

UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI

INSTITUTE OF DISTANCE LEARNING

**MICROENTERPRISE DEVELOPMENT AND RURAL WOMEN IN BAWKU WEST
DISTRICT**

BY

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PG 3035109

**A THESIS SUBMITTED TO THE INSTITUTE OF DISTANCE LEARNING,
KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, IN PARTIAL
FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF
COMMONWEALTH EXECUTIVE MASTERS IN BUSINESS ADMINISTRATION
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CANDIDATE'S DECLARATION

I hereby declare that this submission is my own work towards the CEMBA degree and that ,to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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ABSTRACT

Women own a large percentage of small scale enterprises worldwide and continue to play important roles in local development. Yet too little is being done for them and they remain disadvantaged when it comes to obtaining financial support for business start-ups and expansion. Micro-credit targeting of women-owned microenterprises will pull women out of current unacceptable high levels of poverty among poor women. A mixed methods descriptive research design, incorporating qualitative and quantitative data collection techniques was adopted for the study. Hundred and forty-three (143) respondents were selected from the five area councils via a stratified simple random sampling technique. Primary data were complemented by information gathered from BWDA Profile (2009) and other institutional reports. Each respondent reacted to a number of both negative and positively worded questions. Main micro entrepreneurial activities of BWD women are groundnut oil extraction, farming/dry season gardening, shea-butter oil extraction, malt production and pito brewing, dawadawa and rice processing, and weaving of smock materials. Funding for women-owned micro-enterprises included personal savings, loans from credit unions and Toende Rural Bank, NGOs/BWDA and family members. Lack of capital, collateralization of loans, high interest rates and delays in processing loans, lack of adequate markets for products and lack of adequate business management know-how were the main challenges to micro-enterprise development. Micro-enterprise development through micro-credit has positively impacted the lives of rural poor women entrepreneurs and their households, in terms of better and higher incomes, food security, ability to send and retain their children in school, generation of employment, greater access to health care and information on reproductive health issues, and economic and social empowerment to assert women rights, and to participate in discussions leading to household and community decision making. Financial and social intermediation schemes, insurance, training in business records keeping and financial numeracy, market-networking and life-long education for women can further promote microenterprise development and poverty reduction.

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DEDICATION

I dedicate this thesis to my wife, Mrs. Georgina Ayamba, Akurugu, who was very supportive while I was undertaking the study. But for her financial support and prayers it would not have been possible for me to complete this herculean task.

KNUST



TABLE OF CONTENTS	PAGE
Candidate's declaration	i
Supervisors' declaration	ii
Abstract	iii
Acknowledgement	iv
Dedication	v
Table of contents	vi
List of tables and figures	ix
Appendices	56
 CHAPTER ONE	 1
INTRODUCTION	1
1.1. Background to the study	1
1.2. Statement of the research problem	4
1.3. Objectives of the study	5
1.4. Research questions.....	5
1.5. Significance of the study	6
1.6. Limitations of the study	6
1.7. Organization of the chapters	7

CHAPTER TWO	8
LITERATURE REVIEW	8
2.1. Introduction	8
2.2. Micro-enterprise development.....	9
2.3. Micro finance	11
2.4. Concept of development.....	16
2.5. Poverty	18
2.6. Conceptual framework chosen for the study.....	24
 CHAPTER THREE.....	29
METHODOLOGY.....	29
3.1. Introduction	29
3.2. Research design.....	29
3.3 Research site.....	30
3.4. Target population.....	31
3.5. Sample frame and size.....	31
3.6. Sampling design	31
3. 7. Sampling procedure.....	32
3.8. Types of data.....	33
3.9. Research Instrument: structure and content.....	33

3.10. Reliability and validity procedures.....	34
3.11. Data processing and analysis.....	35
Summary.....	35
 CHAPTER FOUR	36
DATA ANALYSIS AND DISCUSSION OF RESULTS.....	36
4.1. Introduction.....	36
4.2. Background of respondents.....	36
4.2.1. Socio-economic and demographic profile of respondents.....	37
4.2.2. Age distribution of respondents.....	37
4.2.3. Marital status of respondents.....	39
4.2.4. Income and educational level of respondents.....	39
4.2.5. Type of residential accommodation of respondents.....	41
4.3. The rural poor woman in Bawku West District.....	42
Summary.....	46

CHAPTER FIVE	47
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	47
5.1. Introduction	47
5.2. Summary of main findings of the study.....	49
5.3. Conclusions.....	51
5.4. Recommendations.....	53

KNUST



LIST OF TABLES AND FIGURES.....ix

4.1. Age distribution of respondents.....	38
4.2. Marital status of respondents.....	39
4.3. Level of education and income of respondents	39
4.4. Respondents' residential accommodation by type.....	41
4.5. Types of women-owned micro-enterprises in BWD.....	43
4.6. Main sources of finance for women-owned enterprises in BWD.....	44
4.7. Main challenges of micro-enterprise development in BWD.....	45
Figure 1. The credit with education conceptual framework (2002).....	25



LIST OF ABBREVIATIONS AND ACRONYMS

APA –American Psychological Association

BWD-Bawku West District

BWDA-Bawku West District Assembly

CwE- Credit with Education

GHS – Ghana Health Service

HDI- Human Development Index

IFA- International Fund for Agricultural Development

ILO – International Labour Organization

IUCN- International Union for Conservation of Nature

JSH- Junior High School

SHS-Senior High School

LI – Legislative Instrument

MFIs- Micro-finance Institutions

MoH – Ministry of Health

NGO – Non-Governmental Organization

NHIS – National Health Insurance Scheme

NY – New York

QA – Quality assurance

QAU – Quality Assurance Unit

QOL – Quality of Life

SPSS – Statistical Product and Service Solutions.

UER- Upper East Region

UNDP – United Nations Development Programme

USAID – United States Aid for International Development

WHO – World Health Organization

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APPENDICES

Appendix/Title	Page
1. Bibliography.....	56
2. Questionnaires	61.

KNUST



CHAPTER ONE

INTRODUCTION

1.1. Background to the study

Globally, women entrepreneurs continue to play important roles in local economic development and own a large percentage of micro-enterprises in the informal sector. As women traditionally have the primary responsibility of agricultural production, housekeeping and childcare, these roles tend to increase their work load and hardly give women adequate time to attend to micro-enterprise development issues. Labour saving technologies have been suggested as a means to free up time for women to devote to women-owned micro-enterprises development and reduce poverty. In spite of the challenges it was estimated that 500 million economically active poor people operate micro-enterprises and small scale businesses (UNDP and Women's World Banking, 1995).

Poverty has been a major development issue in the world and shall continue to attract the attention of many governments and international non-governmental organizations because the phenomenon is not only a threat to global peace but an affront to human decency and happiness. Poverty will for long be a big issue and attract the attention of the global community, research institutions and development practitioners for as long as it continues to plaque the world.

Limited productive resources such as capital, labour time and poor technologies, lack of transportation and market knowledge, lack of basic literacy and numeracy skills are some of the challenges that plague effective participation of women in business activities. As a result of social exclusion most women cannot own land or capital goods (Care international, 2005).

Moreover, women are disadvantaged because of collateral based lending policies of financing institutions. The UNDP (1995) estimates gave women access to bank loans a score of only 5% partially because some lending organizations even require the signature of husbands in addition to the risk of leaving out women when loans are channelled through heads of households. Worldwide, women have been known to be nominal owners of micro-enterprises because they hardly have complete control of incomes earned and assets accruing to small scale businesses they run. As a result women continue to live in abject poverty and squalor, which adversely affect their children as well.

Feminization of poverty has been attributed largely to women's unequal access to economic opportunities, while societal attitudes towards the traditional roles of women and their potential activities tend to place limits on women's participation and ultimate commercial success as micro-entrepreneurs.

Income-generation activities targeted at women were in the past, submerged in an implicit assumption that the income of a woman was supplementary to that of the male head of the household. Consequently, loans and other financial services were usually larger and long-term for men than women. Yet evidence adduced from many small scale credit projects showed that women were very good credit risks and that they tended to score higher repayment rates than their male counterparts (Ledgerwood, 1998; Narayan, 2002 and Norwood; 2005).

Micro-financing of small or micro-scale enterprises owned by women could be an effective catalyst for promoting and lending support to women self-employment. Access to credit would substantially lead to poverty reduction through sustainable income security. An important way to increase productive capacity of women and breaking the 'cycle of poverty' among women would be through the

deliberate promotion, financing and strengthening of micro-enterprises owned by women (UNDP /Platform for Action, 1995).

Before the close of the last century a major development approach that was evolved and intended to benefit low income women and men was the concept of micro-finance. Micro-finance refers to the provision of financial services to low income clients, including the self-employed (Ledgerwood, 1998; Noorwood, 2005). In addition to micro-financing many micro-finance institutions (MFIs) provide such social intermediation services like group formation, confidence building and training in financial literacy and numeracy and management capabilities of loan beneficiaries among others.

Thus, micro-finance has often been defined to include both financial and social intermediation activities intended to alleviate poverty among low income earners. Most MFIs tend to involve themselves in the six core activities of granting of small loans typically to the poor as working capital, informal appraisal of borrowers and investors, provision of collateral substitutes such as group guarantees and compulsory savings. The other MFI activities are access to repeat and larger loan facilities based on clients' repayment performance, the streamlining of loan disbursement and monitoring procedures, and provision of security for savings products

Micro-finance and micro-enterprise development are two complementary key factors which can play a catalytic role in poverty reduction, especially among rural poor women. Unfortunately, the use of microfinance and micro-enterprise as agents of development or weapons of the war against poverty are beset with many daunting problems.

