Microfinance Schemes and Poverty Reduction among Women in the Northern Region of Ghana

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Abstract

In Ghana like in other countries, microfinance has been acknowledged as a pro- poor development intervention because of its special programme models in meeting the special needs of the poor especially women. The study explores the contributions of microfinance programmes to poverty reduction and empowerment among women. Qualitative methodologies were used to collect the primary data from about 29 informants recruited from the MFIs. The study found out that MFIs give credits with conditions that are not favourable to the needs of the women. It was also found out that, the dependency burdens on women coupled with the low credit that the women access from the MFIs for productive activities lead the women to deploy the credit to meet the demand of both the business and household. Moreover it was revealed by the study that irrespective of the women's access to credit and income their bargaining power and fallback positions in household decision making processes are largely defined by the gendered regimes within the household economy.

Key words: microfinance, poverty, women, northern region, scheme.

1.0 Introduction

The Government of Ghana has since independence in 1957 undertaken number of development interventions to reduce poverty among its citizens, for example, Free Compulsory Universal Basic Education (FCUBE), School Feeding Programme, Economic Recovery Programme (ERP), Structural Adjustment Programme (SAP) and Women in Development Fund (WDF). According to the Ghana Statistical Service 2007 as cited in African Development Fund, Human Development Department (OSHD, 2008) on Ghana Country Gender Profile, the level of poverty fell from 51.7 percent in 1991/92 to 39.5 percent in 1998/99 and further to 28.5 percent in 2005/06. Notwithstanding these reductions in the level of poverty over the years, the Ghana Poverty Reduction Strategy GPRS Report (2003) noted that the progress however, masks the uneven decline in poverty and incidents of growing and deepening poverty in some geographical areas. The evidence suggests that the vulnerability and exclusion among some geographical groups, socio-economic groups, gender and age groups may have worsened. Thus, a lot more still needs to be done to achieve the goal of poverty reduction. To achieve equitable poverty reduction, access to financial services is vital for the development of the private and informal sectors of the national economy, sectors that hardly meet the requirements of mainstream financial services.

In the development discourse, microfinance schemes are viewed as participatory and bottom-up means of poverty reduction that can address the economic, social, and political needs of the poor who are engaged in entrepreneurial activities in the informal economy.

The above assumptions of the benefits of microfinance have led to significant public and private sector investments in microfinance schemes, which are made available to the poor. In Ghana, particularly the Northern Region, these microfinance schemes are made available especially to women and women's groups. However, after years of implementation of microfinance programmes the level of poverty by gender as noted earlier, seems to persist if not worsened. Women's economic, social and political situations appear questionable. There is therefore a need for a context-specific inquiry into the provision and use of microfinance schemes, as well as an inquiry into the benefits of these schemes to women and the challenges they face.

2.0 Related Studies

2.1 Microfinance in a Historical Perspective: Global and Local Trends and Perspectives

Microfinance has a long history. Traditionally, the poor have been accessing financial services from moneylenders, family and friends. The financial services from these sources are characterized by the charging of exorbitant interest rates, and are sometimes unreliable in times of need. Since the emergence of institutional microfinance schemes in the past three decades, the demand for these traditional forms and sources are on the decline. The literature on microfinance stresses that the development of modern day microfinance grew out of experiments in Latin America and South Asia. The best known at the time was led by Muhammad Yunus of Grameen Bank which started in Bangladesh in response to widespread poverty and social unrest in the 1970s (De Aghion and Morduch 2005, see also Sundaresan 2008, Bateman 2010). Modern microfinance then provided financial and non-financial services for the poor to enable them to "establish or expand a simple income-generating activity, thereby facilitating their eventual escape from poverty" (Bateman 2010).

Since the 1970s, there have been reports of "success cases" of poverty reduction in microfinance intervention areas across the world especially in Grameen Bank's microfinance programmes in Bangladesh. Following these reports on the positive impact of microfinance programmes on poverty and empowerment, microfinance increasingly gained international currency in the development community-among academics and practitioners. De Aghion and Murdoch (2005) report that the adoption of microfinance as a development intervention is not limited to only developing regions of the world such as Latin America, Africa, Asia, and Eastern Europe but also available in developed countries like Norway, the United States of America, and England.

