

**ASSESSMENT OF THE IMPACT OF MICROFINANCE ON THE
ECONOMIC EMPOWERMENT OF WOMEN LIVING IN RURAL
COMMUNITIES**

**A CASE STUDY OF OPPORTUNITY INTERNATIONAL SAVINGS AND
LOANS LIMITED (OISL) ON WOMEN LIVING IN BEKWAI MUNICIPAL**

KNUST

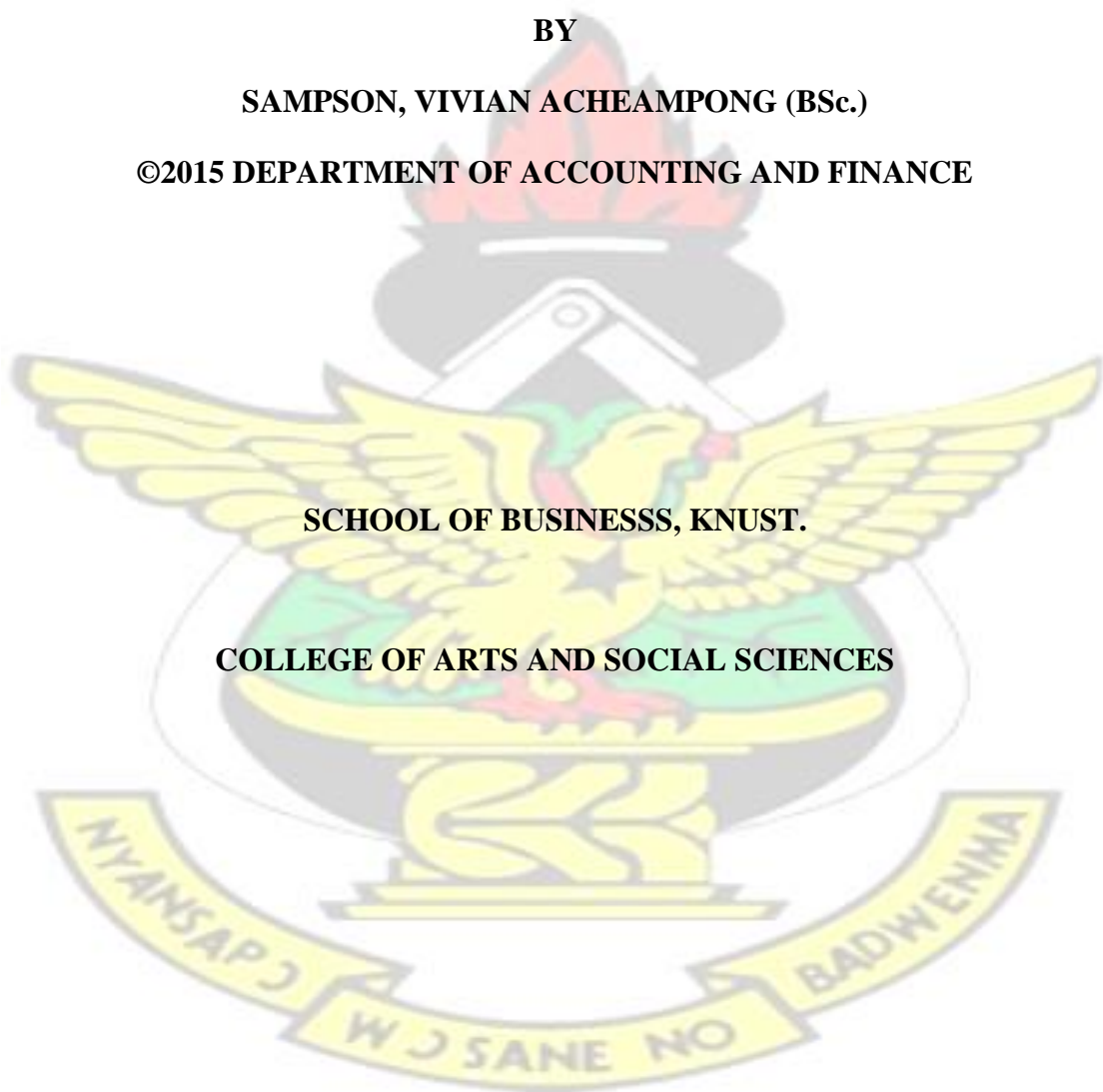
BY

SAMPSON, VIVIAN ACHEAMPONG (BSc.)

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SCHOOL OF BUSINESS, KNUST.

COLLEGE OF ARTS AND SOCIAL SCIENCES



AUGUST, 2015

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ABSTRACT

The general objective of the study was to assess the contribution of OISL to the economic empowerment of women living in the rural communities within Bekwai municipal in the Ashanti region, with specific objectives of determining whether microfinance offered by Opportunity International had empowered rural women and also identifying the challenges rural women faced in accessing loans from Opportunity International. All the clients living in the rural communities could not be surveyed due to time and financial constraints; a sample size of 99 which was approximately 11% of the total women (loan clients) living in the rural communities was used. Data were collected through interviews and questionnaire administration. OISL's clients were found to be economically active, being engaged mainly in trading and manufacturing activities. A majority of these women had little or no formal education, with a lot of them also being single, either not being married to before, divorced or widowed. The women attested to the fact that they had been economically empowered after accessing loans from OISL compared to when they had never accessed loans from OISL, as a majority of them strongly agreed of having the capacity to provide better education, health and balanced meals for themselves and their dependents. A few of them encountered challenges either prior to the loan granting or during the loan repayment. It was therefore recommended that some of the stiff requirements demanded prior to the loan granting be lessened to make it more favorable for the women living in the

rural communities. Such procedures included huge collateral and guarantor requirements. OISL and other MFIs should introduce medium and long term loan facilities, as well as repackage their training and monitoring tools to enable clients expand and grow their businesses for micro finance to realize its role as an engine of economic empowerment.



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DEDICATION

This thesis is dedicated to my Beloved Late Father, Mr. Stephen Acheampong. May his gentle soul rest in perfect peace. Amen.

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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
ASCAs	Accumulating Savings & Credit Associations
ASSFIN	Association of Financial Non-Governmental Organizations
BBG	Barclays Bank of Ghana
BoG	Bank of Ghana
BRAC	Bangladesh Rural Advancement Committee
CBC	Community Banking Center
CGAP	Consultative Group to Assist the Poor
CUA	Credit Unions Association
FNGOs	Financial Non-Governmental Organizations
FWA	Financial Women's Association
GCSCA	Ghana Co-operative Susu Collectors Association
GDP	Gross Domestic Product
GHAMFIN	Ghana Microfinance Institutions Network
GoG	Government of Ghana
GPRS	Growth and Poverty Reduction Strategy
MASLOC	Microfinance and Small Loans Centre
MDAs	Ministries Departments and Agencies
MDGs	Millennium Development Goals
MFI	Microfinance Institutions
MMDAs	Metropolitan, Municipal and District Assemblies
NGOs	Non-Governmental Organizations
OISL	Opportunity International Savings and Loans Limited

ROSCAs	Rotating Savings and Credits Associations
SAT	Sinapi Aba Trust
SUM/UNCDF	Special Unit on Microfinance of the United Nations Capital Development Fund
UN	United Nations
USAID	United States Agency for International Development



CHAPTER ONE

1.0 INTRODUCTION

Chapter one begins with the general background of the subject matter of the study which addresses the general issues relevant to the topic of the thesis. It then conveys the problem statement of the study, identifying the research gap to justify the conduct of the study. The chapter also addresses the general objective statement followed by more specific statements relating to the general objective, which is also followed by the respective research questions which are directly linked to the specific objectives of the study. The justification of the study which is the rationale for the study is also not left out in this chapter, identifying who will benefit from the study, who will use the findings and the contributions that will be made to general knowledge and literature as a whole. The chapter again gives a brief description of the methodology, with much emphasis on the method and tools of data collection. It also talks about the scope of the study which has to do with the delimitation or coverage of the study. The limitation of the study, which deals with the difficulties and challenges associated with the study, is also highlighted in this chapter. The organization of the study which outlines a description of the order through which the thesis has been organized, done in the sequence of the arrangement of materials and items in the thesis is the last item discussed in this chapter.

1.1 BACKGROUND OF THE STUDY

Workers, particularly women throughout the world give their contribution to the economic growth and sustainable livelihoods of their families and communities. The vital role and importance of women in the national economy through children nurturing (including education, health and nutrition and large household obligation) cannot be over emphasized in terms of their contribution to Gross Domestic Product (GDP) and the development of the nation as a whole. Most banks and other financial institutions

are unwilling to lend money and mobilize savings for women in particular. This is based on the perception that women are unable to control household income, have limited access to property and fewer source of collateral.

Currently, microfinance programmes are being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment. The State of the Microcredit Summit Campaign 2001 Report, presents an extremely attractive vision of increasing numbers of expanding micro-finance programmes which give many women access to micro-finance services. According to the Report, “14.2 million of the world’s poorest women now have access to financial services through specialized microfinance institutions (MFIs), banks, NGOs, and other nonbank financial institutions and this show a significant impact in the life of women in the world”. Women have now gained an international reputation for their excellence credit performance making a priority for poverty oriented credit program. “The United Nations General Assembly in 1998 declared the year 2005 as the international year of micro credit in recognition of the immense contribution of micro credit and micro finance to poverty reduction around the world. One of the key measures identified by the UN as an effective way of reducing extreme poverty and hunger is increased access to micro credit and financial services among the poor, particularly women” (Dowuona S., 2005).

The Government of Ghana (GoG) has come to realize over the years that micro finance is the universal remedy for reaching out to the poorest of the population who are most difficult to reach through conventional banking interventions. However, it has also been realized that micro finance can only be successful if properly packaged, targeted and managed in a way that would generally allow the poor and low income people to use and recycle resource for poverty reduction and wealth creation. “Indeed micro credit

can be used to fight poverty because of its effectiveness as a tool for generating employment through the acquisition of appropriate business management skills, which in turn leads to increased income levels and improved standards of living” (GIMPA report, 2005).

1.2 PROBLEM STATEMENT

One of the most broadly shared perceptions is that micro-finance has great impacts on its beneficiaries and therefore everyone needs and demands it. Several studies have shown that microfinance leads to women empowerment in several respects. Little has been done about who precisely benefits, being it males over their female counterparts, or urban women over their rural counterparts.

The Trust Bank program of Opportunity International Savings and Loans Limited has clearly made an immense contribution to the empowerment of women in a number of diverse ways. Access to loans and business training has really enabled women to expand and improve upon their businesses, leading to an increased respect and decision-making power in their homes and various communities. “Guidance and peer support has helped women manage their roles as mothers, wives, and businesswomen. Education and experience in leadership have helped women become more confident and capable leaders” (Cheston and Kuhn 2002). World Education, which combines education and financial services, made it clear that women were in a stronger and a much better position in ensuring that female children had equal access to food, schooling, and medical care, as their male counterparts had.

Several studies have shown that microfinance leads to women empowerment in several respects. It is generally believed that the circumstances of the urban poor woman are relatively better than her counterpart in the rural area. It is in this direction therefore, that this study is being embarked on to examine the impact of microfinance on the

economic empowerment of women living in rural communities, using Opportunity International Savings and Loans Limited in Bekwai Municipal as a case study.

1.3 OBJECTIVES OF THE STUDY

1.3.1 General objective

The general objective of this study is to appraise the contribution of OISL to the economic empowerment of people, with particular emphasis on women living in rural communities within Ashanti region.

1.3.2 The specific objectives of the study are as follows:

- To determine whether microfinance offered by Opportunity International has empowered rural women
- To identify the challenges (if any) rural women face in accessing loans from Opportunity International

1.4 RESEARCH QUESTIONS

The study has the following as its questions that need to be addressed others;

- Has the microfinance delivered by Opportunity International empowered rural women?
- Are there challenges rural women face in accessing the microfinance services rendered by Opportunity International?

1.5 JUSTIFICATION OF THE STUDY

In addition to the provision of micro credits to micro enterprises, NGOs and other organizations engaged in micro financing provide additional services such as entrepreneurial and skills development and training, coaching and mentoring. OISL since its establishment has been operating a micro credit scheme for micro entrepreneurs.

This study will therefore, offer the opportunity to evaluate the activities of OISL that will serve as a measure of whether microfinance will continually lead to empowering women in rural areas or not. It will bring to light the relevance of Micro Finance Institutions in the enhancement of the financial sector of the economy. This will help the Government of Ghana and Non-governmental organizations to ascertain which category of the financial institutions has the potential to reach out to the poor, especially women in the rural settings.

To policymakers and stakeholders, the study will help them to achieve a better judgment of the roadway they need to take and how they could cooperate with each other in reaching a greater number of people through the design of the best products and services.

This study will also serve as source of information to students, academia and researchers on similar or related topic as basis for literature review.

1.6 BRIEF METHODOLOGY

The study was carried out at Opportunity International Savings and Loans Limited, whereby respondents within Bekwai municipality were selected. This was where most of the respondents could be reached without much difficulty. It was carried out within a time frame of three months, during the final semester in final year.

Non- probability sampling methods were employed in the selection of respondents for the study.

Simple random sampling was used mainly to select respondents for the study, as well as purposive sampling used in selecting predefined respondents.

Data were collected through interviews and questionnaire administration. At the initial stage of the field work, only a few people were preselected as key respondents for pre-

test/ trial before the actual questionnaire was developed for the actual data collection. The purpose of the pre-test was to get rid of any ambiguities, as well as unnecessary items that were in the questionnaire. Semi-structured questionnaires as well as interviews were used in obtaining data from the various respondents that were be involved in the research. This instrument was chosen due to the fact that its administration was easy, while making it possible to gather much data within a short time. To avoid being rooted in views of respondents with strong points, respondents were selected across the various communities within the municipality. The essence was to get diverse, strong viewpoints on the issues under discussion and to achieve the objectives of the research.

The study also employed the use of existing literature. These were the information collected from already existing knowledge which prepared the ground for the study, and also helped to update and crosscheck the data that were available after the field work. The Secondary data were collected from the Kwame Nkrumah University of Science and Technology (KNUST) Main Library, Library of the Faculty of Social Sciences, KNUST, KNUST School of Business Library and various internet sites. Literature on information relating to the topic and the set objectives were also obtained from journal articles, textbooks, thesis, seminar documents and magazines.

Data collected were collected were presented in tables and charts mainly using Microsoft Excel.

1.7 SCOPE OF THE STUDY

The study primarily focused on women in some selected rural areas within Bekwai Municipality, in the Ashanti region of Ghana. The choice of selecting women was not for the purpose of creating gender disparity but rather because women are the main

focus of business by OISL, particularly those living in rural areas, and as such details of such women were obtained from the institution without much difficulties.

1.8 LIMITATIONS OF THE RESEARCH

- The study of the impact on the respondents was limited to only women within Bekwai municipality due to time, financial and other logistical constraints. Therefore, there were limitations to the degree of generalization of findings based on the limited sample size used in the study. The period for the study was also short and as such, the sample size had to be limited.
- Unwillingness of some of the respondents to respond to the questions: Some of the clients involved were feeling reluctant to respond to the questions, attributing it to the fact that they were too busy with their own schedules. This might have caused a loss of information which could have contributed immensely to the research.
- Some of the respondents who took the questionnaire to fill later on by themselves had to be visited on several occasions before the questionnaires were retrieved, which took much resources such as time, energy and money for transportation, especially when I had to travel from one community to another.
- Language barrier: Some of the respondents, particularly with the local people who could not read or write had to be taken through the questionnaire using the local language, specifically Asante Twi. Much difficulty was encountered with the translation of some of the very technical things into the local dialect. This might have caused a distortion in the response received which could also affect the quality of data obtained.
- Delay in getting some relationship officers to accompany me to the

communities selected: It was realized to be prudent if the relationship officers who were directly involved in dealing with the clients accompanied me to the communities to facilitate the data collection. Getting these resource persons took quite some time as almost all who were contacted for such purpose responded negatively due to their own busy schedules. Upon further negotiations, the two of them opted to assist. This delay also affected the time period assigned for the data collection.

1.9 ORGANIZATION OF THE STUDY

The study is structured into five main chapters as follows,

Chapter one: Introduction

It elaborates on introduction of the study. This contains the background of the study, statement of the problem, the general and specific objectives of the study, the research questions, relevance of the study, brief methodology, scope of the study, the limitation of the study and organization of the study.

Chapter two: Literature Review

The Literature review provides support for the study. The main purpose of this chapter is to provide the reader an insight about the microfinance schemes involved in this work. It first and foremost provides the general definitions of microfinance and microcredit. It then provides an idea about the major program of microfinance. The review covers primary literature (such as reports, theses, emails, company reports, and some government publications etc.), secondary literature (such as text books, journals, newspapers, thesis etc.).

Chapter three: Methodology and Organizational profile

This chapter deals with the methodology and organizational profile of OISL. It defines the research strategies and designs that were employed. This includes questionnaires

that were administered, interviews granted and observations. It also spells out the background, vision, mission, core values, products and services, programs and organizational structure of OISL.

Chapter four: Data Presentation Analysis and Discussion of findings

Chapter four provides a presentation of the data collected for the study, the analysis and interpretation of the findings. It presents synopsis about the type of statistical ideas that have been employed in analyzing and getting information from the answers that were received from the questionnaire administered as well as the interviews conducted. The diverse views of the women through the pragmatic findings on the impact of microfinance on their economic empowerment were also presented through tables and diagrams.

Chapter five: Summary of findings, Conclusions and Recommendation

This chapter includes summary of finding, conclusions and recommendation for Microfinance Institutions as well as recommendations for further studies in Ghana.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

The chapter reviews the existing literatures in relation to the research problem, which is further sub-divided into headings: The history of microfinance, various definitions of Microfinance and Microcredit, characteristics of microfinance, Evolution of micro finance sub-sector in Ghana, various categories of Microfinance institutions, categories of microfinance clients, microfinance and development. It also looks at Microfinance in Ghana, the perception about men and women in family and financial management, the various factors that motivate women to become entrepreneurs, appraisal of the

hypothetical literature of the impact of micro finance on women empowerment, as well as the importance of women's economic empowerment are not left out. The issue of poverty alleviation is not an exemption in this chapter. It thus commences with a background and a brief history of microfinance, microcredit, and its affiliated terms. The methods and key principles of operations are not left out.

