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ACCESS TO MICROFINANCE ON FINANCIAL BEHAVIOUR,
BUSINESS ACTIVITY AND HOUSEHOLD WELFARE OF
WOMEN IN GHANA

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The purpose of this thesis is to understand the impact to access to microcredit for women in Ghana, Africa. By doing this work with in collaboration with an NGO based in Accra, Ghana, we had great possibility to have access to the fields and meet our target groups plus complete questionnaires in personal level with them.

By doing this work we wanted to acknowledge risks, barriers, opportunities and come up with possible ideas how to make microfinance bigger part of women's start-up businesses in future in Ghana. Starting the work with theory part, concentrated in business types typically used in Ghana, discussing different types of loans and eventually analysing results received from the questionnaires completed around Ghana. Work is finished with conclusion where discussing different ways of improving microfinance's states in Ghana.

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1 INTRODUCTION

This research has been completed in a co-operation with the NGO with which I completed my internship during summer 2016. The organization is a grassroots NGO called Alliance for African Women Initiative (AFAWI), and is located in Accra, Ghana. They mainly concentrate on leading projects to empower women in terms of their position in the community; they also support children living with HIV/AIDS (PLHIV), as well as other marginalised groups in the community. For this thesis itself, I will be concentrating on the financial point of view of women, their possibilities and impacts when using microfinance to create new businesses or expand one that already exists. Also, goal is to understand the behaviour of women, and the behaviour of their husbands, when getting access to microfinance and afterwards, as well as the impacts it has on their everyday lives at home and in their communities. This leads us to concentrate on gender equality from a cultural perspective, and the expectations which women and men have of each other (AFAWI, 2014; Rawlings, 1992).

The aim with this work is to gain more knowledge about how effectively microfinance is actually working in different areas in Ghana. The focus will be on the two main areas of southern Ghana, which are the Central Region and Greater Accra. I want to gain knowledge about the shared business environment in those areas, by making questionnaires for the communities and for the women themselves. All of this knowledge will help to gain more knowledge of what is currently lacking in order to be more helpful in the context of offering microfinance services to women in Ghana. Because expansion of entrepreneurship among women has been rapid, there will be concentration to research progress and our knowledge about which ways are preferable for starting these new businesses. In developing countries, it is still costly to borrow small loans (credit histories or collateral), and microcredits seem to be a significant development tool in such an environment. By gaining knowledge about these issues and also, of course, about the possibilities they might offer, it will be easier to help those in the target group in the best possible way. I want to understand the risks and threats they are forced to face in the business, but also at home. Since it is still more usual for women to stay at home and leave their husbands to take responsibility to care of the family financially, another goal is to understand the possible issues which women are facing when moving from their homes to become those who are also making earnings (AFAWI, 2014).

With this research, I look forward to getting results which will help to gain better understanding of how microfinance really works in the shared environment in the areas which are concentrated in Ghana's start-up or small companies' levels. Below will be found the purposes and objectives of this work, as well as the ways of collecting the necessary information (questionnaires). Then moving on to the background and boundaries, before addressing planning and the conceptual framework to gain greater understanding of the research. Lastly can be found a brief discussion of ethical issues, reliability and, finally and list of references.

2 PROBLEM SETTING AND CONCEPTUAL FRAMEWORK

2.1 Impact of this project

This project is done for the sake of getting a better understanding of the impact of access to microcredit on women, their behaviour after getting a loan in their businesses and also in their homes. Because microcredits given to women are still a new way of developing women's businesses in Ghana, aim is to learn more about it in order to be able to share professional and up-to-date source when offering this service in the future. (Hakala, 1998; Linna & Saarnilehto, 2016; Santonen, 1989; Krugman & Obstfeld, 2009) The benefit of the project will be aimed at all microcredit organizations in developing countries, and of course at the women these services are offered to.

2.2 Objectives of the project

The objectives for this work are set as follows:

1. To understand the impact of access to microcredit on women;
2. To understand the financial behaviour of women;
3. To understand the impact of women's business activity;
4. To understand the impact on households.

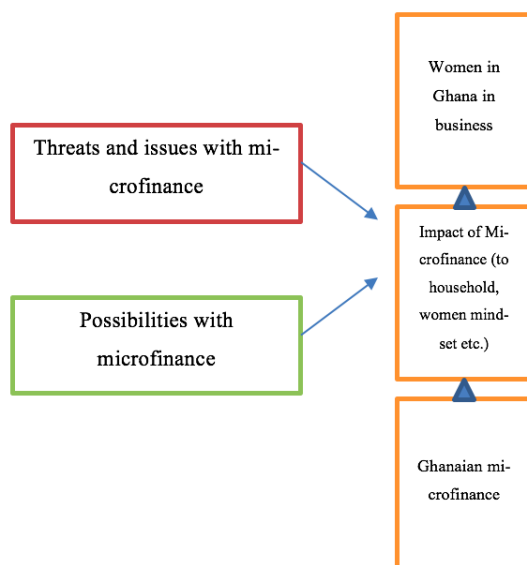
These are the main areas wanted to be focus on. There will be other interesting issues to research, which are relevant in order to gain a broader understanding, but all of them have connections with the objectives set above (Trading Economics, 2016; Afawi, 2014).

2.3 Research Questions

Research problems follow the objectives which have been set. The questions below are meant to be helpful in order to understand the issues and give a broader understanding of the objectives which have been decided.

1. What kind of possibilities does microfinance provide for women in the area of business?
2. What are the behavioural factors and attitudes concerning women's financial issues before and after microfinance?
3. How do external factors impact the possible development of women?
4. How do women feel about microfinance?

2.4 Conceptual Framework and main concentration points



This project will require an understanding of the business environment and of how it is developing and well understood from the perspectives of doing business, the necessity of education and the sharing of information. When moving to theories, there is need to be understanding of the business environment, microfinance, theories of loans and the market itself. In addition, research has been put into statistics, and looked more closely at the current situation concerning the percentage of women with loans, companies' life-cycles during previous years, the financial state of Ghana's households, and general issues about cultural points of view in Ghana.

Porter's Five Forces and Porter's Diamond Model has also been used in order to get a greater understanding of the business area. There is a need to research the competitiveness of Ghana's economy as well. There is consideration on the differences between NGOs and microfinance companies, and some political systems of the economy and the national innovation system. In order to gain all the knowledge needed for explaining these theories, there is need to make some broad questionnaires for women and also for the surrounding communities (AFAWI, 2014; Rawlings, 1992; TRADING ECONOMICS, 2016; Hakala, 1998).

Information is gathered in different forms, which are questionnaires and articles, as well as, of course, the information which internet and libraries are able to provide and share. So, when collecting data with questionnaires, the biggest challenge will be to gather it equally from different areas of Ghana. Since the internet is not a key method that I will be able to take advantage of, it is inconvenient and time-consuming to collect all the necessary data. After all the data has been gathered, there is a need to collate and analyse the data; later on, I will need to make an assessment of the analysis I was able to make.

2.5 Limitation and Reliability

First of all, the area that is been covered will not be too wide. Because it is not possible to conduct questionnaires via the internet in Ghana, the answers will come from a narrower area. This means the results will not be as trustworthy as hoped for. For the Diamond Model, there is no expectations to have highly dependable information, because the amount of information is too limited. There is also concerns about liable information, since the government has set a lot of regulations and barriers about what kind of information is allowed to be published, and also how much of it can be modified (Worldmap, 2015).

The data collected will not be as reliable as initially hoped but will give great understanding of the project. There are no possibilities to collect information from women in different life situations or areas. It will be hard to receive replies from women who are struggling with poverty in different areas of country side and from those who are particularly hard to get access to because their homes are in small communities, usually located in the middle of jungles. They might be the people who could would have bigger impact on the research. The fact that most of the women will need assistance to read and write makes the outcome even more unreliable. Then, in terms of resources I will be using, it might be difficult to find any which are trustworthy.

2.6 Ethical Issues

First acknowledged one which was going to be a struggled with from ethical perspective, is the impossibility of getting the data anonymously, because the women are unable to read and answer the questionnaires without literacy guidance. This will be the reason why there is concerns whether they will feel threatened and unsafe, which in turn may cause incorrect replies. This is the reason why they alarmed considerations about receiving misleading information. But this can be corrected by trying to make sure that all the respondents understand that everything they share with the translator will stay private, and that their names will not be published.