1.2. Problem statement

Poverty is a global problem and an affront to human dignity. The World Bank (2008) has estimated that over 3 billion people or almost 50% of the world's population live on less than \$2.50 a day and lacked access to food, shelter and clothing. Social exclusion, resulting from powerlessness and voiceless is characteristic of the poor when it comes to making decisions affecting their education and political and social participation.

Although there was substantial overall reductions in the incidence of poverty in Ghana the phenomenon still has a firm grip on rural dwellers, especially in the Northern, Upper East and Upper West regions, where poverty levels stand at 70%, 82% and 90% respectively.

Women in Ghana engage in many forms of micro-enterprise activities, including, poultry and small ruminants rearing, pito brewing, and table top retailing of all manner of commodities as coping mechanism to cushion their households against the ravages of poverty.

Poverty has received attention of academics and development practitioners for a fairly long time. Pioneer exemplar studies into poverty include those by Rowntree, (1901), Watts, (1968) and Sen, (1985), Hulme and Mosley, 1996; UNDP, 2002; Muhammad and Yamao, 2009). The study has focused on micro-finance as an appropriate weapon and development approach for poverty reduction The goal is to contribute to knowledge by exploring the role and importance of micro-enterprise development in poverty reduction among rural women in Bawku West. The study has set four specific research objectives.

1.3. Research objectives

The general objective of the study was to determine the role of micro-enterprise development in poverty reduction among rural poor women in the Bawku West District of the Upper East Region of Ghana. The specific objectives of the study were to:

- i). Identify rural poor women entrepreneurs in the Bawku West District.
- ii). Identify the types of micro-enterprises owned by women in the Bawku West District (BWD) and their effect on poverty reduction among women entrepreneurs in the area.
- iii). Identify sources of funding for women-owned micro-enterprises in the BWD
- iv). Examine the challenges of women entrepreneurs in the BWD and recommend appropriate financial and social intermediations that would promote women owned micro-enterprises and reduce poverty among rural poor women in the area.

1.4. Research questions

The study sought to answer the following research questions:

1. Who are the rural poor women in the Bawku West District?
2. What are the types of microenterprises owned by women in Bawku West District?
3. What are the sources of funding for women-owned enterprises in the BWD?
4. What problems do female-owned businesses encounter in the District?
5. How can women-owned micro-enterprises be targeted and supported to succeed and reduce poverty among rural poor women in BWD?

1.5. Significance of the study

The study is significant for a number of reasons. Micro-enterprise development has been globally identified and acclaimed as an important factor in the fight against poverty. Therefore, any research that aims at discovering best practices for micro-enterprise development in order to fight poverty among rural women is relevant and a significant contribution to Ghana's quest to reduce current unacceptably high levels of poverty in the country, especially among rural poor women and crop farmers.

Micro-enterprise development that targets women-owned small scale businesses would substantially improve incomes and reduce poverty among women and their households. The study would provide empirical data to facilitate proactive financial and social intermediations to enhance women-owned micro-enterprises in the BWD and replicate same in other districts of the country.

Findings of the study could be used to combat problems such as violence, war, hunger, human suffering, streetism, illiteracy and out-migration, which are associated with poverty. It was expected that the findings and recommendations of the study would be used to empower women economically, socially to be part of the decision making in the community.

1.6. Limitations and delimitation of the study

In spite of the methodological credentials associated with a case study the research findings of such a study cannot be universalized. Moreover, the study was conducted in only one of several districts in the Upper East and the country at large and was, therefore limited in scope. Since a sample of the target population had to be

chosen to participate in the survey, the procedure attests to an inability of the study to capture all members of the target population, which shortcoming constituted a limitation and delimitation of the study. Down time and inadequate financial resources could have adversely affected the quality and outcome of the study.

1.7. Chapter organization of the study

The study was organized in five chapters. The first chapter covered the background, problem statement, objectives, significance, limitations and delimitation of the study. Others were definition of some key concepts and a geographical description of the location of the research site in its regional and national contexts. The second chapter contained the review of a sample of related literary works carried out by earlier researchers into the phenomena of micro-enterprise development and poverty.

Chapter three contained a detailed description of the methods used to gather the requisite data for the study. Methodological issues discussed included, the research design, target population, sample frame and size, data types and sources, sample selection procedures, instrument structure and content, and types of data analysis used.

Chapter four dealt with the preparation, organization and analysis of data pertaining to socio-economic and demographic profile of respondents, challenges of micro-enterprise development in the BWD and the way forward. Main findings of the research were discussed in relation to existing literature in the same chapter. Finally, chapter five, the last in the series, was devoted to presentation of the summary, conclusions and recommendations of the study.

CHAPTER TWO

2.0 REVIEW OF RELATED LITERATURE

2.1. Introduction

In order to place the research problem in context the introductory chapter provided background information on the nature of poverty among rural poor women worldwide and in Ghana and Bawku West District in particular. The aim of the study and some challenges confronting women-owned micro-enterprises were also outlined. The study hypothesized that micro-enterprise development through micro-finance and social intermediations could be a vital tool for poverty reduction among rural women in the Bawku West District.

Chapter two reviews related research works on microenterprise development, poverty and various conceptual definition of development. Similar and different conceptual and methodological approaches identified between a sample of previous research works and the current study would then be discussed.

According to Marshall and Rossman, (1999) the purpose of a literature review is to place the research problem “within a tradition of enquiry and in a context of related studies”. For Bryman and Bell (2007) literature review should usually inform one about how earlier researchers had carried out similar research works, and provide precise meanings of concepts used. A literature search would also put the study in its proper perspective in order to demonstrate the state of art of a discipline.

Thus, the rationale for conducting the literature review was to provide the theoretical and methodological base of a study and guide it to achieve its research objectives (Creswell, 2003; Walliman, 2006). The review of related literature would also enable researchers to profit from successes and shortcomings of others who

carried out similar studies before. The review would examine a number of conceptual and methodological techniques researchers had used to conduct investigations into problems of micro-enterprise development. Conceptual issues pertaining to micro-enterprise development, micro-finance, poverty and development and frameworks for analyzing and describing micro-enterprise development issues would be reviewed and evaluated.

2.2. Microenterprise development

UNDP/Women's World Banking (1995) reported that there were 500 million economically active poor people all over the world operating micro-enterprises and small scale businesses. The substantially high demand for financial services by low income entrepreneurs underscores the need for viable micro-finance institutions to support the development and growth of more micro-enterprises.

Micro-enterprise development refers to two overlapping development activities. Firstly micro-enterprise development is about helping people to start and run very small businesses or farms in order to ensure income security. Secondly micro-enterprise development refers to a process of assisting people to access financial services, such as loans, savings, insurance and remittances. These two overlapping development activities focus primarily on providing people the capacity to manage crises and work their way out of poverty (Ledgerwood, 1998, WHO, 2002).

Micro-enterprise has, therefore, been variously defined in the literature but, in general, it refers to a very small scale business, usually operating in the informal sector of an economy. Examples of micro- enterprises include vegetable selling, carpentry shops, fitting shop and sale of goods on tables and kiosks. Micro-enterprises

are characteristically small size, owner working full time for the firm, and usually started with small or minimum capital and tend to have fewer than 10 employees. Micro-enterprise development activities focus primarily on income generation and asset development and accumulation.

In order to address these challenges facing women entrepreneurs who embark upon micro-enterprise development projects, and improve demand for credit and reduce the risk of indebtedness the International Fund for Agricultural Development (IFAD, 1991) suggested the following four criteria of project management:

- i). Modest financial investment
- ii). Low investment risks
- iii). Short gestation period between investment and generation of regular income.
- iv). Availability of local markets.

IFAD opined that meticulous application of these four micro-enterprise development criteria would ensure business success and sustainable cash flow which ultimately could lead to substantial reduction in the levels of poverty among rural women. In 1995 it was estimated that 2.3 billion people were living in poverty with more than 70% of them being female (UNDP et al, 1995). The proportion of women living in poverty increased disproportionately before the close of the twentieth century as compared to the number of men (UNDP/Platform For Action 1995).

Microenterprises hold a great promise to fighting both income and human poverty, especially among rural poor women. Women elsewhere and in the Bawku West District have been targeted because of the dual economic and domestic roles they play within the household. Women's traditional work range from purchasing, preparing and serving food, child care, infant feed and nutrition, maintenance of clean and safe environment, overseeing children's personal hygiene, provision of preventive

and curative health services. Paradoxically, women are the ones who typically have the most limited access to formal development oriented services such as credit, savings and life skills information (Credit with Education, 2002).

While Credit with Education sees women empowerment in terms of improved nutritional status and ownership of durable consumer items among others, the current study conceptualizes empowerment to include participation in community and family decision making, access to basic necessities of food, shelter and clothing, land, health services and utilities, political participation and ability to educate their children. The study looks at empowerment of rural poor women of Bawku West in the same way that Narayan, 2002 and World Bank (2007). Empowerment may be at individual, community, economic, social and political level. World Bank's institutional definition of empowerment in the context of poverty reduction has been adopted by the study. The study hypothesizes that micro-enterprise development, through micro-financial intermediation, can be a catalyst for reducing both income poverty and human poverty among rural poor women in the BWD.

2.3. Micro-finance

Micro-finance evolved as an economic development approach intended to benefit low-income women and men alike. The term 'micro-finance' refers to the provision of financial services to low income clients, including the self-employed (Ledgerwood, 1998). According to Hussain, Muskook and Gunasekaran, (2001) 'through micro-credit the very poor households are enabled to meet their basic needs and protect them against risks'. Indeed, micro-finance has been known to improve overall household economic welfare and helps to empower vulnerable groups,

including women, the old and the poor, in terms of reducing levels of economic poverty (UNDP, 2007).