2.1 Brief History of Microfinance

The history of microfinancing can be traced back as long to the middle of the 1800s when the theorist Lysander Spooner was writing over the benefits from small credits to entrepreneurs and farmers as a way of getting the people out of poverty. But it was at the end of World War II with the Marshall plan the concept had a big impact.

Microcredit has come a long way. Professor Yunus, Managing Director of Grameen Bank of Bangladesh, promoted it in 1970 in Jobra, a village in Chittagong of Bangladesh, and it has spread all over the world. The strength of microcredit lies in its ability to organize idle women into a productive workforce with their proven creditworthiness. It is believed that 25 million people worldwide are now using microcredit to undertake income-generating or self-employment activities; of these, 90% are women. Microcredit has not only made women more productive, it has also empowered them. As a result women are now integrated into socio-economic activities, contributing to family income and decision making and exercising more control over their fertility, which allows them to take better care of their children.

Microfinance was necessary that all programs pass two key tests:

- Show that people can be relied on to repay their loans and
- Show that it is possible to provide financial services to poor people, which are done through market-based enterprises without subsidy.

Shorebank was the first microfinance and community development bank founded in the year 1974 in Chicago.

In the 1974's, a new wave of microfinance initiative introduced many new innovations into the sector. Many pioneering enterprises began experimenting with loaning to the poor and underserved in the same year. Beginning in the 1980s, a new approach came to work on the assumption that more market-based solutions were required, still focusing on income expansion and poverty reduction but searching for cost-effective alternatives (Boakyewaa, 2009). Local Non Governmental organizations also began to look for a more long-term approach, and at about the same time Prof. Mohammed Yunus of Bangladesh who won the 2006 Nobel peace prize led the first lending scheme for landless people. From 1980 onwards, the field of microfinance has grown substantially and most recently, some NGOs have started transforming into formal financial institutions that recognize the need of saving services to clients and also to access market funding sources than rely on donor funds.

Across cultures and civilizations, Yunus and Grameen Bank have shown that even the poorest of the poor can work to bring about their own development.

Micro-credit has proven to be an important liberating force in societies where women in particular have to struggle against repressive social and economic conditions. Economic growth and political democracy cannot achieve their full potentials unless the female half of humanity participates on an equal footing with the male. Yunus' long-term vision is to eliminate poverty in the world. That vision cannot be realized by means of micro-credit alone. But Muhammad Yunus and Grameen Bank have shown that, in the continuing efforts to achieve it, micro-credit must play a major part.

2.2. MICROCREDIT AND MICROFINANCE

In most literature, the terms microcredit and microfinance are more often than not used interchangeably. However, it is important to highlight the difference between them because both terms are often mystified, which may have an impact on its meaning. Sinha (1998, p.2) cited in Boakyewaa (2009) states that “microcredit refers to small loans, whereas microfinance is appropriate where NGOs and MFIs supplement the loans with other financial services (savings, insurance, etc)”.

Therefore, “microcredit is a component of microfinance in that it involves providing credit to the poor, but microfinance also involves additional non-credit financial services such as savings, and payment services” (Okiocredit, 2005) cited in Boakyewaa (2009).

Microcredit

Microcredit generally is to provide cash and in-kind loans in smaller sums to micro and small entrepreneurs as a means to improve upon their business activities.

Microfinance

Generally, microfinance consists primarily of providing financial services which may include savings, credit, micro insurance, micro leasing and transfers in comparatively small transactions designed to be accessible to micro-enterprises as well as to low-income households. It could be complemented by some non-financial services, such as training as a way of improving upon the ability of clients to utilize the facilities accessed effectively and efficiently.

According to Boakyewaa (2009), “microfinance is the provision of financial services such as credit (loans), savings, micro-leasing, micro-insurance and payment transfers to economically active poor and low income households to enable them engage in income generating activities or expand/grow their small businesses”. It has advanced as

an economic development approach with the intension of benefiting both men and women in the low income part of a given society. According to the World Bank definition, the term refers to the “provision of financial services (including saving and credit) to the poor”. Littlefield *et al* (2003) cited in Boakyewaa (2009) state that “microfinance is a critical contextual factor with strong impact on the achievements of Millennium Development Goals (MDGs)” Schreiner and Colombet (2001, p.339) cited in Boakyewaa (2009) also define microfinance as “the attempt to improve access to small deposits and small loans for poor households neglected by banks”. Asian Development Bank (2000) defines Microfinance as “the provision of a broad range of financial services such as deposits, loans, payment services, money transfer and insurance to poor and low-income households and their micro enterprises”. Otero (1999) defines the term microfinance as “the provision of financial services to lowincome poor and very poor self-employed people”. These financial services, according to Ledgerwood (1999), may generally include savings and credit as well as other financial services such as insurance and payment services. Microfinance therefore is involved with the provision of financial services such as savings, loans and insurance to people, particularly the poor living in both urban and rural communities who may not be able to attain such financial services from the formal financial sector. Some schools of thought however, stay cynical about the role of micro-credit in contributing to development. For instance, while recognizing the role micro-credit can play in helping to reduce poverty, Hulme and Mosley (1996) made a conclusion from their research on micro-credit that "most contemporary schemes are less effective than they might be". These 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”. In spite of this, 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”, (Boakyewaa, 2009). “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 as pointed out by the former UN Secretary General Kofi Annan during the launch of the International Year of Micro Credit (2005)”, as cited in Boakyewaa (2009).

“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.”
(Annan, 2003).

2.3 CLIENTS OF MICROFINANCE

According to Boakyewaa (2009), microfinance is sometimes referred to as “Women's finance”. Research generally shows that women who are clients of microfinance institutions are more inclined than their male counterparts in investing in their family's health and education. “Poor women who gain access to microfinance when no other financial services are available to them enhance their status in communities and in their families” (Wellink, 2007) cited in Boakyewaa (2009).

The Microfinance Gateway (CGAP), 2007 reported that “the typical microfinance clients are low-income persons who do not have access to formal financial institutions. Microfinance clients are typically self-employed, often household-based entrepreneurs”. To a large extent, in rural communities, microfinance clients are usually small farmers and other people who engage in small to medium income generating activities such as food processing and petty trading. In urban areas on the other hand,

they include shopkeepers, service providers, artisans, street vendors and others who are involved in microfinance activities in more diverse ways.

2.3 CHARACTERISTICS OF MICROFINANCE

Microfinance provides access for low income people who wish to acquire money for starting an income generating activity or improving upon an already existing business. According to Boakyewaa (2009), “the individual loans and savings of the poor clients are small. Microfinance came into being from the appreciation that microentrepreneurs and some poorer clients can be „bankable“, that is, they can repay, both the principal and interest, on time and also make savings, provided financial services are tailored to suit their needs. Microfinance as a discipline has created financial products and services that together have enabled low-income people to become clients of a banking intermediary”. According to the author, the characteristics of microfinance products include:

- Little amounts of loans and savings.
- Short- terms loan (usually up to the term of one year).
- Payment schedules attribute frequent installments (or frequent deposits).
- Installments made up from both principal and interest, which amortize in course of time.
- Higher interest rates on credit (higher than commercial bank rates but lower than loan-shark rates), which reflect the labor-intensive work associated with making small loans and allowing the microfinance intermediary to become sustainable over time.
- Easy entrance to the microfinance intermediary saves the time and money of the client and permits the intermediary to have a better idea about the clients“ financial and social status.

- Application procedures are simple.
- Short processing periods (between the completion of the application and the disbursement of the loan).
- The clients who pay on time become eligible for repeat loans with higher amounts.

2.5 MICROFINANCE IN GHANA

In Ghana, the concept of microfinance is nothing new. Traditionally, people do save with and take small loans from individuals and groups within the framework of selfhelp to start businesses or farming schemes. According to Boakyewaa (2009), “available evidence suggests that the first Credit Union in Africa was established in Northern Ghana in 1995 by Canadian Catholic Missionaries”.

In Ghana, the term microfinance is generally understood as a sub-sector of the financial sector, which comprises of most different financial institutions that use a particular financial method in reaching out to the poor. Microfinance sector in Ghana comprises of the following

- formal suppliers such as savings and loans companies, rural and community banks as well as some development and commercial banks
- Semi-formal suppliers such as credit unions, financial non-governmental organizations (FNGOs) and cooperatives.
- Informal suppliers such as susu collectors and clubs rotating and accumulating savings and credit associations (ROSCAs and ASCAs), traders, moneylenders and other individuals.

2.5.1 Evolution of the Microfinance Sub-Sector in Ghana

“With almost thirty per cent (30%) of Ghanaians living below the poverty line, microfinance has been identified as an important means of providing financial services to the population”, Boakyewaa (2009). It is in this direction that the country’s present and past governments have perceived microfinance as a key way to achieving the greater goal of poverty reduction.

The author adds that “The Government of Ghana is committed to the goals of the Millennium Development Goals and one of the strategies is the building of a robust and sustainable microfinance industry which addresses poverty reduction, women’s empowerment and household welfare”. “Micro-entrepreneurs constitute about 66% of the labour force in the country and, thus, represent a vital economic force”, (Adjei, 2010). “Increasing the access to financial services by this group deepens the financial sector and also links them to the economic mainstream. Indeed, the concept of microfinance is not new in Ghana”, Boakyewaa (2009).

2.5.2 Various categories of Microfinance Institutions in Ghana

In Ghana, the following are identified as the key stakeholders of microfinance institutions; the Rural /Community Banks, Savings & Loans companies, Credit Unions and Financial Non-Governmental Organizations.

2.5.3 Some Achievement of Microfinance in Ghana

- **Provision of Working Capital:** The concept of microfinance in the country has made it possible for small scale business operators to access credit facilities which hitherto were difficult to access due to difficult modalities by the formal financial institutions. The amounts involved are modestly not huge; it greatly supports their business to some extent.
- **Provision of Employment:** Microfinance makes it possible for people to start and/or expand their businesses. Some small scale businesses have grown into

medium enterprises creating employment opportunities for others through the support of microfinance.

- **Capacity Building:** Microfinance projects and programmes have gone a long way in building the capacity of clients in the areas of loan management customer care, pricing, marketing and selling on credit as well as on social and community issues.
- **Community Development:** It has helped some communities to be provided with certain social amenities like portable water which enhances community development.

2.6 MICROFINANCE AND DEVELOPMENT

Studies have generally shown that micro-finance plays three broad roles in development:

- ❖ It helps very poor households to meet basic needs and protects against risks,
- ❖ It is associated with improvements in household economic welfare,
- ❖ It helps to empower women by supporting women's economic participation and so promotes gender equity.

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”, Boakyewaa (2009). “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). The aim of microfinance 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”. The author adds that

“microfinance seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector”.

Littlefield and Rosenberg (2010) 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 increase the number of poor people they can reach” (Otero, 1999). According to Simanowitz and Brody (2004) cited in Boakyewaa (2009) “micro-credit is a key strategy in reaching the MDGs and in building global financial systems that meet the needs of most poor people”. Littlefield, Murdugh and Hashemi (2003) cited in Boakyewaa (2009) state 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".

2.7 PERCEPTION ABOUT MEN AND WOMEN IN FAMILY AND FINANCIAL MANAGEMENT

Generally speaking, men are more often perceived as the financial managers in families all over the world. Women are seen to be care takers of the children, while men are also generally expected to work outside of the home and manage the money they bring in. “Most poor people are women and most women are poor. It is estimated that about 70 percent of the world’s population living on less than \$1 per day are women”, (United Nations Expert Group on Women and Finance, 1995).

Women play a very important role in our society. The fact cannot be ignored that women’s lives are more complicated than men’s lives. It is obvious that a woman has

to take care of her own personal life and if she is a mother, she has to take care also of her children's life too. Even married women stand the risk of having lots of worries and believe it or not, they carry out a more stressful life than married men.

“Women's economic empowerment is a prerequisite for sustainable development and pro-poor Growth”, Boakyewaa (2009).

According to her, there is the need for women to have more equitable access to assets and services. Findings show that “successful women and men entrepreneurs are similar in almost every respect”.

2.8 FACTORS MOTIVATING WOMEN TO BECOME ENTREPRENEURS

Overall, women who choose to become entrepreneurs are motivated primarily by five financial and psychological factors, specifically:

- The desire to build wealth
- The wish to capitalize on business ideas they had
- The appeal of startup culture
- A long-standing desire to own their own company
- Working for someone else did not appeal to them

“It has long been believed that women entrepreneurs have less access to capital than men”, (Aspray and Cohoon 2007, Robb and Coleman 2009) cited in Boakyewaa (2009).

“We recognize that gender equality, the empowerment of women, women's full enjoyment of all human rights and the eradication of poverty are essential to economic and social development, including the achievement of all the Millennium Development Goals” (*Keeping the promise: united to achieve the Millennium Development Goals* (2010).

2.9 WHY WOMEN'S ECONOMIC EMPOWERMENT MATTERS

“Economic empowerment is the capacity of women and men to participate in, contribute to and benefit from growth processes in ways which recognize the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth” (Eyben *et al.*, 2008) cited in Boakyewaa (2009).

Economic empowerment therefore has the capacity to increase women’s access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information.

“Women’s economic participation and empowerment are fundamental to strengthening women’s rights and enabling women to have control over their lives and exert influence in society” (Swedish Ministry for Foreign Affairs, 2010).

“Women perform about 66 percent of the world’s work, and produce about 50 percent of the food, yet earn only 10 percent of the income and own 1 percent of the property.

Whether the issue is improving education in the developing world, or fighting global climate change, or addressing nearly any other challenge we face, empowering women is a critical part of the equation”. Former President Bill Clinton addressing the annual meeting of the Clinton Global Initiative (September 2009).

2.9.1 Why women’s economic empowerment matters for pro-poor growth •

“Higher female earnings and bargaining power translate into greater investment in children’s education, health and nutrition, which leads to economic growth in the long term. The share of women in waged and salaried work grew from 42% in 1997 to 46% in 2007”.

- “In India, GDP could rise by 8% if the female/male ratio of workers went up by 10%”.

- “Total agricultural outputs in Africa could increase by up to 20% if women’s access to agricultural inputs was equal to men’s”.
- “Women-owned businesses comprise up to 38% of all registered small businesses worldwide.

The number of women-owned businesses in Africa, Asia, Eastern Europe and Latin America is growing rapidly and, with that growth, come direct impacts on job creation and poverty reduction”.

Source: Department for International Development (DFID) (2010), Agenda 2010

“The turning point on poverty”, Background paper on gender, DFID , London.

“The economic empowerment of women is a prerequisite for sustainable development, pro-poor growth and the achievement of all the Millennium Development Goals (MDGs). Gender equality and empowered women are catalysts for multiplying development efforts. Investments in gender equality yield the highest returns of all development investments” (OECD, 2010). “Women usually invest a higher proportion of their earnings in their families and communities than men” Boakyewaa (2009). A study in Brazil showed that “the likelihood of a child’s survival increased by 20% when the mother controlled household income. Again, increasing the role of women in the economy is part of the solution to the financial and economic crises and critical for economic resilience and growth”.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

The chapter gives a brief profile about Opportunity International Savings and Loans Limited (OISL) as well as the study area. It also gives a detailed description of the methods used for data collection. Its coverage includes the population and sample size used, the sampling techniques, data collection instruments that were employed for the data processing and analysis. As stated earlier, the target group of this work was women living in rural areas who are clients of OISL. Women were particularly selected for the study mainly because of the fact that a majority, about 92% of OISL's clients are women, with most of them living in the rural communities.

3.1 SAMPLE SIZE AND SAMPLE TECHNIQUES

Opportunity International Savings and Loans Limited currently has 40 branches distributed across the various regions in Ghana, with nine of them located in Ashanti region. It also has six community banks. The study specifically focused on one out of the total of nine branches in Ashanti region; thus Bekwai branch because of time constraint and easy accessibility.

The total population of active borrowers in all 40 branches of OISL is 75,235. Bekwai Branch has a total of 1652 clients. Out of these clients, 1341, representing 81% of the total loan clients are women and 311, representing the remaining 19% are men. 919 out of the 1341 women live in the rural communities. Since all the clients living in the rural communities could not be surveyed due to time and financial constraints, a sample size of 99 which is approximately 11% of the total women living in the rural communities was used.

3.2 SAMPLING METHODOLOGY

Both probability and non- probability sampling methods were employed in the selection of respondents for the study. Simple random sampling, under probability sampling method was mainly used to select respondents from these rural communities. As a way of ensuring the randomness of the selection, some of the questionnaires were administered on Fridays which is the day on which training programs are organized for clients at the branch's premises. Again, other loan officers were accompanied to the field when they went for repayment for the interview to be carried on whichever loan clients came to make the repayment. This was particularly done twice every week.

Purposive sampling, under non-probability sampling methods was used in selecting predefined respondents from Poano and Koniyaw communities, as these were women essentially identified by various loan officers as loan clients having tangible success stories about the impact of group loaning on their livelihood.

3.3 DATA COLLECTION INSTRUMENTS

Data were collected through interviews and questionnaire administration. These were the main instruments used to gain in depth understanding from the clients, management and staff of OISL. These instruments were also chosen mainly due to the fact that their administration was easy, and thus making it possible for much data to be collected within a short time. To avoid being rooted in views of respondents with strong points, respondents were selected across the various communities within the municipality. The essence of this was to get diverse, strong viewpoints on the issues under discussion and to meet the objectives of the research.

At the initial stage of the field work, only few people were preselected as key informants. These were staff essentially identified to provide a guide to the various clients with tangible success stories about the impact of micro finance on their

livelihood that could be of relevance to the research. They included, among others, the Branch Manager of Opportunity International Savings and Loans Limited, Bekwai, as well as two relationship/loan officers from the same branch. Following preliminary discussions with them, they drew my attention to other women who could be of help to the study and also provided documents to that effect. The initial administration of the questionnaire was pretested on only few clients, upon which through observations and comments, the questionnaires were restructured for the final administration.

The administration of the questionnaires involved a personal interview with the women. It was necessary that the content of the questionnaire be explained to them, and they were also assisted in answering because most of the rural entrepreneurs were illiterates. Structured questionnaire with „Likert Scale“ which was based on the satisfaction level of the various variables related to clients living standards, as well as some multiple-choice and dichotomous questions which had only two response alternatives of being “yes” or “no” were used to collect information from the respondents.

