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## Weaning Women with Disability in Ghana from Poverty: Is Micro-Credit the Solution?

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### ABSTRACT

Women with disabilities in Ghana have limited access to micro-credit and other social services. They are confronted with challenges ranging from societal discrimination, low level of self esteem, limited mobility, high dependency and poverty, limited access to education, health and employment among others. They have difficulty in getting life partners as compared to men with disabilities. However, like any other women, they are primary care givers and the first agent of socialization. The objective of the study therefore is to find out the impact of microcredit on the lives of women with disabilities who gain access to microloans for business, with particular reference to those living in the Tamale Metropolis of Ghana. The study utilized both qualitative and quantitative methods to obtain information. The study showed that women with disability engage mostly in trading activities just like any other business women or petty traders and as such require regular flow of credits to run their business, however because of the stigma associated with disability they face a lot of challenges in accessing loans. It is recommended that since microfinance services are a means of broadening economic participation to include the marginalized and vulnerable groups the issue of fiscal/budget subvention microfinance programmes should be pursued.

**Key Words:** social exclusion, stigmatization, poverty, micro-credit, economic participation

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### Introduction

The World Health Organization (WHO, 2000) estimated that about 10% of the world's population (600 million) is persons with disability and about 80% of them live in developing countries. Out of this, about 50% of them are women and girls with disabilities. Ghana has a disability population of about 7 – 10% of the country's population. (Ghana Federation of the Disabled Report, 2007). Studies by the Ghana Federation of the Disabled (GFD) in 2008 revealed that when women with disability gain access to microcredit, their capacity to participate in economic and political activities is enhanced. The above fact notwithstanding, available studies and records have shown that though women with disability are empowered when they gain access to microcredit, yet they find it difficult to access loans from credit unions, community and rural banks, savings and loans companies among others in their communities. For instance a report by (JKM Consulting 2008) indicates that if a woman without disability could access microcredit four times in a year, a woman with disability could access only one or two times in a year. The government of Ghana's Micro-finance and Small Loan Centre (MASLOC) targeted women as prime beneficiaries. However, a study conducted by the Ghana Federation of the Disabled through JKM Consulting (2008) revealed that only 0.08% of recipients of MASLOC were women with disability. There has been some interventions like the government policy to allocate up to 5% District Assembly Common Fund to persons with disabilities to engage in income generating activities, (Disability Act 715) to give legal support to persons with disabilities on issues bothering on rights among others. A lot of awareness creation activities are carried out by Non Governmental Organizations (NGO's), Organizations of Persons with disabilities, to sensitize the general populace and service providers on the capabilities of persons with disabilities (PWD's) and women with disability. The main purpose of the study therefore is to assess the impact of microcredit on women with disability in Ghana, and to identify the factors that affect women with disabilities access to microcredit.

## **THEORITICAL ISSUES**

One of the major obstacles facing the self-employed is access to capital, either in the form of loans or accumulated savings. Though literature revealed that people with disability could do business with micro credit, majority of them lack access to capital (MIUSA, 1998). Studies indicate that factors that exclude persons with disability and women with disability from the mainstream microfinance are low self esteem, attitude of micro finance staff, service design of microfinance institutions and attitudes of others (Simanowitz, 2001). The economic activities of person with disability therefore remain small (Handicapped International, 2006 Mersland, 2005). Fayorsey Clara in her study on empowering women through micro credit "University of Ghana"/CEPA (2008) – project literature review, indicated that women have limited access to micro credit compared to their male counterparts. JMK Disability Audit (2008) stated that 0.08% of the 52% of the disabled population being women with disability had access to MASLOC loans introduced by the Ghana Government.

### **The need for Micro-Credit /Micro-Finance**

Micro-credit is the Lending side of micro-finance (Rallens & Glazanfar, 2005). It embodies giving small loans to poor people, usually without collateral. Microfinance has been defined by various authors in different ways. Rogaly et al, (1999) define microfinance to include the entire spectrum of financial services for broad sectors of the population, but particularly for the poor. It refers not only to small and micro-loans, but also to savings products, insurance, leasing and money transfer services. In addition to these financial services, microfinance involves the provision of skills and vocational training, health and other information, which distinguish them from other financial service providers. In short, the word microfinance denotes the provision of financial services as well as business development skills to disadvantaged people. Conventionally, commercial banks often have little interest in offering micro-finance services since most poor people have no collateral such as land and buildings, equipment and machinery, or other assets. At first glance, the poor appear to be fundamentally not creditworthy. Research shows that the formal financial system rarely provides credit to poor entrepreneurs in developing countries. It is estimated that in most developing countries the formal financial system reaches only at most the top 25% of the economically active population, leaving the bottom 75% without access to financial services (Women's World Banking, 2003). The 1997 Micro-credit summit launched a global movement to reach 100 million of the world's poorest families with the aim of offering credit for self-employment and other financial business services by the year 2010. In Ghana, micro finance was identified as a key driving factor towards the reduction of poverty under the Ghana Poverty Reduction Strategy. Again, the need to achieve equity has prompted state intervention in financial markets even in the absence of market failure. (Adjei, J. K., 2010). Competitive financial markets may distribute capital in socially unacceptable ways. Government intervention therefore may be required to protect and assist the vulnerable (World Bank, 2000).

### **Evolution of the Microfinance Sector in Ghana**

Microfinance has been with Ghanaians for some time now and is therefore not to be seen as a new concept in the country. It has always been common practice for people to save or borrow small loans from individuals, friends and relatives within the context of self-help in order to engage in small retail business or farming ventures (Bank of Ghana, 2007). Evidence suggests that the first credit union in Africa was set up in the northern part of Ghana in 1955 by the Canadian Catholic missionary for parishioners as a thrift society within the parish. The *Susu* scheme of itinerant savings collection, which is one of the means by which micro-saving is provided in Ghana, is thought to have originated in Nigeria and spread through Ghana from the early 1900s. Over the years, the microfinance sector has evolved and thrived into its current state as a result of various financial sector policies and programmes promoted by the various governments, including the provision of subsidized credits, establishment of Rural and Community Banks (RCBs), the liberalization of the financial sector and the promulgation of Financial Institutions (Non Banking) Law, 1993 (PNDC Law 328) (Nissanke et al., 1998). In 1965, the Government of Ghana established the Agricultural Credit and Cooperative Bank with Act 286. This was amended in 1967 NLCD 182 and the name was changed to Agricultural Development Bank which was specifically meant to address the financial needs of the fishery and agricultural sectors. However, the first normal microfinance institution was the Post Office Savings Bank set up in 1962 under the Savings Bank Act (Act 129) to take over the savings operations of the Ghana Postal Service. This was later upgraded to a full bank status in 1972 as the National Savings and Credit Bank under NRCDC 38. Then came the introduction of the rural banking system, with the first rural bank established in 1976 at Agona Nyaakrom in the Central Region. The total number of RCBs established in the country as at the end of 2006 stood 122 (ARB Apex Bank, 2007)

## **Microfinance and Gender Dimensions of Poverty**

Poverty in Ghana has important gender dimensions. Females represent 50.5 percent of the total population with regional variations ranging from 49 percent in the case of the Western Region to 52 percent in the Central Region. Regions experiencing the least reduction in poverty, the three Northern Regions, also tend to have female population in the range of 50-52 percent and greater population concentration in the rural areas. (Ghana Population Census 2000) Studies show that women experience greater poverty, have heavier time burdens, lower rates of utilization of productive resources and lower literacy rates (Panuccio, 1989, World Bank, 1992). Most indicators show that women face higher levels of deprivation compared to men, and levels of income poverty are high among households with higher dependency ratio. From the IFAD Report (2001), women are affected in terms of poverty in Ghana with more than half of the women who are heads of households in the rural areas being among the poorest 20 percent of the population. They are basically responsible for 50 to 60 percent of agricultural production. The women have less opportunity than men in terms of access to education and health services or in voicing decisions affecting their lives. For the women, poverty means high numbers of infant death, undernourished families, lack of education and other deprivation. Gender disparities also exist with respect to access to and control of a range of assets including direct productive assets such as land and credit, human capital including education and health, and social capital such as participation in political, social community activities at various levels within the society, legal rights and protection. Lack of start-up capital and resources for income generating enterprises and lack of labour in smaller households prevent women from escaping poverty. Some socio-cultural factors continue to perpetuate the gender inequities in access to and use of services and also contribute to such situations as the inequitable allocation of food within the household, leading to malnutrition, notably among women and children (see UNECA, 1984; Women's World Banking, 2003).