Consequently many international, national and community-based non-governmental organizations have often resorted to the provision of micro-credit as a means of overcoming income poverty much to the neglect of human poverty. Similarly, a substantial number of studies tended to concentrate on indentifying causes of poverty from an income perspective at the expense of other equally important non-monetary variables. Whereas income poverty has usually been defined in terms of income measures like the minimum daily wage, access to employment and goods and services,, human poverty on the one hand encompasses issues of food security, housing, access to utilities, health care, education, information, communication technology (ICT), social inclusion, political participation, and confidence to assert one's fundamental human rights.

Participation in decision making of one's household or community refers to the extent to which a person contributes or is involved in shaping national, community and household decisions. With less access to income, education, employment, information and goods and services as well as opportunities accruing to society one could hypothesize that rural women, like those in the Bawku West District, were disadvantaged, poor and marginalized (Narayan, 2002). As a result they would be more likely to lack self-confidence to assert their individual rights, a situation which Maraseni (2009) described elsewhere as being characteristically symptomatic of poor and vulnerable groups.

However, this is not to suggest that micro-finance has always been a panacea to poverty reduction since that has not been totally supported by the evidence. For example, Hulme and Mosley, (1996) have argued that micro-finance could not be a

panacea for poverty eradication and that in some cases the poor have been made poorer as a result of credit intermediation. Another study by the World Health Organization on community-based rehabilitation projects in Ghana revealed that 41% of poor persons with disability did not have their income situation improved. Only 17% reported improvement in their incomes while 11% of them said they had access to skill training (WHO, 2002).

Nonetheless micro-finance, as development approach, has continued to grow world-wide because of a number of factors. First, micro-finance offers the promise of hope for even the hopelessly poor because it can support income generation for enterprises operated by low-income households. In the second place micro-finance activities can help to build and sustain financially self-sufficient, subsidy-free locally managed institutions. Micro-finance has been attractive, not only because of its financial sustainability but because of its potential ability to build on traditional systems like the 'susu' system in Ghana. Finally, micro-finance as a concept continues to be attractive to many because it can contribute in strengthening existing financial system of any developing economy.

In the literature the study of microfinance has been characterized by dichotomous rift between two broadly different approaches (Ayeetey, 2008). The two schools of thought are the institutional and welfare approaches to micro-financing. Embracing either of the two has implications for activities of microfinance institutions. The welfare approach focuses on the demand side of microfinance, which comprises clients of the microcredit schemes. Under welfare approach, the activities of microcredit institutions are expected to be subsidized in order to lower their operating costs and enable them to offer low interest rates to clients, especially the poor. Performance of microfinance schemes are measured in terms of how

household living standards have been empowered, number of savings accounts, loans, incomes access to social services like education, health and food expenditures (Ayertey, 2008). Thus, the welfarist approach supports the immediate improvement of welfare of clients, and is interested in empowering the poorer of the economically active poor, especially women and people with disability, with the household being the centre of attention.

Welfarists support the view that microfinance institutions should concentrate on poverty eradication by providing credit to the poorest segments of society with subsidized loans that carry minimal or interest free loans and giving clients enough time to repay loans. The Grameen Bank in Bangladesh and its replicates elsewhere and the Presbyterian Community Based Rehabilitation Programme in Sandema operate in line with the welfarist approach to micro-financing for poverty eradication. A replication of these programmes at the Bawku West District, which would involve the provision of microcredit for micro-enterprise development, could have a catalytic effect on income sustainability and poverty reduction among rural poor women.

The institutional approach to microcredit analysis, on the other hand, hinges on the assumption that a primary objective of microfinance is financial deepening through the creation of a separate system of sustainable financial intermediation for the poor, such as the rural poor women of the Bawku West District. Theirs is, therefore, a financial systems approach in which the future of microfinance institutions is dominated by many large-scale, profit-seeking financial businesses poised to provide high quality financial services to large numbers of poor clients. Wirthman, (2004) observed that because of insistence of microfinance institutions on financial self-sufficiency the institutional approach to microfinance eschews subsidies of any kind.

Therefore, the institutional approach recommends certain practices by MFIs to improve institutional efficiency, effectiveness and economy in the areas of management, finance and accounting, marketing, services delivery, product design and development in order to guarantee them appreciable levels of profit (Ruben, 2007). The institutional approach recommends the identification, standardization and widespread adoption of “best practices”, which are believed to be essential for industry-wide financial self-sufficiency, capital market access, and maximum outreach to poor clients (Ayertey, 2004). A microfinance institution should at least be able to breakeven by earning revenue that equals its operational costs. When MFIs, such as rural banks in Ghana, are self-sufficient it would lead to long term sustainability, which will auger well for long term poverty alleviation (Hollis and Sweetman, 1998).

The major weakness of the welfare approach to microfinance is its betrayal of the fundamental goal of poverty alleviation among the poorest of the poor. The institutional approach was also criticized on the issue of “best practices. Friedman, (2005), for example criticized the concept because “Organizational science indicates that in complex organizations there are no best solutions, only satisfying ones. Moreover, it is a dangerous term, as it may lead to careless replication without regard to given circumstances’’. This study looks at the role of micro-enterprise development from a financial systems approach to microfinance, and as a supplement to micro-finance, and a catalyst for rural poverty reduction among rural poor women in a context of the overall development agenda of the Bawku West District Assembly. The approach frowns on subsidies because poor people can pay interest rates that would be high enough to cover transaction costs as long as markets are identified for their products.

2.4. Concept of development

Development is basically a process of transformation of the whole of society's economic, socio-cultural and political structures, the core values system and way of life of a people. Development connotes improvements in the lifestyles and quality of standards of living of individuals, who become better-off, happier and generally freer than before and have wider life choices (UNDP, 1993). The considered view of Seers (1981) was that development should be conceptualized as a “condition for the realization of the human personality”, which implied that development has got to be evaluated with respect to its effects on poverty and unemployment as well as the extent to which inequality in a society was being bridged.

According to the IUCN, (1991) development is an attempt by mankind to modify the biosphere through the application of human, financial and living and non-living resources to satisfy mankind's needs and improve quality of life. The concept of development is, therefore, homocentric and has often been conceptualized as amalgams of desirable socio-economic and cultural changes which are intended to add greater value to societal welfare and significant improvements in the overall quality of life of people.

Post World War II economics literature defined development as a rapid and sustained rise in real output per head with attendant shifts in the technological, economic and demographic characteristics of society. At that time development was operationalized in terms of such quantifiable economic variables as per capita income, gross domestic product, low inflation rates and other micro-economic indicators (Lele, 1991; Alexander, 1993). Rostow (1960), for example, championed the highly controversial historical stages development model, a variant of the development school. Rostow presented a linear development path mapped from a society's past and

present history. Others, like Todaro and Smith, (2009) argued that development implied welfare improvement and suggested that development meant a better state of affairs with respect to who got what, where, and how; implying a kind of resource or income redistributive justice that should lead to substantial reduction in both income and human poverty.

In his review of development literature Mabogunje (1980) drew attention to the shift from purely economic-based indicators of development to a broader perception of development with an ever widening frontier to include social, psychological and political processes of economic growth, distributive justice, socio-economic transformation, modernization, and spatial re-organization. For Dudley Seers (1980; 1981) there was development if the levels of poverty, unemployment and inequality in an economy had been declining consistently over time. In the context of this study there would be development if and when micro-enterprises succeed in reducing current unacceptably high levels of poverty among rural women in the Bawku West District.

Besides economic indicators, other authorities are of the opinion that analysis of development should incorporate sociological and political dimensions of human existence. Thus, life expectancy, infant mortality and literacy were also identified as three universal components or indicators of development. The UNDP (1990) had even formulated a human development index (HDI), which shifted emphasis away from both economic and physical quality of life indexes.

Consequently, the UNDP (2003) defined development as a process of enlargement of people's choices, including longevity and healthy life, acquisition of knowledge and access to resources needed for a decent standard of living. Other equally important variables in the development equation included the formation and

strengthening of human capabilities, economic and political empowerment of citizens to take part in the economic and political affairs of the community. Thus, the UNDP human development index focuses on longevity of life, level of knowledge and of quality of living. The study's conceptualization of development is in accord with the UNDP's (1995) definition of development although the focus here is on the role of micro-enterprise development in poverty reduction among rural poor women in the Bawku West District.

As a concept, development had over time assumed a broader meaning and used to encompass ideals like right to life and property, access to education, sound health, clean drinking water and sanitation, food security and adequately nutritious meals, unrestricted participation in the body politic of one's community or country, fundamental human freedoms, peace and security and human decency (World Bank, 1996). The study anticipated that the wider meaning of development could be attained through deliberate targeting and development of women-owned micro-enterprises, which would in turn reduce extreme poverty among rural poor women in the BWD.

2.5. Poverty

Many leading academics have suggested various ways of defining poverty. For example, Watts, (1968) defined poverty as the lack of command over commodities in general or alternatively, the lack of command over some basic necessities of life, while Sen, (1985; 1992) defined poverty as the lack of capability to function in a given society.

The World Bank's synthesized version of these definitions had defined poverty as the lack of, or the inability to achieve, a socially acceptable standard of living. All the definitions point to poverty as a status in which a reasonable standard

of living is not achieved. Therefore, poverty is a condition where an individual lacks command over economic resources. Example, one is considered poor if one lacks basic food, shelter and clothing or, equivalently, if one lacks income to buy them.

Sen (1985) has further explained that one could be labelled poor if one was best associated with the capability failure to participate in a society. The ability to function socially could be very basic (food, shelter and clothing) or complex (freedom, self-respect, social inclusion, political participation etc.) and one's inability to achieve these socially desirable outcomes makes the one poor. For an instance, inability or disability not only reduces ability to earn income (which means lack of command over resources) but also makes it harder to convert income into roles (even though, in terms of income, that achievement is potentially feasible). According to this view, poverty is a state characterized by levels of capabilities that are, in the view of society, unacceptably low.