3.4 PROFILE OF OPPORTUNITY INTERNATIONAL SAVINGS AND LOANS LIMITED (OISL)

Opportunity International Savings and Loans Limited (OISL) is among the leading microfinance institutions in Ghana. OISL is a member of the Opportunity International Network which is a global coalition of organizations committed to the provision of opportunities to people in less developed countries.

Opportunity International Network currently has forty seven (47) partners all around the globe. In June 2004, OISL was licensed by the Bank of Ghana, which then began its operation in savings and loans in September 2004. OISL has a team of dedicated staff who work hand-in-hand with its cherished and most valued customers in bringing a holistic change to individuals, their families and communities. Opportunity is ever

committed to seeing their lives being transformed through the delivery of highquality financial services and training that are specifically customized to meet the needs of the entrepreneurial poor. Opportunity Ghana currently has 40 branches distributed across the nation. It also has six community banks carrying out miniature operations. It has two broad sectors namely the Northern and Southern Sectors, with its Head Office located in Accra, Greater Accra, Ghana.

3.4.1 Vision, Mission, Core Values &Triple Bottom Line

3.4.1.1 Vision

Opportunity has a vision of being a world in which all people are given the opportunity to achieve a life free from poverty, with dignity and purpose.

3.4.1.2 Mission

OISL's mission is to provide financial solutions and training to empower people particularly those living in poverty, as a means of transforming their lives, their children's futures and their communities.

3.4.1.3 Core Values

The core values of OISL are spelt out below, which is coined and given the acronym CHRIST;

- Commitment
- Humility
- Respect
- Integrity
- Stewardship
- Transformation

3.4.1.4 Triple Bottom Line

Opportunity International Savings & Loans Limited is a leading financial institution in the country that is dedicated and committed to the provision of the highest level of

financial products and services to its categories of clients – with a resolute focus on the poorest of the economically active poor. Its performance and success is therefore measured against an invariable triple bottom line as follows:

- **Outreach:** OISL has a commitment of reaching out to the greatest possible number of the economically marginalized, particularly women, both in the urban and rural areas of Ghana.
- **Sustainability:** This is the provision of highly appreciated, excellence financial services to its clients, which in effect ensures an appropriate return to its shareholders.
- **Transformation:** By providing financial opportunities for those living in poverty to improve upon their lives in diverse ways such as economically, socially and spiritually.

3.4.2 What OISL does

As its name rings out, OISL has a variety of savings products, as well as loan/lending products. Other services, such as Electronic Banking (E-Banking) are also being offered by OISL.

3.4.2.1 Savings Products: The various savings products are listed as follows:

- **Fixed Term Deposit:** This is a fixed interest bearing account for a prescribed period of time.
- **Savings Insurance Account:** It is an interest bearing account which allows customers to deposit cash and withdraw anytime they deem it necessary without any prior notice.
- **Agro Saver Account:** It is an income management account particularly for farmers and those in irregular businesses.
- **Current Account:** It is a demand deposit account that allows one to deposit and withdraw cash anytime without any prior notice given.

3.4.2.2 Loan/Lending Products: Below are the various loan products offered by OISL:

- **Housing Loan:** This is a loan product largely for small and medium scale entrepreneurs, farmers and salaried workers. Currently, there are two types of this loan product namely Home Improvement and Building In Stages Loans
- **Church Loans:** It is short to medium term loans given to churches to assist in its development.
- **Salary Loan:** It is a short and medium term finance for salaried workers
- **Agric Loans:** These are micro, small and medium scale finance given to farmers and those engaged in agricultural related businesses such as irrigation, agro-marketing and processing, agro-implement and transport.
- **GOAL Students Loan:** GOAL is an acronym symbolizing Greater Opportunity Access for Learning. This is a type of loan product given to assist tertiary students in the payment of their school fees and related expenses.
- **Empowerment Loan:** Loans that are given to people living with disability at concessionary rate.
- **Education Loan:** Loans given to parents/guardians for the payment of their ward's school fees and other related expenses
- **Edufinance:** These are short and medium term finance for private schools for purposes such as acquisition of school bus, building additional classroom blocks, etc.
- **Small and Medium Enterprise (SME) Loans:** Working capital loans given to Small and Medium Scale entrepreneurs for their business expansion
- **Group Loans:** These are loans given to groups of micro entrepreneurs for the expansion of their businesses.
- **Adehye Loans:** These are also loans given to OISL's loyal group loan clients who have reached their 5th cycle and beyond. There are two types namely Group Adehye Loans and Individual Adehye Loans.

- Individual Loans: These are also working capital loans given to individual customers for business expansion
- Susu Loans: Loans that are accessed by susu deposit clients after a required period of contribution with OISL.

3.4.2.3 Other Services

➤ Micro insurance

OISL was among the first financial institutions to introduce micro insurance to cover loans that have been accessed by customers, in collaboration with MicroEnsure (an insurance company). Thus, OISL's loan clients are covered with both life and property insurance after they have accessed loans. In the case of Credit Life Insurance policy, the borrowers' family members as well as other members of the group or the borrower's guarantor(s) will not be tasked with the responsibility of paying for the borrower's outstanding debt when he/she dies. For Property Insurance, the borrower will not pay his/her outstanding debt when the business is struck with disasters such as fire, flood and other natural disaster.

➤ E-Banking Products

• Western Union Money Transfer

OISL partners with Western Union Financial Services to receive funds from Western Union agents around the world for payments to identified beneficiaries in the country.

• E-zwich

OISL also offers an electronic payment system which was introduced by the Bank of Ghana. This was done in collaboration with all banks in Ghana to allow holders of an e-zwich smartcard to carry out electronic transactions at any e-zwich Point of Sale(POS) terminal or Automated Teller Machine (ATM). It thus allows e-zwich smart

cardholders to access banking services at any bank or financial institution throughout the country, irrespective of the bank or financial institution that issued the smartcard. This has made banking easier for almost everyone.

➤ **Value Added Services**

As part of OISL achieving its mission of providing financial solutions and trainings, business development and transformational services to its valued clients, Opportunity Ghana continues to explore innovative ways of delivering value added services.

OISL gives training to its clients in the following areas, the list is not exhaustive:

- Small business loan management
- Costing and pricing business products and services
- Basic business records keeping
- Maintaining consistent customer care
- Importance of savings
- Working capital management
- Livelihood empowerment

➤ **Monitoring and Supervisory**

After loans have been disbursed to clients, relationship officers are tasked to pay a visit to each of the client. This is to be done at least once in every loan cycle to ensure that the loans that are given to clients are used for their intended purpose(s), and to also offer timely advice where necessary. Monitoring has therefore been a helpful tool in promoting a good officer/client relationship, thus ensuring effective and efficient repayments.

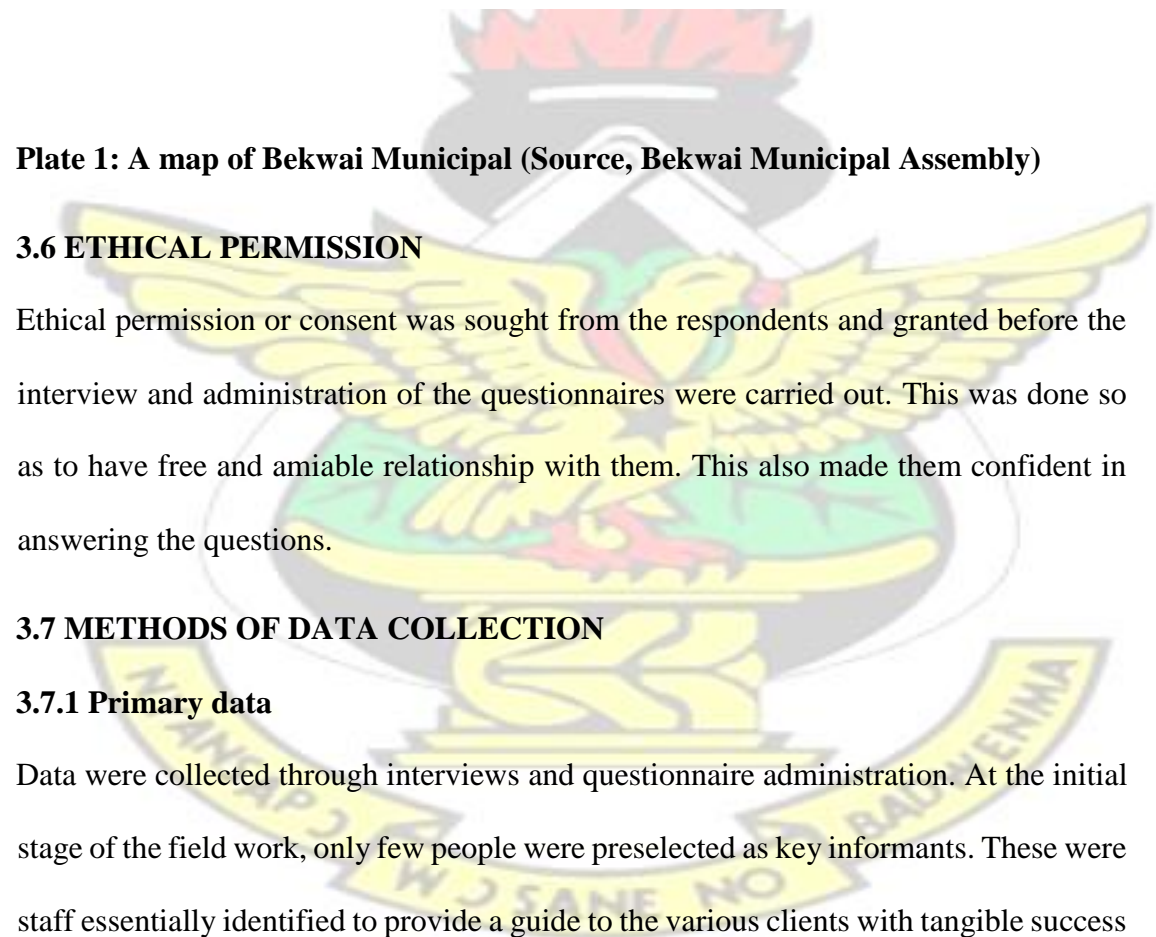
3.5 STUDY AREA

The respondents that were involved in the research were drawn from different geographical locations within Bekwai municipal per their perceived relevance to the study. Most interviews were conducted in Poano and Koniyaw where most of OISL's clients within Bekwai Branch's catchment area could be reached. However, the study focused solely on four communities within the main Bekwai township itself, namely Nampansa, Asokwa, Nyameduase and Twafo. Though the municipal has several communities with members actively involved in assessing microfinance from OISL, the selection of these four communities for the project was based on their closeness to the OISL Bekwai Branch. It was also based on the hypothesis that the Branch has been within this locality since November, 2011, and for that matter, almost everyone, particularly the women, were knowledgeable about the various products that were being offered, not leaving out its benefits of eradicating poverty in their lives.

3.5.1 Location of the study areas

Bekwai Municipal is located in the southern part of Ashanti Region. The boundaries of the Municipality are shared to the North with Bosomtwe District, to the South with Adansi North District, to the East with Bosome-Freho District and to the West with Amansie Central District and Amansie West District. Bekwai Municipality lies within latitude 6 00"N and 6 30"N and Longitudes 100 W and 1 35 W.

The Municipality covers a total land area of 535.2 square kilometres (535.2 km²) representing 2.2 percent of the total land area of the region (Ashanti).



3.6 ETHICAL PERMISSION

Ethical permission or consent was sought from the respondents and granted before the interview and administration of the questionnaires were carried out. This was done so as to have free and amiable relationship with them. This also made them confident in answering the questions.

3.7.1 Primary data

32

officers from the same branch. Following preliminary discussions with them, they were able to direct me to those clients and also provided relevant documents to that effect. The initial administration of the questionnaire was pretested on only few clients, upon which through observations and comments, the questionnaires were restructured for the final administration.

3.7.2 Secondary data and existing literature

These were the available data that had been collected by others to prepare the ground for the study and to also update and crosscheck collected data.

Literature on information relating to the topic and the set objectives were obtained from journal articles, textbooks, thesis, seminar documents and magazines, which were collected from the Kwame Nkrumah University of Science and Technology (KNUST) main library, Library of the Faculty of Social Sciences, KNUST, KNUST School of Business Library. Internet sources were also used.

3.7.3 Reconnaissance survey

The Bekwai Branch Manager of Opportunity International Savings and Loans Limited was contacted for information on the various communities within the catchment area of the Branch to aid in choosing the communities for the study. This was done on 21st of May, 2015. A reconnaissance survey of these areas was also conducted with the help of the Relationship/Loan Officers of the various communities on 28th and 29th of May, 2015 to familiarize with the communities that were feasible for the data collection.

3.8 DATA ANALYSIS AND REPRESENTATION

Data collected were analyzed and the results represented in tables and charts mainly using Microsoft Excel.

CHAPTER FOUR

PRESENTATION OF DATA AND ANALYSIS

4.0 INTRODUCTION

This chapter presents and analyzes data collected for the study. It is divided into two (2) sections: analysis of responses from clients and analysis of responses from the institution (OISL). The chapter provides information on respondents and statistical analysis of information collected. This is followed by interpretation and discussion of the research findings. The discussion entails the bio data of clients, the kind of businesses they are engaged in, the challenges they encountered during the loan granting processes and repayment, to mention but a few.

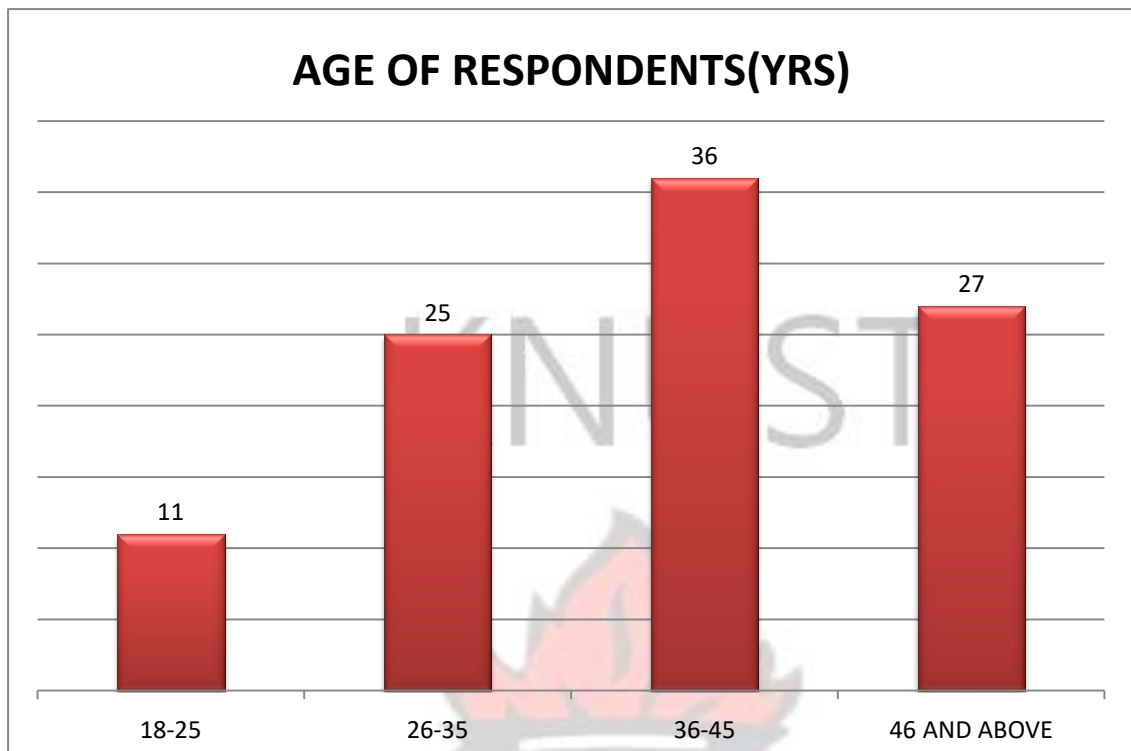
4.1 BIO DATA OF RESPONDENTS

The bio data of the respondents from the various communities included their age distribution, marital statuses and educational background.

4.1.1 Age of Respondents

The study revealed that most of OISL loan clients were between the ages of 36 and 45 years as represented in the chart below. This was an indication that OISL's clients are active and have the ability to do business actively.

Figure 4.1.1 Age of respondents

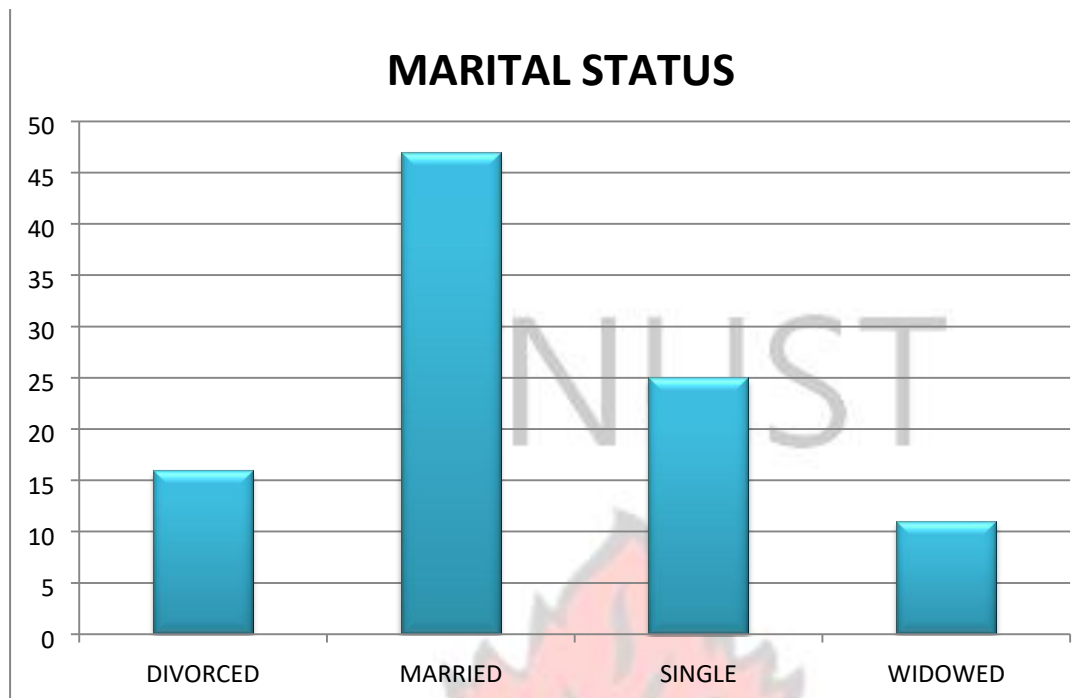


Source: Author's Own construct, August 2015

4.1.2 Marital Status of respondents

Out of the total number of 99 women loan clients that were interviewed, 47 of them were married, 16 of them were divorced, 11 were widowed and 25 of them were single, thus not being married to before. This meant that the women who were currently single collectively outweigh the numbers that were being married to. This was an indication that most of the women would have to make ends meet through their own effort, without financial support from their male counterparts. Having weightier responsibilities without support from elsewhere implied that more finances were required. Hence, the urgent need for unfailing financial support from a reliable institution that would always deliver at their call.