### **Factors affecting access to micro credit for women and women with disability**

Microfinance institutions are often located in areas of regions where the incidence of poverty is high and severe. In order to extend credit and other financial services to the poor and women with disability, most of the non-governmental organizations offering microfinance products and services in Ghana are spread throughout the three Northern Regions of the country, where poverty levels are generally higher than in other regions. According to the Foundation for International Community Assistance (FINCA) even though it does not discriminate in its programmes, it targets women clients because they are the least able to access credit, and because women with children are typically the poorest segment of the poor. Of the 1.3 billion people living in poverty worldwide, women account for 70 percent (Adjei, 2010). In Ghana, the micro finance institutions had 67 percent of their clients being women in 2007. The female client of the financial NGO's constituted 94% of their client outreach (GHAMFIN, 2009). For Sinapi Aba Trust, the largest financial NGO in Ghana, women constituted 92 percent of the client base (Adjei et al, 2009). The high transaction costs associated with small loans (Mc Kernan, 2002) and lack of collateral make the poor unattractive group for formal banks. Moneylenders thus step in to fill the credit void, but at the high interest rates charged, over 100 percent per annum in some cases, the poor are neither able to obtain the resources necessary to substantially increase productivity nor reap the benefits of any additional income generated (Aryeetey, 1994). Hoff and Stiglitz (1990) explain that the collateral requirements and high interest rates that serve to deny the poor affordable credit are most likely the market's response to the costly problems of screening, monitoring and enforcement.

### **Performance of women and women with disability who access credit**

Evidence indicates that women make more successful micro-finance borrowers than men. For example, Khandker (2003), found that a 100% of borrowing by a woman leads to a 5% increase in per capita household non-food expenditure and 1% increase in per capita household food expenditure, while a 100% increase in borrowing by a man leads to just 2% increase in non-food expenditure and a negligible change in food expenditure. Thus for the Grameen Bank, providing loans and other services to women has a stronger impact than providing loans to men (Pitt & Khandker, 1998). Similar evidence has been provided elsewhere in the world to confirm the assertion that there is a good repayment performance by women. Hossain (1988), indicated that women in Bangladesh were more reliable customers, citing evidence that 81% of women had no repayment problems, compared with 74% of men. Hulme (1991) in a study in Malawi found prompt and punctual repayment for women customers to be 92% as against 83% for men. Gibbons & Kasim (1991), found out that in Malaysia, the repayment comparison was 95% for women and 75% for men. Microfinance Institutions can therefore be more sustained by focusing on women. Some reasons have been provided to explain why women make more successful borrowers. In a study in Bangladesh

where Grameen Bank operates, Rayman (1986), found out that women tended to be much more sensitive to the verbal hostility of fellow members and bank employees, when repayment difficulties arose, while men were likely to be argumentative and non-compliant. Women are also said to be less mobile than men and are more likely to work in or near the home, which makes the supervision and monitoring of their business less expensive and ensures repayment loans (Armendariz de Aghion & Morduch, 2005). Additionally, women are noted to be more afraid about social sanctions and stigmatization, therefore, tend to be more risk averse than men and more conservative in their choice of investment projects. Consequently, there is a high likelihood that loans would be repaid by recipients and thus create a reputation for reliability (Yunus, 2001) People with disabilities and impairment do not have products and services designed to meet their needs and also are not adequately served by existing microfinance institutions (GHAMP, 2006). Women who are visually impaired and those who are hearing impaired lack information on micro credit. Making information accessible for them will contribute to the effective utilization of the microcredit facility. Unlike other poor self employed women, women with disability (physically disabled) may need a flexible repayment package that will make it possible for them to pay the loan over a longer period.

### **Experience of Women with Disabilities (WWD) in Microcredit.**

In 2001, the International Labour Organization (ILO) study with the Ethiopia Federation of persons with disabilities (EFDP) and Tigray Disabled Venturous Association (TDVA) on Developing Entrepreneurship among women revealed several success stories of women with disabilities that gained access to Micro credit for their businesses. See below, case studies of women with disability (WWD) in micro credit in Ethiopia.

### **Case Studies of Women with Disabilities (WWD) In Microcredit in Ethiopia**

- (i) Ayinaddis Wondimmed – Visually Impaired – “I grew up in the country side. I was considered to be good for nothing, so I decided to leave all earthly things behind and become a nun” in her struggle to make earns meet, she met a lady who traded in second hand cloths. She assisted her and saved half of her earnings to establish a good and tela (tea) shop. She obtained a small loan from TDVA and expanded the shop. She added a massage service she learned from the grandfather. She now has an average 20 clients a day for the massage work and supports a family of 8 people.
- (ii) Ayelu Basha Bedasa – Ayelu was physically disabled after falling from a tree at a tender age. At age 25, she received training from Cheshire Foundation. She put aside a percentage of her apprentice money into savings and took a loan from the foundation to establish her business.
- (iii) Tirtuwork Hussen – Hearing Impaired – She was out of school at a tender age, learned a trade – Art, (Sewing and Plaiting of hair). She had training and startup capital from a religious Organization. She expanded the business and employed other people as apprentices.

### **Positive View on Women’s Access to Micro Credit that Apply to WWDs**

- (i) Microcredit has implications for women’s empowerment, which in turn has implications for their overall empowerment in their children’s well-being. (Chowhury & Bhuiya 2001), in Bangladesh, microcredit led to increased investment in children’s education.
- (ii) Women participating in credit programmes were more conscious of their right, better able to resolve conflicts and have more control over decision making at home, household and community levels (Chen 1992).
- (iii) Credit to women has positive effect on increases in women’s asset holding (except land) and is a significant determinant of total house expenditure according to Pitt and Khandkar, (1995) Hachmi et. AL (1996). Microcredit led to increased physical mobility ownership and productive assets and decision making and self worth (Kabeer 1998).
- (iv) Women access to micro credit leads to changes in gender power relations in favour of women and enhances control over their welfare needs such as health, nutrition and education (Cheston & Kuhn 2002). Sixty-eight percent (68%) of women made major decisions at home (family planning, selling of property and negotiating children’s marriage which were rationally men’s duty).

- (v) Women's access to microcredit contributes to significant reduction in domestic violence against women. (Schuler et al 1994/97) Micro Credit led to the reduction in domestic violence and increased in contraceptive use in Bangladesh.
- (vi) Other reported benefits include increase in house hold income, discouragement of early marriage, change or improved diet pattern; improved status and participation in public life. UNFPA report (1992), Buvinisc (1989), Uprety (1990).