2.7 Implementation Plan

To gain best possible results with this research work, good plan how to execute methodology is crucial. Able to have best possible results for the research, questionnaire was created with up to 20-35 questions, for women, husbands and community individuals. This questionnaire is done with women and men (60/40 split) in two different areas of Ghana. It is important get the perspective from both parties even though this research is concentrated on women and also getting knowledge from different areas of the country, from different genres and classes. Because ability to write or read is not common skillset in Ghana, extra workforce for translators and writers is essential. Altogether, there is 4 different villages were questionnaires were

made and information is collected. Questionnaires for women and communities can be found as appendix section to give better understanding of the concept and layout.

3 LITERATURE REVIEW

3.1 Economics

Although this work concentrates on microfinance, there is still a need to understand economics as a broader context. A full understanding is necessary of what economics includes, its definition and how it works today, as well as its future situation in the developing world. For everyone, whether private person, corporation or even nation, there is always the question of resources. The financial situation of a private person or of a nation needs to be considered in every choice one makes, whether it is a question about a company's or household's financial decisions. Scarcity of resources is always present, as well as the question of where to invest resources, since these are always limited and there are choices to be made regarding the existing surroundings (Gillespie, 2011, p. 6; Krugman & Obstfeld, 2009, pp. 11-32). All these issues are real in the existing world, so they need to be considered when talking about microfinance as well.

When considering economics and how to shadow its theories to create new businesses, there is need to be consideration of three fundamental questions like what is there to be produced, when and how to get it done? After considering all of these basic questions and moving forward to actually starting up new businesses, and considering about the opportunity cost, which will define how much could be possibly loss when doing something new/different, like starting a new business instead of working for someone else. There are always different costs to consider, which can be divided into two: short- and long-run costs. When using the same example of creating a new business, short-run costs will be high, but then again, if the business is successful, long-run costs will be low. But if it is decided to stay and work for someone else, short-run costs are almost invisible, but there will not be any visible profits either, and there will be long-run costs. Therefore, there is an easy conclusion that economics is based on making decisions, more or less associated with a particular government's political choices and the ones that was made. (Gillespie, 2011, pp. 6-8)

3.1.1 Tools of economics

Economics is a broad concept and there is lot to be considered when seeking a full understanding: markets, demand and supply, intervention in the market system, costs and revenues, barriers and possibilities, and business objectives. There are parts that cover short parts of all of those, just to get a glimpse of what needs to be considered

when looking at microfinance itself. The market alone is a broad concept. There can be a free market or a planned economy, and both of them have their own possibilities. With free markets, there is maybe more possibility of making faster, bigger profits, but then again, with a planned economy, it is safer and more planned. Nations can be very prescriptive and set many rules, which means that there is only the possibility of using a planned economy. With these situations, all the resources are allocated by government directive, not by the real forces of supply and demand in the market. Using a planned economy might cause inefficiency for a nation's markets. There are also situations when a nation chooses to use both styles mixed together. This means that there are not as many regulations, but not as much support from the government either. (Gillespie, 2011, pp. 9-10)?

3.1.2 Importance of demand and supply

Demand is something to be considered, especially in free market areas. Without knowing demand, there might chance to fall into a trap, whereby one would try to enter a market sector where there is no possibility of selling the product because there is no one in need of this particular product. That is the reason why it is important to get familiar with the demand curve, which helps person to understand needs and quantities, and at the same time the price one should be competing with. Good ways of researching this involve examining the price level of the nation, customers' incomes, the number of customers and also the price of competitors' products. After considering all these factors, there is the possibility of entering the market, which the person is now familiar with, having the necessary "know-how" to be able to behave correctly in that particular market (Gillespie, 2011, pp. 36-41). Anyhow, it is not only about following the needs and requirements of the consumers: it is also about researching supply, which can be researched by using the supply curve. It will define everything which is not changeable.

Suppliers can only produce as many of their products as they are able; person cannot change it even person wanted to. Their price has been counted and measured in a way to ensure that they can have some profit in their hands eventually. The total amount which is supplied will depend on many different factors, such as price, costs, the number of possible producers and, of course, the resources available. When accurately measuring demand and supply together, success is more likely (Gillespie, 2011, pp. 79-81).

To turn next to the case of demand, there is always supply, which needs to be understood in order to be able to be successful. When creating a new firm in microcredit markets, for example, supply and demand helps person to analyse different possible situations that may arise. It is not only about analysing markets when entering a new one: it is also about following their development, which means analysing the marketplace constantly. In developing countries, everything is more or less unsure and unstable. Politics, markets and also the unpredictable environment are in need of constant analysis; all of them can become even more important and relevant (Santonen, 1989, pp. 34-78; Leino, 2015).

3.1.3 Intervention

Intervention is something which is always present, which everyone may be exposed to, especially entrepreneurs. There are few possible methods of intervention which might affect microfinance markets. As discussed before, governments have possibilities to shape markets in ways that they feel would be most appropriate. When talking about a perfect free market system, it is unlikely to occur, although it is good to be aware of what governments can justify in intervening in markets, whether directly or indirectly. There are various ways in which governments may intervene. “The direct provision of goods and services” may include many areas, ranging from education to national defence or healthcare.

“Legislation and regulation” are main part that includes direct rules about salaries, which seems to be something considered more or less self-evident for most people. Then there are “Subsidies and taxes”, which could be taxation or deterrence activities. Finally, there is “Providing information to promote particular forms of behaviour”, (Gillespie, 2011, pp. 133-151; Santonen, 1989) which mostly includes encouraging individuals to undertake training or start recycling. This just leaves the question of where the line should be placed about whether it is positive to have these methods.

3.1.4 Measurements of economics

There is more about researching possibilities about entering markets factors such as revenues, costs and profits don't play that big of a role at the beginning, but there is a need to have an understanding about everything in order to examine them all together correctly. Revenue means what a company finds to be the value of the sales it is able to make. This can be identified by using *marginal revenue*, which measures the difference between the total revenue made and how many units have actually been sold. If person x sells a lot but do not know how many products actually was sold, person x cannot know how much profit has been made. Then there are total costs which need to be considered as well. This involves measuring how much cost was incurred when making the product, not only from the resources at hand, but also from the value of external sources.

When comparing marginal revenue and total costs, there is way to see the real profit, which defines how successful the company actually is (Gillespie, 2011, pp. 180-187). This has been something not determined accurately in past, especially in developing countries. Entrepreneurs are not able to see the broader picture, because there is no accounting carried out and so on, so the real numbers are hidden. It is unfortunate, but is an issue that still occurs, about which there needs to be better education in developing countries (Leino, 2015).

Finally, business objectives need to be considered and researched. Every firm needs to have initial objectives targeted for their business. Without them, there are no goals, and without goals, there is no driving force inside the firm. When the objectives are clear, profits are larger and the business works logically. However, this is a

huge problem for microfinance firms, because the parties involved do not have education for planning and thinking forward, which seems to be the reason why the businesses do not succeed in maximizing profits and why they stay stuck in the same situation (Ledgerwood, 2000, pp. 93-112). Depending on the size of the company, there should be different objectives for all the departments in the organization.

The marketing department should have different objectives from the production department. Interests are different so the objectives should be as well, although ultimately their common goal is to make the business successful. From the picture below (Figure 16.1), there is possibility to see how each factor affects another. Anyhow, even if the business is driven by just one person, he or she needs to have goals to be able to follow up what revenues and costs actually mean and to be able to know if the business is not being run successfully (Gillespie, 2011, pp. 253-256).