Figure 4.1.2 Marital Status of respondents

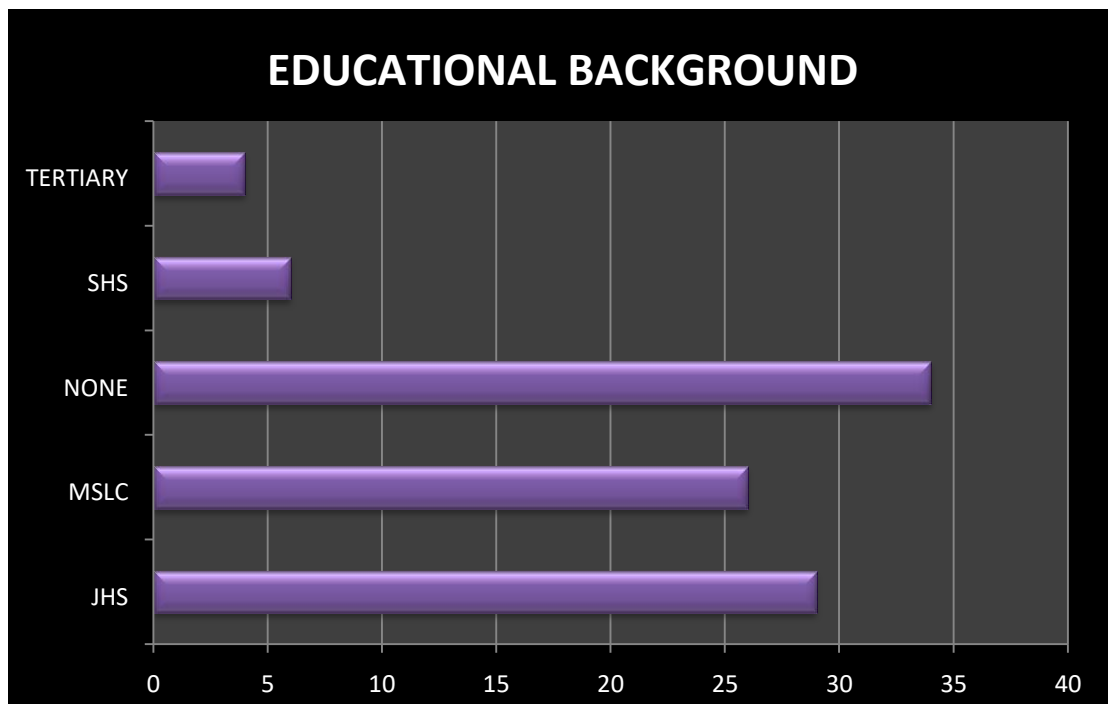


Source: Author's Own construct, August 2015

4.1.3 Educational Background of respondents

With regards to the educational levels of respondents, it was observed from the figure below that a 34 out of the 99 had had no formal education. Only 4 had had tertiary education, representing the few. Again, only 6 had completed Senior High School. 29 of them had had basic education, thus, up to the Junior Secondary School Level. 26 of them had Middle School Leavers Certificate. Generally, it revealed that most of the women living in the rural communities who are loan clients to OISL had little or no formal educational background at all, with a very few being literates to a higher level of the academic pedestal.

Figure 4.1.3 Educational background of respondents

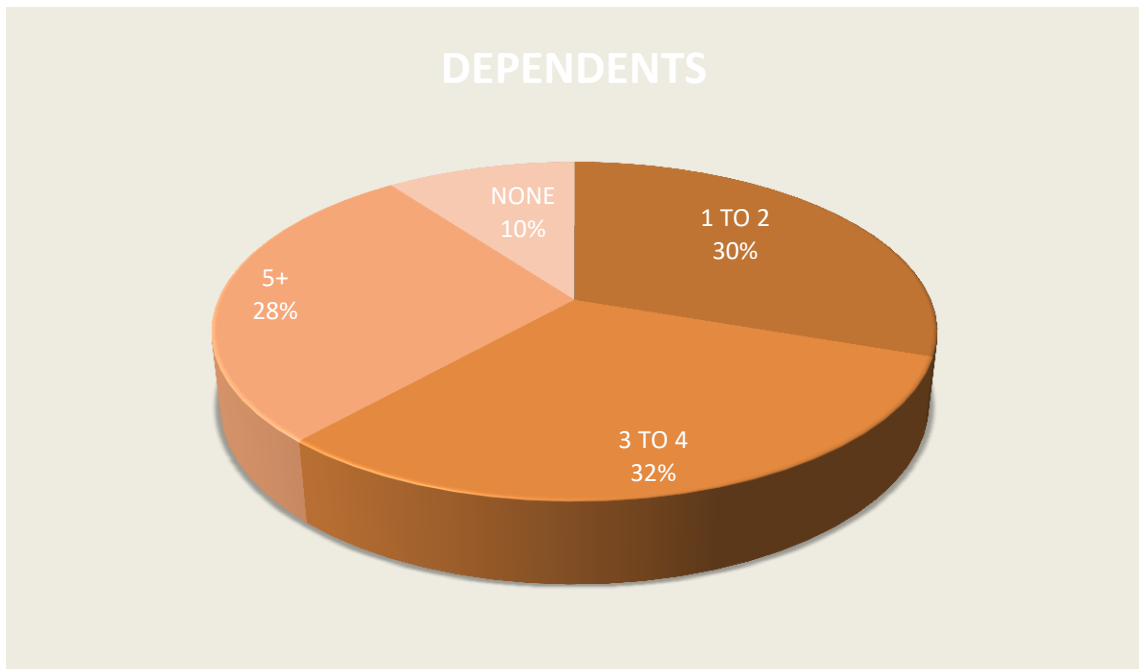


Source: Author's Own construct, August 2015

4.2 NUMBER OF DEPENDENTS

The study showed that 32% of the respondents had dependents ranging between 3 and 4, representing the majority. This was followed by 30% of them having respondents between 1 and 2, representing the second highest. 28% had more than five dependents, with the least number of 10% having no respondents. This meant that collectively, almost all the women loan clients who were interviewed had people depending on them. Just a few of them had no “other mouths to feed”. Having other people depending on them was a clear indication that financial assistance would be required.

Figure 4.2 Number of dependents of the respondents

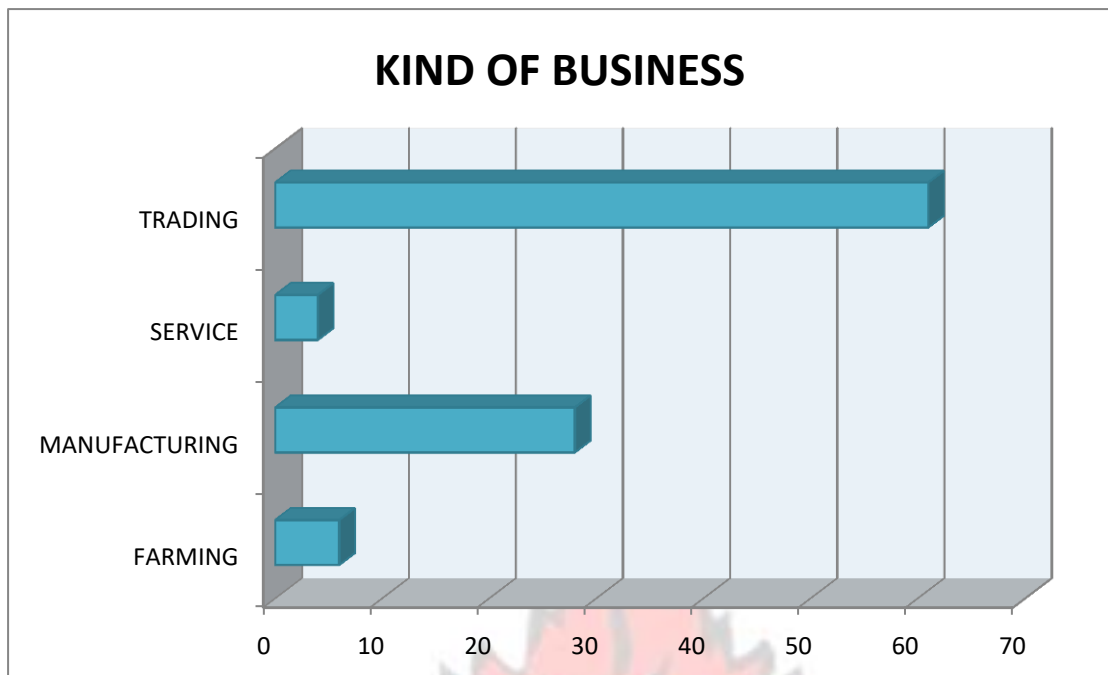


Source: Author's Own construct, August 2015

4.3 KIND OF BUSINESS ACTIVITY

61 out of the 99 women interviewed were engaged in various forms of trading activities. 28 of them were into various forms of manufacturing. Only 6 of them were engaged in farming activities and only 4 were into service provision. This is represented in Figure 4.3. Having a majority of the women engaged in trading activities which required finances to cater for stock purchases and other operating costs implied that these women would require financial assistance, coupled with the fact that most of them were not married and also had dependents to take care of.

Figure 4.3 Kind of business engagement by respondents



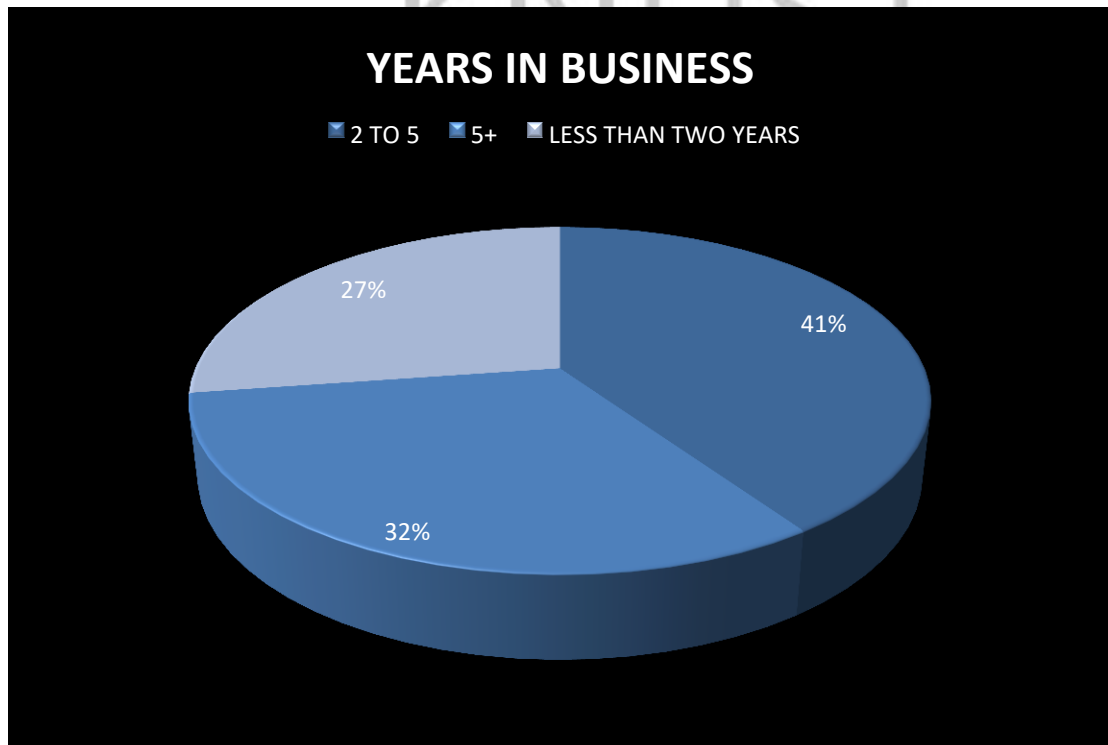
Source: Author's Own construct, August 2015

4.4 YEARS IN BUSINESS

It was evident from the research that a few respondents, thus 27 out of the 99 had less than two years' experience in their respective businesses. Out of the remaining 72, 40 had between two to five years' experience in their respective business, and the remaining 32 had more than five years' experience. This is a clear indication that most of them had businesses that had reached the growth stage of the product life cycle, and thus needed enough funds to turn their businesses. Having no spouse to rely on for financial assistance meant that these women would definitely resort to borrowing from financial institutions to expand their respective businesses, hence the need to fall on OISL as a source of financial assistance provider. Again, as their years in business increased, it was expected that these clients were well monitored and given enough training on how to manage their funds. OISL therefore played a vital role in this regard. Those with less than two years' experience in their respective businesses equally required financial assistance and monitoring to nurture them in their business. It was

therefore imperative that they also fell on a financial institution, which OISL is not an exception, to expand their businesses until they also got to the maturity stage of their businesses whereby little or no financial assistance would be needed externally, but rather focus on ploughing back the profit into the business.

Figure 4.4 Years in business

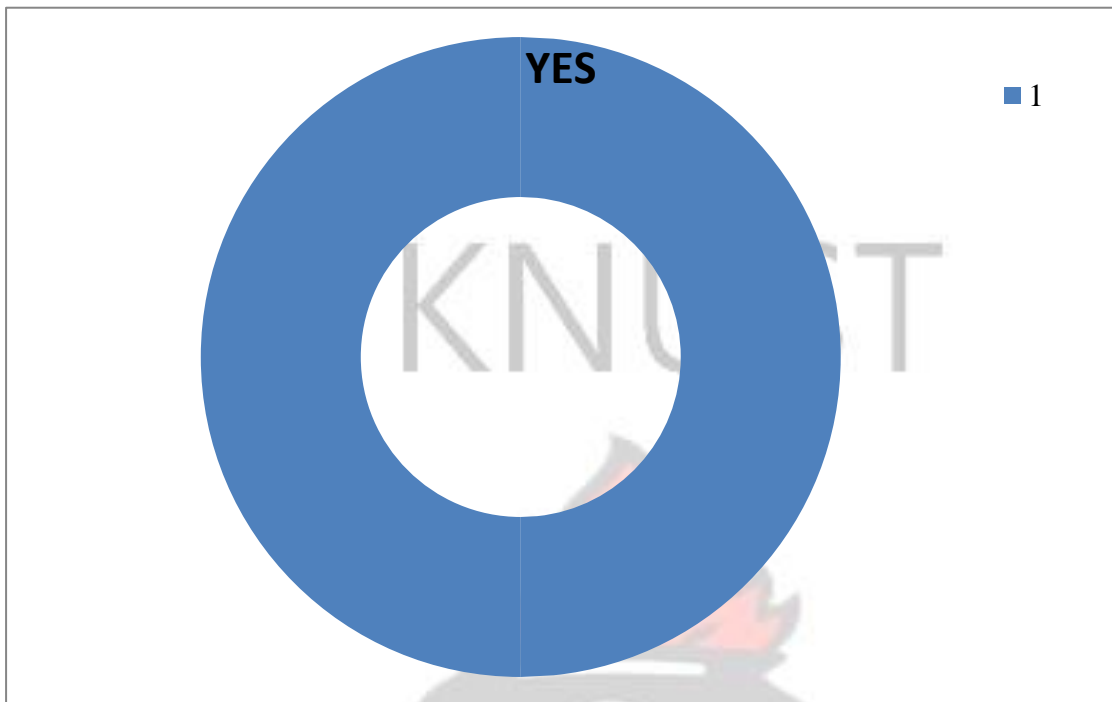


Source: Author's Own construct, August 2015

4.5 ACCESS OF LOAN FROM OISL

The study purposefully targeted OISL loan clients. It is therefore evident from Figure 4.5 that all, representing 100% of the respondents that were selected were existing OISL Loan clients.

Figure 4.5 Loan access from OISL



Source: Author's Own construct, August 2015

4.6 LOAN AMOUNT ACCESSED

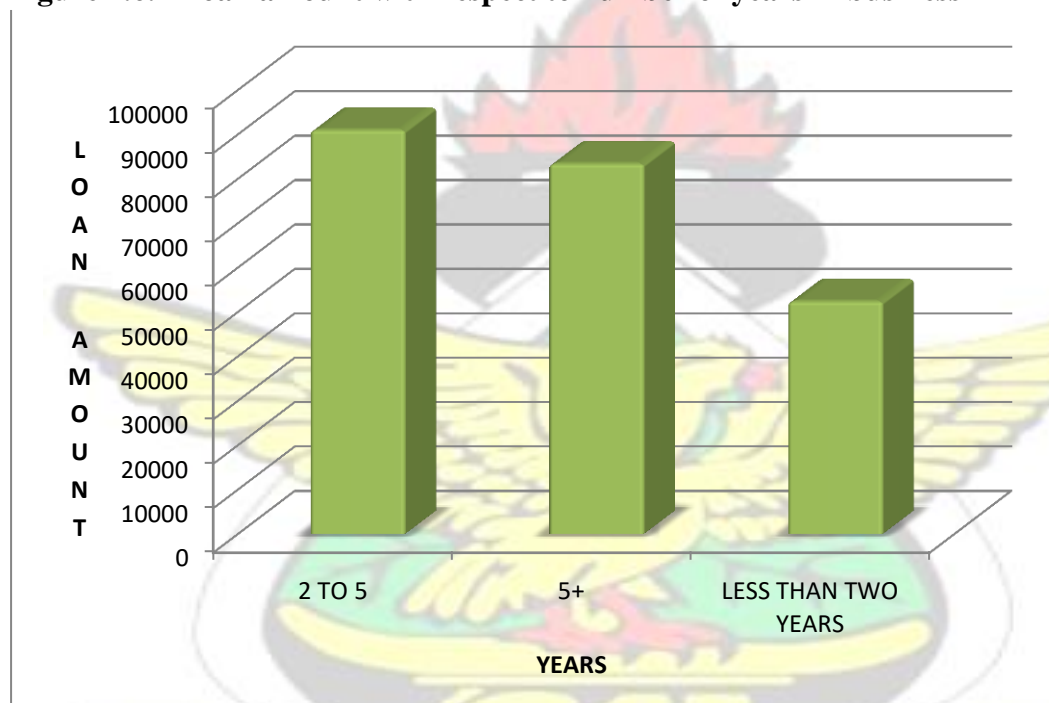
It was evident from the study that the respondents had varied loan amounts. The loan size varied from respondent to respondent depending on such factors as the kind of business, the type of products being sold, the size of the business, the loan cycle of the client, the number of years in business (experience), among other factors.