Poverty is also a function of one's standard of living and depends on what is deemed to constitute a socially acceptable standard of living by a given society per a given time. Where in a society most people own cars, the use of public transport may be a sign of poverty. Having no TV in a technologically advanced society might again be an indicator of poverty, while in other countries it could be a luxury good. Standard of living also depends on how it is measured. Thus, the variable or the set of variables used to maximally "capture" the standard of living of societies over space and time (Lorenzo, 2005)..

The various possibilities of defining poverty makes it imperative to tailor the concept of poverty on the appropriate context, since there is no general concept of poverty which applies to all countries at all times. *Focusing on lack of command over*

economic resources» and on a one-dimensional approach is a good starting point to define and analyze poverty. Although the capability approach is stimulating, it has a tendency to generate an enormous strand of technical literature.

Furthermore, the latter approach is harder to operationalize in terms of identifying the poor and measuring poverty. That is why this study uses food security, infant and maternal mortality, access to land and financial credit, lack of education, poor housing and sanitation, and powerlessness as some of the variables to identify who is a rural poor woman.

Finally, the different perspective taken by UNDP, where poverty is conceptualized as a denial of human rights (i.e. those rights that are inherent to the person and belong equally to all human beings) makes the application of either of the two approaches problematic. The UNDP (2003) human rights-based approach to poverty reduction espouses the principles of universality and indivisibility, empowerment and transparency, accountability and participation, and therefore, addresses the multi-dimensional nature of poverty beyond a lack of income. UNDP states that the respect for human rights is a necessary condition for socio-economic outcomes, which challenges to some extent, the notion that poverty is to be measured by one dimensional criterion based on only income and/or expenditure levels.

Absolute and relative poverty dichotomy has been widely debated in specialised literature, and the main outcome of the debate is that ‘poverty’ is neither a strictly absolute nor a strictly relative concept or phenomenon. Sen, (1983) attempted to create a bi-polar hierarchy when he defined poverty as “absolute deprivation”, which could probably be interpreted as a preference for the absolute concept of

poverty when a contradiction arises between absolute and relative concepts of poverty.

By rejecting the relative concept of poverty Sen, (1985) argued that there was an irreducible absolutist core in the idea of poverty, regardless of relative positions. He cited hunger and starvation as unequivocal indicators of poverty and also argued that absolute and relative concepts should not be confused with variability of poverty over time and space. Admittedly, variability of poverty over time introduces elements of relativity into the concept of poverty since there could be a difference between achieving relatively less than others and achieving absolutely less than others.

Thus, absolute poverty concepts are subject to variations over time, because poverty is always a function of variables that reflect social and economic conditions. For example, non-food items thought to be non-essential at one stage of the development may become essential commodities years later, thereby calling for an integration of the list of goods, which would ensure minimum subsistence (Romer et al, 2004; Lorenzo, 2005).

Similarly, in comparing poverty among countries, absolute poverty concepts require some adjustments to reflect its variability over space and time. For example, while meat may be included in a minimum subsistence basket in industrialized countries that may not be the case in least industrialised nations. Using the same basket of goods under different circumstances might give a misleading impression about the relative level of poverty across countries. Absolute concepts of poverty, at a given time, are also relative to the prevailing economic conditions. Therefore, both the absolute and relative concepts of poverty may vary over time and space (Sen, 1985; Lorenzo, 2005).

Analysts are also interested in the relationship between definition of poverty and food security. Food security refers to all time physical and economic access to sufficient, safe and nutritious food to meet the dietary needs and food preferences that would ensure an active and healthy life (Romer, Knowles and Horii, 2004). Food security as so defined is also related to the concept of vulnerability, which refers to one's propensity to either fall or stay below some pre-determined food security threshold. That explains why food insecurity is also closely related to the absolute concept of poverty, especially to those absolute concepts that tend to emphasize the lack of a given "level" of food as a primary cause of poverty.

Food security depends on three main factors of availability, stability and accessibility. Food availability and stability are necessary for its accessibility. Access to food can be organised if only food is available and stable over time and space by either growing or importing food in sufficient quantities and quality. Furthermore, the food supply process should be relatively stable over time. Finally, households should have sufficient income (or other entitlements) to buy food. Absolute concepts of poverty are, therefore, mainly related to food accessibility rather than its availability and supply stability (Romer et al (2004).

In terms of access food security and absolute concepts of poverty are closely related. In this study food security among rural poor women might be thought of as a wider concept than those underlined by absolute poverty because it would require policies for ensuring food availability and stability of food supplies. Thus, food availability is related to the way in which food is produced, imported and stored while food stability is related to the way in which food is made available or marketed and how food stocks are managed in the Bawku West District. Access to food is mainly related to households' purchasing power and resources.

So far the discussion has shown that the concepts of absolute and relative poverty have common features, even though the two concepts are logically distinct. The definition of poverty provided by the World Bank refers to inability to achieve a “socially acceptable standard of living” and it should be noted that this socially acceptable standard of living can be defined only by recourse to a value judgement on what it is that is considered socially acceptable at any given time and space. In communities where hunting is the primary source of food, a socially acceptable standard of living could be assured by having enough meat or fish to eat at the end of the day. In industrialised societies the socially acceptable standard of living could not be achieved unless everybody owns a TV or access to school. Thus, the inability to achieve any absolute standard often implies some relative view of poverty (Lorenzo, 2005).

By analogy the concept of food insecurity, which is a situation where people fall below a pre-determined food security threshold, requires a value judgement on what is deemed to be the appropriate threshold of what is considered an “active and healthy life”. No doubt the appropriate threshold of food may vary enormously across different societies. Romer et al., (2004) had explicitly recognized that “the nature of this minimum welfare threshold depends on the outcome in which one is concerned”.

Although the concept of poverty has been variously defined by many academics and institutions almost all definitions of poverty encountered in the literature point to the phenomenon as a condition in which a reasonable standard of living is not achieved. The World Bank’s (1996) synthesized version of the concept is that ‘poverty is the lack of or the inability to achieve a socially acceptable standard of living’. Therefore, poverty is a condition where individuals, such as the rural poor women of Bawku West, lack command over economic resources or a capacity failure to participate actively in activities of a society. Empowering such poor people through micro-enterprise development could be a viable strategy for reducing poverty,

especially among rural poor women. The study defines poverty in terms of food security, housing, water and sanitation, access to health care, education and ability of the individual to assert his or her rights. The study's definition of poverty is in tune with the UNDP'S synthesized version, and incorporates both economic and human dimensions of poverty. One of the reasons for conducting a literature search was to identify and adopt an appropriate conceptual framework for the study.

2.6. Conceptual framework chosen for the study

The study examined the role of microcredit and micro-enterprise development in reduction of poverty among rural poor women in the Bawku West District of the Upper East Region in Ghana. The study identified and adopted the credit with education (CwE, 2002) conceptual framework to inform and guide the research.

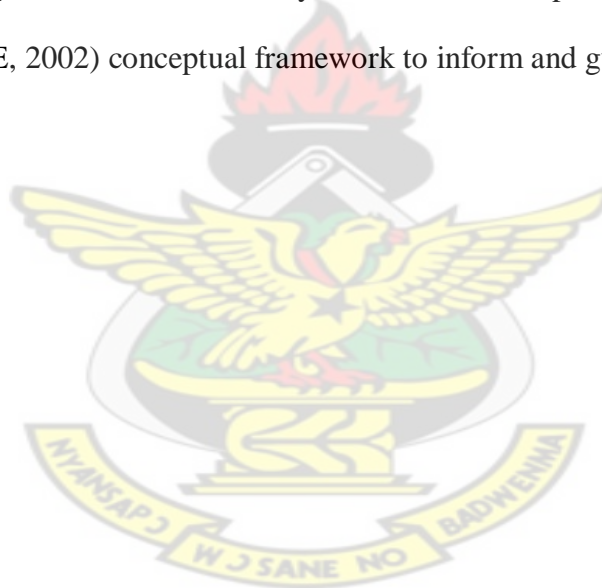
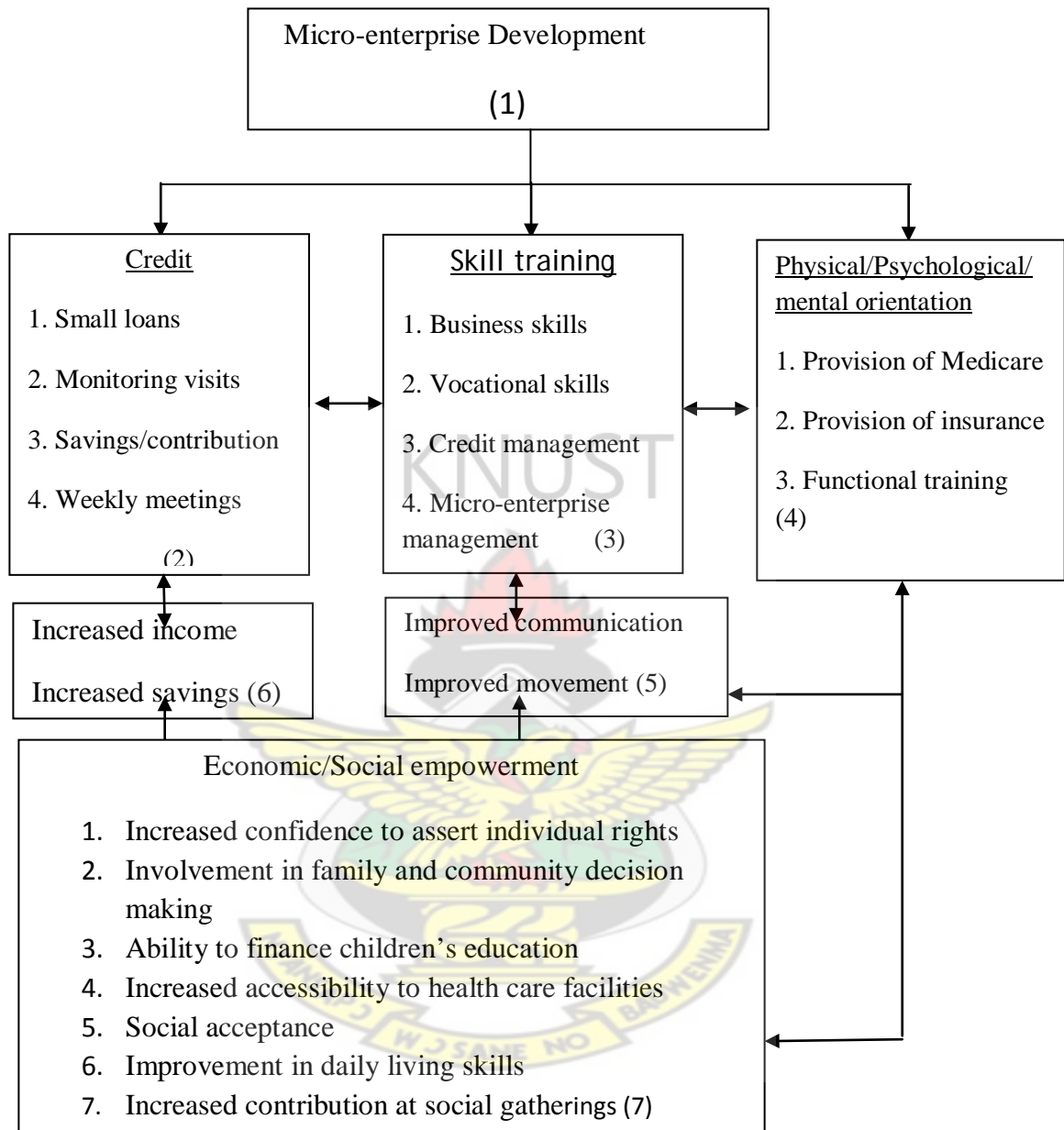