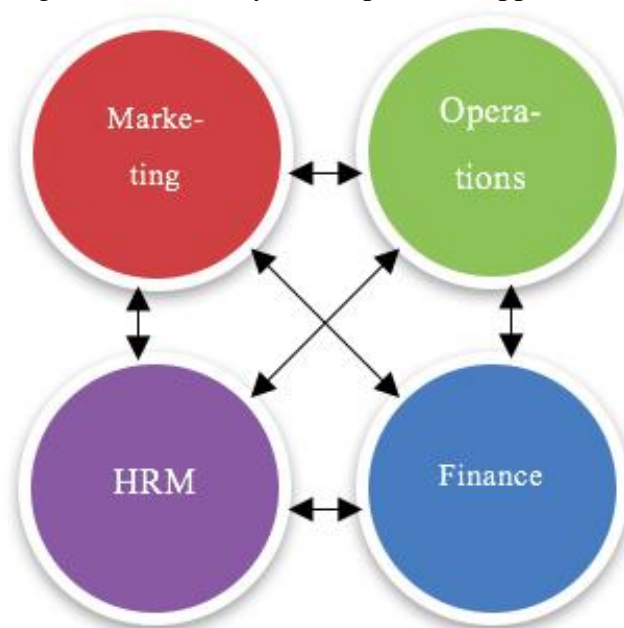


Figure 1. The Functions Of A Business (Gillespie, 2011, p. 254)

3.2 Microfinance

3.2.1 Microeconomics as a concept

In order to understand microfinance, it is helpful to take a quick look at the concept of microeconomics. This is something which focuses on decisions made from the individual perspective of household and firms, and it is part of the social sciences. The focus is always on a specific industry, and demand and supply for goods and services concentrated in one market, which means that all resources are scarce. Microeconomics helps one to determine the price of a product, especially the impact when there is a change in the supply of a certain product (Gillespie, 2011, p. 14). It's a great way to explain how and why different goods have different values, how individuals make more efficient or more productive decisions, and how individuals best coordinate and cooperate with one another (Krugman & Obstfeld, 2009, p. 288).

In microfinance, problems are always addressed working “from the bottom up”, which means showing how, when small, independent economic actors, each unique in themselves, seek to be different by doing things following their own interests, they collectively determine how resources are used. Next, when applying “from the bottom up”, to the main concept, which is microfinance, it is a unique and easier way to do business, microfinance presents an opportunity to become self-sufficient by providing a way to save money, borrow money and get insurance (Investopedia, 2017).

3.2.2 Individual barriers

When considering new firms entering microfinance, there needs to be research about the barriers of that particular marketplace. If a firm has updated itself about the possible barriers to entry in their market, it will be more protected from the effects of competition, and also from the impacts of changes in price and output. It is not, however, always other firms who create barriers; it might be the government, etc., as stated above. If there are existing barriers, this does not necessarily mean “no go”: so long as the firm is aware of the barriers, it has possibilities to negotiate them. There are always possibilities to reduce or remove those barriers over time. Then again, it might also mean that, as an existing firm, there needs to be an awareness of others who might try to play with barriers on purpose, trying to put x company down because they have studied company x’s strengths and weaknesses. For example, they might change their prices and carry out vigorous marketing to try to leave said firm’s behind and enter ones’ market in a sneaky way. Everything from legislation and technology to updating their knowledge of company x’s business area needs to be covered and studied constantly in order to stay ahead of the developing competition (Gillespie, 2011, pp. 240-246).

3.2.3 Opportunities

Microfinance is one kind of way which has evolved for humans with less resources and possibilities. It is a developing approach of providing benefits to low income women, and men as well. When delving more deeply into the term, it refers the provision of financial services to low-income clients, including the self-employed. Most of the time it includes savings and credit, but there are some organizations who provide insurance and payment services. Also, what is termed MFI might also provide social intermediation services, such as group formation, development of self-confidence, and training in financial literacy and management capabilities among members of a group. This is one of the key factors why it is to identified as part of micro-economics (Ledgerwood, 2000, p. 1).

3.2.4 Target groups and locations

In sum, microfinance refers to small-scale financial services—primarily credit and savings—usually aimed at people who farm, fish or herd; this means that the target group is those who are operating in small enterprises, selling a small amount of goods, food or different services. In general, such households have multiple sources of income. The ideal purpose of microfinance is to provide services which allow savers to store excess liquidity for future use, and to obtain returns on their investments. What it means is that the credit services would enable the use of anticipated income for current investment or consumption (Robinson, 2001, pp. 42-76).

There are different reasons for the “absurd gap” between supply and demand in microfinance, and this is something found important to discuss as well. Although it depends, of course, on one’s location and type of business, in general research has shown that among the economically active poor of the developing world, there is strong demand for small-scale commercial financial services. If services are available, they are very necessary and important because demand is endless for providing services to help low-income people improve household and enterprise management, increase productivity, smooth income flows and consumption costs, enlarge and diversify their microbusinesses, and increase their incomes.

Rarely, there a situation when the demand for commercial microfinance is met by the formal financial sector. This would require full attention from the government and the willingness of successful companies. There is too much ignorance and hypocrisy at the moment. There are false beliefs as well, which actors in the formal sector wrongly hold. There are rumours that microfinance cannot be profitable for banking institutions. An important fact to know is that what matters to microfinance clients is the access and cost of financial services (Robinson, 2001).

3.2.5 Differences of qualities

It is also useful to discuss the differences in quality of these services at the moment. Many poor people are served by informal moneylenders, who generally provide easy access to credit, but then the costs are more expensive, and services lack a lot of possibilities. Usually it is far cheaper to borrow from a commercial microfinance institution than from local moneylenders, even when real interest rates are used and borrowers’ transaction costs are included. It is also important not to ignore everything else that these commercial microfinance institutions are able to offer, including much-in-demand savings services that provide savers with security, liquidity and returns, a combination not generally available in the informal sector (Robinson, 2001). But then there is still question of who only wants to make money out of helping, and who wants to give opportunities. There might be many local communities whose main goal is not to make as much profit as possible, since they want to develop their community to be better.

Most poor people are being served by governments or donor-financed non-bank financial institutions, such as nongovernmental organizations and various village banks. Since demand is huge, these services are sufficient for only a small number of people in need. As already mentioned above, these institutions provide credit at a lower-cost, but they still do not give enough support though. Apart from these services, there are also state-owned formal financial institutions that provide government and donor-financed subsidized credit. The issue with these institutions is that they do not reach the poor people who are actually in need. Also, they expect clients with bigger loans and so on, which might result in huge losses. So, in sum, it could be said that there is huge gap between the financial systems approach and the poverty lending approach. Both approaches share the goal of making financial services available to poor people around the globe, but only the latter is focused on reducing poverty by using credit (Robinson, 2001; Dovi, 2012).

3.2.6 Goals and traps with microfinance

When being involved with microfinance, it does not matter which institution is used: the main focus should always be on making savings. These institutions usually require some mandatory savings, but there is often a lack of education about how to actually use those savings and maximize them. This is probably one of the main reasons why there are still issues getting away from the poverty line. One might just be able to create her business and pay her loan back, but then, six months later, be in the same situation as before taking the loan. There should be an understanding that there is a reason why the poor are poor: they do not have any education or knowledge to know how to make a business. Without education, a person cannot see into the future and understand the matter of savings and how to use them (Arvind, et al., 2015).

Alleviating poverty is not simple: it needs so many tools, including for example food, shelter, employment, health and family planning services, financial services, education, infrastructure, markets and communication. In order to be able to fight against poverty, one will need all of these tools, which means that there is need for food and health, but also for education. If one is able to have healthy lifestyle, but do not have education, one's life will stay where she is at that moment. This is initial reasons why so often credit goes into debt. When loans are provided to the very poor, the borrowers may not be able to use the loans effectively because they lack opportunities for profitable self-employment, and because the risks involved in using the credit may be unacceptably high (Robinson, 2001, pp. 42-76).

In order to understand the real difference between banks and institutions providing microfinance services, Table 2 below lists some key characteristics of, and differences between, banks and MFIs (Arvind, et al., 2015).