4.6.1 Loan amount with respect to number of years in business

From Figure 4.6.1, it was evident that those who had less than two years' experience in their respective businesses had relatively lower amounts. This may be due to the fact that they had inadequate experience in the business and for that matter may not be in the position to utilize bigger loan amounts well. It could also be to the fact that due to their less years in the business, the business size had not grown much and did not require bigger loan amounts. On the other hand, those who had more years' experience in the

business had relatively much bigger loan amounts, which may be due to the fact that their business sizes had grown and required much funds for running it. Again, it was observed that those with more than five years’ experience in the business had relatively lower amounts compared to those with business experience between two and five years. This may be due to the fact that their businesses had grown and more profits had been milked and ploughed back into the business, therefore they requiring relatively fewer amounts from external sources such as financial institutions to just cushion up.

Figure 4.6.1 Loan amount with respect to number of years in business



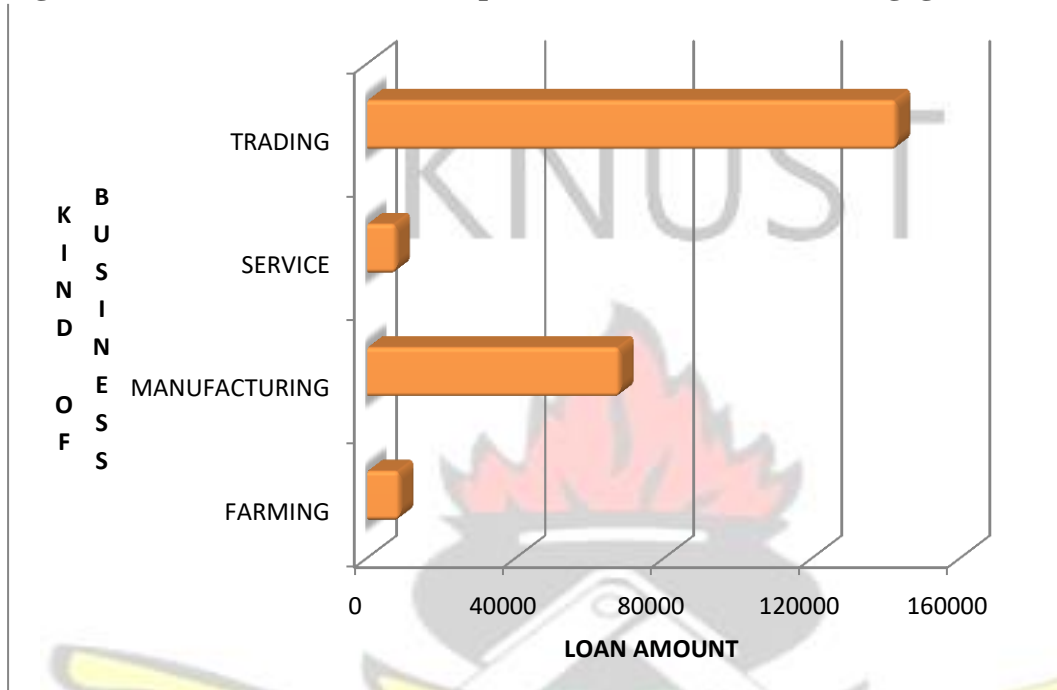
Source: Author’s Own construct, August 2015

4.6.2 Loan amount with respect to the kind of business engagement

Figure 4.6.2 revealed that women engaged in trading and manufacturing activities had access to bigger loan amounts compared to those engaged in service and farming activities. This may also be due to the fact that those business activities were capital intensive, requiring huge funds to cater for the product purchases, production cost,

transportation cost, etc., which may generally not be the case in the farming and service industries.

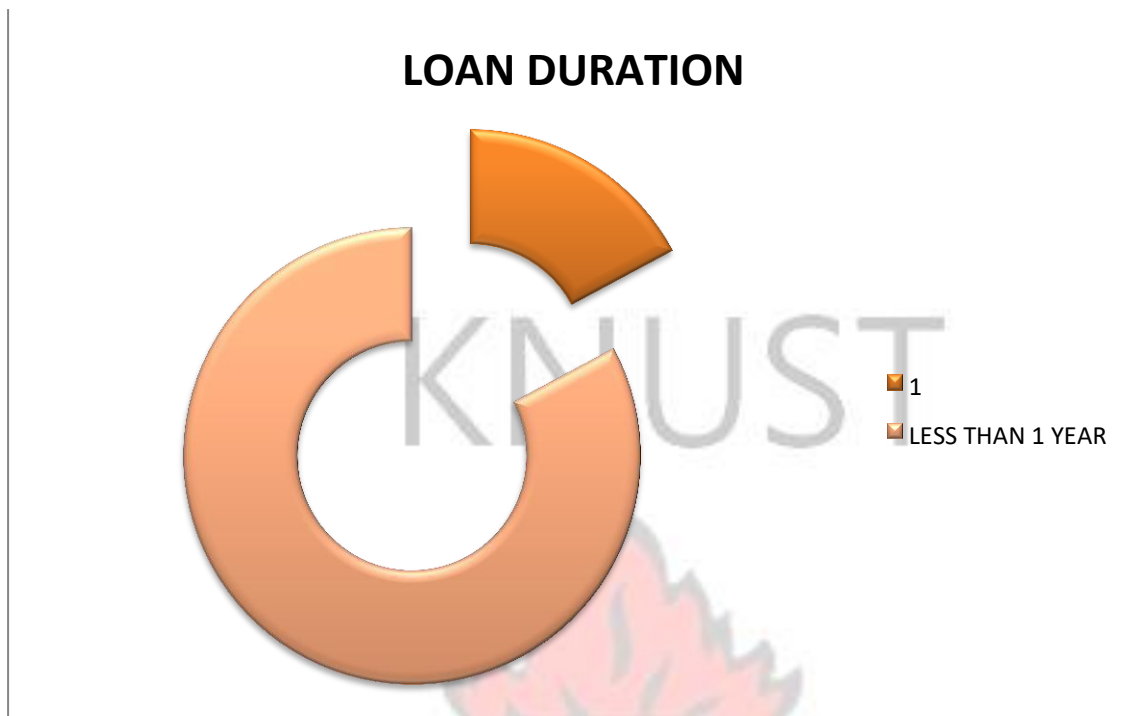
Figure 4.6.2 Loan amount with respect to the kind of business engagement



Source: Author's Own construct, August 2015

4.7 LOAN REPAYMENT DURATION

A majority of the respondents, thus 82 out of the 99 respondents interviewed, representing a total of 82% had loan duration of less than 1 year. The rest, representing the remaining 18% had a loan repayment duration of approximately 1 year.

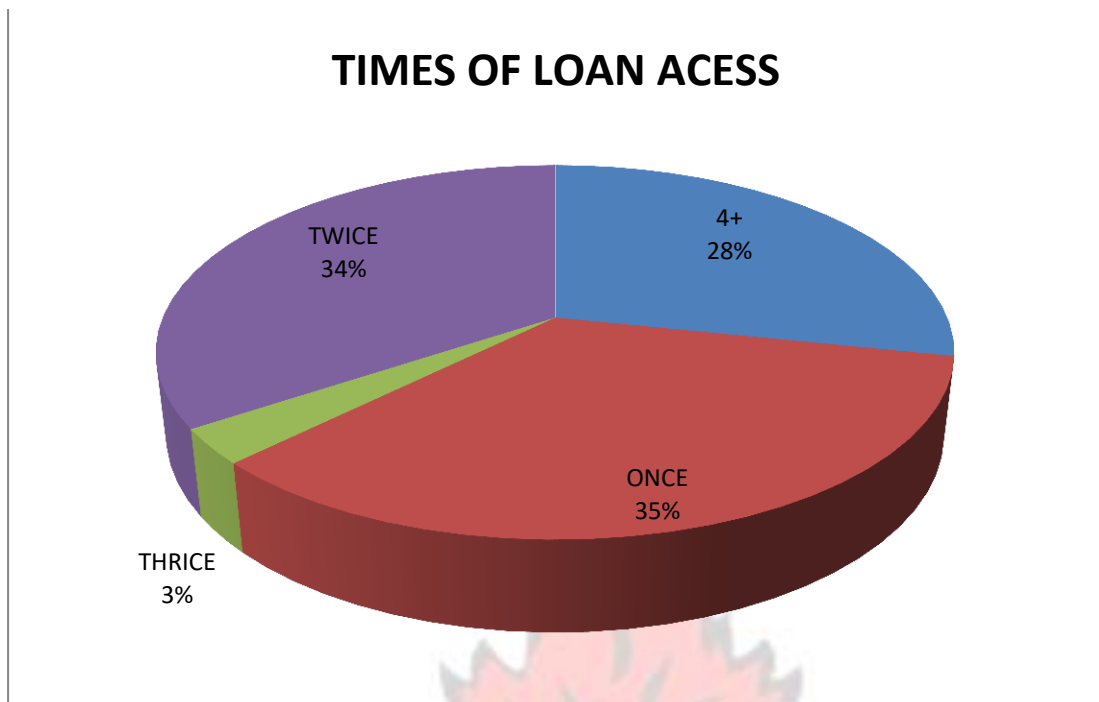


Source: Author's Own construct, August 2015

4.8 NUMBER OF TIMES LOANS HAVE BEEN ACCESSED BY THE CLIENTS

Figure 4.8 presented that a majority of the respondents, with a total of 65% had accessed loan from OISL for more than once. This could imply that they found loan access to be a very important source of finance for their respective businesses and therefore relied so much on it to expand their business activities. It was obvious that if they had not found debt financing to be useful, they would not have continued accessing it after they accessed it for the very first time.

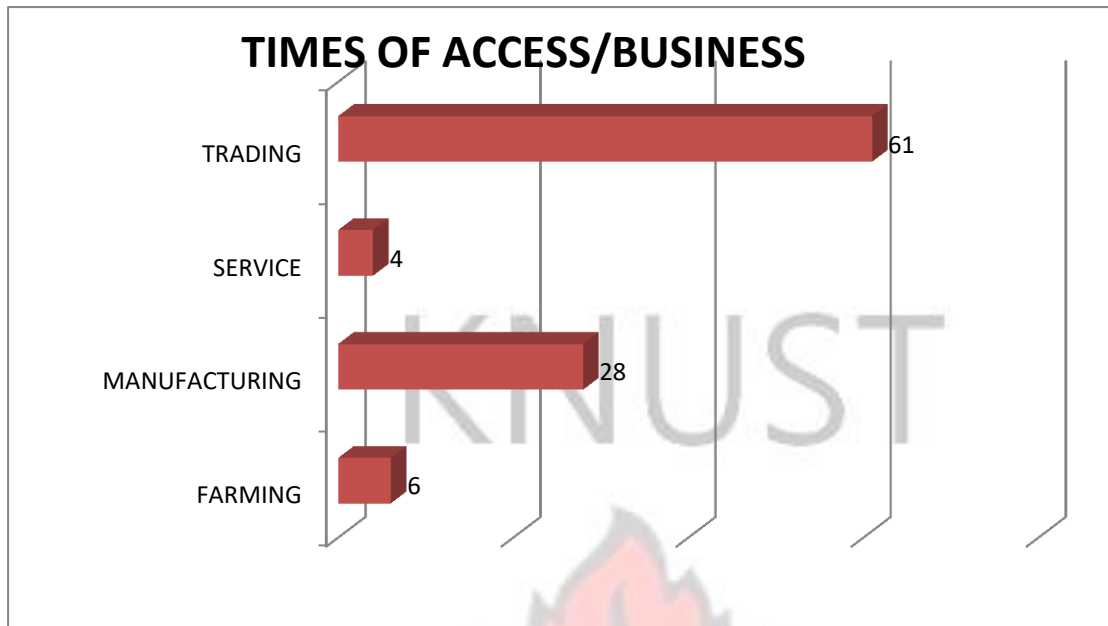
Figure 4.8 Number of times loans have been accessed by the clients



Source: Author's Own construct, August 2015

4.8.1 Times of loan access (Loan cycle) with regards to the kind of business The figure 4.8.1 showed that the women involved in trading and manufacturing activities had accessed loans for a number of times compared to those engaged in service and farming activities. This may also be due to the fact that those business activities were capital intensive, always requiring much funds to turn over or produce stock, which may generally not be the case in the farming and service industries.

Figure 4.8.1 Times of loan access (Loan cycle) with regards to the kind of business



Source: Author's Own construct, August 2015

4.9 AMOUNT DISBURSED MATCHED FINANCIAL NEEDS

Table 4.9.1 revealed that 76% of the total respondents responded in the affirmative whether the loan amounts disbursed to them matched their financial needs. The remaining 25% said the loan amounts disbursed did not match their financial needs. They saw the amounts given to them to be lower than what they actually needed in order to make ends meet for them.

Table 4.9.1

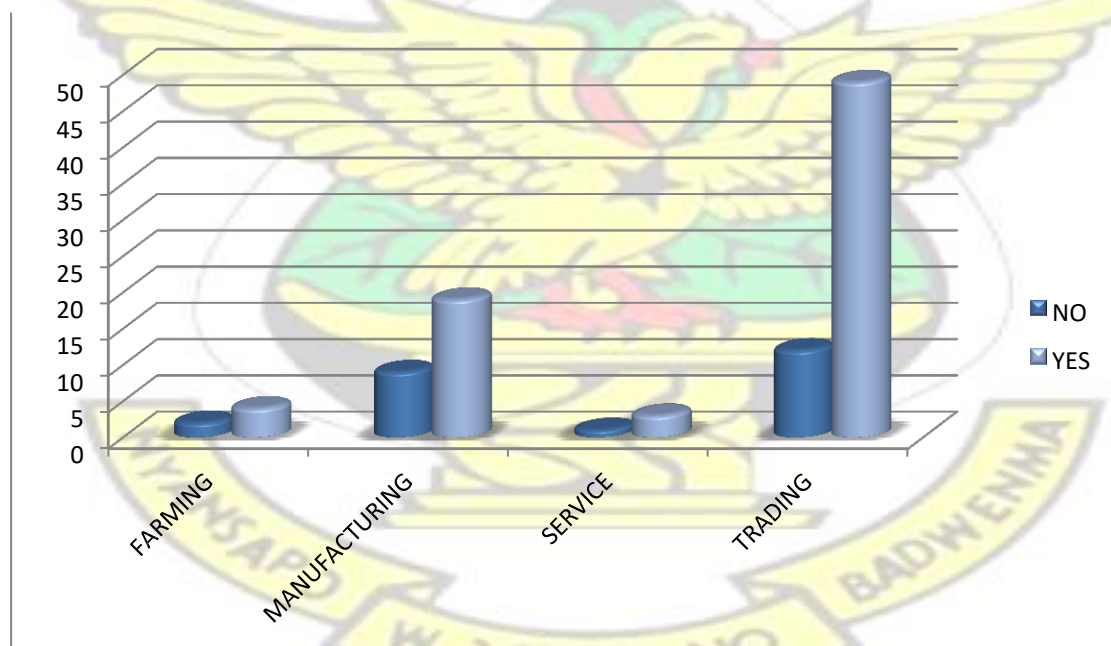
RESPONSE	FREQUENCY	PERCENTAGE (%)
YES	75	76
NO	24	24
GRAND TOTAL	99	100

Source: Field Work, August 2015

4.9.1 Amount disbursed matched financial needs of the respective business categories

49 out of the 61 women engaged in trading activities affirmed that the loan amount disbursed to them matched their financial needs. The remaining 12 responded negatively to the fact that the loan amount disbursed to them matched their financial needs. 19 out of the 28 women engaged in manufacturing also responded in the affirmative to the assertion. The remaining 9 responded otherwise. Responses from women engaged in farming activities revealed that 4 out of the 6 respondents said the loan amount disbursed matched their financial needs. The remaining had a different view. 3 out of the 4 respondents engaged in the provision of service perceived the loan amount matching their financial needs. Only 1 of the service providers saw the loan amount not matching her financial need.

Figure 4.9 Amount disbursed matched financial needs of the respective business categories

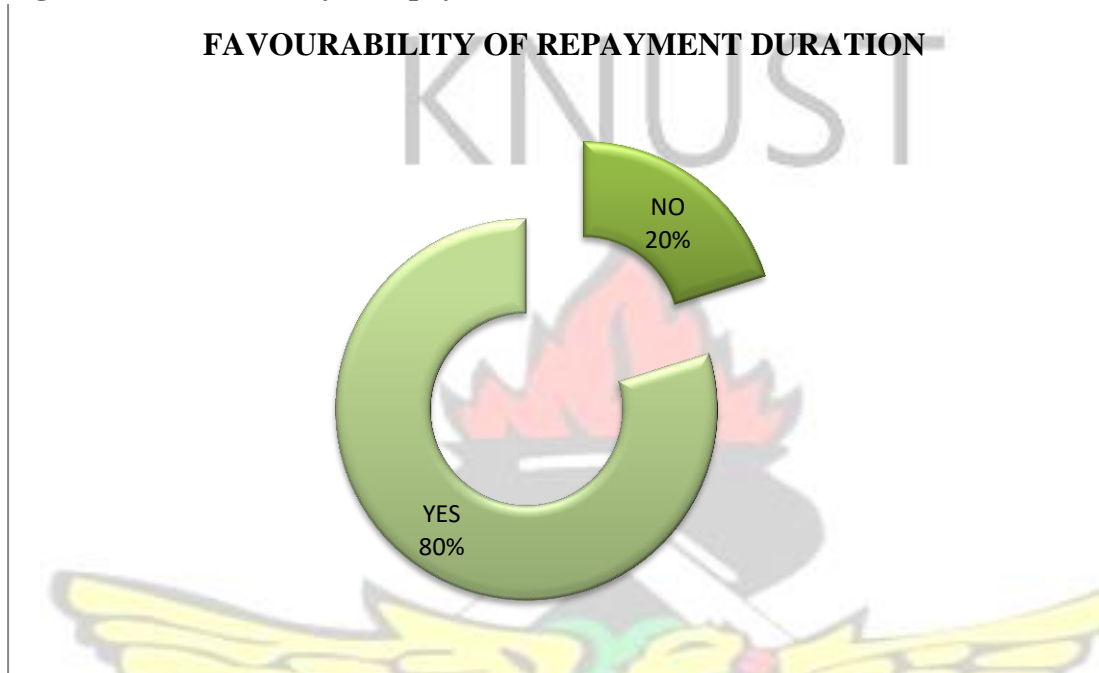


Source: Author's Own construct, August 2015

4.10 FAVORABILITY OF REPAYMENT DURATION

The study revealed that a majority of the respondents, representing 80% out of the 99 interviewed perceived the loan repayment duration as being favorable. The remaining 20% had a different opinion, thus, the repayment duration not being favorable.