Figure 1: The credit with education conceptual framework (2002)



Source: Adapted from Credit with Education

Figure 1 shows the structure of the CwE conceptual framework, and seven interrelated components. Box 1 represents micro-enterprise development the dependent variable. Entrepreneurial development depends on readily available credit (Box 2), which entails provision of loans, payment and monitoring visits to loan beneficiaries, encouraging the formation of a culture of savings or pooling financial

and other resources and holding periodic review meetings with women entrepreneurs granted micro-credit.

The third component of micro-enterprise development is skill training for loan beneficiaries or owners of the small scale businesses. Training entails acquisition of basic business and vocational skills, credit management and how to manage a micro-enterprise.

Box (4) represents the physical and psychological orientation or sensitization of the woman entrepreneur to take advantage of intervening opportunities of medical care, insurance, basic financial literacy and numeracy. This functional training module prepares female entrepreneurs to effectively handle the daily challenges of their business environment.

The provision of services per the four modules leads to improved communication and movement (Box 5), which will in turn lead to increased incomes and savings (Box 6).

Finally, the interrelations and interactions among the six components of micro-enterprise development will promote economic and social empowerment of women and effectively equip them to fight poverty among rural poor women. The assumption is that economic and social empowerment will serve as a catalyst for increased self-confidence to assert individual and group rights and get involved in family and the larger community decision making.

While economic empowerment of rural poor women entrepreneurs will enable women to finance their children's education and increased accessibility to health care services, social empowerment of women through micro-enterprise development would engender their social acceptability, improved daily living skills and let women's contributions at social gatherings be more visible than ever before.

According to the CwE conceptual framework, participants of the credit with education development module are provided with small working capital loans, a safe place to deposit savings, and education services in business management, health and nutrition. These services are delivered to very poor women who come together to form joint-liability borrower groups. The services synergistically are able to increase household food security, individual nutrition and enhance health status of participants. Ultimately women's incomes and savings are increased, and lead to improved nutrition and health practices, and enhanced self-confidence, or empowerment among rural poor women (Credit with education, 2002).

Credit with Education services focus on women as the group with the greatest ability to impact children's nutritional status. Globally women play essential roles in the family's well-being because of their dual economic and domestic responsibilities within the household. Women's traditional roles range from purchasing, preparing and serving food, child care, infant feeding, maintaining a clean and safe environment, overseeing children's personal hygiene, securing preventive and curative health services to the nutrition and health of the family. Although women's productive or economic work is also critical to the health of the family, they typically have the most limited access to formal micro-enterprise development oriented services such as credit, savings, basic financial numeracy and life skills information (Ledgerwood, 1998; Credit with education, 2002, Muhammad and Yamao, 2009).

Thus, the credit with education conceptual framework (CwE) as a structure-functionalist model, prescribes a systems approach to micro business development through micro financing. The expected outcome of such a development approach would be economic and social empowerment of poor women. Micro-enterprise

development through micro credit would enable small women business owners to reduce both economic and human poverty.

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CHAPTER THREE

METHODOLOGY

3.1. Introduction

While Chapter Two described various contextual issues that led to the identification of the research problem, the second placed the research problem in perspective by discussing a sample of conceptual and methodological strategies employed by others in similar studies. The methods section provides a brief profile of the Bawku West District and is followed by a detailed description of the strategies adopted to gather information for the study. Data collection techniques were meant to capture the socio-demographic characteristics, feelings, opinions and knowledge of respondents about how micro-enterprise development could act as a catalyst for poverty reduction among rural poor women in Bawku West District.

Therefore, the chapter covers details of the research design, target population, sample frame and size, sampling design, types of data, sampling design and sampling procedures. Other methodological issues described in the chapter are the research instrument structure and content, the measures taken to ensure reliability and content validity of procedures and findings of the research. Finally, the techniques for data processing, presentation and analysis have been discussed in the ensuing sections.

3.2. Research design

The specific goal of the research was to determine the role of micro-enterprise development in poverty reduction among rural poor women in the Bawku West District of the Upper East Region. It was essential to develop an appropriate research design that would facilitate access to appropriate data for the study. Peil (1982:10)

defined a research design as ‘a fact finding and suitable strategy for collecting descriptive data’. Research designs portray the strategic sequence of planned activities usually lined up for collecting, organizing and analyzing data in order to achieve the objectives of a study. A mixed methods descriptive survey research design, incorporating elements of both qualitative and quantitative collection techniques was adopted for the study.

While qualitative methods were purposely developed and usually employed for theory verification or confirmation, quantitative methods tended to facilitate theory generation or discovery (Guba, and Lincoln, 1994; Babbie, 2001; Creswell, 2003). A qualitative research design would also easily accommodate small samples as well as facilitate information gathering from each respondent which could be quantified later.

Moreover, the concepts of development and poverty reduction bordered on quality and should be assessed qualitatively. Qualitative research designs are most suitable for research that searches for meanings, ideas, opinions and feelings about events or phenomena that border on people’s perceptions about the characteristics of an entity and the resultant attitudes and overt behaviour towards a phenomenon. The quality of data, relevance and adequacy are extremely crucial for determining the overall success of any research undertaking.

3.3. The research site

The site of the study is Bawku West District of the Upper East Region in Ghana. The district was created in 1988 under the new local government system by Legislative Instrument (LI.1442). It has five (5) Area Councils and two (2) Town Councils. These sub-district structures, which became operational in 2003 also has 92

unit committees but yet to be made functional/effective. Bawku West District lies roughly between Latitudes 10° 30'N and 11° 10'N, and between Longitudes 0° 20'E and 0° 35'E.

Bawku West District shares boundaries with Burkina Faso in the north, Bawku Municipality to the east, Talensi-Nabdam District to the west, East Mamprusi District to the south and Garu-Tempene District to the south-east. The district covers an area of approximately 1,070 square kilometres, which constitutes about 12% of the total land area of the Upper East Region, and is the fourth biggest district in the region in terms of landmass.

3.4. Target population

Target population for the study consisted of all women entrepreneurs in the Bawku West District. It includes any female aged 20 years or above and engaging in economic activity of whatever kind that ensures her some reasonable measure of regular income. The sample frame and size were derived from the target population.

3.5. Sample frame and size

The sample frame for female business owners was defined to comprise all women aged 20 years and above who were engaged in one form of micro-enterprise activity or other. However, the quality of the sample should be judged with respect to the procedures employed for the sample selection process.

3.6. Sampling design

Both probability and non-probability sampling techniques were employed to select respondents. A non-probability sample is any group selected without giving

each and every member of that group an equal chance of selection to constitute the sample. A probability sample, on the other hand, refers to the number of members of a population who had each been given a non-zero chance of selection to represent the population.

3.7. Sampling procedure

Adequate measures were taken to minimize bias before selecting the sample. For instance, the study ensured that respondents were women aged at least 20 years old and actually engaged in or owned a micro business in Bawku West District. The study had an achieved sample of 143 entrepreneurs, who were selected by a simple proportional random sampling technique. Proportional sampling involves dividing the population into homogeneous sub-groups and taking a simple random sample in each group, while simple random sampling refers to a sample selection process, which gives every unit of analysis the probability of being chosen to represent the population (Rubin and Babbie, 2001; Seidu, 2006). Lists of female entrepreneurs were obtained from the Bawku West District Assembly and stratified by zone or area council and type of business activity (Profile of Bawku West District Assembly, 2009).

The goldfish sample selection technique was then used to proportionally and randomly select the sample. It was similar to the lottery technique and entailed writing down names of each stratified cluster on pieces of paper and placing them in baskets by stratum. The basket was shuffled each time a selection was picked until the planned number per stratum was made and finally aggregated to obtain the 143 out of the planned sub-sample of 150 respondents to give a non-response rate of 4.7%.