Parameter	Banks	Microfinance Institutions
Structure & Ownership	“For profit” organizations. Publicly listed. Responsible to shareholders.	Typically “Not-for-Profit” organizations, with some “For Profit” entities. Ownership: private sector entities, members, governments and in some cases with shareholders. MFIs primarily have a social objective coupled with financial sustainability.
Processes and Procedures	Standardized procedures - structured and well-defined.	Unstructured, non-standard and evolving.
Policies	Documented (enables staff to be trained.)	Partially documented or undocumented policies and procedures.
Staff and Training	Skilled staff. Undergo formal training on policies, procedures and systems.	“Employees are predominantly not well educated” (Quadri et al., 2011). Staff training is often unstructured and ad-hoc.
Nature of Clients	Individuals (retail & high net worth), small & medium enterprises (SME), corporates, funds.	Poor and low-income people who do not have access to other formal financial institutions.
Nature of Customer Data	Clients subject to a “Know-Your-Customer (KYC)” review. Financial records and other reference and transactional data retained. Net effect is a mitigation of financial risk.	No formal KYC process. Detailed customer information gathered, including socio-economic background and household details. Inherently, subject to higher financial risk.
Product Offering	Diverse set of products covering savings, loans, trusts, investment management, wealth & asset management, trade finance, foreign exchange, funds transfers, etc.	Small loans with little or no collateral. Product set could include savings, credit, insurance, money transfers and services provided by others but targeted at poor and low-income people.
Risk Management	Characterized by high values. Employ sophisticated risk-modeling techniques to manage risk.	Characterized by low values. Risk of default is managed through social and behavioral practices of sanctions, rewards and access to future credit.
Scale of Operations	Large banks typically have global operations. Others could have country-level or regional operations. Characterized by good infrastructure availability.	Usually localized operations, typically in rural and remote areas. Characterized by poor infrastructure availability.
Technology Support	Excellent availability of technical support for information systems – typically have in-house IT department(s). Can adapt systems to changing business requirements.	Low level of support available for information systems and technology (due to sustainability issues). Cannot adapt systems easily due to change in requirements.
Regulatory Environment	Strong level of regulatory oversight.	Low level of regulation. May be licensed or supervised by a banking authority.
Influence of External Factors	Impacted by global events affecting financial markets.	Relatively insulated as a result of their funding pattern.

Figure 2: Comparison of Banks vs. MFIs (Arvind, et al., 2015).

Each parameter has an influence on the development of information systems for meeting operational, strategic, analytical and reporting requirements (Arvind, et al., 2015, pp. 21-39).

Microfinance is and will be still be sometimes, new and developing under constant development. It is a kind of revolution, recently begun but already showing remarkable results. There are multiple services, many financial, competing at a large scale; most are part of self-sufficient institutions (Robinson, 2001).

3.3 Ghana

As stated on BBC UK website, in 2019 Ghana is considered as one of if not number one most stable countries in West Africa since its transition to multi-party democracy in 1992. (BBC CO UK, 2018) Ghana has always been famous of having great resources for gold, which is probably one of the main reasons it is also called as Gold Coast. In 1957 Ghana gained its independence from Britain and so on became the first sub-Saharan nation to break free from colonial rule. Besides gold Ghana is known of its resources in cocoa and oil. (BBC CO UK, 2018)



Figure 3 (BBC

UK & UN, World Bank, 2019)

For years now, Ghana has attracted the attention of well-successful international businesses, who are ready to invest in all sectors of their economy. Because country has gained much better reputation compared to their fellow Western African countries, it gets chosen over Nigeria or Cote d'Ivoire very often, especially within companies entering African countries. These companies are aware of more stable conducive social, political and economic environment in which they can feel more secure to invest, grow and be successful. (GIPC Ghana, 2019)

3.3.1 Women's position in Ghana

Ghana is an interesting country when it comes researching women's position. In theory, it looks like women entrepreneurs enjoy special status. Research shows that Ghana has the highest rate of 46.4 percent women-owned businesses in the world. Country being located in area known to be very patriarchal region, women's labour force participation in Ghana is an astonishing 96.1 percent. (Boakye, 2019)

Despite women's affirmative participation in Ghana's business ecosystem, it is hardly moving forward or developing. Around 80% of female entrepreneurs are "stuck at the 'micro' level". As UN reports that, "many women entrepreneurs in Ghana are unable to expand because they lack properly coordinated support, cheap and long-term credit, and sufficient access to new technologies. They face poor infrastructure, low capacity and sometimes obstructive government policies." (Boakye, 2019)

3.3.2 Microfinance in Ghana

Microfinance in Ghana is usually a common area where too many success stories have been appreciated. Too often, most women-owned businesses get stuck at the micro-level (about 80 per cent). It has been found that the most common reasons for this are lack of properly coordinated support, lack of cheap long-term credit and insufficient access to new technologies. The infrastructure is poor, capacities are low and even government policies are highly obstructive (Dovi, 2012).

Research has shown that starting up microfinance companies is not an issue: starting up a business with a subsistence base is uncomplicated. Issues are faced when the time comes for development, when the business should grow to a small business instead of micro-business. There is much need for proper education to make development possible. In an effort to address the issue, the government launched the Venture Capital Trust Fund to help invest in small- and medium-scale enterprises, or SMEs (Dovi, 2012).

It seems that only the bigger businesses are able to tap into the funds. "At the end of the day, only big businesses will be able to access these funds, because the information doesn't flow to the ground, where the majority of the women are illiterate," says Ms. Quachey. "Resources may be available, but they may not be accessible to women at all, because culturally and socially, women are handicapped." She cites women's multiple roles: they are expected to look after the home and family, which impedes their progress in vocations outside the home (Asiama, 2007).

Taking loans in Ghana is not a new concept: already in 1955 in Northern Ghana Canadian Catholic missionaries established the first credit union. Anyhow, the so-called "Susu", which is on the most common microfinance scheme used in Ghana is considered to have its origins in Nigeria in the early 20th century (Asiama, 2007).

3.3.3 The Loan Industry

According to World Bank research, most businesses in Ghana, which account for 70 per cent of employment in the country, seem to fall somewhere between the categories of “micro-”, “small” and “medium” businesses. Different sectors can be found, including farming activities, agribusiness, light manufacturing such as textiles and garments, and arts and crafts. Because of many different forms of neglect from the government, this sector has suffered greatly for several decades. This has contributed to a nationwide shift from productive entrepreneurship to petty trading. Further, this affects the way that banks appear more willing to give loans to importers of cheap products than to local manufacturers. This is a cycle which is hard to break: importers sell their products quickly, at higher returns, while home-grown enterprises require more time to make a profit and to repay their loans, so financial institutions shy away from them (Asiama, 2007).

3.4 Existing Business Environment in Ghana

In 1957, Ghana became the very first nation in Africa to gain independence from colonial rule. As a nation, Ghana’s democratic progress has been weakened by a succession of groups who have at times destabilized and weakened the country’s social and economic growth. Its democratic concept has been under pressure. After an unsettled beginning, Ghana returned to democratic rule in 1992. The democratic system established after this moment has been the longest since Ghana gained independence. Later, in January 2000, Ghana witnessed the first ever elected government successively handing over power to another elected government. Ever since, Ghana’s democratic process has been praised by international governments and institutions, and has been heralded as an icon for other African nations south of the Sahara (Langdon, 2011, pp. 153-170).

To give an overview of Ghana’s economic situation, it is helpful to take a quick look at its GDP:

- First, real GDP growth in Ghana rebounded in 2017 on the basis of hydrocarbons production, which boosted exports and government revenue.
- The Bank of Ghana will continue monetary easing in 2017, in a way that takes advantage of cooling headline inflation to support faltering commercial and consumer credit growth. Though oil production will rise, which will support overall headline growth, policymakers are likely to remain concerned over still weak domestic demand, spurring additional cuts to the policy rate (BMI Research, 2017).
- The current account deficit in Ghana will narrow over the coming years, aided substantially by the launch of all the TEN oilfields in 2016 and an ameliorating outlook for some of the West African country’s key exports.

- There is an expectation that the Ghanaian cedi will appreciate against the US dollar in the wake of the government's publication of its fourth review of progress made in its IMF programme, before resuming its depreciation thereafter. This would mean that investors will remain concerned over high levels of debt and a wider-than-expected fiscal deficit, although tight monetary policy should help prevent a rapid sell-off of the currency.
- When it comes to the NPP government in Ghana, it is expected to fail to implement all of its election promises in full, owing to the fiscal constraints of a greater-than-expected budget deficit and an ongoing IMF programme (BMI Research, 2017).