Figure 4.10 Favorability of repayment duration

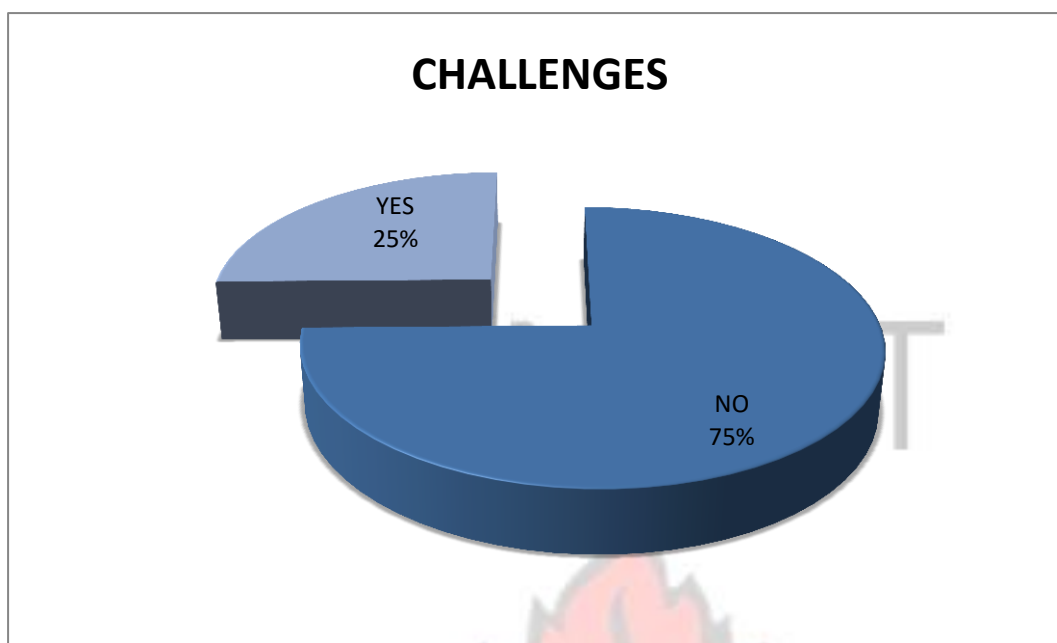


Source: Author's Own construct, August 2015

4.11 CHALLENGES ENCOUNTERED PRIOR TO LOAN GRANTING

The study again showed that a majority of the respondents, representing 75% did not have any challenges prior to the loan granting. The few, representing 25% of the remaining respondents encountered challenges prior to the loan granting. Some of the challenges included long delays experienced while processing the loan, collateral requirements such as difficulty in getting guarantors to guarantee for their loan request, to mention few but a few.

Figure 4.11 Challenges prior to the loan granting



Source: Author's Own construct, August 2015

4.11.2 Challenges encountered prior to loan granting with regards to years in business

It was observed that 21 women out of the 74 women who did not encounter challenges prior to the loan granting had less than two years' experience in the business. Those with more than two years' experience in their businesses represented the majority who did not encounter challenges prior to the loan granting.

Table 4.11.2 Challenges encountered prior to loan granting with regards to years in business

Years in business	LESS THAN TWO 2+	2 TO 5	5+	GRAND TOTAL
NO	21	31	22	74
YES	6	9	10	25
Grand Total	27	40	32	99

Source: Field Work, August 2015

4.12 CHALLENGES ENCOUNTERED DURING THE LOAN REPAYMENT

Table 4.12 presents that only 23% of the women encountered challenges during their loan repayment. The remaining 77% did not encounter challenges during their loan repayment.

Table 4.12 Challenges encountered during the loan repayment

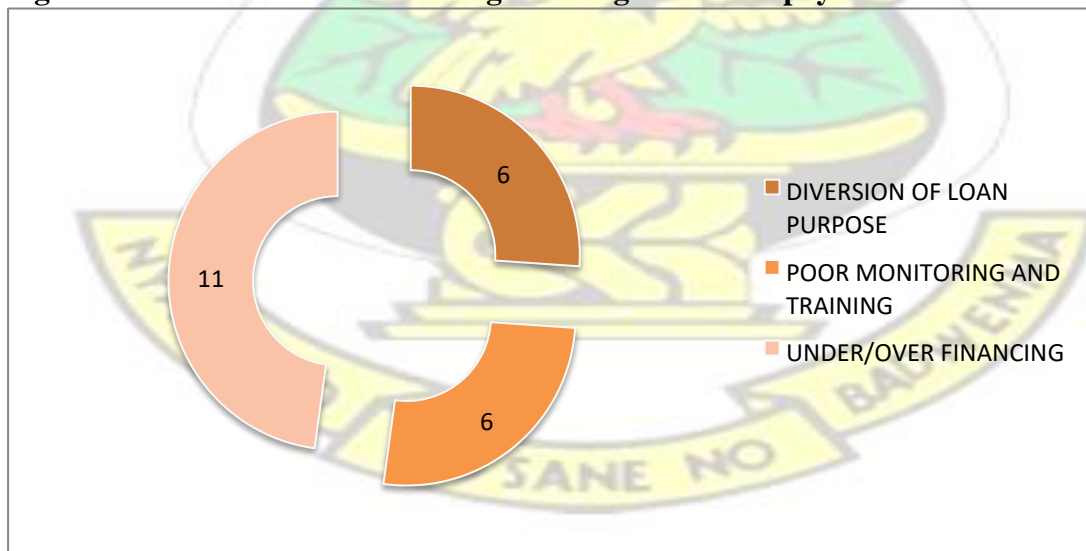
Response	Frequency	Percentage (%)
Yes	23	23
No	76	77
Grand Total	99	100

Source: Field Work, August 2015

4.13 REASONS FOR THE CHALLENGES DURING THE LOAN REPAYMENT

Out of the 23 respondents who said they had challenges during the loan repayment, 11 attributed it to the fact that they were under financed or over financed. Equal number of 6 each attributed the challenge to diversion of the loan purpose and poor monitoring and training respectively, as shown in figure 4.13.

Figure 4.13 Reasons for the challenges during the loan repayment

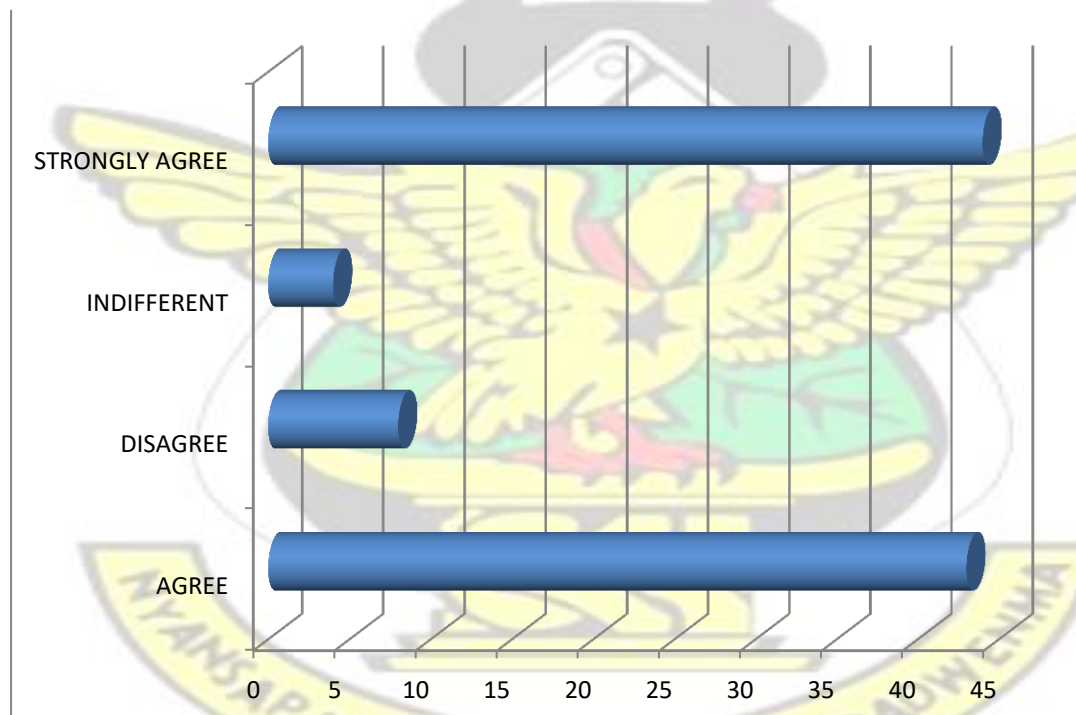


Source: Author's Own construct, August 2015

4.14 ABILITY TO SEND DEPENDENTS OF SCHOOL GOING AGE TO SCHOOL AFTER ACCESSING LOAN FROM OISL

Figure 4.14 revealed that out of the 99 respondents that were interviewed, 44 of them strongly agreed that they were able to send their dependents of school going age to school after they accessed loan from OISL. 43 also agreed to this assertion. 4 of them remained indifferent and 8 disagreed. None of the respondents strongly disagreed to the fact that they were able to send their dependents of school going age to school after accessing loan from OISL.

Figure 4.14 Ability to send dependents of school going age to school after accessing loan from OISL

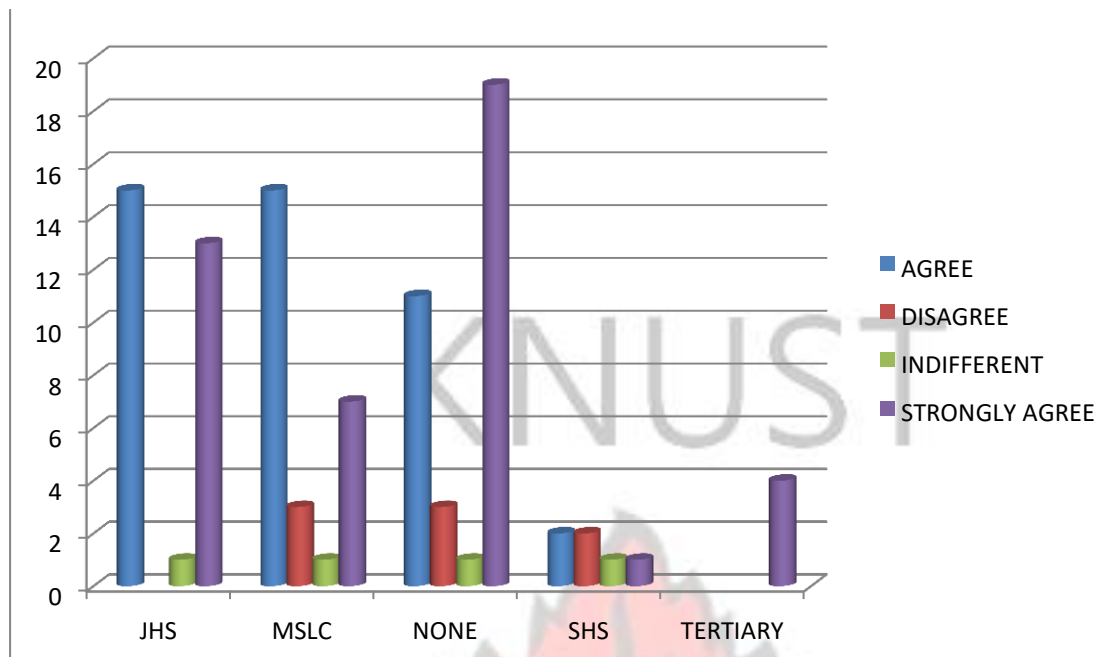


Source: Author's Own construct, August 2015

4.14.1 Ability to send dependents of school going age to school with respect to respondents with different educational background

Out of the 34 respondents who had no formal education, 19 of them strongly agreed that they were able to send their dependents of school going age to school. 11 also agreed. Only 1 remained indifferent, with 3 of them disagreeing to this fact. With regards to respondents with Middle School Leavers Certificate (MSLC) who were 26 out of the total respondents of 99, 7 of them strongly agreed that they were able to send their dependents of school going age to school. 15 of them agreed, 1 remained indifferent and 3 disagreed. 13 women out of the total of 29 women with JHS qualification strongly agreed that they were able to send their dependents of school going age to school. 15 of them agreed, only 1 was indifferent and none disagreed. 2 each out of the 6 respondents with SHS qualification respectfully agreed and disagreed to this. 1 each also respectively strongly agreed and remained indifferent about the assertion that they were able to send their children of school going age to school. All the 4 respondents with Tertiary educational background strongly agreed that they were able to send their children of school going age to school. This is illustrated in Figure 4.14.1

Figure 4.14.1 Ability to send dependents of school going age to school with respect to respondents with different educational background

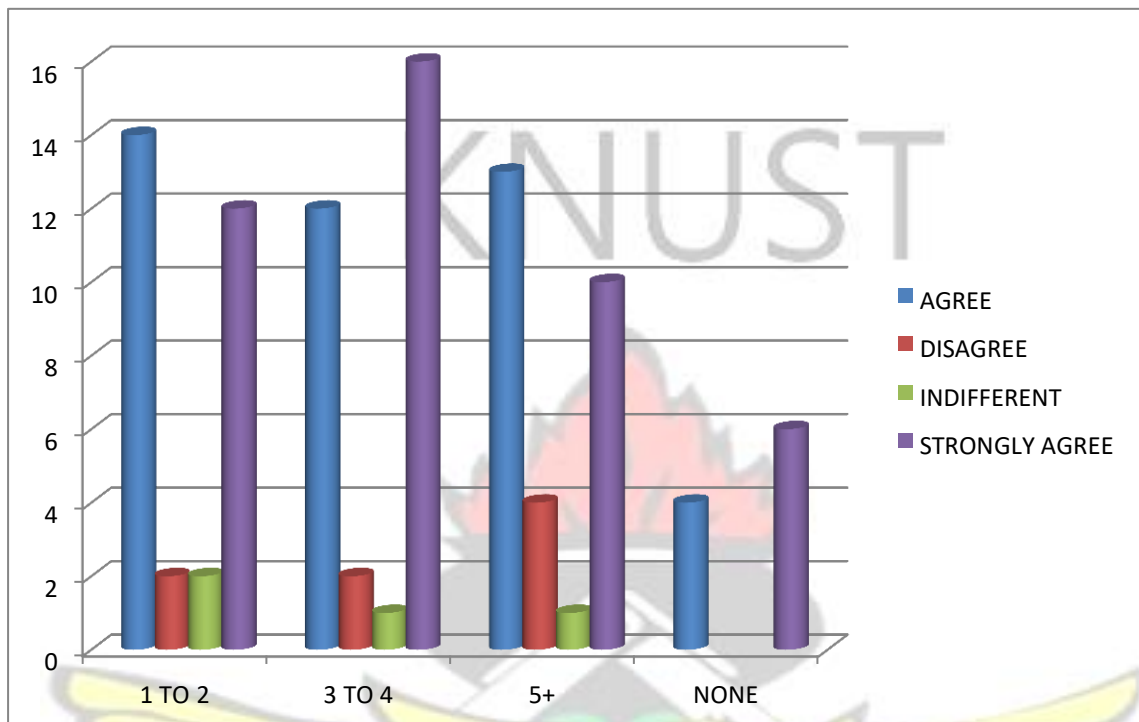


Source: Author's Own construct, August 2015

4.14.2 Ability to send dependents of school going age to school with respect to respondents with different number of dependents

Out of the 10 respondents who currently had no dependents, 6 of them strongly agreed that they were able to send their dependents of school going age to school. 4 also agreed. Neither of them remained indifferent nor disagreed to this fact. With regards to respondents with dependents ranging between 2 and 3, who were 30 out of the total respondents of 99, 12 of them strongly agreed that they were able to send their dependents of school going age to school. 14 of them agreed, 2 remained indifferent and 2 disagreed. 16 women out of the total of 31 women with dependents ranging between 2 and 3 strongly agreed that they were able to send their dependents of school going age to school. 12 of them agree, only 1 was indifferent and 2 disagreed. 10 women out of the total of 28 women with dependents above 5 strongly agreed that they were able to send their dependents of school going age to school. 13 of them agree, only 1 was indifferent and 4 disagreed. This is illustrated in Figure 4.14.1

Figure 4.14.2 Ability to send dependents of school going age to school with respect to respondents with different number of dependents

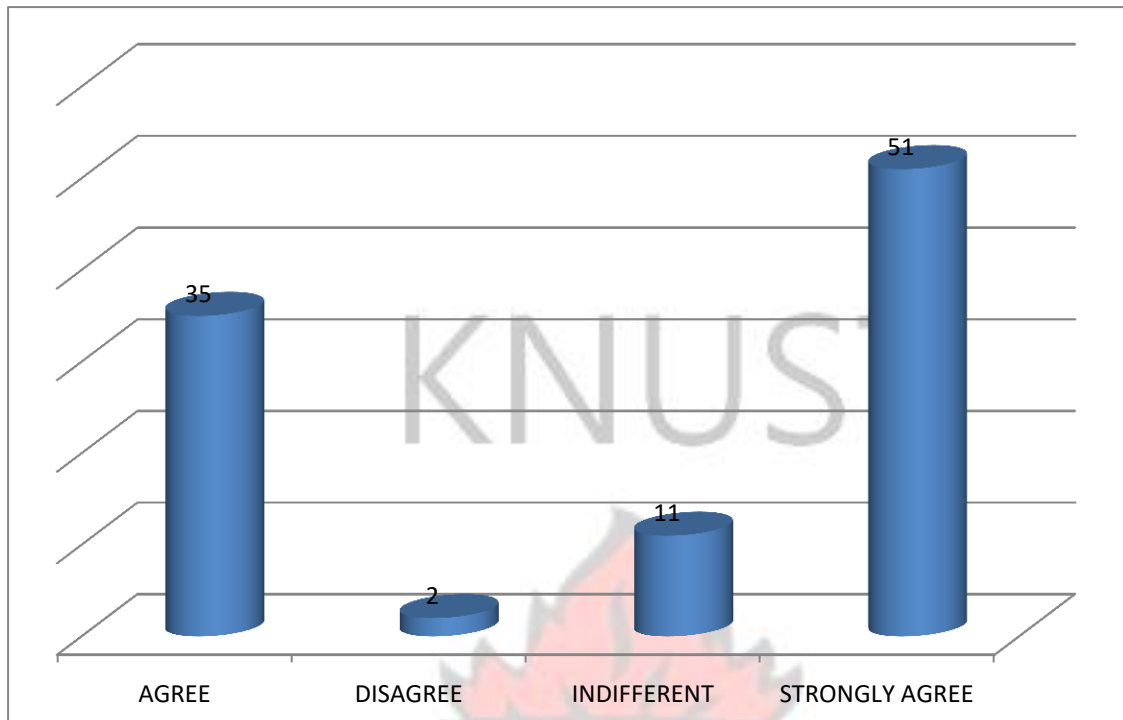


Source: Author's Own construct, August 2015

4.15 ABILITY TO BUY BOOKS AND OTHER EDUCATIONAL MATERIALS FOR DEPENDENTS AFTER ACCESSING LOAN FROM OISL

Figure 4.15 revealed from the study that 51, representing 51% of the total number of 99 respondents strongly agreed that they were able to buy books and other educational materials for dependents after accessing loan from OISL. 35 of them, representing 36% agreed to this statement. 11% of the women remained indifferent and only 2% disagreed. None of them strongly disagreed that they were able to buy books and other educational materials for dependents after accessing loan from OISL.