### **Negative views on Women's Access to Micro Credit That Apply to Women with Disability**

The debate as to the actual effectiveness of microcredit on reducing poverty among the pro-poor has continued, essentially focusing on two issues, namely

- (i) Whether microcredit really reaches the economically active poor
- (ii) Whether they are able to successfully integrate financial sustainability with outreach.

More recently however, the focus of the debate has been extended to the possible potential microcredit for women empowerment, given that the amount of loans are usually very small with high interest rates and that illiteracy level is high among rural women. Though there are positive views about the relationship, others have expressed a few negative views as stated below. These observations made by the available literature reviewed, will be compared to the findings of the study to highlight similarities and differences.

- (i) Archkerly (1995) found that microcredit could not alter patriarchal structure and gender relations; thus women had little control over loan use and benefits.
- (ii) Microcredit on its own cannot increase women's empowerment through higher debt burden and unnecessary hardship (Kerr 2002).
- (iii) Microcredit is no better than 'nothing'. The tasks required from women were often difficult to perform, their products have little market potential and the implementation agencies have no technical competence (Navajas, et Al 2000).

## **RESEARCH APPROACH**

### **RESEARCH DESIGN**

The study utilized both qualitative and quantitative methods to obtain information on how women with disability in the Tamale Metropolis who gain access to microcredit perform in business.

### **STUDY POPULATION/TARGET GROUP**

The study population included: women with disabilities in three categories:

- (i) Visually impaired
- (ii) Physical disability
- (ii) Hearing and Speech impaired
- (iv) Selected staffs of microcredit institutions were also interviewed.

### **SOURCES OF DATA**

Primary data was obtained through questionnaire and interviews.

### **SAMPLING TECHNIQUES**

Random sampling technique was used to select participants from the list of disabled women that was provided by the district. Selected staff of microcredit Institutions/NGO's that offer support to women with disability in the district were also interviewed.

### **METHOD OF DATA ANALYSIS**

Descriptive and inferential statistical methods such as frequency, distribution, absolute figures and percentages were used. The SPSS Software was used for data entry and analysis.

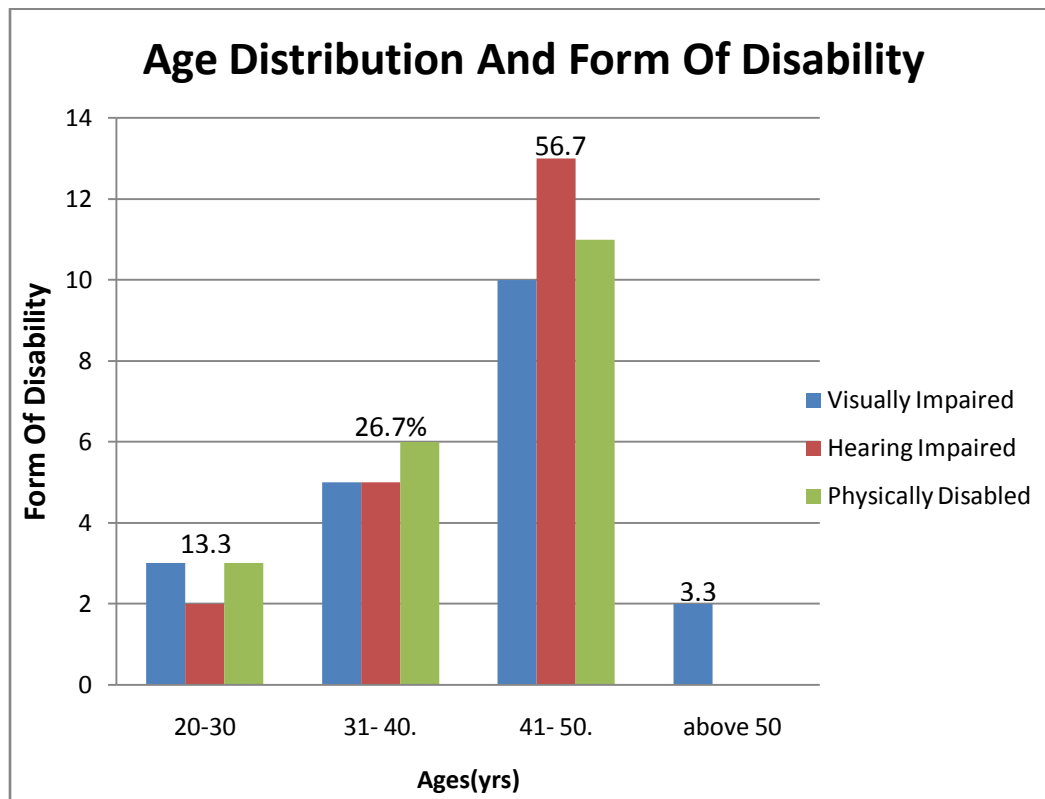
## FIELD DATA COLLECTION

Data collection was done through personal interviews; Structured and unstructured questionnaires were used. In view of the level of education of the participants, this researcher helped fill out the questionnaires for some of the participants. Officers of the microcredit institutions however filled out the questionnaires by themselves.

## RESULTS AND DISCUSSIONS

### Age Distribution of Respondents and Form of Disability

Figure 1 shows the percentage distribution of ages of respondents and form of disability. It is to clearly identify whether there is much difference in age of women with the different forms of disability.



The study shows that the modal age group of all the respondents is (41-50). Over 50% (i.e. 56.7%) of the women fell within this age group. About thirteen percent (13.3%) of the women were aged 20-30, over twenty-six percent (26.7%) were aged 31-40) and only 3.3% representing the visually impaired were aged above 50 years.

This result may suggest that women with disability engage in self employment or their own business at a younger age (31-50). The study however did not explicitly show that, as there may be other factors that may influence the age of respondents. The study also shows that generally the age distributions of respondents were fairly spread between the ages of 20-49.

### Level of Education of Respondents

The level of education plays a significant role in determining the type of employment or business one engages in. Educating women induces changes in their general thinking. The data was analyzed to ascertain the educational background of all the respondents. This was necessary because as explained earlier, education has some degree of influence on performance in business.