The microfinance sub-sector was given a further boost after the 2000 UN summit that promulgated the Millennium Development Goals (MGDs) and the subsequent declaration of 2006 as the year of microfinance. The global "consensus" was that "expanding microfinance to the poorest of the poor can contribute to achieving the United Nations Millennium Development Goals (MDGs), particularly relating to halving the proportion of the people living in extreme poverty by 2015, promoting gender equality and empowerment of women. (Bliss 2005). This made the microfinance sub-sector to attract large-scale capital investments that led to its phenomenal growth. Recent studies and reports of the impact of microfinance on poverty reduction and empowerment however present cases that are more complicated.

2.2 Emerging Trends in the Microfinance Sub-Sector

Following the implementation of microfinance programmes since the 1970s, as noted earlier, the microfinance movement is experiencing phenomenal changes. In the wake of these changes, two perspectives have emerged with regard to the delivery of microfinance programmes, the welfare and financial. The welfare perspective is informed by the need to give the poor, especially women heavily subsidized microcredit without or with minimal interest rates. The financial perspective on the other hand argues for the charging of interest rates at market rates or sometimes higher for the financial sustainability of the MFIs. Reports in the microfinance literature suggest that the latter perspective is becoming very attractive to many MFIs. This paradigm shift from the pursuit of welfare and social needs of clients to commercial and financial sustainability is gradually affecting the client base of microfinance schemes resulting in what some in the microfinance movement call "mission drift". Mission drift is defined as "a phenomenon whereby an MFI increases its average loan size by reaching out to wealthier clients neither for progressive lending nor for cross-subsidization" (Armendariz and Szafarz 2009).

Beside the changing focus in the delivery of microfinance programmes, there have been studies to explore the robustness of the impact of expected gains of microfinance on poverty reduction over time. These studies have further polarized the debate on the impact of microfinance on poverty reduction and empowerment. From the literature on microfinance, we can separate three schools of thought (Kotir and Obeng, - Odoom 2009).

The first group of scholars, the positive school of thought "celebrates the positive impact of microfinance". They claim that microfinance programmes reduce poverty and empower the poor. The second group of scholars, which is called the negative school, however "argues that microcredit bypasses the poor and, in some rare cases when it reaches the poor, microcredit kills their initiative" (Bateman 2010). Last but not least school of thought is the" neutral camp‟. The neutral camp recognizes the positive impact of microfinance on poverty reduction and empowerment while pointing out the challenges within the sub-sector (Kotir and Obeng-Odoom 2009, and Adjei 2010). The study explored the effects of the microfinance programmes of APED and Bonzali on the lives of women participating in their programmes in Tamale.

2.3 The Preference for Women in Microfinance Programmes.

Globally, microfinance programmes target the poor; nonetheless, women are the most preferred. According to Armendariz and Roome (2008) seven out of ten microfinance clients are women. In Ghana, 67 percent clients of MFIs are women (GHAMFIN 2009 as cited in Adjei 2010). The increasing preference for women in microfinance programmes is informed by certain reported characteristics of women as clients of microfinance programmes. It has been reported that women in microfinance programmes have higher repayment rates than men. By dealing with women, MFIs are noted to have a reduced transaction cost because women are more punctual and assiduous in attending meetings. Women are reported to often spend more of their earnings on their household. Women in the microfinance programmes are organised in groups. Group formation for the implementation of microfinance programmes is informed by women's solidarity that groups are likely to generate. Women solidarity is expected to help women in the pursuit of their empowerment needs such as decision-making power by supporting their businesses and through information sharing (Armendariz and Roome 2008; Rahaman 1998 as cited in Nelson 2009). However, some critical studies have identified some hidden presumptions of MFIs about women that also tend to make women more attractive to microfinance providers than men. Some of these hidden presumptions border on the personal characteristics of women (Rahaman 1998 and Nelson 2009). These hidden characteristics include the perceptions that women are docile and easier to manage in microfinance programmes than men are. Women are said to be vulnerable to peer pressure which makes them do anything to settle their indebtedness to MFIs. Women fear of shame or disgrace associated with defaults make them more ready to redeem their obligation to the group and MFI no matter the circumstances.

To the critics, these hidden presumptions are the actual motivations that make MFIs to focus more on women than on men. In this case, the critics argue that MFIs benefit more from their microfinance programmes than what the women do.