Indicator	2015	2016	2017	2018
Nominal GDP	36.0	39.5	46.8	57.1
Real GDP growth, % y-o-y	3.8	3.5	6.3	6.2
Consumer price inflation, % y-o-y, eop	17.7	15.4	8.5	14.5
Exchange rate GHS/USD, eop	3.81	4.24	4.26	4.13
Budget balance, % of GDP	-6.9	-10.4	-8.3	-6.6
Current account balance, % of GDP	-3.7	-7.2	-3.5	-1.5

Figure 4. Macroeconomic Forecasts Ghana 2015-2018, National Sources/BMI (BMI Research, 2017)

Research and forecasts all conclude that Ghana's economy is growing and is stable. Although there will be a deficit in the near future, in the longer term, Ghana's future looks bright, which means that more investors should get interested.

3.5 Porter's Five Forces

This chapter takes closer look at how to define different market structures and establish the position of different kinds of businesses. Model developed by Michael Porter is great way of examining these issues. Porter's initial goal was to analyse the business which he wanted to understand with all the markets that have been researched: perfect competition, monopoly and oligopoly. He wanted to study different aspects of understanding where one actually stand with their company, by first observing what is adjusting the specific industry that one is competing in. He sought to show how this will influence the question of how person can make profits in that area of business. In the picture below, one can see the possible issues that might affect different industries (Gillespie, 2011, p. 234; Puusa, et al., 2015, pp. 73-75).



Figure 5 Porter's five forces (Gillespie, 2011, p. 235)

To be precise, the five forces are: the likelihood of new entry, the power of buyers, the power of suppliers, the degree of rivalry and the substitute threat. It is important understand them all clearly in order to be able to use this model in the most accurate way. (Gillespie, 2011, p. 235).

3.5.1 Use of Porter's Five Forces

To define how easy or difficult it is to enter a specific market area “The likelihood of new entry” is useful. It may be monopolistic, or it may be an open market, making it easy to enter. This refers to the extent to which there are barriers to entry in this market sector which one's company is operating in. In order to understand this factor, person needs to be familiar with all rules and regulations, the kind of financial investments required, and also what businesses are operating in the sector at the moment (Hanlon, 2016; Gillespie, 2011, pp. 234-236).

To identify how big the power of possible customers is, and how broad the customer base is, as well as its influence on one's competitors there is “The power of buyers” factor. The simplest way to think about this is to consider that when there are fewer buyers, they often control the market more. This makes sense, because the seller needs to sway the customer's opinion in order them to choose them instead of their competitors. Then again, if there are a lot of customers, made up of various groups of people, it is easier to tempt people to come to because of person's competitive advantage, whether it is quality products or low prices. Anyhow, this is an easy way of measuring how much power customers have over the products' that matters (Gillespie, 2011, p. 235; Hanlon, 2016).

As bit similar to the previous element, “The power of suppliers” is about measuring the power of something, but here is defined the power of the supplier. When there are fewer suppliers, of course they have more power. If the company needs a product from a particular supplier and there are no other suppliers for that specific product, the company has to go by the rules of its supplier. Again, if there are more in the market, person will have more to choose from, and therefore can maybe choose to change because the other supplier is giving a lower offer or better service. In this situation, it is always important to make a precise examination of which supplier has

the best quality, service and price, after which it is possible to make a decision about what is most relevant for person's business (Hanlon, 2016; Gillespie, 2011, pp. 235-236).

"The degree of rivalry", which can also be called "Competitive rivalry", measures the competition within a specific marketplace. As discussed above, it might be easier to enter a market with more competitors, to have more space to create something more unique, and have more power make one's own decisions; but then again it might turn out to be totally the opposite. If there are many competitors, it might be hard to find space for one's company. This part helps person to define the number of existing competitive firms, and that way count what kind of profits one are able to make. If the rivalry is high, because there are for example lots of similar-sized firms or the level of capacity under-utilization is high, it creates more threats for the company, and the marketplace is difficult to enter (Gillespie, 2011, p. 236; Hanlon, 2016).

To help to choose more accurate issues there is "The substitute threat". With this tool it is measureable to differentiate alternatives, for example selling chips on the streets with plastic bags or packing their product be themselves and using folio to cover the chips. The more available alternatives there are, the more the threat of substitution increases. When measuring the threats is good to consider how many options there actually are in precise area of business (Gillespie, 2011, p. 236; Hanlon, 2016).

It is helpful to remember that all of the factors taken into account in the analysis can and do change over time. Markets are always developing fast, so there is a need for updating information frequently. Anyhow, these are the different aspects that should be considered about the possible market that is looked to enter, and all of them should be closely defined before making decisions (Gillespie, 2011, p. 236).

3.6 Porter's Diamond Model

This model is an excellent way to analyse a company's national competitiveness. In order to use it in the most effective way, there is need to be familiar with the company's characteristics, including its location, country or the area where it is based. This helps one to understand its possible international success, as well as the role the home country's environment plays, and how it actually influences the possible marketplace (Claessens, 2016).

The Porter Diamond model is based on six different elements, which all need to be assessed carefully. They are: factor conditions; demand conditions; related and supporting industries; firm strategy, structure and rivalry; chance; and government (Claessens, 2016). Below, all the elements are explained briefly to give a general understanding.

3.6.1 Six elements of The Diamond Model

This is the starting point whenever conducting research with the Diamond model. This also is a way to see which factors are relevant in a particular country and what it possesses. By referring to factor conditions, it's meant differentiate the types of resources that may or may not be present in the home country. It is about getting a general view of the country's natural resources, which might include human resources, physical resources, knowledge resources, capital resources or infrastructure. Factors can be divided into two categories: basic and advanced factors. Basic factors include natural resources (climate, minerals, oil), where the mobility of the factors is low. Advanced factors are more sophisticated, such as human resources (what skills the citizens have) and also research capabilities. They are normally more accurate for the industry (Claessens, 2016; Kermally, 2003, s. 69).

These include such factors as early home demand, market size, market growth and sophistication. All of these characteristics will help companies create and find their own competitive advantage. Demand conditions are also about finding the conditions that the firm has in its own home market, the demand for its product and the influence it has (Kermally, 2003, p. 69).

Related and supporting industries are all about support, about how firms can help each other, whether on purpose or not. This is critical for innovation and internationalization. This way the company can share innovations and ideas, or just mental support (Kermally, 2003, s. 69; Claessens, 2016).

By using this element, understanding the differences in how companies are organized and managed, their objectives and the nature of rivalry in their nation's market. It assesses how companies are established, how they set goals and how they manage international markets. However, the presence of intense rivalry also makes companies competitive: it creates pressure (Claessens, 2016).

Government always plays a major role when doing business. Their obligations, contributions and so on not only determine the international competitive advantage but also the domestic situation. In addition, this factor can influence each of the five other forces in the Porter Diamond model. The government can have an influence in very broad terms: it might shape demand conditions in the home market, as well as competition between firms (Claessens, 2016; Kermally, 2003, s. 70).

The final element in the Porter Diamond Model is chance. Chance refers to national events that are beyond the control of the company. These could for example be wars, technological breakthroughs or a change in the value of money. They are not always negative changes: some firms may gain competitive positions, while others may lose (Kermally, 2003, s. 70; Claessens, 2016).

Picture below is to conclude and show the logistics of the of Porter's Diamond Model. Using this tool is great way to get more deeper in to the possible issues.

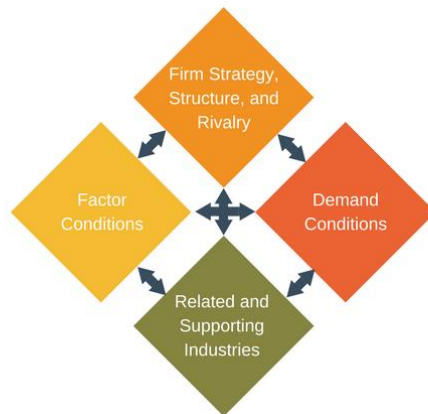


Figure 6. Porter's Diamond Model (Gillespie, 2011, p. 235; TRADING ECONOMICS, 2016)

4 RESEARCH METHODOLOGY

4.1 Quantitative research method

When working on collecting data for this research, it was decided that using quantitative research method was the best way to get best possible results. Creating questionnaires for all different groups which are: women, husbands and community individuals and collecting answers from each group separately there is possibility to get mind-set from all different perspectives. Questions were built to reflect objectives earlier completed and by having the answers, there is goal to have an answer for all of the research questions. For women there is 36 questions, husbands 29 and communities 27. Data was collected with a team of five people that travelled together around Ghana and it was built from individuals of different skill sets.