**Figure 2: Level of Education of Respondents**

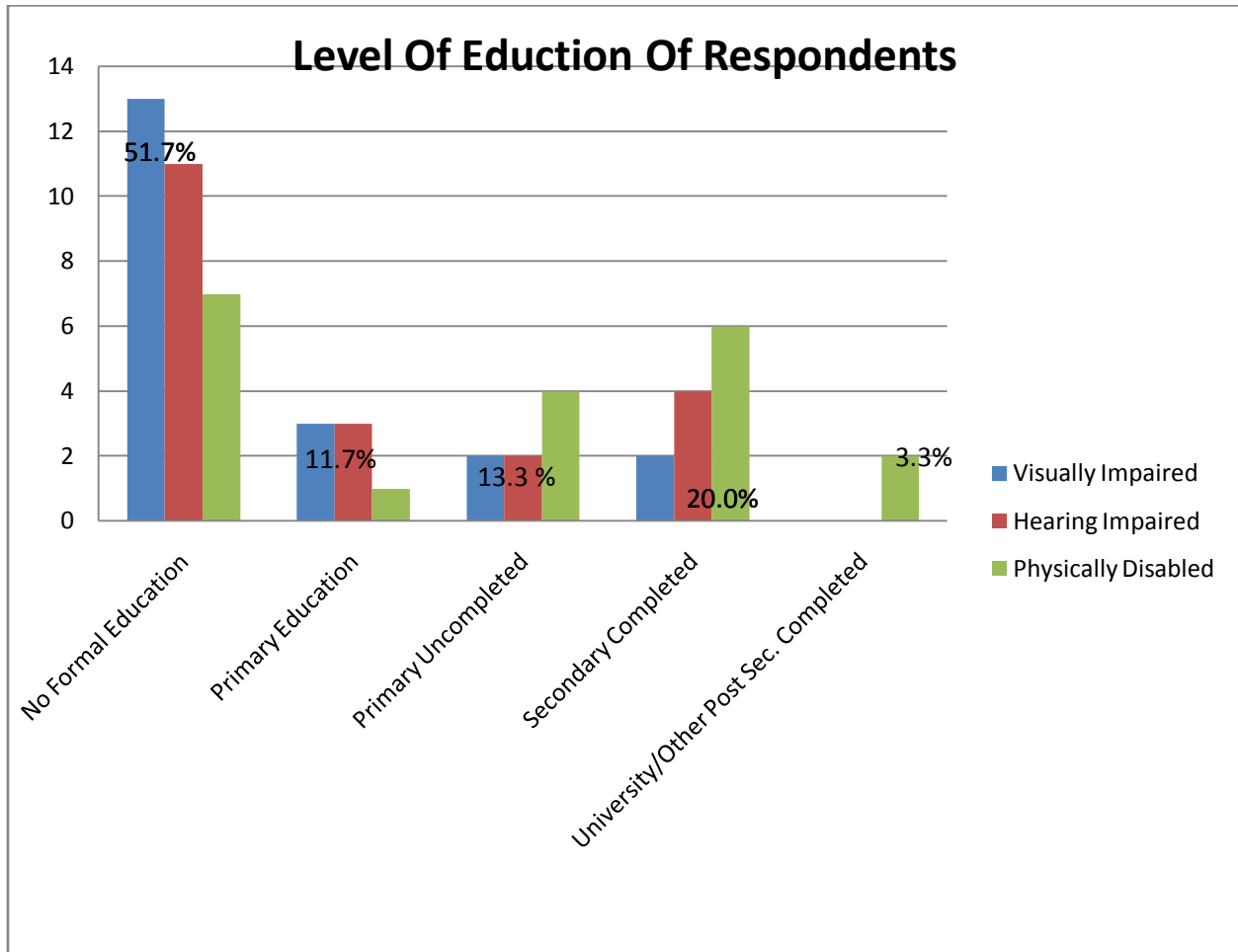
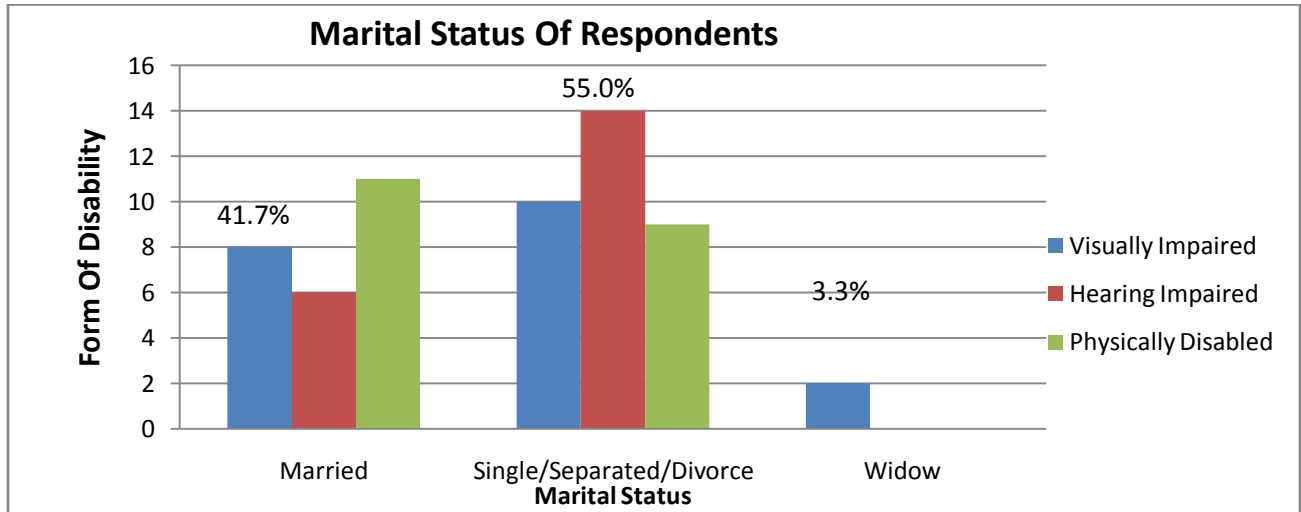


Figure 2 shows the level of Education of respondents and the form of disability. The results revealed that approximately fifty-two percent (51.7%) of the women have no formal education. About thirteen percent (13.3%) of the women reported that though they started primary school, they did not complete. Eleven percent (11.7%) of the women have completed primary school. Twenty-six percent of the women respondents completed secondary school. No visually Impaired or Hearing Impaired completed University/other post secondary education. However, three percent (3.3%) of the physically disabled completed University/other post secondary education. The findings of the study agree with Alctaruzzaman’s (2001) finding that most rural women in business (about 78%) are illiterates. This is because according to the study, the proportion of illiterate in general (comprising no formal education, primary uncompleted and primary completed put together) is 76.7% which is very close to 78%. This assertion is also supported by the 2010 provisional census report which puts the illiteracy rate among females in the district at (54.1%), higher than that of males (36.4%). The findings of the study show that there is however a little improvement in the illiteracy level (20.0%).

**Marital Status of Respondents**

A woman’s marital status is said to have influence on her level of decision making in business. According to studies women with disability have hard time in getting married and even when they marry, it is difficult to sustain the marriage (MIUSA, 1998). Other studies have shown that unmarried women perform better in business than married women because unmarried women have more time for their businesses than married women (Blehar & Keita, 2003). Figure 3 shows the percentage distribution of the marital status of Respondents.

**Figure 3: Marital Status of Respondents**



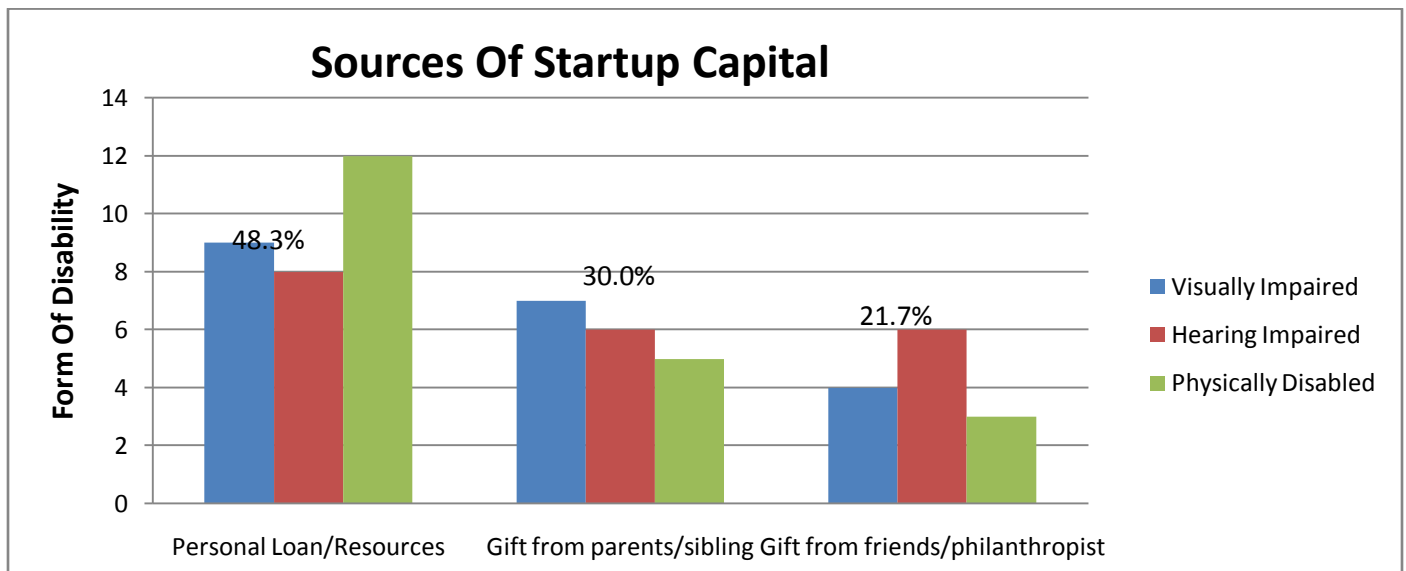
The study revealed that fifty-five percent (55.0%) of the women interviewed were not married. Most of them said they were single.