The rationale for adopting a proportional and random selection process for women-owned enterprises was because of the need to ensure fair representation of

each stratum as well as increase precision. The proportional simple random sample selection technique was adopted because it was found to be the most trustworthy method of securing a truly representative sample of a population. Simple random sampling was also intended to ensure that all forms of researcher biases were eliminated. After ensuring that the sample selection procedures had sufficiently guaranteed a representative enough working sample, the types of data to be collected were identified.

3.8. Types of data

The data gathering process involved both primary and secondary data sourcing. Primary data were gathered through the application of a survey questionnaire on female business owners. Secondary data sources comprised annual institutional review reports, district assembly planning records. Personal observations were then used to obtain information to supplement the primary data elicited from the sample frame of the study.

3.9. Research instrument structure and content

The research instrument developed for the study comprised a structured interview schedule, which was identified as a reliable and appropriate instrument for eliciting information from a predominantly illiterate population. According to Seidu, (2006), 'a questionnaire is a systematic and deliberately designed series of questions used to elicit information from informants (p.50). Each respondent reacted to a number of both negative and positively worded questions. Closed-ended and few open-ended statements were included first to minimize the disadvantages of using only one way of questioning respondents. Secondly closed-ended questions enabled

respondents to know what was exactly required of them by simplifying the process and to save time. On the other hand, opened-ended questions, gave respondents the opportunity to freely express their opinions about the event being investigated.

The first part of the questionnaires covered the socio-economic, demographic characteristics of respondents. It was equally necessary to take steps to ensure that the findings that would eventually emerge from the study were valid and reliable. The second part contained questions that were to elicit valid and reliable data on issues of poverty, types and sources of funding and challenges of women-owned microenterprises in the study area.

3.10. Validity and reliability procedures

To ensure validity and reliability the structured interview questionnaire items were peer reviewed and cross validated earlier by scholars with research experience. The procedure was also intended to ensure scale consistency, reliability, and content validity. Another way of obtaining quality data for the study was through the use of question items and scales from previous research questionnaires. Preliminary findings were also rechecked for accuracy and consistency.

A team of five (5) research assistants contracted to administer the research instruments, were trained and briefed on how to administer the questionnaire. Another method adopted to ensure accuracy of findings was peer debriefing, which involved getting others to review and ask questions for further clarifications in order to ensure congruence. Triangulation of different data sources and collection techniques were meant to make a strong case for the validity of findings of the study. Finally, the use of introductory letters to the BWDA administrators informed and assured about the purpose and guarantee of anonymity of their persons were meant to elicit the

cooperation of all and further ensure the validity of their responses and, therefore, the findings of the study (Crotty, 1998; Tashkkori and Teddlie, 2003).

3.11. Data processing and analysis

Data were processed with SPSS software. Data analysis involved calculations of simple percentages, means, and construction of tables and frequencies in order to render them meaningful and facilitate description and explanation of the findings.

Summary

The chapter provided a detailed description of strategies employed to execute the research. It described in some detail the type of research design used and why the survey method was preferred and adopted for the study. Other methodological issues described and discussed included the target population, sample frame and size, sampling design and selection procedures, types of data, and the structure and content of the measuring instrument, data analysis, measures taken to ensure reliability and validity of the output of the instruments.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1. Introduction

The previous chapter provided a detailed account of the tactics or strategies adopted to gather data for the study. The aim was to be methodically comprehensive enough to allow for replication by others intending to embark on similar studies in future as well as give opportunity to review and constructively criticize the research for the benefit of the research community.

Chapter Four gives an account of how the data were processed to allow patterns of interrelationships among variables to stand out clearly and facilitate the description and explanation of the findings of the study. The socio-economic and demographic variables of respondents discussed pertained to age and marital status, types of residential accommodation, level of education, income, and employment status of respondents. Others included types of business the women were engaged in, sources of funding for business start-ups, duration of experience as an entrepreneur, challenges facing rural poor women micro-entrepreneurs and what could be done to make micro-enterprise development a catalyst for economic and socio-political empowerment of women in order to reduce current unacceptable levels of poverty in the Bawku West District.

4.2. Background of respondents

A hundred and forty-three women entrepreneurs responded to a questionnaire that was designed to capture their socio-economic and demographic characteristics

and opinions, feelings and knowledge of various aspects of micro-enterprise management and development.

4.2.1. Socio-economic and demographic profile of respondents

The social and economic and demographic characteristics of women business owners in the Bawku West District, which were discussed included age, marital status, occupation, income, level of education and length of working as an entrepreneur. These variables were expected to influence entrepreneurial acumen.

4.2.2. Age distribution of respondents

Age distribution of respondents was between 20 and 69 to give a range of 49 years. The cohort groups are displayed in Table 4.1 and its statistical summary show the age distributions of respondents. The mean age of respondents was 42.68 with a standard deviation of 11.89 and a variance of 141.37, while the minimum and maximum ages of respondents were 20 and 69 years respectively, to give a range of 49 years. The data showed a positive skewness of 0.665 implying a cluster of ages at the lower end of the age distribution curve.

Table 4.1: Age distribution of women entrepreneurs in Bawku West District

Age (completed years)	Number	Valid Percentage	Cumulative Percentage
20-29	18	12.59	12.59
30-39	26	18.18	30.77
40-49	57	39.86	70.63
50-59	30	20.98	91.61
60-69	12	8.39	100.00
Total	143	100.00	

Source: Survey data, April 2011

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Table 4.1: Statistical summary of age of respondents (N=143)

				Std.			
Range	Minimum	Maximum	Mean	Deviation	Variance	Skewness	
Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
49	20	69	42.68	11.892	141.37	.665	.203

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Source: Field work data, April 2011

The age spread was, therefore, not normally distributed. The mean age of respondents fell within the economically active and child bearing age group of 20 to 45 years, and it could be deduced that majority of the women entrepreneurs had dependents. Therefore, an improvement in their lives as a result of poverty reduction through micro-enterprise development could be translated into improvement in the lives of more members of the household.

4.2.3. Marital status of respondents

Table 4.2 shows the marital status of women entrepreneurs.

Table 4.2: Marital status of women entrepreneurs

Marital status	Frequency	Valid percentage	Cumulative percent
Single	15	10.07	10.49
Married	89	62.24	72.73
Divorced	13	9.09	81.82
Widowed	26	18.18	100.00
Total	143	100.00	

Source; Field data, (April, 2011)

Table 4.2 shows that as many as 89 women, representing 62.24% of the sample were married, while only 15 (10.49%) were single. Twenty-six (18.18%) were widowed, while the least marital status score of 13 women were persons who had been divorced. Since the majority of the women were in the child bearing age it could be inferred that the women had children to take care of.

4.2.4. Income and educational level of respondents

Respondents' level of education and incomes were found to be low as can be seen from Table 4.3. As a result incomes of women entrepreneurs were so low that several women were compelled to engage themselves in multiple business ventures as a coping mechanism against falling into extreme poverty.

Table 4.3: Level of education and income of respondents

Level of education

Monthly income in GHC

	0-50	51-100	101-149	150-199	200-249	Total
No education	2	4	11	15	26	58
JHS	5	4	8	17	11	45
SHS	2	1	0	2	4	9
Post-SHS	0	1	5	11	14	31
Total	9	10	24	45	55	143

Source: Field data, (April, 2011)

Table 4.3 also shows that with the exception of women with no formal education at all there was some correlation between level of education and income size. Women entrepreneurs with higher level of education tended to earn more income from their micro-enterprises than those with lower levels of education. In the case of the group of women without education and yet earning higher income further probing revealed that they had been in business for much longer periods than their counterparts with higher education. Fewer persons with higher education went into small scale businesses because their preference was to secure public sector employment as teachers, nurses, and what have you.

Fifty-eight (40.56%) women had no education at all, while those with JHS and SHS were 55 (38.46%) and 9 (6.29%) respectively. Incidentally, women with JHS education were the least although Post-SHS education women were as many as 31, representing 21.68% of the sample.

4.2.5. Type of residential accommodation of respondents

As part of the operational definition of the rural poor woman, the study looked at the types of residential accommodation women entrepreneurs lived in and found that their dwelling places were diverse and ranged from traditional flat roof top mud or switch buildings, round huts with thatched roof to landcrete and landcrete block buildings. Table 4.4 displays respondents' dwelling places by type.

Table 4.4: Respondents' residential accommodation by type

Type of dwelling	Frequency	Valid percent	Cumulative percent
Sandcrete block	16	11.19	11.19
Mud/switch	38	26.57	37.76
Flat round rooftop	47	32.87	70.63
Thatched	33	23.08	93.71
Sandcrete block	9	6.29	100.00
Total	143	100.00	

Source: Field data, (April, 2011)

Apart from few sandcrete and landcrete block houses, a majority of 118 (82.52%) of the respondents were staying in traditional houses constructed mainly with mud/switch with minimum cement works. Only 25 (17.48%) of the micro-enterprise owning women were staying in dwellings constructed with fairly high cement content.

Except few public standpipes in Zebilla, the District capital, most households had no pipe-borne water or boreholes supplying their water needs. A substantial number of respondents said hand dug wells and dams were their main source of

drinking water. Sanitation was equally inadequate. Those were some of the sub-standard conditions under which the rural poor woman lived in the BWD. When respondents were asked how often they were involved in discussions leading to decisions affecting household and community issues, over 140 (98%) replied that they were never involved.

4.3. The rural poor woman in Bawku West District

The first research objective was to operationally define who a rural poor woman was. The study characterized a rural poor woman in the Bawku West District as any female aged 20 years and above who could hardly give her dependents three square meals a day, lived in a mud or switch house with no water and sanitary facilities, unable to send and retain her children in school, and had below Junior high or no education at all. In addition the woman must be so powerless that she would be unable to participate in the discussion of community and family household discussions leading to decision making.