5 ANALYSIS

5.1 Women

Starting the analysis by looking to the results we received by completing the forms with women in two different areas of Ghana: Ga West and Assin North. There is all together 36 questions which some of them were more basic such as: age, area or level of education questions and rest is going more deeply to microfinance side of it.

There is questions that give us understanding how women see difficulties, opportunities and what they feel like should be changed to better. Basic questions are important to gain an idea which kind of stereotypes there is in different generations and locations. Reflecting this information then to more complete questions, there is possibility to get an understanding of traps and dos' in different situations or markets, for example.

As expected the educational level is very low in each city this research was completed at. This affected in ways such as writing and reading abilities being very rare skill in all of the villages visited. However, when looking to the results, there is slight positive lift-off when it came to the younger generations. Since results were wanted to be completed with the working generation, youngest answerers are from around 18 years old and oldest above 60 years old. Most of the women, not dependent of the area nor the age were married and living in households of three to eight people.

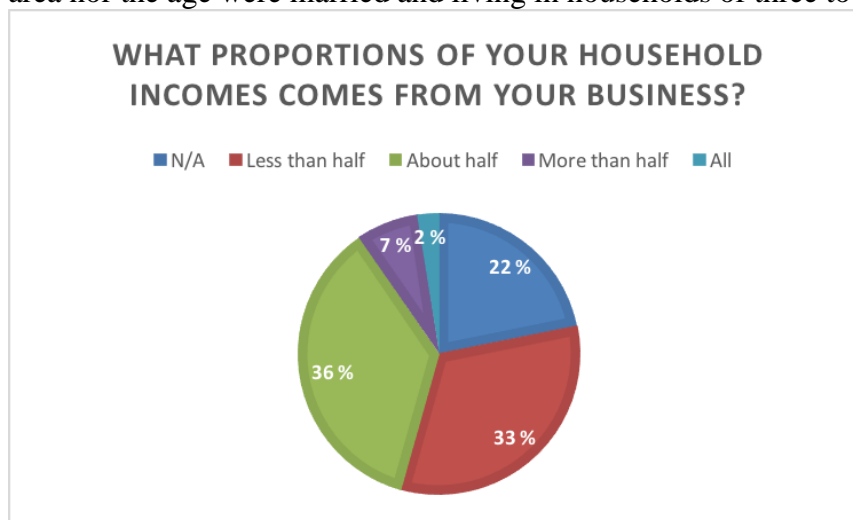


Figure 7. Proportions of household provided by women's business.

When considering the number of people living in under same roof, it is interesting to see how little women are still feeling like supporting their homes (See Figure 7.) If there is a man in the house, they are still more highly head of home and businesses that are run by women. Only around 50% of them are actually providing even half of the income that comes to the house. This figure has differences when it came to age and area. It is detectable that the younger the generation is, the less women support their household and also, outer from the city where farming is dominating way of making business, less women were able to concentrate on their own businesses rather than supporting their husband's- When women live closer to the city, markets are better chance increasing income and this way women are capable of supporting their spouse more easily. What is interesting here too is the fact that further from city community is based, the less women felt like they have freedom to work. According the results, in the market place areas they tend to have more freedom and they can feel more self-sufficient.

Another interesting factor to mention is ownership. Where there are more farming possibilities, especially in the Assin North areas, the less women were having their ownership status. Then again, according the results, more near the capital, Accra, women are based, more they seem to be getting support by their spouses to start up the companies. Because access to information gets easier nearer to cities, it could be

said that when there is more knowledge available men are more likely to support their partners. Results also show that older the women get, more likely they are to have ownership, this applying to both of the areas.

According to the results, learning about microcredit and its existence is easier the closer you live to bigger cities, small villages tend to have issues not having possibilities to even have access to knowledge, about general rules and possibilities of microfinance. This is also notable when looking into development, research, records and business plans when entering microfinance. There is a notable difference in the two areas research was based at: Ga West there was more attention on importance of possibilities of market entry, business plan etc. when again in Assin North women tend not to research what needs and demands there are in the area. In both areas, older the generation is, the less there was any recordings made and seems like younger generation has a bit better understanding of market research before entering one.

When looking into how many women in total have actually even had an opportunity to try microcredit, result is surprisingly low. About 55-65% of women in both of the areas and ages wanted to try but haven't had opportunities to experience or enough information to continue for application process. Older generation in Ga West-area had about 40% of answerers who have received loan before, but them all being just few month credits. Most of the women said that would prefer microfinance institutions but access, interest rate and loan size were factors that they couldn't work with. Also, education being still very minimal and usually better with better institutions, there is small cycle spotted women more easily succeeding with bigger companies more easily. Factor of low rate of education available has huge impact when it comes to actually making the difference while working on the investment.

Level of education still being very low and hardly available, even when entering microfinance services, comparison in profits and income before and after using it, is either low or there is none, or difference is unknown. This is directly reflected from the fact that there is no business plans or records made before and during investments. There is slight difference when looking into younger generation and if person has had access to basic education, possibility for them making business plans is higher. This then reflecting to their possibility to more increasing profits again etc.

Mind-set women are having seems to be usually more positive the younger they are. When they have more experience and have failed increasing their profits, easily their interest of trying make it better gets more negative. This is something that can once again be reflected to education. If they have some available and difference is made with the loan, mind-set is also more positive. Concerning support from their husbands also has big impact and only around 30% of women answering the questionnaire could identify having this kind of support. Because women tend to be "below" men's power in household, this is very impactful fact and having mental support from their partner seems to be important. From questionnaire's we could also see that decision making was still more done by men, the cultural aspect of women taking step up and deciding for their business is low.

Even just accessibility to microfinance services itself is way too low, according to the replies gotten. This itself makes it harder to help masses. If more people in the

same village had more experience of it, more likely education would be spread and more profits would be made.

5.2 Husband

The level of men having much more experience in loan taking before is the first thing that had to be notified. Out of over 30 years old men about over 70% had taken loan before so there is much more experience with-in microfinance too. When reflecting how loans have been used by men, it has most likely been in use for investments in the business, not start completely new one. Seems like men are more likely to be able to save up themselves without loan to have additional money to start their businesses or make investments as well. Almost 40% of men stated that they rather don't take loans because payback time is too short to be able to use the money to increase the profits out of it. This is why they rather make savings and use that money for their investments.

If there has been loan taken by men, 50/50 was taken from banks and other half with microfinance services. More often when men are farmers there was less loans taken or it was taken from banks rather than with microfinance services. This makes complete sense when considering loan payback time, banks giving more time and making profits when practicing farming is slow to make difference. With service careers microfinance was more frequently used.

When examining husband's point of view of their wives' working, it looks very positive. Men's expectations of old school point of view where they expect wives staying home taking care of family is very low. Of course, more likely wives's are still more being expected handle most of homework, take care of children and on side work as well. This can be reflected women not having enough time and energy to give enough attention to their work. This might be one of the reasons women not having resources to educate themselves and make savings as much as men do.

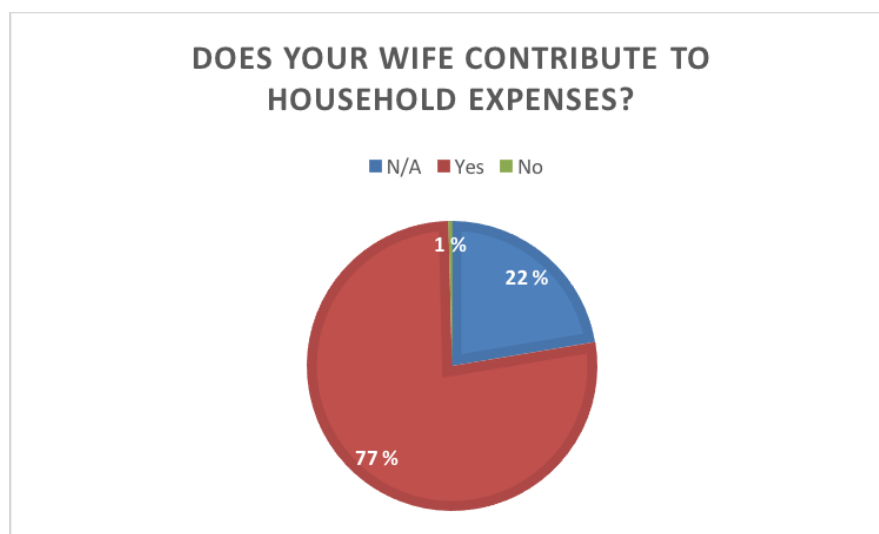


Figure 8 Does your wife contribute to household expenses?