Figure 4.15 Ability to buy books and other educational materials for dependents after accessing loan from OISL



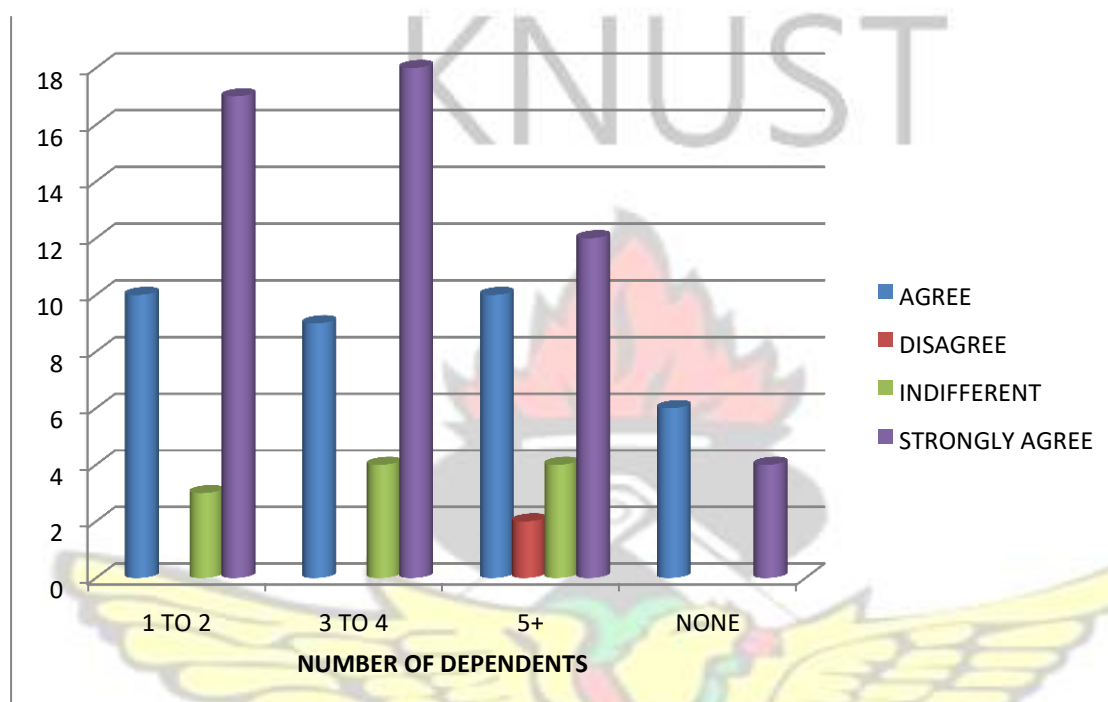
Source: Author's Own construct, August 2015

4.15.1 Ability to buy books and other educational materials for dependents with respect to the number of dependents

Out of the 10 respondents who had no dependents, 4 of them strongly agreed that they were able to buy books and other educational materials for dependents. 6 also agreed. Neither of them remained indifferent nor disagreed to this fact. With regards to respondents with dependents ranging between 2 and 3, who were 30 out of the total respondents of 99, 17 of them strongly agreed that they were able to buy books and other educational materials for dependents. 10 of them agreed, 3 remained indifferent and none of them disagreed. 18 women out of the total of 31 women with dependents ranging between 2 and 3 strongly agreed that they were able to buy books and other educational materials for dependents. 9 of them agreed, 4 were indifferent and none of them disagreed. 12 women out of the total of 28 women with dependents above 5 strongly agreed that they were able to buy books and other educational materials for

dependents. 10 of them agreed, 4 were indifferent and 2 disagreed. This illustration is presented in Figure 4.14.1

4.15.1 Ability to buy books and other educational materials for dependents with respect to the number of dependents

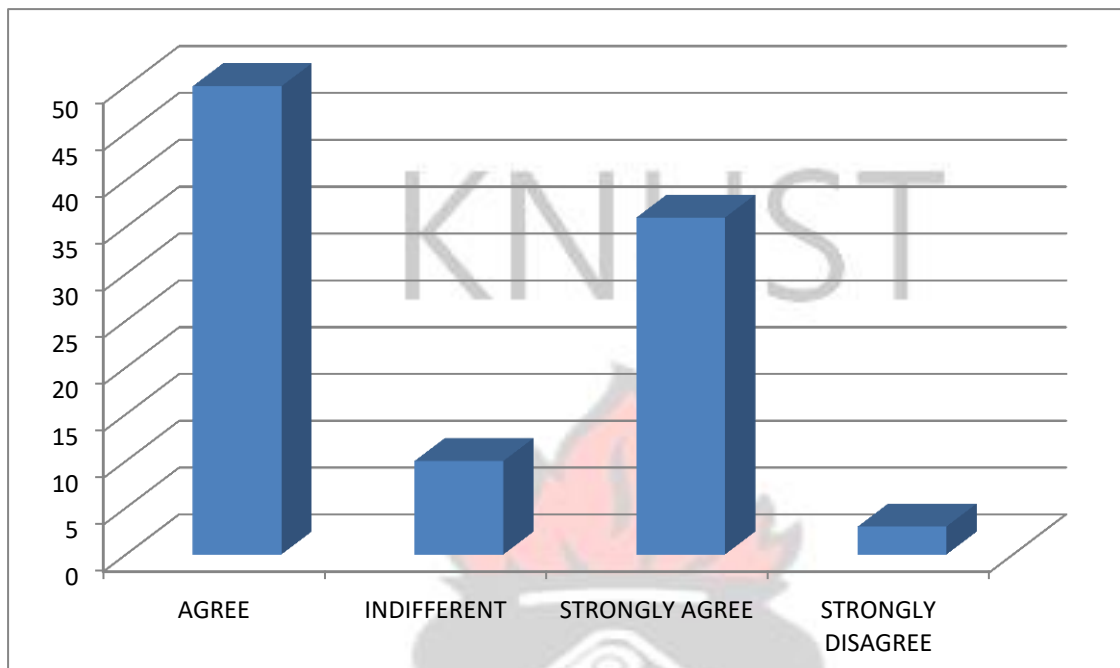


Source: Author's Own construct, August 2015

4.16 ABILITY TO VISIT THE HOSPITAL WHENEVER THE CLIENT OR HER DEPENDENT WAS NOT WELL AFTER ACCESSING LOAN FROM

Figure 4.16 revealed from the study that 36, representing 36% of the total number of 99 respondents strongly agreed that they were able to visit the hospital whenever the client or her dependent was not well after accessing loan from OISL. 50 of them, representing 51% agreed to this statement. 10, representing 10% of the women remained indifferent and 3, representing 3% strongly disagreed. None of them disagreed that they were able to visit the hospital whenever she or her dependent was not well.

Figure 4.16 Ability to visit the hospital whenever the client or her dependent was not well

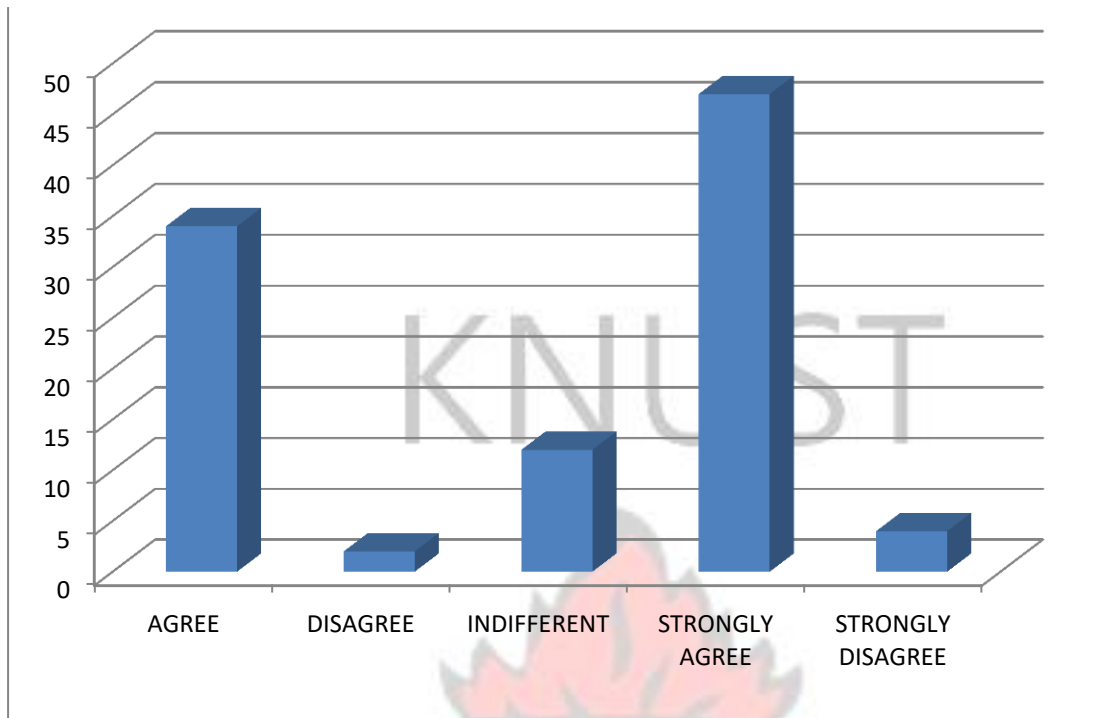


Source: Author's Own construct, August 2015

4.17 ABILITY TO DO ROUTINE CHECK-UPS AFTER ACCESSING LOAN FROM OISL

From the study, it was evident that out of the 99 respondents, 47, representing 47% strongly agreed that they were able to do routine check-ups to know their health status after they accessed loans from OISL. 34 also agreed to this assertion. 2 and 4 respectively disagreed and strongly disagreed that they were able to do routine checkups of their health status. Again, only 11 remained indifferent to this statement.

Figure 4.17 Ability to do routine check-ups after accessing loan from OISL

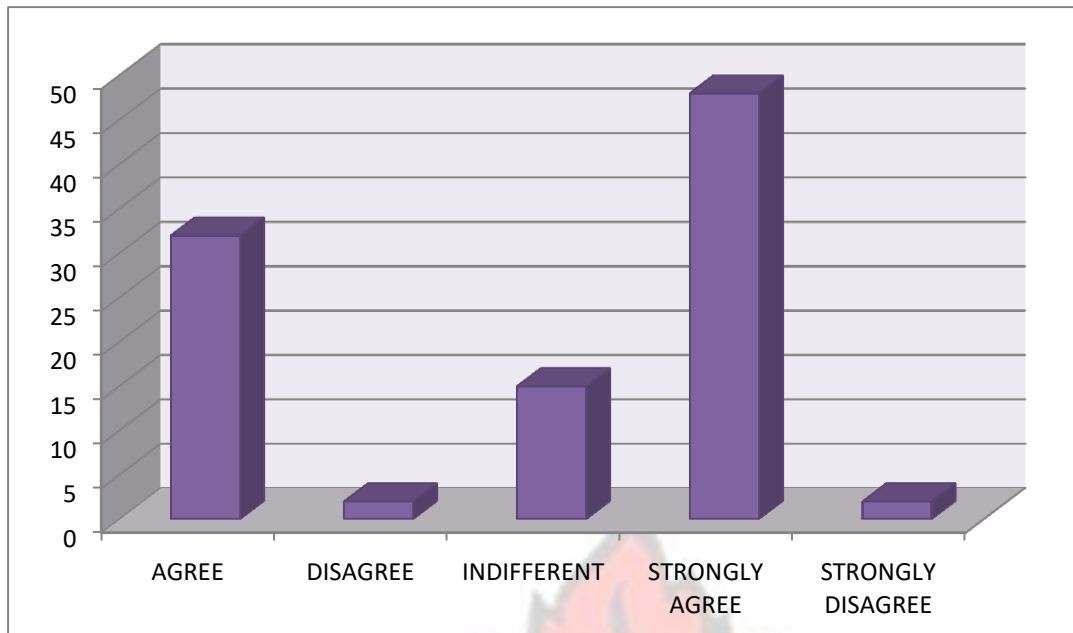


Source: Author's Own construct, August 2015

4.18 ABILITY TO EAT BALANCED DIETS AFTER ACCESSING LOAN FROM OISL

From the study, it was observed that 48 out of the 99 respondents strongly agreed that they were able to eat balanced meals after accessing loans from OISL. 32 also agreed to this assertion. 15 remained indifferent. 2 each, representing the minority of respondents, with a percentage of 2, respectively disagreed and strongly disagreed that they were able to eat balanced meals after accessing loan from OISL.

Figure 4.18 Ability to eat balanced diets after accessing loan from OISL



Source: Author's Own construct, August 2015

4.18.1 Ability to eat balanced diets after accessing loan from OISL with respect to the number of dependents

Table 4.18.1 revealed that out of the 10 respondents who had no dependents, 7 of them strongly agreed that they were able to eat balanced diets after accessing loan from OISL. 2 also agreed. Only 1 of them remained indifferent and none disagreed or strongly disagreed to this fact. With regards to respondents with dependents ranging between 2 and 3, who were 30 out of the total respondents of 99, 13 of them strongly agreed that they were able to eat balanced diets after accessing loan from OISL. 10 of them agreed, 6 remained indifferent and none of them strongly disagreed, with only 1 of them agreeing. 17 women out of the total of 31 women with dependents ranging between 2 and 3 strongly agreed that they were able to eat balanced diets after accessing loan from OISL. 6 of them agreed, 6 were indifferent and none of them disagreed. 2 of them strongly disagreed that they were able to eat balanced diets after accessing loan from OISL. 11 women out of the total of 28 women with dependents above 5 strongly agreed that they were able to eat balanced diets after accessing loan from OISL. 14 of them

agreed, 2 were indifferent and 1 disagreed. None of them strongly disagreed. The illustrated is presented in Figure 4.14.1

Table 4.18.1 Ability to eat balanced diets with respect to the number of dependents

NUMBER OF DEPENDENTS	NONE	1 TO 2	3 TO 4	5+	GRAND TOTAL
RESPONSE					
AGREE	2	10	6	14	32
STRONGLY AGREE	7	13	17	11	48
INDIFFERENT	1	6	6	2	15
DISAGREE	0	1	0	1	2
STRONGLY DISAGREE	0	0	2	0	2
GRAND TOTAL	10	30	31	28	99

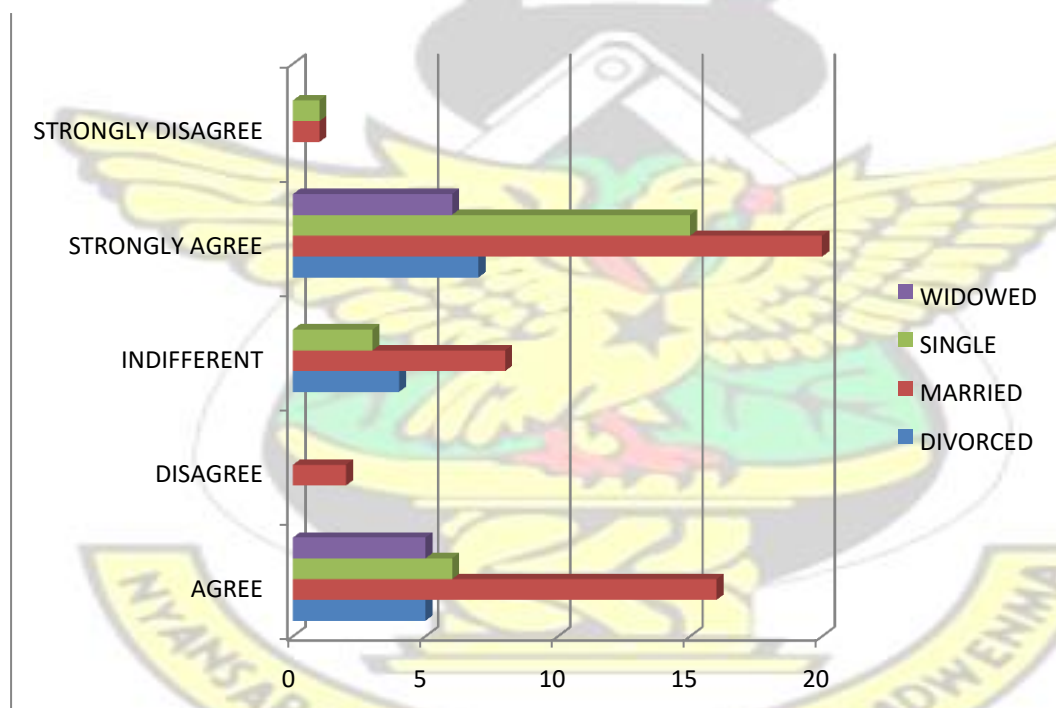
Source: Field Work, August 2015

4.18.2 Ability to eat balanced diets with respect to the marital status of dependents

From the diagram 4.18.2, it was observed from the respondents who were married that 20 out of the total of 47 strongly agreed that they were able to eat balanced diets after accessing loan from OISL. 16 of the married women also agreed to the fact they were able eat balanced diets after accessing loan from OISL. 8, 2 and 1 respectively remained indifferent, disagreed and strongly disagreed that they were able to eat balanced diets after accessing loan from OISL. On the other hand, those who were single, making up a total of 25 out of the 99 respondents also gave their responses as follows: 15 and 6

respectively strongly agreed and agreed that they were able to eat balanced diets after accessing loan from OISL. 3 remained indifferent. No one disagreed to this assertion but only 1 strongly disagreed to this. Regarding the women who are divorced, 7 of them strongly agreed, 5 agree and 4 remained indifferent. None of the divorced women disagreed or strongly disagreed that they are able to eat balanced diets after accessing loan from OISL. 6 out of the 11 women who were widowed strongly agreed that they were able **to eat balanced diets** after accessing loan from OISL. The remaining 5 also agreed. None of the widowed was indifferent, disagreed or disagreed that they were able to eat balanced diets after accessing loan from OISL.

