64.4% of respondents, while a small percentage of women responded either positively (29%) or negatively (6%). This indicates that the majority of women are still not consulted by their husbands when decisions are taken in their families. For the final statement, 'microfinance has increased society's respect towards me', almost 50% of respondents agreed or highly agreed, compared with the neutrality expressed by 44.9%. These findings show that microfinance has a greater impact on women's recognition in their societies than in their own families. This may be due to the recognition of female members of their societies, because women are more supportive of women than men in northern Ghana, where traditions are mostly used against women's development.

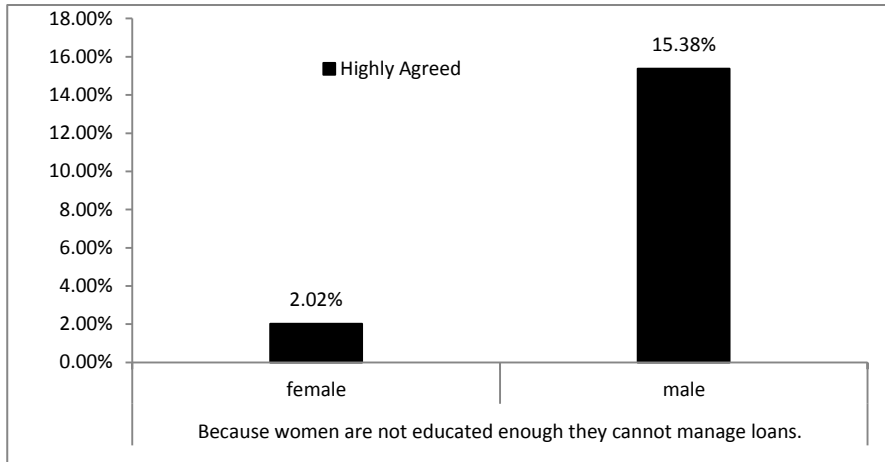
Cultural Barriers to Women's Empowerment

Northern Ghana is one of the most conservative areas of the country, where people still practise very old traditions. Some of these local traditions promote the dominant role of men over women. For example, women cannot borrow without their husband's permission and cannot make any financial decisions without consulting their husbands. Furthermore, it is claimed by women that they are not allowed to buy or own property such as a house, land or cattle. In order to find out men's view on the above statements, we included a small number of male respondents in our sample and asked both male and female respondents to score the following four statements according to the Likert scale, from highly agree (5) to highly disagree (1).

1. Because women are not educated enough, they cannot manage loans.
2. Northern men do not allow women to own property.
3. If northern women were allowed to own property (e.g. cattle, land), poverty would be reduced.
4. The dominant role of men is the main obstacle for women's empowerment in northern Ghana.

In this part of the analysis, respondents' answers were analysed separately as men and women. We found that for all statements, men and women gave opposing answers. For the first statement, that 'because women are not educated enough, they cannot manage loans', only 2% of the female respondents highly agreed, whereas 15% of male respondents highly agreed (Figure 1).

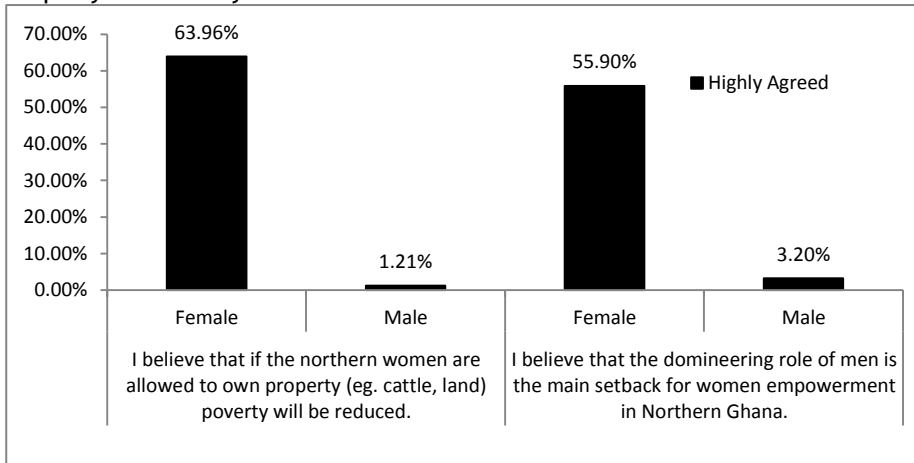
Figure 1. Male and Female Respondents' Views on Women's Ability to Manage Loans