Forty-one percent (41.7%) of the women were married and only three percent were widowed. Among the different disability groups, the study shows that physically disabled women were twice more likely to marry than the visually impaired and hearing impaired women. Though all the groups have higher percentage of their respondents being single/separated or divorced, the number of hearing impaired women outnumber the rest, suggesting that hearing impaired women find it more difficult to marry than visually impaired or physically disabled. This confirmed the findings of the MIUSA (1998) that women with disability have hard time in getting married than women without disability.

**Source of Startup Capital**

Availability of capital to start business is critical to most businessmen and women. Women with disability are not economically independent because of lack of startup capital (MIUSA, 1998). Figure 4 shows the percentage distribution of respondents' source of startup capital for their business.

**Figure 4: Source of Startup Capital**



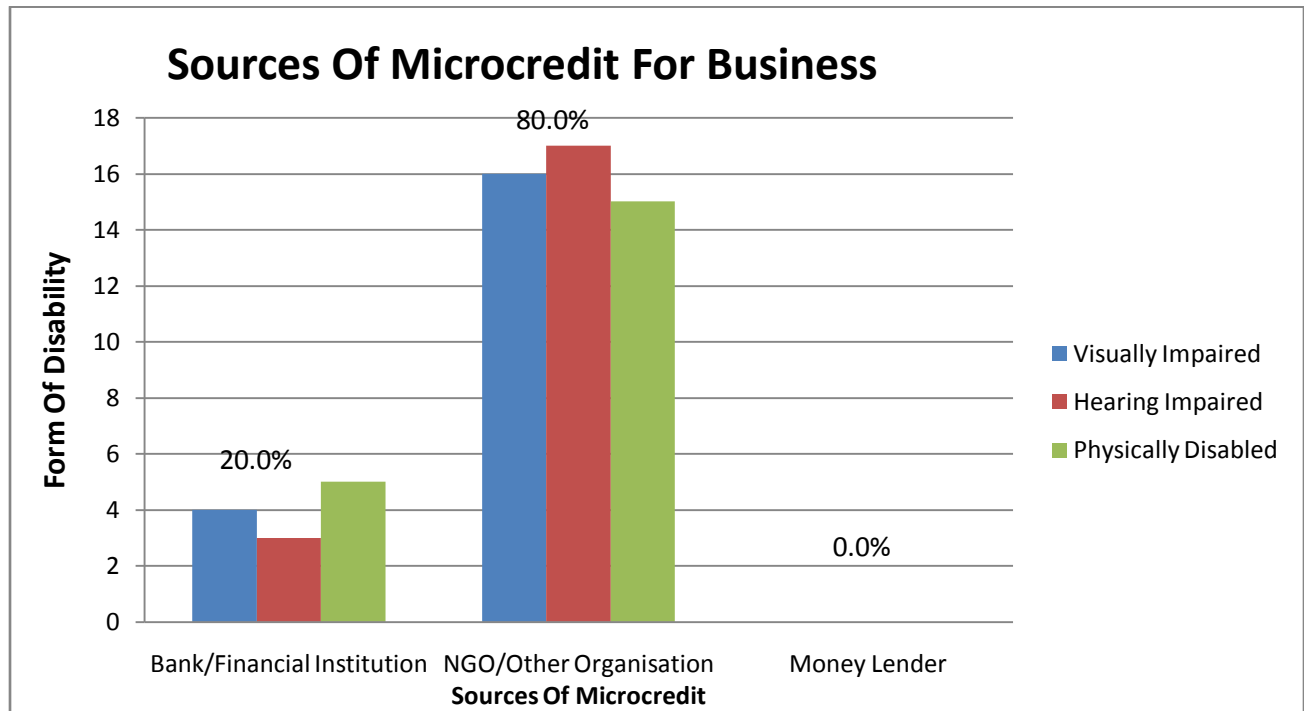


The study revealed that 48.3% of the women started business with their personal resources. Thirty percent had their startup capital as gifts from their parents and siblings, whilst 21.7% had their startup capital from friends and philanthropists. The findings of the study confirm the notion that charitable individuals and organizations are more sympathetic toward disabled persons than persons without disability.

### Source of Microcredit for Business

Women with disability find it difficult to access loans from Credit Unions, Community and Rural Banks, Savings and Loans companies as well as the traditional banks among others in their communities. Apart from a few organizations and NGO's serving them, financial institutions make little effort to meet their needs (JMK Consulting, 2008). Figure 5 shows the source of micro credit for business by respondents.

**Figure 5: Source of Microcredit for Business**



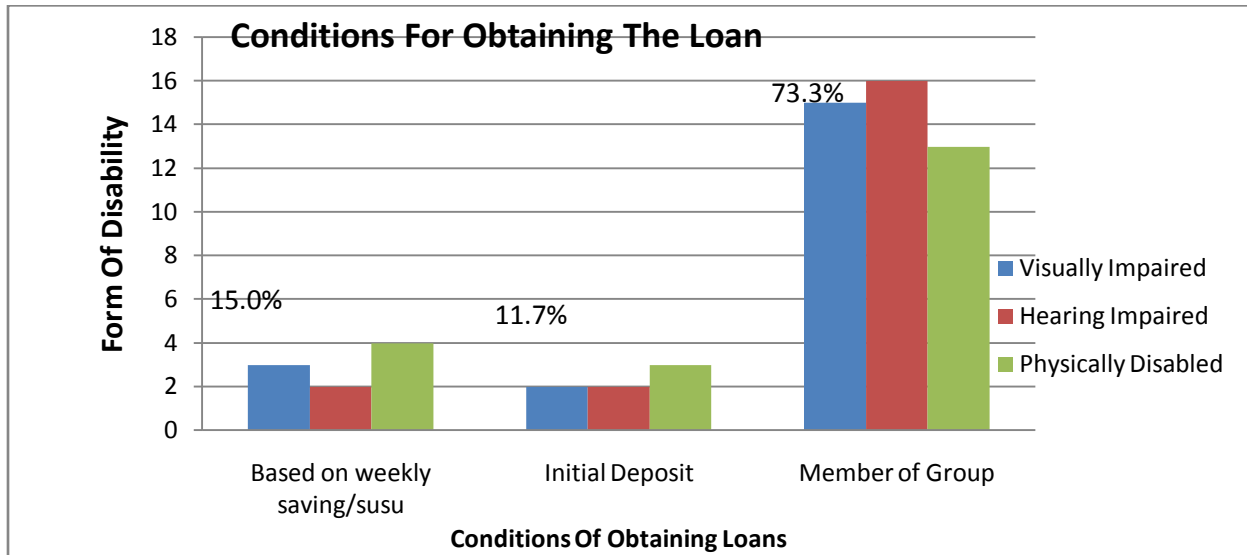
Sixty (60) respondents who had access to microcredit were interviewed to find out where they had the loans from and the criteria they satisfied before gaining access to the loans. From the data collected, Twenty percent (20%) of respondents said they obtained the loans from the Bank (Rural Banks) or financial institution. Eighty percent (80%) said they obtained the loans from a Non-Governmental Organization (NGO) or other organizations such as credit union or Susu Company.