2.4 Microfinance and Women's Empowerment: the Emerging Paradigms

Over the years of practice, critics have accused MFIs of operating from different "political perspectives". In response to this criticism, stakeholders in the microfinance sub-sector have attempted to build consensus in terms of institutional policies and programmes (Mayoux, 2006). Underpinning this consensus, she has identified three contrasting paradigms with different aims, understandings, policy prescriptions and priorities in relation to microfinance and gender policy (Mayoux 2006). To assess the relationship between microfinance and empowerment in terms of outcomes Mayoux (2002) identified three paradigms; the feminist empowerment paradigm, financial sustainability paradigm and poverty alleviation paradigm.

2.4.1 The Feminist Empowerment Paradigm (FEP)

The feminist empowerment paradigm focuses on identifying opportunities, constraints and bottlenecks in a given "gender domain" (Connell 2009) and using microfinance as a tool to challenge or address unfair and discriminating gender socio-economic arrangements and practices (Mayoux 2002). As indicated under the empowerment framework, some scholars have argued that microfinance may be a resource to women it has the potential of meeting not only the practical daily needs of women but also their potential to change restrictive or discriminatory gender regimes. In this case, microfinance should be part of a sectoral strategy for change that is based on participatory principles integration of gender awareness into programmes, legal support and advocacy for women.

2.4.2 Financial Sustainability Paradigm (FSP)

With regard to financial sustainability paradigm, Mayoux (2002) noted that microfinance for empowerment has an individualistic focus.

Therefore, the goal of any empowerment intervention should expand individual choices for self-reliance. Unlike the feminist empowerment paradigm which views microfinance as sectoral strategy to empower women, the financial sustainability paradigm assumes that a woman's access to microfinance schemes automatically increases her economic power and well-being, which eventually leads to her social and economic empowerment. At the microfinance institutional level, the FSP focuses on profitability and financial self-sustainability. For the MFIs to attain their financial sustainability goals, they target mainly the unbankable poor small entrepreneurs but not the poorest. Also, the MFIs set interest rates to cover cost and try to separate microfinance from other development interventions. Again, in order to maximize profits the MFIs use a group methodology to reach out to women in order to reduce the cost of programme delivery. This emerging tendency in the microfinance sub-sector as noted by the "negative school of thought" may by-pass the poor or further impoverishes them if they are able to participate in a programme. Mayoux noted that gender lobbies within the FSP argue for the targeting of women because of their high repayment rate and as a way of tapping women's underutilized labour for economic growth.

2.4. 3 Poverty Alleviation Paradigm (PAP)

This paradigm focused on developing sustainable livelihoods, community development and the provision of social services. The main targets for PAP are the poor and poorest. Based on poverty, gender lobbies have argued for more women to be involved in microfinance programmes because poverty is not only higher among women but that they bear greater responsibility for the welfare of the household (Mayoux 2002). According to Mayoux the provision of microfinance to the poor or poorest is for consumption and productive activities (Nourse 2002). Subsidized microfinance schemes are therefore viewed as crucial in order to help more poor people to meet their consumption and productive needs. On women's empowerment, the PAP considers it as politically sensitive and a Western middle class feminist imposition on the Third World women. The implementation of women's empowerment has assumed a source of conflict in households and communities, this may affect microfinance institutional sustainability and outreach. These paradigms proposed by Mayoux underpin the policies and programmes of different MFIs and their outcomes on participants.

2.5 Microfinance in Ghana

Poverty is a concept difficult to pin-down to a single universally acceptable definition because of its multifaceted nature. Some indicators have been identified to allow for the easy measurement of the concept of poverty. Thus at the 2006 UN World Summit for Social Development, poverty was identified to entail the lack of income and productive resources, hunger and malnutrition, ill health, limited or lack of access to education and other basic services. The other indicators are homelessness or inadequate housing; unsafe environments, social discrimination and exclusion in a given social context (UN Report 2009). In effect, any person confronted with most of or all the above indicators can therefore be described as poor. Available reports indicate that the trends in global poverty indicate a decline but that of Sub-Saharan Africa "remain unacceptably high" (UN Report 2009). Ghana cannot be isolated from the disturbing continental statistics.