The second statement, that 'northern men do not allow women to own property', is considered as a culturally shameful question that respondents did not feel comfortable talking about. However, for the third statement, 63.96% of female respondents highly agreed that 'if northern women are allowed to own property (e.g. cattle, land), poverty will be reduced', whereas only 1.21% of the male respondents supported this statement (Figure 2). The final statement tries to understand whether the dominant role of men over women is an obstacle for women's empowerment and development in northern Ghana. The answers of the male and female respondents were examined and are presented separately in Figure 2. According to the findings, 55.9% of female respondents highly agreed that the dominant role of men is, indeed, an obstacle for women's empowerment in the area, whereas only 3.2% of the male respondents highly agreed with this statement.

These findings reveal that women in northern Ghana are facing serious cultural barriers that work against their development and the elimination of poverty in the region. These cultural barriers are deeply rooted in communities where local people are reluctant even to discuss them. The dominant role of men and the fact that women have no rights to own property or productive assets remain as significant obstacles for the development of women in northern Ghana. If women are not allowed to own property and accumulate wealth, as indicated in our findings, making microcredit available will have a limited impact on development and change in this region.

Figure 2. Male and Female Respondents' Views on Women's Ownership of Property and Poverty Reduction in Northern Ghana



Conclusions and Recommendations

This study shows that the majority of female entrepreneurs in northern Ghana are completely illiterate and cannot own any property, especially productive assets. Despite these obstacles, a large number of respondents had benefited from microloans to start their microenterprises or to expand their business activities. Furthermore, the majority of respondents indicated that microfinance had a positive impact on their income, and this also helped to pay the school fees of their children and their extended family.

However, microfinance does not appear to bring any change in the status of women in their families, as women's participation in decision making remained insignificant. The dominant role of men and the strong traditions in northern Ghana continue to support men's superiority over women. The majority of female respondents indicated that women are still forbidden by men to own productive assets such as land and livestock. Most female respondents view this as the main obstacle for women's empowerment and the reduction of poverty in northern Ghana. Therefore, this study shows that access to finance per se may not be able to eliminate barriers for women's empowerment as long as traditional rules and values that work against women go unchallenged.

Development projects need to consider the cultural aspects of societies. The effectiveness of most development projects largely depends on whether these projects are welcomed or rejected by the target groups. In the case of northern Ghana, although microfinance projects have been welcomed by women, they do not appear to be supported by men. This is because microfinance has allowed women to improve their income and start to be taken more seriously in their communities. Furthermore, some women have had an opportunity to accumulate wealth and own property, which goes against traditional values and

is a threat to the dominant role of men. Therefore, this research suggests that microfinance projects in northern Ghana should be supported by a community development project in which men are made aware that no meaningful development can take place in the area without women's participation. Women should be allowed to own assets and accumulate wealth, which will help to pull families out of poverty.

Through community training programmes and various incentive systems, we believe that government institutions and municipalities can play a significant role in weakening or eliminating the traditions that work against women in northern Ghana. Furthermore, the education of female children should be promoted by government organisations, civil society and international development agencies². Such educational programmes can help to eliminate harmful traditions and help women in northern Ghana to benefit more from economic development programmes such as microfinance.

Notes

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² These international development agencies include the World Food Programme (WFP), the United Nations Development Programme (UNDP), the Danish International Development Assistance (DANIDA) and the German Organization for International Cooperation (GIZ).