Therefore, the study had adopted the World Bank's (1996) synthesized version of the concept that 'poverty is the lack of or the inability to achieve a socially acceptable standard of living'. Poverty is also a condition where individuals, such as the rural poor women of Bawku West, lack command over economic resources or a capacity failure to participate actively in activities of a society. Thus, the study's operational definition of poverty captured both income and human poverty dimensions of poverty.

The second objective sought to identify types of micro-enterprises women in the study area were engaging in so as to rid or at least reduce the level of poverty

among rural poor women. Table 4.5 displays the types of micro-enterprises set up by women in the Bawku West District.

Table 4.5: Types of women-owned micro-enterprises in BWD

Type of business	Number of women
Groundnut oil processing	84
Farming/Dry season gardening	80
Shea butter extraction	79
Malt production	73
Pito brewing	70
Dawadawa processing	45
Rice parboiling and milling	44
Weaving of smock materials/ Table top trading	39

Source: Field data, (April, 2011)

As per Table 4.5 the study identified 8 types of micro-enterprises women in the BWD were engaged in. A major and common characteristic among the women entrepreneurs was that most of them engaged themselves in multiple micro-enterprise ownership and management. First, multiple enterprise development was a way to spread business risks and guarantee some measure of income stability. Secondly, it was a coping mechanism adopted by the women against poverty.

The importance and desirability of supporting women-owned micro-enterprises development was underscored by the BWDA in the District Profile, (2009) when it commented that,

“It is important to note that these small scale industries in the District are mostly engaged in by the female population who are mostly poor and therefore lack

capital to enable them produce on large scale. Therefore, if given the necessary support it would stimulate economic growth in the District and go a long way to reduce the poverty level among the female population”.

Thus, the Bawku West District Assembly shared the view of the Platform for Action, (1995) when the latter declared that an important way to increase productive capacity of women and to break the ‘cycle of poverty’ among women was through some deliberate promotion, financing and strengthening of microenterprises owned by women

Table 4.6: Main source of finance for women-owned enterprises in BWD

Source	Frequency	Valid %	Cumulative %
Personal savings	47	32.87	32.87
NGOs/BWDA	32	22.38	55.25
Credit Union	26	18.18	73.43
Toende Rural Bank Ltd	20	13.99	87.42
Family members	14	9.79	97.21
Other	4	2.79	100.00
Total	143	100.00	

Source: Field data, (April, 2011)

As per Table 4.6 the study also investigated the sources of financing for women-owned small scale businesses in the BWD. Each respondent was asked to indicate the main source funding for her business, which are displayed in Table 4.6. Personal savings was the main source of finance for most women-owned small scale enterprises in the BWD. It accounted for about 33% of micro-enterprises owned by women.

NGOs and District Assembly supported the establishment of over 22%, while credit unions and the Toende Rural Bank together were the main sources of finance for 46 enterprises. Family support and 'Others' supported a combined total of 18(12.59%) micro-enterprises set up in the district. Sources of funding captioned 'Other' comprised 'susu', and private or individual money lenders

Regarding respondents' duration of experience as micro-enterprise managers, the study revealed that Women entrepreneurs with between 15 and 25 years small scale business management experience were 127 or 88.81% of the sample, while those with ≤ 14 years were only 16.

The final objective of the study was to identify key challenges facing women-owned micro-enterprises and recommend ways to help address those problems in order to facilitate development of women-owned small scale businesses and reduce poverty among rural poor women in the BWD. Therefore, women entrepreneurs were asked to list major challenges confronting them. Their responses were organized and displayed in Table 4.7.

Table 4.7: Main challenges of micro-enterprise development in the BWD

Type of challenge	Frequency	Valid %	Cumulative %
Lack of capital	66	46.15	46.15
Loans collateral	31	21.68	67.83
High interest rates	22	15.39	83.22
Loan processing delays	11	7.69	90.91
Lack of market	8	5.59	96.50
Lack of business acumen	5	3.50	100.00
Total	143	100.00	

Source: Field data, (April, 2011)

Foremost among them were lack of capital. Sixty-six respondents said that their number one business problem was capital non-availability and inadequacy, while loans collateralization accounted for 31 (21.68%) of respondents. In the third place was high interest rate, and followed by bureaucratic delays in processing and granting of credit, lack of market for products and inadequate and absence of formal training in modern business management practice. Others challenges, included socio-cultural barriers such as women not allowed to possess land, cattle and other assets that could be easily converted to cash in times of financial distress. The findings were similar to those by Tilakaratna, (1996), Ledgerwood, (1998), Nordwood (2005) and Muhammad et al, (2009), who at different settings identified the same challenges of micro-financing for small businesses development as an appropriate weapon and development approach for poverty reduction

Summary

The chapter presented an account of the preparation, processing and statistical analysis of the data gathered in order to facilitate the description of the socio-demographic characteristics of the units of analysis, as well as explain cause-effect relationship between microenterprise development and poverty reduction among rural poor women in the Bawku West District.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

Chapter four contained an analysis and discussion of the socio-economic, demographic characteristics of women entrepreneurs and women-owned enterprises in the BWD. The aim of chapter five is to present the findings, summary and conclusions of the study. The recommendations for tackling the challenges confronting development practitioners and the Bawku West District Assembly in the implementation of plans to encourage and support women-owned microenterprises development in order to reduce poverty among rural poor women in the area were also outlined.

The development of women-owned microenterprises would reduce poverty as a result of multiplier effects and also empower women both economically and socially to articulate their fundamental human rights and be active participants in community and household decision making.

All over the world deplorable living conditions of women and their children continue to attract the attention of many advocacy groups and the academia. Several microcredit and social intermediations were designed and aimed at reducing poverty among rural poor women. This study investigated the role of microenterprise development through microfinance intermediation to promote economic empowerment and poverty reduction among rural poor women in the Bawku West District.

Many exemplar studies on poverty reduction concentrated on the role of microfinance in alleviating poverty among poor women with little attention being

paid to the importance of the complementary role of microenterprise development (e.g. Ledgerwood, 1998; UNDP, 2003; Noorwood, 2005). This study therefore sought to assess the role of microenterprise development in the fight against poverty among rural poor women, using Bawku West District as a case study, and to fill a knowledge gap in terms of both economic and social empowerment effects of microenterprise development.

The general focus of the study was to ascertain the role and importance of microenterprise development in the war against poverty to liberate rural poor women in the BWD. Specifically, the research focused on:

1. Identifying the rural poor woman in the Bawku West District
2. Identifying and describing the types of microenterprises women in the Bawku West District are engaged in.
3. Examining the sources of funding and characteristics of women-owned microenterprises in the BWD.
4. Identify the challenges of women-owned microenterprises in the study area and make recommendations for enhancing enterprise development through deliberate policy targeting.
5. Analyzing the effects of microcredit and microenterprise development on the social and economic empowerment of rural women by harnessing their poverty reduction potential.

In order to achieve these objectives, the study adopted a case study survey research design and used stratified proportional simple random sampling procedures to select 143 respondents to react to a number of question items in an interview schedule. Secondary data were also accessed from the Bawku West District Profile, while the primary data were analyzed using SPSS (version 16).

5.2. Summary of main findings of the study

The first objective of the study was to identify who the rural poor women were in the Bawku West District. Women who could not adequately provide their households with the very basic necessities of life such as food (both in quantity and quality), clothing, decent housing with good drinking water and sanitation, ability to send and retain their children in school and accessibility to health care and information on reproductive services were considered poor.

1. More than 80 percent of the respondents indicated that they were unable to give their children three square meals a day throughout the year. However, children whose mothers were able to send and retain them in school had a daily hot meal from Monday to Friday as a result of the School Feeding Policy instituted by government in 2008.

2. Majority of respondents, 137, representing ninety-six percent of interviewees lived in mud houses with no pipe borne water and toilet facilities in the house.

3. Although 87(61%) of the women said they were able to send and retain their children in school the figure could have been much lower had it not been for the introduction of the capitation grant, free school uniform and other incentives being provided by the central government and the district assembly.

4. There were not less than 23 health care facilities, comprising 1 hospital, 4 health centres, 9 clinics, 9 CHPS compounds in the district. In addition, the district had 2 supplementary feeding centres. However, few women could access the services because they either lived far away from them or were too poor even to subscribe to the NHIS, which could be plausible reasons for the current unacceptably

high maternal and child mortality and morbidity rates in the area. In addition the low level of education among women in the district could partially hinder the women from obtaining information on health and reproductive and microenterprise issues.

The second objective was to identify the main microenterprises owned by women in the district.

5. The main entrepreneurial activities women in the Bawku West engaged in were farming and dry season gardening, agro-processing, including rice milling, shea butter and groundnut oil extraction, dawadawa production, pito brewery, table top sale of essential commodities and the rearing of small ruminants and fowls. A common feature was the incidence of multiple microenterprise ownership and management among most respondents.

6. The third research objective was to examine the sources of funding and characteristics or types of women-owned microenterprises in the BWD. The study identified the main sources of business financing of women-entrepreneurs in Bawku West District to include, personal savings, NGOs/BWD, Credit Unions, Toende Rural Bank and support from family members.

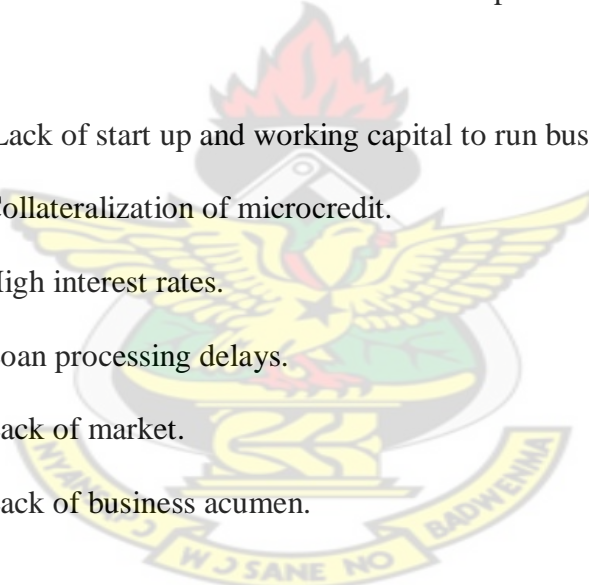
7. The fourth objective of the study was to analyze the effects of microcredit and micro-enterprise development on the social and economic empowerment of rural women and poverty reduction in the BWDA area.