The findings of the study confirms the BASU (1998) literature which states that people with disabilities and impairments do not have products and services designed to meet their needs. They are also not adequately served by financial institutions. Most of the women received their loans from NGO's because the SADA Project and other governmental interventions in the district focused more on the vulnerable and deprived.

### Conditions for obtaining the loan

Rural businessmen and women often complain that they cannot access loans because of the conditions attached. Most Banks or Financial Institutions often demand some form of collateral before loans are granted. Figure 6 shows the conditions under which the 60 respondents were granted their loans.

**Figure 6: Conditions for obtaining the loan**

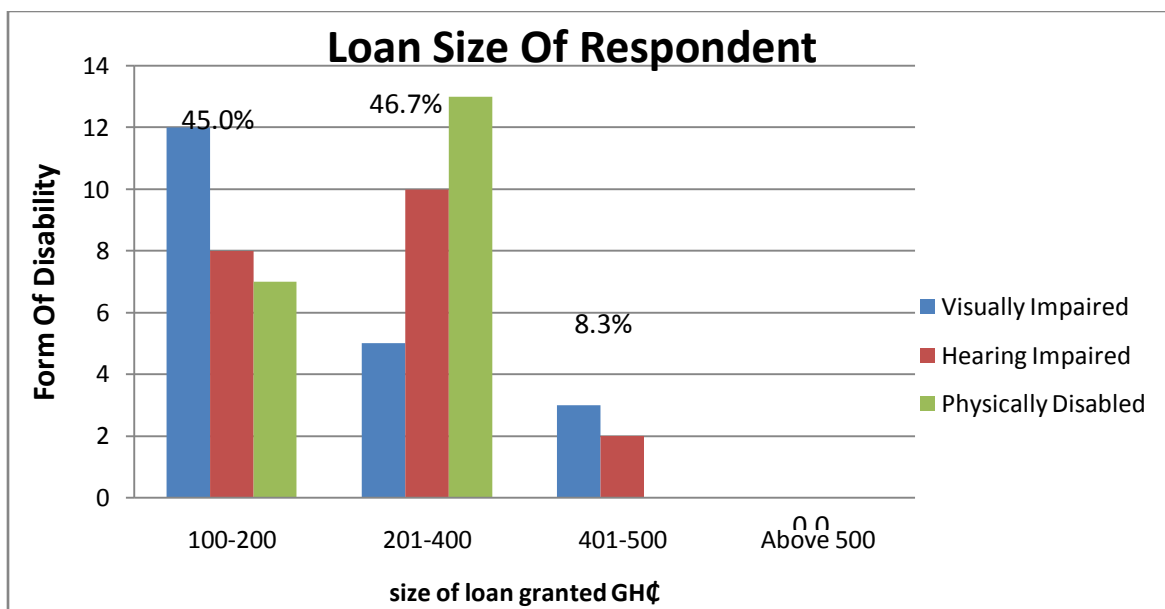


From figure 6 seventy three percent (73.3%) of the respondents said they were asked to form groups and that served as security before they were granted the loans. Fifteen percent of the women said they did weekly savings for an average of one month with the institutions before they qualified for the loans. About twelve percent (11.7%) of the women had opened accounts with the banks or had initial deposits with the banks before they qualified for the loans. This means that the Rural Banks which granted about 90% of the loans required initial deposit/weekly savings, but the NGO's demanded the formation of groups as collateral.

**Loan size of respondents**

Most Rural Banks and/or microcredit institutions have designed their loan products in such a way that a customer has to graduate from a smaller loan to a bigger loan based on their performance. Average loan size received could at times tell the size of the business. Figure 7 shows the distribution of loan size received by respondents.

**Figure 7: Loan size of respondents**

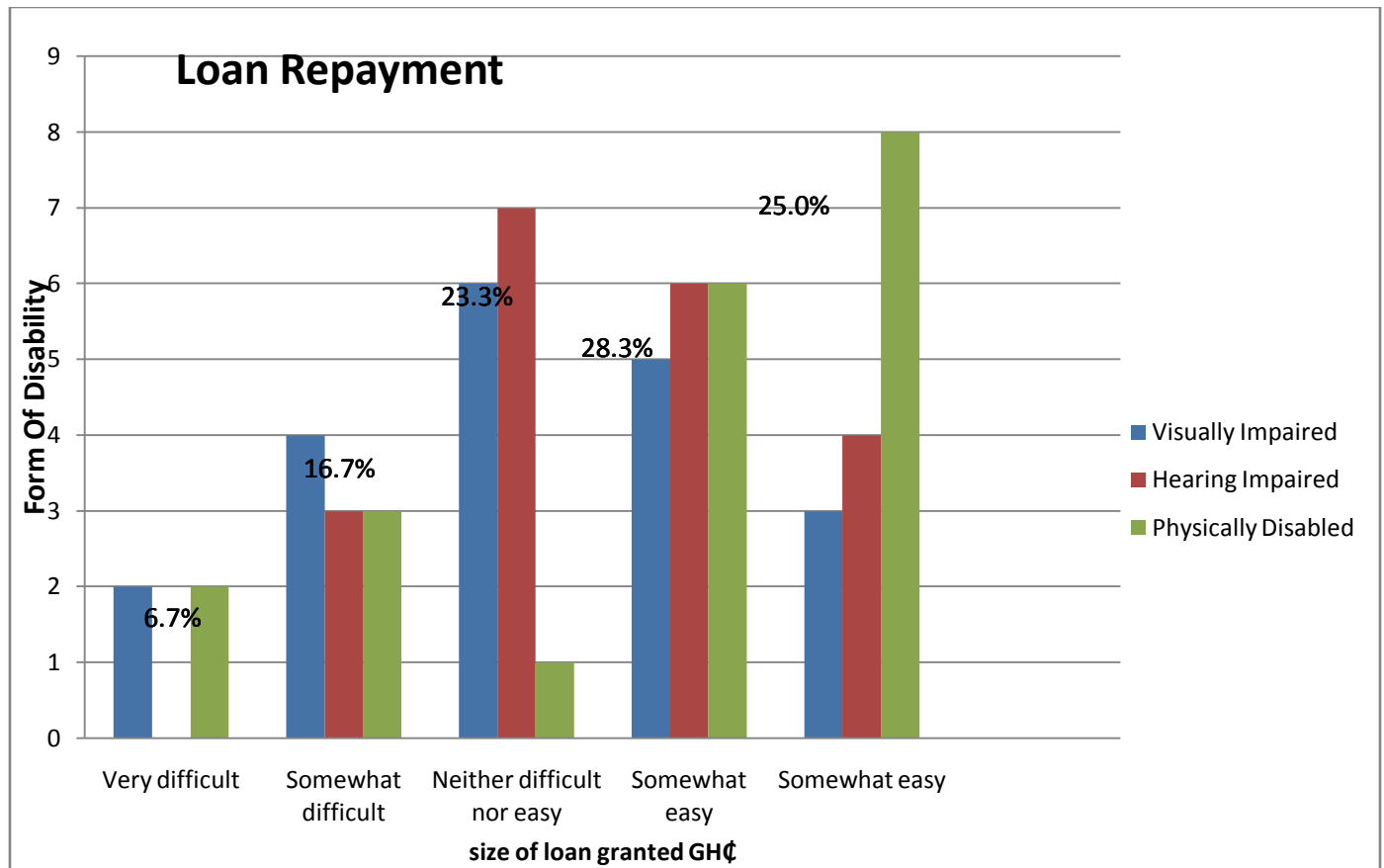


The data collected from figure 7 shows that 45% of the respondents reported that they received between GH¢100 to GH¢200. About Forty-seven percent (46.7%) of the women said they received between 201-400 Ghana cedis. Only eight percent (8.3%) received between 401-500 Ghana cedis and none received above five hundred Ghana cedis. The general overview of the results suggests that women with disability on the average received smaller loans that are between 100 and 400 Ghana cedis (representing 91.7% of respondents).