Post-independent Ghana has experienced a checkered political history with varied and sometimes inconsistent and counterproductive development policy experimentation. For instance, the implementation of the Economic Recovery Programme (ERP) and Structural Adjustment Programme (SAP) in the early 1980s led to the liberalization of Ghana's economy. This resulted in the collapse of local industries because they could barely compete with their foreign counterparts coupled with the withdrawal of subsidies and other social services. Eventually, the formal sector that provided these services crumbled along; the retrenchment of formal sector workers was an obvious outcome (Ghana Statistical Service 2008). The cumulative effects of these programmes deepened the levels of poverty, deprivation and vulnerability in Ghana until the late 1990s. The impact of this was greater in the relatively under-developed regions of Ghana of which the Northern Region is one. Programme of Action to Mitigate the Social Cost of Adjustment (PAMSCAD) could not even help so much. This exacerbated intra-regional mass out-migration of the youth from the northern regions to southern Ghana in search of non-existent jobs and better life. These emerging changing livelihood strategies in the wake of harsh economic conditions changed household structures, traditional social security systems and gender dynamics. Women and children therefore became the victims in terms of education, health and employment.

In the wake of these social and economic conditions, access to financial services was limited to the poor. The poor households could not only meet basic mainstream financial banking requirements for loans and savings but also found their services expensive to deal with (Alabi et al 2007).

Worst still, informal sources of financial services were equally expensive and unreliable. Pro-poor development policies and programmes were designed by NGOs and government over the years to the poor in the Northern Region and other regions of the country. These intervention programmes include food-for-education, food-aid, school-uniform-for-education, and microfinance programmes to reduce their socio-economic challenges.

In Ghana, the microfinance sub-sector can be broadly categorized into four sub-fields (Bank of Ghana 2007). The first is formal suppliers of microfinance. This category comprises rural and community banks, savings and loans companies and commercial banks. Bonzali Rural Bank therefore falls within the category of formal suppliers of microfinance in Ghana. Secondly, semi-formal suppliers of microfinance are said to include credit unions, financial non-governmental organizations (FNGOs), and cooperatives. APED, the other MFIs in this study operate in Ghana as semi-formal supplier of microfinance. The third is informal suppliers of microfinance: a category that is composed of ‘susu’ collectors and clubs, rotating and accumulating savings and credits associations (ROSCAs and ASCAs) traders, moneylenders and other individuals. Finally, there are public sector programmes designed to offer microfinance schemes to boost particular sectors of the economy or disadvantaged ones. Examples of public sector programmes are Microfinance and Small Loans Centre (MASLOC), Social Investment Foundation (SIF) and Women in Development Fund (WDF).

The Bank of Ghana BOG (2009) acknowledges the potential contribution of microfinance to the development of the national economy but decries the lack of data on the impact. According to the BOG, 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 standard of living. However, the lack of data on their operations affects the monitoring and evaluation of the impact of microfinance schemes on informal economic activities across the country.

2.6 The Theory of Empowerment

Power play is ubiquitous in daily household relationships but power is most of the time concealed making it quite difficult to isolate for exploration Kabeer (2005). Hence, a person may be dispossessed of power without being conscious of it. Batliwala (1994) noted that some “women have been led to participate in their own oppression and therefore see external change agents as necessary for empowerment”. External agents are pre-requisites for empowerment because women need a new body of ideas, knowledge and information to change their mindset, and a self-concept that will encourage them to act against discriminating gender orders in their household and communities (Batliwala 1994).

According to Kabeer (2005) “empowerment refers to the processes by which those who have been denied the ability to make choices acquire such ability”. While Mosedale (2005) defines women empowerment as “the process by which women redefine gender roles in ways which extend their possibilities for being and doing”. From the above definitions, empowerment can be said to be an ongoing change process that involves self-determination through the making of choices that can improve a person’s wellbeing. UNIFEM on the other hand suggests that women economic empowerment should be defined as “having access to and control over the means to make a living on sustainable and long term basis and receiving the material benefits of this access and control (Carr 2000, and Mosedale 2005). It has been argued that for a development intervention like microfinance to engender change, it should contribute to women’s sense of independence, rather than simply meeting survival needs” (Kabeer 2005). This may enable women to make choices that act against structures or individuals that draw back the pursuit of their interests and potentials. Kabeer (2005) argued that for an individual to make meaningful choices “there must be alternatives and these alternatives must be seen to exist”. Eventually, women should be free to make their choices and be responsible for the choice they make.