About 50% out of men seem to be ready to help their women with their microfinance and are supporting their partners with their investments. Other half don't think it's good idea or they don't want to be involved. Older men are, more likely they want to help because they want loan be paid back quickly as possible. Men don't expect their wives' businesses to have big part of the household's expenses which gives better opportunity for women to have space to use their profits in the business itself. This is anyhow reflecting to the fact that men don't have belief their wives making actual difference and be able to make profits that would help the family. In the figure 8 there is possibility to see how much women do actually contribute on expenses.

5.3 Communities

There wasn't much of access to different community leaders and few of them didn't like to be involved with the research which made it difficult to come up with some parts of the research. Anyhow, there was 4 different villages that we were able to have most of the local authorities involved and here is shortly results of their thoughts and opinions they gave when filling up the questionnaire.

Level of knowledge for community leaders / opinion leaders is either fair or good concerning microfinance (See figure 9), which can also be reflected to their level of education which is higher than average person in the community. In both of the areas, 90% out of individuals in local authorities had good or fair knowledge of microcredits. Most of them have had educational training for it and they felt being able being in the position to spread the word and educate others with it.

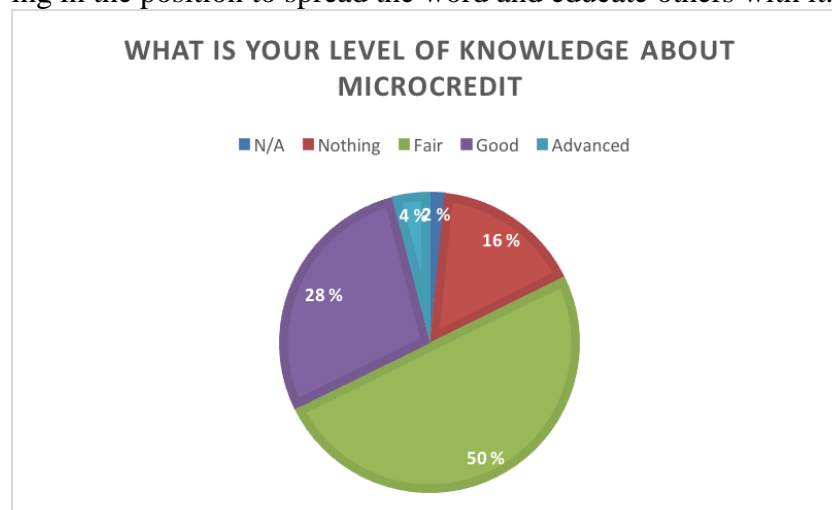


Figure 9 Level of knowledge about microcredit.

As community leaders are ones that will have decision maker's part in the village, they are able to direct what kind of services are allowed to bring in their area. Results show that they are very forward thinking and positive of the impact microfinance has in the area and that's why they are willing openly spread good word around about it. Because they are highly involved with everything happening around, they are also able to identify the biggest issues with women using microcredit. According the questionnaires they believe biggest issue with women using it, ends up using the loan to wrong purposes. They are also aware of the low accessibility for microfinance,

most of them supporting the idea of it but not able to help their women in the community to find providers. As already mentioned, results showed their positive mind-set about it, meaning if there is access for it, they highly recommend and support its services.

On other hand, community leaders don't tend to be too enthusiastic spreading the word and giving actual tangible help in the community. Only few of them identified themselves being ready to give education or have done it before. This comes back to the fact that there is knowledge around but not individuals with passion to actually spread the word to make actual difference in their area.

6 CONCLUSION

From when starting this work and setting up the objectives and now looking to the final results, it can be said that the threads and opinions there was beforehand seem to be the same exact ones found within this research. Theory there was collected, supports and can be reflected to the questionnaires plus to the opinions received. Because of lack of education and poverty cycle these women are surrounded by, it will be hard to raise from the situation and cut the cycle. Anyhow, as noticed, there is hope in younger generation because they have had more access to education and also Ghana's general financial situation is going to more positive direction.

When looking into to results from the questionnaires, women and men seemed to have similar mind-set of what is the initial goal when taking part of microfinance loans and they have good intentions of trying to build "from the bottom up", as it's being the main concept of microfinance. Being self-sufficient seems to be hard because of the tools given: education, health and support by husbands, which makes it difficult to build from scratch. Alleviating poverty is not simple and it tends to stay circulating as we could notice from the results as well. Family planning services or business planning is something only about 20% of women knowing of/using only in both areas.

Lot of loans get easily used in wrong purposes and this was mostly notified by the community leaders. Issue being there isn't enough education to women to realize that if they use the loan to wrong purposes such as school bills or food, they will be losing money because this money will need to be paid back with interest on top. Women being too busy with handling their children, household and at the same time running businesses seem to be too much. Even if there would be education available, their time is very limited and they will always make sure family is in first place rather themselves. This meaning that they will make sure kids get into school early, there is food available in home etc. and if there is time, they will maybe go and get some education. Changing mind-set for this factor is very relevant because women would need to understand that education is the best investment they could make.

Making education more easily accessible to women is one of the most important and influential factors noticed to actually matter. While I was in Ghana, I could experience that best way to help them was taking education to them, literally physically

speaking. Having hour to two time to sit down with the women at the market place was one of the most influential missions' maid while my time there.

Because it was said by community leader's and men that they support their women greatly, but this feeling wasn't "vice versa" there is definite clash of interest. Not being sure whether in purpose or not, but support from community or men is not there when needed and women don't feel like there is help needed even though communities would be able to offer that help and knowledge.

According all of the different questionnaires knowledge of basic economics is very low and business plans were barely made. Lot of women don't see the effort using their time in such factors without them realizing it's part of the investment. When considering economics and how to reflect the theories it stands for to create new businesses such as what to be produced, when and how to get it done is questions none of the people involved are thinking about will consider. They all rather go with what is available easily and what they know of. It would be helpful if they would do bit of research where there is open market place and what's their opportunity costs. Even small look into what's the demand like for the product they looking to sell would be crucial because they could then at least think about the supply and come with less product if there isn't demand as much.

Most of the women accessing microfinance are looking into entering services that are taking place in busy marketplace areas, where most likely there is already same kind of service available, them finding small differences to what they want to offer would be best investment they can make for themselves. Also because in developing countries everything is more or less unsure and unstable such as politics, markets and unpredictable environment, constant analysing would help them stay updated and again prevent possible losses. Great example here that I got to see with my own eyes was factor of women not being aware of weather. While rain season is close, there is major storms that arrive quickly and in matter of seconds can ruin their whole small shop they have side of the street. If they would be aware of the storms coming, losing their products with rain and wind could be preventable.

When considering development of the businesses, results for women collecting records and analysing them was very low. Because communities don't seem to spread the word and husband didn't feel collecting records being relevant either, women tend to go day-by-day to next one without looking back what has actually made difference for their business, is not helpful for future. Lastly, there is lot of positivity in microfinance but development will be very slow if there is no funding given to this exact purpose.

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APPENDIX 1

Questionnaire for Women

District:

Community:

Date:

Information about this questionnaire

PLEASE READ CAREFULLY

- We are using this questionnaire in order to understand better microcredit in Ghana so that in the future we can improve microcredit programs.
- You are answering the questionnaire anonymously. Please answer as truthfully as possible.
- Please put a tick or a line in a box you agree with.
- Many questions will have more than one correct answer or more than one answer you agree with. Please tick all the boxes you agree with.
- If there are any questions you do not feel comfortable answering, just leave it blank.