**Loan Repayment**

The issue of loan repayment is crucial to financial sustainability. One of the findings of MIUSA (1998) study on barriers to women with disability’s access to microcredit was that lenders fear that women with disability could not pay the loans back. Figure 8 shows the loan repayment performance of all 60 respondents.

**Figure 8: Loan Repayment**

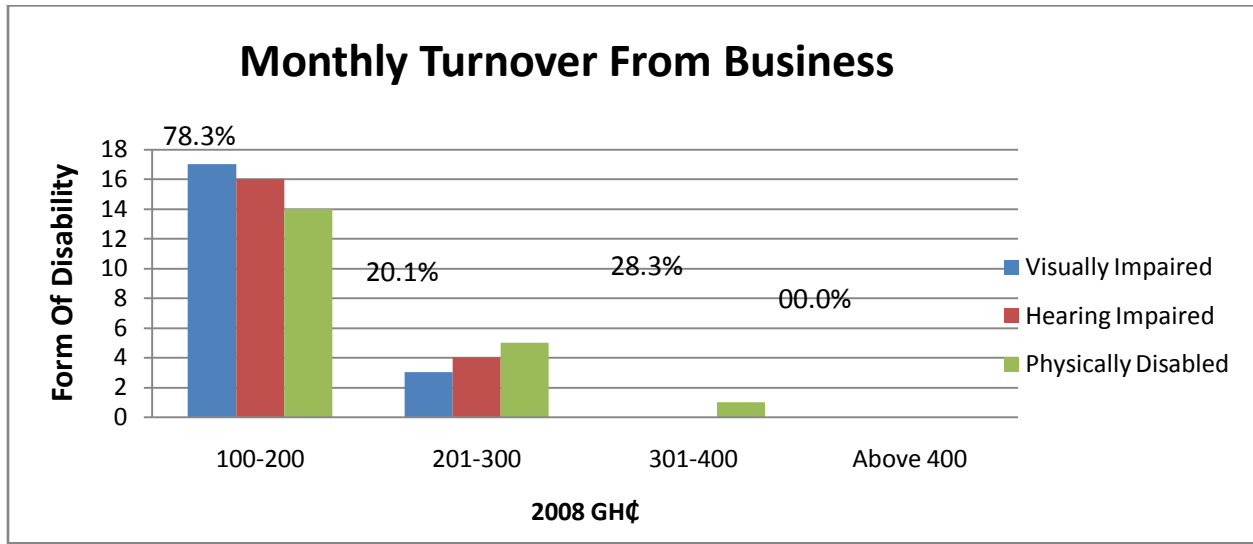


The data collected shows that 6.7% of the women said it was very difficult for them to pay their loans, while 16.7% said it was somewhat difficult. Approximately 23% of the women reported that it was neither difficult nor easy for them to pay their loans. Twenty five percent (25%) of respondents said it was easy to pay their loans, while 28.3% said it was somewhat easy to pay their loans, because it is easy to pay when the market is booming and a bit difficult when the market slows down. The results indicate that one cannot attribute nonpayment of loan to disability. This is because the study revealed that a total of 76.6% said it was easy or somewhat easy to pay their loans. Perhaps inability to repay loans could be attributed to other factors such as market conditions, location of business etc.

**Turnover from business before Loan and after loan**

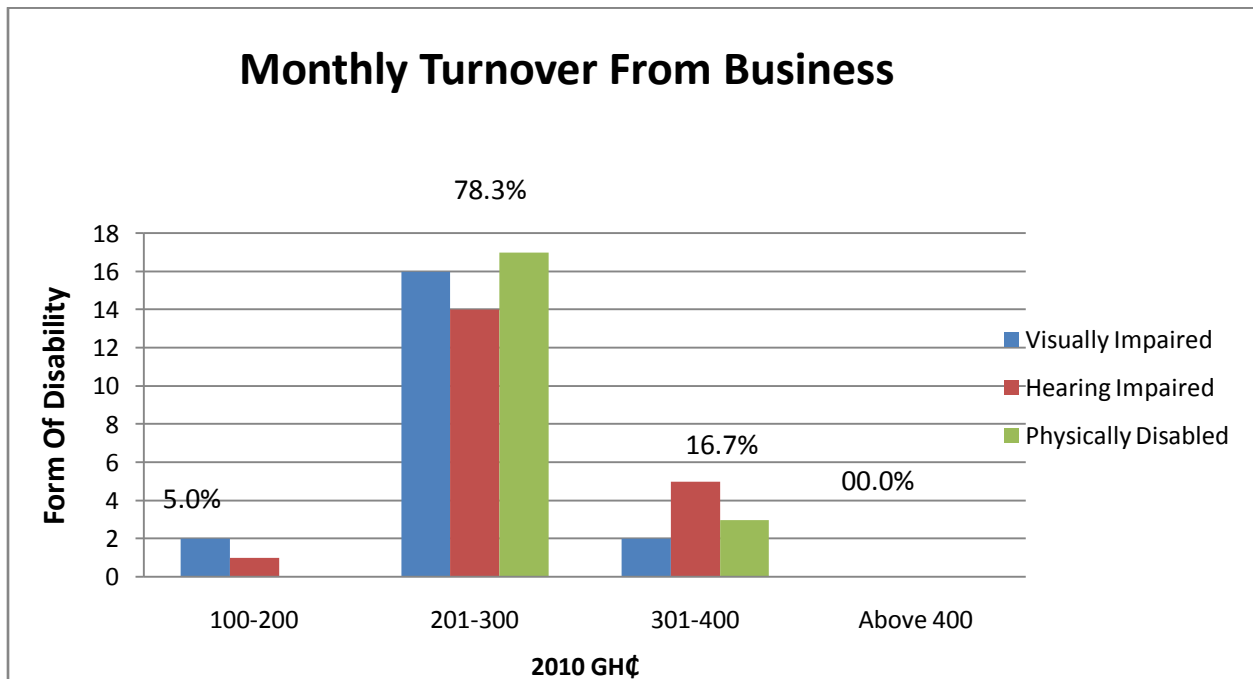
The 60 respondents were interviewed to ascertain if access to the loan improved their turnover over the period 2008 – 2010. Figure 9 shows a tabulation of their responses.