In other words, resources plus agency makes achievement possible. Achievement is defined as the potential for a person to live a life the person wants. To summarize the three dimensions: resources, agency and achievements are interdependent. Thus “changes in anyone dimension can lead to changes in the others. In practical terms, achievement involves the exercise of agency that is facilitated by access to resources and the outcome thereof. These resources may not only strengthen women’s socio-economic position but also make the women conscious of their conditions. The women may then be motivated to take actions to determine the use of their labour and credit. If they succeed through their action to take control of the use of their labour and credit, then we say that there is achievement. From this backdrop, what achievement can women make through their exercise of agency, a question of concern to many empowerment scholars and practitioners?

In the light of this, feminist literature has grouped the needs of women into two categories: practical interests effective agency and strategic interest transformative agency (Kabeer 2005, Mosedale 2005, Molyneux 1985 and Corcoran-Nantes 2003,). "Practical gender interest or effective agency relates to women's ascribed roles in the sexual division of labour that responds to their immediate practical needs and formulated by women themselves" (Molyneux 1985 as cited in Corcoran-Nantes 2003). It is argued that when women's practical interests are met, it only helps them to carry out their gender assigned roles more easily. When this happens, women's effective agency may be activated (Moser as cited in Mosedale 2005, Kabeer 2005).

The second category, strategic gender interest/transformative agency "directly concerns women's subordination or restrictions in a given society and demands around which women's struggles are based on a strategy to overcome all forms of gender inequality" (Corcoran-Nantes 2003,). In this second category, social transformation is the goal. According to feminist thinking, the strategic gender needs/transformative agency should be the focus of any development intervention that seeks to empower women and challenge institutional constraints that limit their potential for self-realization. This can be achieved through individualized agency and/or solidarity group action. Notwithstanding the feminist view of the potential collective action through solidarity groups, Cornwall (2008) questions this solidarity thinking, a premise on which many microfinance prgrammes are built. Based on her own studies from Ado - Odo in South-western Nigeria claims that relationships among women especially in groups are characterized by more tension and mutual suspicion than are their relationship with men. To this end, Cornwall concludes that "gendered relations" should be examined not based on only men/husband-women/wife relations but also within each gendered category.

For this study, the theory of empowerment will provide the analytical tools for me to examine how women's access to microfinance programmes and their participation in income generating activities have served as enabling "resources". Also, it will help the study to explore the extent to which these resources have enhanced the choices of women and how they are able to exercise their "agency" in their households. What is the outcome of the women's agency; effective agency or transformative agency or both? Besides, the empowerment framework will also be used to analyse the policies of the MFIs: Are there any missing links in the MFIs" attempts to empower women? To what extent are the MFIs mobilizing group solidarity for policy reforms and institutional transformation? In addition, in the household analysis, Cornwalls expanded gender relations framework may be a useful tool for the assessment of relationships of researchers informants to their co-wives, mothers and sisters in-laws, of women among others. How then do women exercise power in their households?

2.7 The Concept of the Household

The concept of household is a debated one because of its cross-cultural and multidisciplinary nature. Household has been defined by Nukunya (2003) as "a group of people who share the same housekeeping space and arrangements". Unlike Nukunya, the Ghana Statistical Service (GSS 2008) contained in its Fifth Ghana Living Standards Survey (GLSS 5) defines a household as "a person or a group of persons, who live together in the same dwelling, share the same house-keeping arrangements and are catered for as one unit". Further, Kabeer (2004) distinguishes between the concepts of "household" and "household economics". According to Kabeer, households "refer to the bundle of relationships in a society through which its primary reproductive activities are organized, recognizing that these frequently involve principles of kinships and residence". As for household economics, Kabeer (2004) defines it as "the rules, relations and practices which govern household production, acquisition and distribution of the valued resources essential for meeting the needs of its members" as the discussion of the concept of empowerment outlined earlier (Harris and Young 1981, and Gardiner 1997). In the study, a household is a group of persons who may or may not share a common residence and are connected by their livelihood arrangements and wellbeing. These household relationships have their gender dimensions. Gender relations are said to be multidimensional and complex in nature. As indicated above, some scholars have therefore argued that the analysis of gender relations should not be done only in heterosexual terms (that is women versus men) but also relationships among women; and those among men (Connell 2009).

In Ghana, the national average household size is about 4.0. The Northern Region has the second highest household size of the ten regions of Ghana (GSS 2008).

For example, a household's livelihood arrangement and wellbeing can perhaps be the remittance from domestic and international migrants for the upkeep of their households.