Questions begin here.

1. What is your current age?

Write your age here:

2. ?

- 18-25
- 26-35
- 36-45
- 46-60
- Above 60

3. What is your highest level of education?

- None
- Basic
- Secondary
- College/University
- Postgraduate

4. Can you read or write?

- Read
- Write
- Read and write
- No

5. What is your marital status?

- Single
- Married
- Divorced
- Widowed

6. How many children do you have?

- None
- 1 to 3
- 3 to 5
- More than 5

7. What is the total number of people living in your house/home?

.....

8. What is your type of business activity?

- Manufacturing
- Trade
- Services
- Others (Please specify:.....)

9. What is ownership status of your business?

- Self sole ownd
- Jointly shared with spouse
- Jointly shared with others
- Others (Please specify:....)

10. How long have you been doing business?

- Less than 6 months
- 6 months – 1 year
- 1 year – 3 years
- None

11. Do you get support from anyone in starting/doing your business?

- Yes
- No

12. If yes, please specify:

- Spouse
- Family member
- Friends
- Community member
- Others (Please specify:.....)

13. How did you learn about microcredit?

- Through education/training program
- Through a friend/family member
- Through the internet
- Loudspeaker education from the Assembly
- Others (please specify):.....

14. What is the location of your business activity?

- Home
- Market
- Mall
- Roadside - kiosk
- Roadside – open ground
- Mobile
- Others (Please specify:.....)

15. Do you keep business records?

- Yes
- No

16. Do you make business plan?

- Yes
- No

17. For how many times have you been late when making repayments?

- None
- 1 to 3
- 3 to 5
- More than 5

18. How long have you been receiving microcredit?

- Less than 3 months
- 3 months to 6 months
- 6 months to 1 year
- Other (please specify:.....)

19. How many loans have you received so far?

- 1 to 3
- 3 to 5
- More than 5

20. What makes you prefer to borrow money from microcredit institutions?

- Loan size

- Access to loan
- Interest rate
- Gender sensitivity
- Application procedure
- Loan collection procedure
- Repayment procedure
- Training program
- Other (please specify:.....)

21. Which area of improvement would you wish to see in microcredit service?

- Loan size
- Access to loan
- Interest rate
- Gender sensitivity
- Application procedure
- Loan collection procedure
- Repayment procedure
- Training program
- Other (please specify:.....)

22. Which of the following areas/people impose obstacles to your access to microcredit?

- Nature of business activity
- Health
- Education
- Spouse
- Community member
- Transportation
- Communication
- Financial capability
- Microcredit procedures (Please specify:.....)
- Others (Please specify:.....)
- None

23. Which of the following areas/people impose obstacles to your loan payment?

- Nature of business activity
- Health
- Education
- Spouse
- Community member
- Transportation
- Communication
- Financial capability
- Microcredit procedures (Please specify:.....)
- Others (Please specify:.....)
- None

24. What proportion of your household income comes from your business?

- Less than half
- About half
- More than half
- All

25. How do you compare your household income coming from your business before and after microcredit?

- Increased
- Remain the same
- Decreased
- Don't know

26. How do you compare your profitability before and after microcredit?

- Increased
- Remain the same
- Decreased
- Don't know

27. How do you compare your income before and after microcredit?

- Increased
- Remain the same
- Decreased
- Don't know

28. Do you feel independent when making profit from your business?

- Yes
- No

29. Do you think your husband is comfortable with your business activity?

- Yes
- No

30. If no, what do you think can be the reason(s)?

- He thinks I attract more men
- Earning money is his responsibility
- He thinks I am disrespectful when I earn money
- People think he cannot provide for the family
- Others ((Please specify:.....))

31. From who do you receive support from anyone with regard to loan repayment?

- Spouse
- Relatives
- Friends
- Community member
- Others ((Please specify:.....))
- None

32. Who makes the final decision in your household with regard to the use of resources?

- You
- Your husband
- Another member of your family member (Please specify:....)

33. Do you think there is a change in decision making role with regard to the use of resources in your family after microcredit?

- Yes (Please specify:....)
- No

34. Is there any changed aspect of your life (including business & household) that you could attribute to the services you have received from microcredit?

- Yes
- No

35. If yes, please list the main changes that have occurred since you received microcredit:

- Positive changes:.....
- ..
- Negative changes:.....
- .

36. How many microcredit providers do you know of?

- None
- 1 to 3
- 3 to 5

More than 5

Thank you for completing



the questionnaire!

APPENDIX 2

Questionnaire for community members

District:

Community:

Date:

Gender of interviewee:

- Male
- Female

Information about this questionnaire

PLEASE READ CAREFULLY

- We are using this questionnaire in order to understand better microcredit in Ghana so that in the future we can improve microcredit programs.
- You are answering the questionnaire anonymously. Please answer as truthfully as possible.
- Please put a tick or a line in a box you agree with.
- Many questions will have more than one correct answer or more than one answer you agree with. Please tick all the boxes you agree with.
- If there are any questions you do not feel comfortable answering, just leave it blank.

Questions begin here.

1. What is your current age?

Write your age here:

2. ?

- 18-25
- 26-35
- 36-45
- 46-60
- Above 60

3. What is your highest level of education?

- None
- Basic
- Secondary
- College/University
- Postgraduate

4. What is your occupation?

- No occupation
- Self-employed
- Civil servant
- Public sector employee
- Private sector employee
- Domestic worker
- Retired
- Other

5. Can you read or write?

- Read
- Write
- Read and write
- No

6. What is your marital status?

- Single
- Married
- Divorced
- Widowed

7. What is your position in local authority?

- Chief Priest
- Opinion leader
- Traditional elder
- Traditional leader
- Queen mother
- Other

8. What is the population of your community

- Less than 5000
- Between 5000 and 10000
- Between 1000 and 15000
- More than 15000
- Don't know

9. What is your level of knowledge about microcredit?

- Nothing
- Fair
- Good
- Advance

10. How did you learn about microcredit?

- Through education/training program
- Through a friend/family member
- Through the internet
- Loudspeaker education from the Assembly
- Other (please specify):.....

11. Do you know of any women receiving loans/microcredit in your community?

- Yes
- No

12. Do you think microcredit have beneficial impact on beneficiaries?

- Yes
- No

13. If yes, what are some of the positive results?

- Increased income
- Enhanced ability to pay for school items
- Enhanced ability to pay for healthcare
- Enhanced ability to pay for good food
- Improved decision making power of women

14. If no, can you tell us why?

.....

15. Do you know of any of the following negative results of microcredit in your community?

- Using the loan on wrong purpose?
- Over-spending
- Not using money for the business at all

16. Do you personally support microcredit in your community?

- Yes
- No

17. Do you know of any of the following obstacles to microcredit in your community:

- Limited access to microcredit
- Limited knowledge about microcredit
- High interest rate
- Lack of support of husband(s)
- Inability of the beneficiaries to pay the loans
- Relocation of beneficiaries

- Lack of support by community leaders

18. How many microcredit providers do you know of

- None
- 1 to 3
- 3 to 5
- More than 5

19. Have you supported any beneficiaries of microcredit in your community?

- Yes
- No

20. If yes, how many?

- 1 to 3
- 3 to 5
- More than 5

21. Have you been a guarantor to any microcredit beneficiaries?

- Yes
- No

22. Do you think microcredit is being implemented effectively in your community?

- Yes
- No

23. If no, what do you think are the reasons? (skip this question if you answer "Yes" to question 21)

- Inappropriate use of the loan
- Lack of training before receiving loan
- Lack of proper orientation
- Weak commitment of beneficiaries
- Others (please specify:.....)

24. Have you been a beneficiary of microcredit yourself?

- Yes
- No

25. If yes, did you benefit from it?

- Yes
- No

26. Would you advise member of your community to access microcredit program?

- Yes
- No

27. How do you think microcredit can be improved?

- Lower interest rate
- No interest rate
- No loan fee
- Expansion of the payment period
- Better training program for people of the community
- Better orientation for beneficiaries
- Better support of family member
- Better support of community
- Management and evaluation
- Effective monitoring system
- Don't know
- Others (please specify:.....)

Thank you for completing



the questionnaire!