8. One hundred and thirty eight (96.5%) of the women entrepreneurs said that their business activities were contributing substantially to enhance their earnings which had a mitigating effect on poverty. They agreed that but for the contribution of their businesses it would have more difficult for them to provide food, shelter, clothing and education of their children.

9. Microfinance and microenterprise development exposed many women entrepreneurs to basic knowledge in book keeping, numeracy and business management.

10. Women were also in a process of being empowered through group formation which should enable them to articulate and fight for basic human rights in future.

Objective five was to identify challenges of women-owned microenterprises in the study area and make recommendations for enhancing enterprise development through deliberate policy targeting. The following were the challenges enumerated by respondents, which inhibit women-owned microenterprises and development in the BWD.

- 
- a. Lack of start up and working capital to run businesses.
 - b. Collateralization of microcredit.
 - c. High interest rates.
 - d. Loan processing delays.
 - e. Lack of market.
 - f. Lack of business acumen.

5.3. Conclusions

In the midst of several challenges, women-owned microenterprises in the BWD had demonstrated some admirable capability for running multiple microenterprises as well as making the best economic use of micro-credit extended to them. Access to microcredit schemes led to the establishment of sustainable economic activities by women. Women entrepreneurs had also acquired business skills and

strengthened their capacities for competing favourably in the business environment in the Bawku West District.

The study also concluded that micro-enterprise development promoted self-employment among rural poor women, who in turn were employing other under privileged groups.

Consequently, there was social and economic improvement of the lives of many poor women business persons as a result of the extension of microcredit intermediation to develop their enterprises. Most respondents were confident that financial and managerial support for women businesses was having significant social and economic impacts on the overall quality of their lives. Empowerment and greater independence led to improved social conditions. Respondents referred to their changing status in the family and said they were no longer neglected, and participated in family decision-making, and some had even assumed leadership roles in their households.

Thus, access to microfinance for enterprise development had led to improved living conditions, increased regular income and reduced vulnerability to both income and human poverty among rural poor women in the district.

Through economic empowerment women entrepreneurs had indicated that they now had more access to better health services, improved household income and were now able to take their children to school. Others mentioned their ability to pay for medication and school uniforms needed by their children as result of assistance they received from microcredit institutions in the area.

Apart from improvements in their lives many women business persons were also able to repay their loans. Clearly, those were indicators for breaking the poverty

cycle of rural poor women in the Bawku West District as espoused by the Credit with Education conceptual framework (2002).

5.4. Recommendations

In order to facilitate and enhance microenterprise development via microfinance and reduce rural poverty among rural poor women in the BWD, the study made a number of recommendations and suggestions.

1. Women-owned microenterprises in the Bawku West District Assembly area should be strengthened through organization and nurturing of cooperation among rural poor women to enable them present a unified front instead of competing among themselves.

2. Various forms of credit should be extended to women-owned enterprises.

3. Insurance is an important financial service for the poor, given their vulnerability to livelihood risks. Here the emphasis should not be so much of life insurance but of crop insurance and insurance for income earning assets such as livestock. Thus, to focus on micro-credit alone and leave out micro-insurance may be drawing poor clients into indebtedness.

4. Raise public awareness about rural poor women and poverty in the Bawku West District. That could be done through:

i. Education in communities about microenterprise development opportunities and the need to send children to school.

ii. Media campaigns: television and radio shows in local, understandable languages about different microenterprise development opportunities and poverty issues.

- iii. Positive portrayal of women at grass root level through role modelling.
- iv. Involvement of religious leaders in educating the public about women development issues.

Awareness amongst women entrepreneurs could also be raised through:

- i. Education and workshops about business opportunities in terms of funding sources and markets.
- ii. Peer education through the training of female entrepreneurs as trainers on various aspects of business development and management..

5. A major problem challenging female entrepreneurs in the BWD is market for their produce. In order to improve their access to market, women-owned enterprises in the BWDA could liaise with NGOs like Trade Aid Integrated, which is an organization in the UER of Ghana that links small business to marketing opportunities.

6. To improve on business expansion women entrepreneurs who had proven themselves credit worthy should be given larger loans to enable them expand their businesses. Loans should also be given on time to minimize the temptation of misapplication of loans contracted.

7. To increase the support base of clients, the microcredit could be both cash and in kind, so that one could serve as shock absorber in times of losses.

8. In terms of business training, the BWDA and her development partners should organize training programmes on product packaging and marketing in order to help solve the problem of lack of marketing opportunities.

Globally, women entrepreneurs play important roles in local economic development and were estimated to own and operate 500 million micro-enterprises

and small scale businesses (Women's World Banking, 1995). In Ghana, women constitute more than 51% of the country's nearly 25 million people (Ghana, 2010), which is certainly a significant segment of the society and can hardly be ignored.

There is, therefore, the need to empower women of the BWD through microenterprise development, and pull them out of the current cycle of social, economic and political exclusion. Such an affirmative action would also be consistent with the country's avowed stand on democratic principles of good governance, rule of law and equal opportunities for all, as enshrined in the 1992 Constitution of Ghana.

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APPENDIX I

QUESTIONNAIRE

Dear respondent,

This questionnaire seeks to gather data on microenterprises owned by women in the Bawku West District. The purpose of the research is to determine the role of microenterprise development in poverty reduction in the Bawku West District.

I promise that your responses would be used solely for academic purposes and would be treated with strict confidentiality, and I thank you very much for your kind cooperation.

.....

Amos Akurugu Akparibo

SECTION 1

Background of respondents

1. Which of these age groups do you belong?
 - a). 20-29 [] b). 30-39 [] c) 40-49 []
 - d) 50-59 [] e) 60-69 [] f) 70-79 []
2. Which of these best represent your monthly income earned from your business in GH¢?
 - a) 0-50 [] b) 51-100 [] c) 101-149 []
 - d) 150-199 [] e) 200-249 [] f) ≥ 250 []
3. What is your level of education/
 - a) No formal education at all [] b) Junior High School []
 - c) Senior High School [] d) Post-Senior High School []

4. Which of these represent your marital status?

- a) Single [] b) Married [] c) Divorced [] d) Widowed []

5. How many meals do you provide your children in a day?

- a) 2 meals [] b) 1 meal c) 3 meals d) More than 3 meals

6. Which of these statements best represent your ability to send and keep your children at school?

- a) I am unable to keep my children at school for a whole year []
b) My children are in school only during the off farming season []
c) I keep my children at school for 3 months in the year []
d) My children stay away from school when I need them on the farm []
e) I have my children at school throughout the school year []

7. Which of these describes your dwelling place?

- a) A flat roof top mud house [] b) Thatched round hut []
c) Laterite block house [] d) Landcrete block house []
e) Sandcrete block house []

8. How often do you take part in discussing issues affecting your household or community?

- a) Not at all or rarely.
b) Sometimes.
c) Often
d) Very often.

9. What is your source of drinking water?

- a) Hand dug well.
b) Pond or dam.

- c) Borehole
- d) Pipe borne water.

SECTION II

Micro-enterprise development

10. List the type (s) of business (es) you engage in.

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11. Which of these is your main source of funding for your business? *Tick where applicable.*

a) Own financing or personal []

b) Susu []

c) Toende Rural Bank []

d) Credit union []

e) NGOs/District Assembly []

f) Other (Specify).....

10. In what other ways do you use loans granted for your business?

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12. What difficulties do you face in accessing funds for your business?

a) Lack of collateral security, high processing fees, and high interest rates charged by banks.

b) Exorbitant interest rates charged by money lenders.

c) Lack of information on credit facilities available.

d) Unwillingness of lenders to give credit to owners of microenterprises.

e) Any other (Specify)

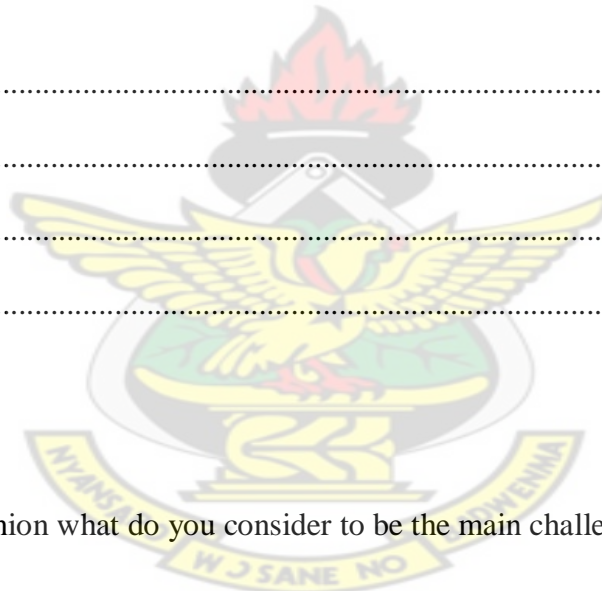
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13. In your opinion what do you consider to be the main challenges of your business?

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14. What do you think can be done to help you overcome the challenges confronting your business?

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15. What kinds of support do you require for your business?

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16. Have you received training in any of these business activities before?

- a) Business record keeping ☐ b) Business opportunity identification ☐
- c) Skills training ☐ d) Banking culture ☐