Figure 4.18.2 Ability to eat balanced diets with respect to the marital status of dependents



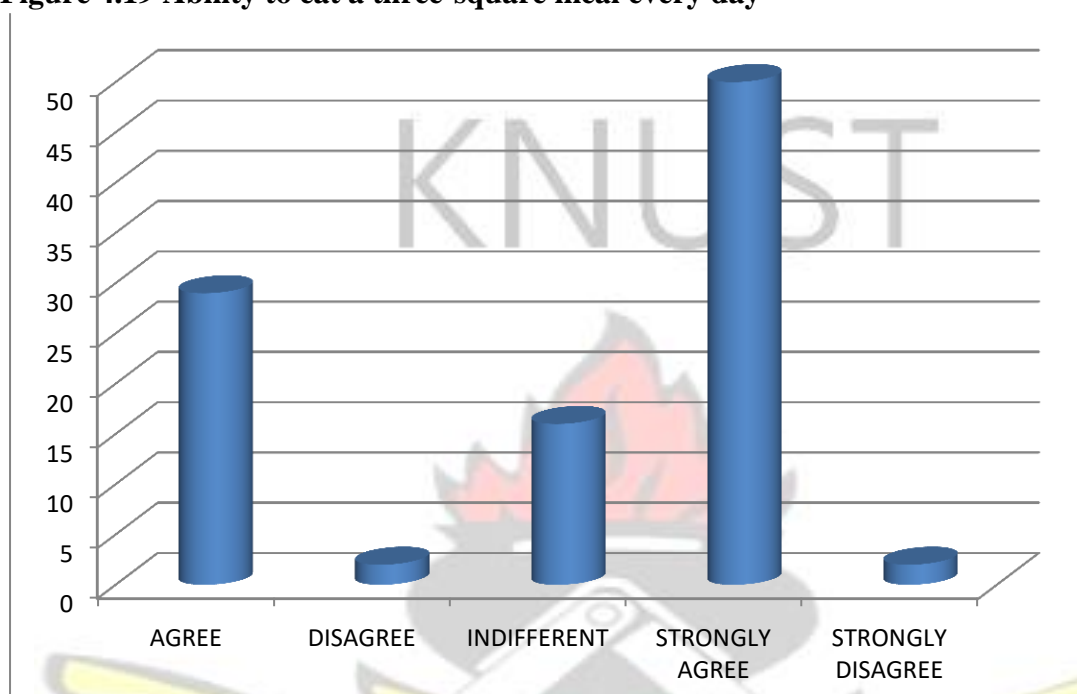
Source: Author's Own construct, August 2015

4.19 ABILITY TO EAT A THREE-SQUARE MEAL EVERY DAY

Figure 4.19 revealed that 50 and 29 out of the 99 women strongly agreed and agreed respectively that they were able eat a three – square meal every day. 16 remained

indifferent. 2 each disagreed and strongly disagreed that they were able to eat a three-square meal every day.

Figure 4.19 Ability to eat a three-square meal every day



Source: Author's Own construct, August 2015

4.19.1 Ability to eat a three-square meal every day with respect to marital status

Table 4.19.1 revealed from the respondents who were married that 20 out of the total of 47 strongly agreed that they were able to eat three-square meal every day after accessing loan from OISL. 15 of the married women also agreed to the fact they were able eat three-square meal every day after accessing loan from OISL. 9, 2 and 1 respectively remained indifferent, disagreed and strongly disagreed that they were able to eat three-square meal every day after accessing loan from OISL. On the other hand, those who were single, making up a total of 25 out of the 99 respondents also gave their responses as follows: 15 and 6 respectively strongly agreed and agree that they were able to eat three-square meal every day after accessing loan from OISL. 3 remained indifferent. No one disagreed to this assertion but only 1 strongly disagreed to this. Regarding the

women who were divorced, 8 of them strongly agreed, 5 agreed and 4 remained indifferent. None of the divorced women disagreed or strongly disagreed that they were able to eat three-square meal every day after accessing loan from OISL. 7 out of the 11 women who were widowed strongly agreed that they were able to eat balanced diets after accessing loan from OISL. The remaining 4 also agreed. None of the widowed was indifferent, disagreed or disagreed that they were able to eat three-square meal every day after accessing loan from OISL.

Table 4.19.1 Ability to eat a three-square meal every day with respect to marital status

MARITAL STATUS	DIVORCED	MARRIED	SINGLE	WIDOWED	GRAND TOTAL
RESPONSE					
AGREE	4	15	6	4	29
STRONGLY AGREE	8	20	15	7	50
INDIFFERENT	4	9	3	0	16
DISAGREE	0	2	0	0	2
STRONGLY DISAGREE	0	1	1	0	2
GRAND TOTAL	16	47	15	11	99

Source: Field Work, August 2015

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter summarizes the results of the analysis in Chapter four, draws conclusions and makes recommendations. Summary of findings begins the presentation, followed by the conclusion. The chapter ends with recommendations based on the findings of the study.

5.1 SUMMARY OF FINDINGS

The study revealed that the respondents had varied loan amounts. The loan size varied from respondent to respondent depending on such factors as the kind of business, the type of products being sold, the size of the business, the loan cycle of the client, the number of years in business (experience), among other factors. Those with bigger business size, more years in the business, having accessed loans for more number of times, among others things, received relatively bigger loan amounts compared to those with few years' experience in the business, those with lower loan cycles, etc.

It was clear from the study that a majority of the clients who had accessed loans from OISL had repayment period of less than a year, mostly within six months. This finding is a clear vindication of Boakyewaa's (2009) finding that these poor women are given short- terms loan (usually up to the term of one year). Despite the loan repayment duration being relatively shorter, a majority acknowledged that it was favourable for them. The few who acknowledged that repayment duration was not favourable emphatically expressed that it put too much stress on them.

The study revealed that a greater percentage of the loan clients had accessed loans for more than once from OISL. This could imply that they find microcredit to be a very important source of finance for their respective businesses and therefore relied so much on it to expand their business activities. It was obvious that if they had not found micro

credit to be useful, they would not have continued accessing it after they accessed it for the very first time.

A majority of the loan clients affirmed that the loan amounts disbursed to them by OISL matched their financial needs. This could also be the reason why after accessing loan for the very first time, they kept on accessing the credit facility.

The study revealed that a majority of OISL's loan clients did not encounter challenges prior to the loan granting. This finding confirmed the general perception that application procedures in accessing microfinance are simple. Some of the challenges identified by the few who encountered challenges included long delays experienced while processing the loan, collateral requirements such as difficulty in getting guarantors to guarantee for their loan request, to mention few but a few.

The study showed that a majority of OISL's loan clients did not encounter challenges during their loan repayment. The very few who encountered the challenges, and therefore seeing it as putting so much pressure on their business, attributed the causes to diversion of the loan purpose, poor monitoring and training before and after the loan had been granted as well as under financing or over financing by OISL due to improper assessment of their respective businesses. Even though those who encountered challenges were few, it could have had adverse impact on their business and economic empowerment since they had to struggle through to meet their repayment obligation. This could have taken the limelight of OISL's mission of providing financial solutions and training, to empower people particularly those living in poverty to transform their lives, their children's futures and their communities. This finding also reconciles with Hulme and Mosley (1996) who made a conclusion from their research on micro-credit that "most contemporary schemes are less effective than they might be". These 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”

The study made it emphatically clear that a greater percentage of the women strongly agreed that they were able to send their dependents of school going age to school, they were able to buy books and other educational materials for their dependents, they were able to visit the hospital whenever the client or her dependent was not well, they were able to do routine check-ups to know their health status, they were able to eat balanced meals and they were able to eat a three – square meal every day. All these, according to them, became possible after they had accessed loan from OISL. This finding clearly epitomizes Annan’s (2003) position in his finding that “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”.

5.2 CONCLUSION

The general objective of this study was to assess the contribution of OISL to the economic empowerment of people, with particular emphasis on women living in the rural communities within Bekwai municipal in Ashanti region, with specific objectives as follows:

- To determine whether microfinance activities offered by Opportunity International has empowered rural women
- To identify the challenges (if any) rural women face in accessing loans from Opportunity International Savings and Loans Limited

All the clients living in the rural communities could not be surveyed due to time and financial constraints; a sample size of 99 which was approximately 11% of the total women (loan clients) living in the rural communities was used. Data was collected

through interviews and questionnaire administration and analyzed using Microsoft excel.

The study revealed microfinance as having tremendous significance on economically empowering women living in rural communities. The women attested to the reality of having an empowered living after accessing loans from OISL compared to when they had never accessed loans from OISL, as a majority of them strongly agreed of having the capacity to provide better education, health and balanced meals for themselves and their dependents. OISL's clients were economically active, being engaged mainly in trading and manufacturing activities. A majority of these women had little or no formal educational background, with a lot of them also being single, either not being married to before, divorced or widowed. Even the married ones gracefully admitted that micro financing had significantly improved their businesses. Most of the clients had dependents relying on them for their source of livelihood. They pointed out stiff requirements demanded by OISL as being their major challenge prior to the loan granting. Notwithstanding this, some of the women inclined that loan repayment durations be lengthened so as to enable them turn the funds over a relatively longer period.

The findings have shown that institutional credit programmes such as the one by OISL have had a significant impact on the economic empowerment of women living in the rural communities. The loan clients generally attested to the fact that they had gained more assets, better education for children, improved health life, to mention but a few, after they accessed loans from OISL. A very few of them encountered challenges either prior to the loan granting or during the loan repayment.

5.3 RECOMMENDATIONS

With regards to the findings from the research, the following recommendations are being made in order to maximize the benefits that are being offered by microfinance institutions such as Opportunity International Savings and Loans on the economic empowerment of women particularly living in rural communities.

More education, training and capacity building should be carried out and intensified on the need for savings and debt financing, most especially through workshops, seminars and local public address media whereby potential and existing loan clients will have direct contact with the loan/relationship officers to aid in questioning for clarifications. Thus, OISL's training programmes would have to be repackaged to make it more acceptable to the clients.

OISL stands the need to extend its services to cover women in the remotest parts. More branches could therefore be opened in the remote communities where most of these economically active women with little or no formal educational background reside, to offer easy access of credit and also to ensure effective monitoring and supervision.

Some of the stiff requirements required prior to the loan granting should be lessened to make it more favourable and conducive for the women living in the rural communities. Such procedures include huge collateral requirements, numerous numbers required to make up a group of trust guarantees, guarantor requirements, payment of fixed percentage on amount to be disbursed as compulsory savings, to mention but a few.

Financial institutions need to design more flexible lending packages for business starters. There are several women who may not currently be into business. They may have the idea about the kind of business they wish to engage in but lack of finance cannot help that dream to materialize. Such women are cut off under the current

microfinance schemes that are available. Therefore microfinance institutions should extend their scope to cover all such ones.

OISL and other MFIs should introduce medium and long term loan facilities to enable clients expand and grow their businesses. „*We want “Opportunity” to stop collecting the money on weekly and monthly bases since that does not allow us enough time to use the money to make profits*“. That was how most of the respondents expressed their sentiments at being made to make frequent payments. Clients may want to take advantage of seasons such as Christmas to turn the loans several times over and maximize their profits before paying back. They were not able to do so because they had to make repayments within short periods.

The government should also provide an enabling environment for the development and growth of the micro finance sector since it had the capacity of empowering people, particularly women. The introduction of more microfinance institutions will create stiffer competition in the microfinance industry.

An efficient and effective microfinance terms for women living in rural communities have the tendency of generating income for the stakeholders, contributing to gross domestic product (GDP), and reducing rural urban migration. Hence government and all stake holders such as financial institutions are being called upon to join hands together to solve problems and challenges encountered when women living in rural communities are sourcing out financial assistance for their business engagements, in order for micro finance to realize its role as an engine of economic empowerment.

The study conducted focused on a small sample size taken from only few communities within Bekwai municipality in the Ashanti region of Ghana. The results have therefore been generalized which may not be the case in other communities where OISL operates. Further research could therefore be done on a bigger scale, with large sample size to

throw more light on how microfinance activities affect the average living standard of poor people of Ghana, analytically. This will help to compare the findings.

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APPENDICES

APPENDIX 1

**TOPIC: ASSESSMENT OF THE IMPACT OF MICROFINANCE ON THE
ECONOMIC EMPOWERMENT OF WOMEN LIVING IN RURAL
COMMUNITIES**

**A CASE STUDY OF OPPORTUNITY INTERNATIONAL SAVINGS AND LOANS
LIMITED (OISL) ON WOMEN LIVING IN BEKWAI MUNICIPAL**

Note: This questionnaire has been designed to collect data for academic purpose only.

1. BIO DATA:

- Age of respondent: 18-25 () 26-35() 36-45() 46 and above ()
- Marital Status: Single () Married () Widowed () Divorced ()
- Educational background: None () MSLC () JHS () SHS ()
Tertiary ()

2. Number of dependents: 1 – 2 () 3 – 4 () 5+ ()
3. Kind of business: Manufacturing () Trading () Farming () Service ()
4. For how long have you been in this business?
Less than two years () 2-5 () Above 5 years ()
5. Have you accessed a loan from OISL? Yes () No ()
6. If your answer to question (4) is yes, how much did you access?
7. What was the loan duration? Less than 1 year () 1 year () more than 1 year ()
8. How many times have you accessed loan from OISL?
Once () Twice () Thrice () 4+ ()
9. Do you think the loan size/amount disbursed to clients matches the financial need of the client? Yes () No ()
10. Do you think the loan tenor/duration given out for repayment is favourable?
Yes () No ()
11. Were there some challenges you encountered prior to the loan granting?
Yes () No ()
If yes, please specify:
.....
.....
12. Did you encounter some challenges during the loan repayment?
Yes () No ()
13. If yes, what contributed to that?
Diversion of loan purpose () Under/Over financing () Poor pre
and post disbursement monitoring & training ()
Other (please specify)

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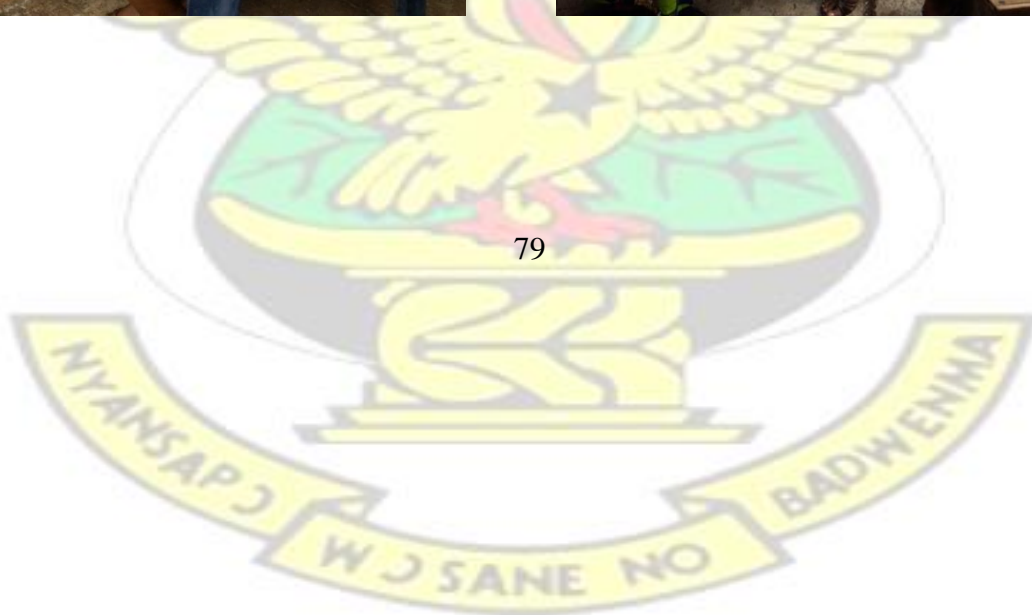
QUESTIONS	STRONGLY DISAGREE	DISAGREE	INDIFFERENT	AGREE	STRONGLY AGREE
Preamble: After accessing loan from OISL;					
14. I am able to send all my dependents of schoolgoing age to school					
15. I am able to buy books and other educational materials for my dependents					
16. My dependents and I are able to visit the hospital/clinic whenever we are not feeling well since I am able to foot the hospital bills, thus avoiding self-medication					
17. I am able to do routine checkups to know the status of my health					
18. I am able to eat well and balanced diets everyday					
19. I am able to eat a three-square meal every day					

Thank you for your time and patience in answering the questions. 78

APPENDIX 2

PICTURES TAKEN DURING DATA COLLECTION (SOME WOMEN WHO ARE OISL's LOAN CLIENTS)







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