3.0 Methodology

The processes and procedures of data collection were informed by the goals of the study which included an exploration of the experiences and perceptions of women on Microfinance programmes, and how the women's perception in the schemes is affecting or has affected the socio- economic situation. To achieve these goals, the study explored the programmes of two Microfinance institutions, an NGO and a rural Bank. In order to study people's experiences and perceptions the researchers tried to interact with informants in their natural settings with assumption that the important reality was what people perceived to be. Qualitative data collection methods were basically used for the study. Focus Group Discussion (FGD), individual interviews and participants' observation were employed. Besides, text analyses were used to provide background data for the study. Primary data was used for the study .The primary data was collected from two women's groups namely Belle- N- Nabra of Bonzali Rural Bank Limited and Zaapayim of APED, from representatives of MFIs. Each of the women's group has four branches in the region. Two managers each, from the women's groups were purposely selected and interviewed. Heads of department of finance and marketing from the two selected branches formed the focused group discussion and the data collected were analyzed using deductions and inferences.

4.0 Results and Discussion

This study sought to contribute to this debate by exploring the microfinance programmes of two MFIs, which were assumed to have different policy orientations to their clients, for-profit-orientation (Bonzali) and not-for-profit-orientation (APED).

The study explored the missions, policies, programmes of the APED and Bonzali in terms of their ideological underpinnings. The study found that the MFIs operated as for-profit institutions because the interest rates charged on credits were as high as the market rates if not more. The missions, policies and programmes of the MFIs were so similar that the researchers had to abandon an earlier intention to do a comparative study of the operations of the NGO and Commercial MFIs. The study found that the two MFIs focused on productive poor women, and not those who were into businesses. A further review of the policies and programmes of the MFIs revealed that they focused more on the financial components of microfinance with limited education on microfinance disbursement procedures which corresponds with the financial sustainability paradigm. Apart from lack of funding to embark on issues of women's empowerment, both MFIs equally considered the issues of women's empowerment as sensitive to undertake in the study area. It can be argued that the operations of the MFIs in this regard were also informed by the poverty alleviation paradigm especially its position on women's empowerment identified by Mayoux. Overall, it can be said that the policies, programmes of both APED and Bonzali lie in-between the financial sustainability and Poverty alleviation paradigms, no attention for now is paid on the feminist empowerment paradigm.

In relation to the question of group solidarity, the groups of women serve as conduits for facilitating the effective implementation of microfinance programmes rather than for women's empowerment, while at the household level, women's co-wives for that matter are sometimes the source of their own problems as pointed out by Cornwall (2008). Women's solidarity was not mobilized to seek the interest of women. Another question was posed about the perception of women and how they use microfinance schemes. Generally, the women had positive impressions of the contribution of microfinance schemes to their lives. Only a few women claimed that their participation was informed by limited financial options at their disposal. Though the microfinance schemes were insufficient to meet their business and household needs, the women often tactically managed to use the schemes to meet not only their business needs but their household needs. This points to the fact that microfinance schemes that are offered by MFIs to women are not sufficient to help the women to grow their businesses but mainly help them to maintain their household. In addition, because of the manner in which the women apply their microfinance schemes, it can be argued that some of the women are not micro-entrepreneurs but use the micro-enterprises as proxy to secure their participation in microfinance programmes to enable them to manage and maintain their livelihoods. Most women in micro-entrepreneurship are thus pushed by poverty because micro-entrepreneurship has increasingly become a pre-requisite for participation in the microfinance programmes as it is in the cases of APED and Bonzali.

This brings to the fore the question of the compatibility of the goals of MFIs and the needs of women. MFIs through their credit, focus on the productive needs of the poor. In the view of Nourse, dealing with the productive needs of the poor is not enough to reduce poverty among the poor.

However, MFIs should show equal interest in the two other needs of the poor; consumption and insurance needs. According to Nourse, the informal businesses demand financial services that exceed the scope of productive credit to make a meaningful impact on their businesses and households. This could account for the apparent low impact of MFIs on the women. For example, some of the women in one of the MFIs have been with the microfinance programmes for over ten years without any visible indicators of any expanded businesses or improved livelihoods. The graduated increases in their credits and savings portfolios may not be an indication of only business growth but much of increasing responsibility in the household, for example the children's upkeep in school, increasing cost of living and inflationary trends over the years. The seemingly low impact of the microfinance schemes on the businesses of the women coupled with relatively small amounts of credit and the short repayment periods, make business expansion and formalization challenging. It can be argued that the MFIs appear not to focus on formalizing the informal economy activities of the women but sustain the business of the women within the informal economy.