Appendix

Results of the Questionnaire

| Statements | Answers | Likert scale | % | Mean | Std. dev. |
|---|-----------------|--------------|------|------|-----------|
| Impact of Microfinance on Women's Business Activities and Income | | | | | |
| 1 Microfinance helped me to start my business | Highly disagree | 1 | 1.6 | 4.0 | 0.98 |
| | Disagree | 2 | 1.6 | | |
| | Neutral | 3 | 32.8 | | |
| | Agree | 4 | 22.3 | | |
| | Highly agree | 5 | 41.7 | | |
| 2 Microfinance helped me to expand my business activities | Highly disagree | 1 | 0.8 | 3.7 | 0.93 |
| | Disagree | 2 | 4.9 | | |
| | Neutral | 3 | 41.7 | | |
| | Agree | 4 | 27.5 | | |
| | Highly agree | 5 | 25.1 | | |
| 3 My income level has increased | Highly disagree | 1 | 2.4 | 3.9 | 0.97 |
| | Disagree | 2 | 2.0 | | |
| | Neutral | 3 | 41.3 | | |
| | Agree | 4 | 25.1 | | |
| | Highly agree | 5 | 29.1 | | |

| Impact of microfinance on the economic independence of women | | | | | |
|---|-----------------|---|------|-----|-----|
| 1 Microfinance helped me become economically independent | Highly disagree | 1 | 0.8 | 3.8 | 1.1 |
| | Disagree | 2 | 1.6 | | |
| | Neutral | 3 | 49.4 | | |
| | Agree | 4 | 22.7 | | |
| | Highly agree | 5 | 25.1 | | |
| Impact of microfinance on the education of women and their family members | | | | | |
| 1 Microfinance provided me with an opportunity to improve my education | Highly disagree | 1 | 0.8 | 3.7 | 0.9 |
| | Disagree | 2 | 3.6 | | |
| | Neutral | 3 | 43.3 | | |
| | Agree | 4 | 26.7 | | |
| | Highly agree | 5 | 25.1 | | |
| 2 Microfinance helped me to pay my children's school fees | Highly disagree | 1 | 2.4 | 3.7 | 0.9 |
| | Disagree | 2 | 2.0 | | |
| | Neutral | 3 | 37.7 | | |
| | Agree | 4 | 32.4 | | |
| | Highly agree | 5 | 25.5 | | |
| 3 Microfinance assisted in the education of extended family members | Highly disagree | 1 | 0.8 | 3.3 | 0.8 |
| | Disagree | 2 | 6.9 | | |
| | Neutral | 3 | 15.8 | | |
| | Agree | 4 | 34 | | |
| | Highly agree | 5 | 42.5 | | |
| Impact of microfinance on the social status of women | | | | | |
| 1 My status in the family has increased due to microfinance | Highly disagree | 1 | 1.2 | 3.3 | 1.0 |
| | Disagree | 2 | 3.2 | | |
| | Neutral | 3 | 47.4 | | |
| | Agree | 4 | 20.2 | | |
| | Highly agree | 5 | 27.9 | | |
| 2 My participation in family decision making has increased | Highly disagree | 1 | 1.6 | 3.3 | 1.0 |
| | Disagree | 2 | 2.8 | | |
| | Neutral | 3 | 50.6 | | |
| | Agree | 4 | 21.1 | | |
| | Highly agree | 5 | 23.9 | | |
| 3 My husband now consults me before taking decisions | Highly disagree | 1 | 0.8 | 3.1 | 0.9 |
| | Disagree | 2 | 5.7 | | |
| | Neutral | 3 | 64.4 | | |
| | Agree | 4 | 17.0 | | |
| | Highly agree | 5 | 12.1 | | |
| 4 Microfinance has increased society's respect towards me | Highly disagree | 1 | 2.8 | 3.8 | 0.9 |
| | Disagree | 2 | 3.2 | | |
| | Neutral | 3 | 44.9 | | |
| | Agree | 4 | 22.3 | | |
| | Highly agree | 5 | 26.7 | | |

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