How are the women then faring in their households in terms of their social relations and participation in decision making in the household? It is another question the study explores in order to ascertain the impact of microfinance programmes on women's poverty reduction and empowerment efforts. The study found that women's access to microfinance schemes has contributed to enhancing their participation in decision-making in their households because they took up more of the household responsibilities, which were traditionally for men or husbands in the households. This gave the women some decision making power in the household. However, women though economically more powerful, their agencies were still limited consciously or unconsciously by certain socio-cultural values and norms in the households, including gendered roles, marriage and age. These gave women limited fallback positions contrary to the anticipation of the literature of household bargaining which claims that by giving women access to income generating activities and financial support their fallback positions will improve. The findings do not seem to support the claim that women's increased income may enhance their fallback position. Many women are rather stepping in to fill the economic gaps created by some husband's inability to perform their expected roles in the household. It is therefore not surprising that most household members were not against the participation of the informant in the MFIs programmes of APED and Bonzali.

On the issue of addressing the needs of women, it appears the MFIs focus more on the women's practical needs as a way of promoting their effective agency rather than giving equal attention to women's strategic needs that would eventually strengthen women's transformative agency. When the women transformative agencies are strengthened they are able to challenge socio-cultural values or factors that hinder the opportunities and freedoms of the women; the ultimate aim of women's empowerment. The result of lack of attention in pursuing women's strategic interest by the MFIs is that the women lack the necessary gender consciousness to resist social sanction to conform to their traditional gender roles. As the study revealed, most of the women seem to adjust to social pressure and domestic abuse despite the fact that the women may be gaining some economic autonomy. This may not only affect the women's control and use of the limited resources at their disposal but also capital mobilization, poverty reduction and empowerment efforts. From the above, it can be concluded that the women have an imperative need for microfinance schemes in order to support their businesses. However, the level of responsibilities in their household is compelling the women to divert a share of microfinance schemes to meet household needs. All the same, the study argued that microfinance schemes have helped the women to meet their basic needs.

5.0 Conclusion and Recommendations

5.1 Conclusion

Microfinance has evolved and spread in the development community as a development intervention that can meet the special needs of poor people. With time, women may become the most preferable clients of MFIs. Studies that were meant to assess the impact of microfinance programmes on women have not produced conclusive results. Some scholars have argued that microfinance has helped to reduce poverty and empower women. Others claim that microfinance programmes further impoverishes women. The rest maintain that microfinance programmes contribute to poverty reduction and women's empowerment but there are challenges that need to be dealt with to enhance the impact.

However, the MFIs have not done enough to empower women to challenge socio-cultural practices that appear to hinder the achievement of women's full potential.

Similarly, the group solidarity has also not helped the women to pursue a feminist empowerment agenda. This may eventually affect the women's investment capital and credit repayment. The women are therefore likely to be in state of being infested with microfinance virus a case in which the women will be caught in a terminal situation where their businesses and livelihoods would be dependent on how much microfinance services are available to them at a time. This may not only make it difficult for the women to escape from poverty and disempowerment but also their graduation from microfinance programmes into the mainstream financial sector.

Advocated for and actively supported microfinance as development intervention in their respective countries has joined the debate especially in Latin America and Asia. These politicians have now embarked upon the making uncharitable commentaries and hard-line criticism of the microfinance sub-sector, which is giving cause for great concern and anxiety.

5.2 Recommendations

As a way forward, MFIs, policy makers and development practitioners may reflect on the following issues:

1. There is the need for policy reforms in order to mainstream gender issues in microfinance programmes in Ghana. This will help improve the impact of microfinance programmes on women.
2. Extended period of credit repayment should be based on the needs of women.
3. Policy makers should harmonize the activities of MFI by streamlining their operations which outline the rights of clients, allow for easy monitoring and evaluation of their activities and their impact on clients. They should help weed out bad MFIs from the sector.
4. Microfinance is not enough to help women escape poverty, provision of social services and infrastructure to give women an enabling environment to conduct their entrepreneurial activities.
5. Provision of functional education to women to enable them do simple arithmetic and record keeping that may make women to improve their managerial skills.

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