**Figure 9: Turnover from business before Loan and after loan**



From figure 9 seventy-eight percent (78.3%) of the respondents said their average monthly turnover from businesses in 2008 was between 100-200 Ghana cedis, but this declined to 5% of respondents for the same category in 2010. However in 2010, many more of the women reported a growth in their monthly turnover resulting in a shift from 20% of respondents in the turnover category of 201-300 (in 2008) to 78.3% of women in the same turnover category in 2010. The result clearly shows that the loan improved the turnover of the respondents significantly. For instance, the monthly average for women respondents in the 301-400 Ghana cedis category was 1.7% in 2008 but rose sharply to 16.7% in 2010. The finding confirms the literature that when women with disability gain access to microcredit, they increase their capital base (Shane, 2004) as the results suggests that over two-thirds (2/3) of the women who had access to loan witnessed growth in business for the three year period.

**Figure 10: Turnover from business before Loan and after loan**

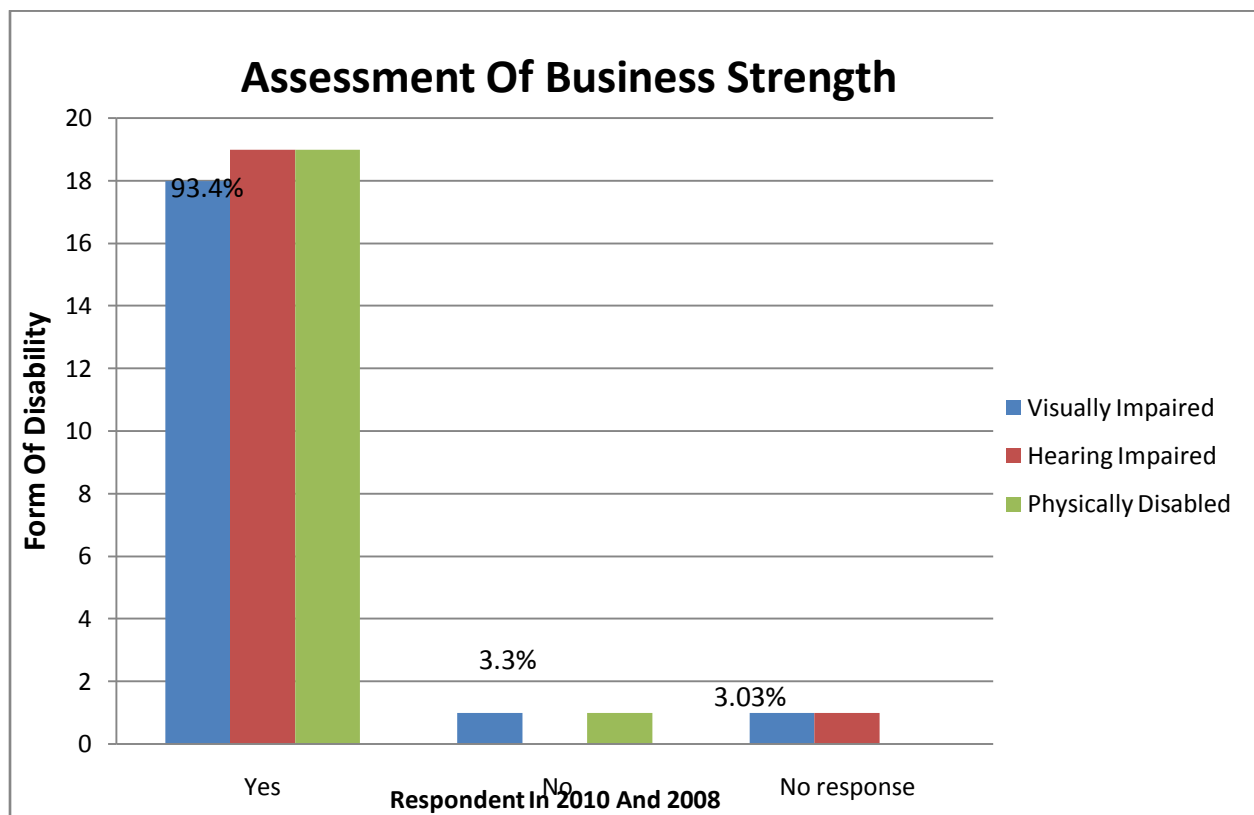


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**Business Strength**

Figure 11 shows the tabulation of responses when respondents were asked whether their businesses are better now in terms of sales, expansion and capital size.

**Figure 11 Assessment of business strength**

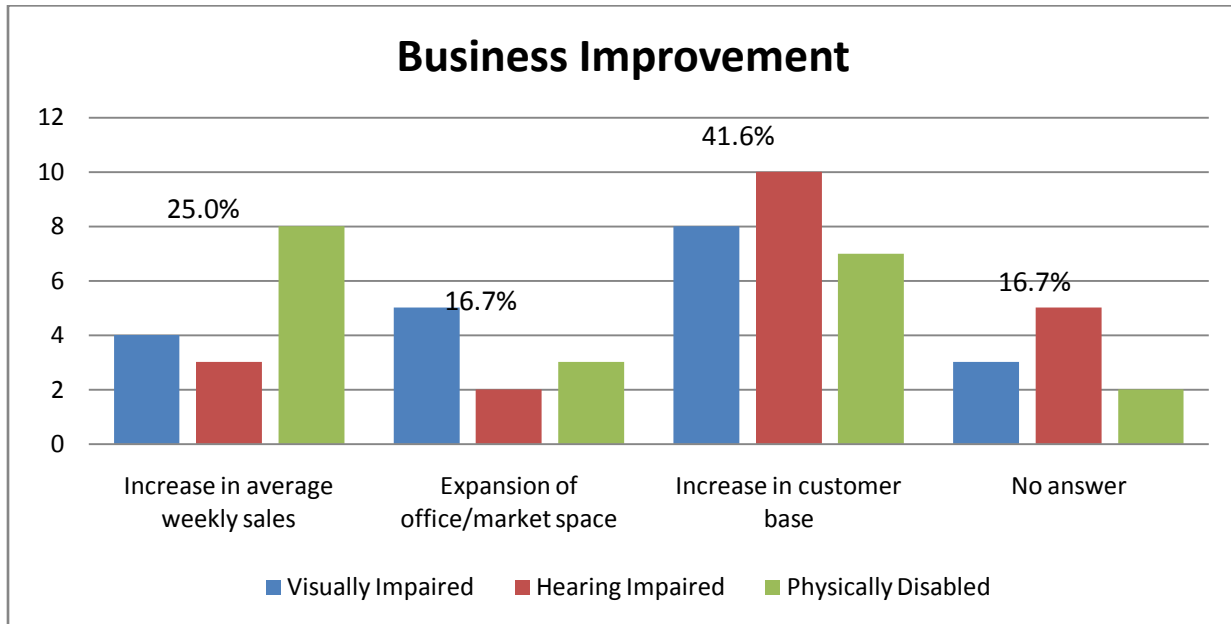


The trend of the results in figure 11 shows that 93.4% of the respondents said there has been some improvement in their businesses, because sales had gone up despite the stiff competition. Perhaps the expansion in the Ghanaian economy in 2010 also contributed to this, even though the results did not show this. Only 3.3% of respondents said there was no growth in their businesses, perhaps this could be considered as insignificant as far as the results of this study are concerned. Again, the findings confirm a case study analysis of the impact of microfinance upon the lives of poor women in rural China by Shane (2004), that when women gain access to microfinance, they increase their sales and capital base.

**Business Improvement**

Investigations on the way respondents’ businesses have improved over the past three years revealed that 25.0% of respondents said there had been an increase in their average weekly sales as shown in Figure 12. About seventeen percent (16.7%) said they had recorded an expansion of office or market space

**Figure 12: Business Improvement**

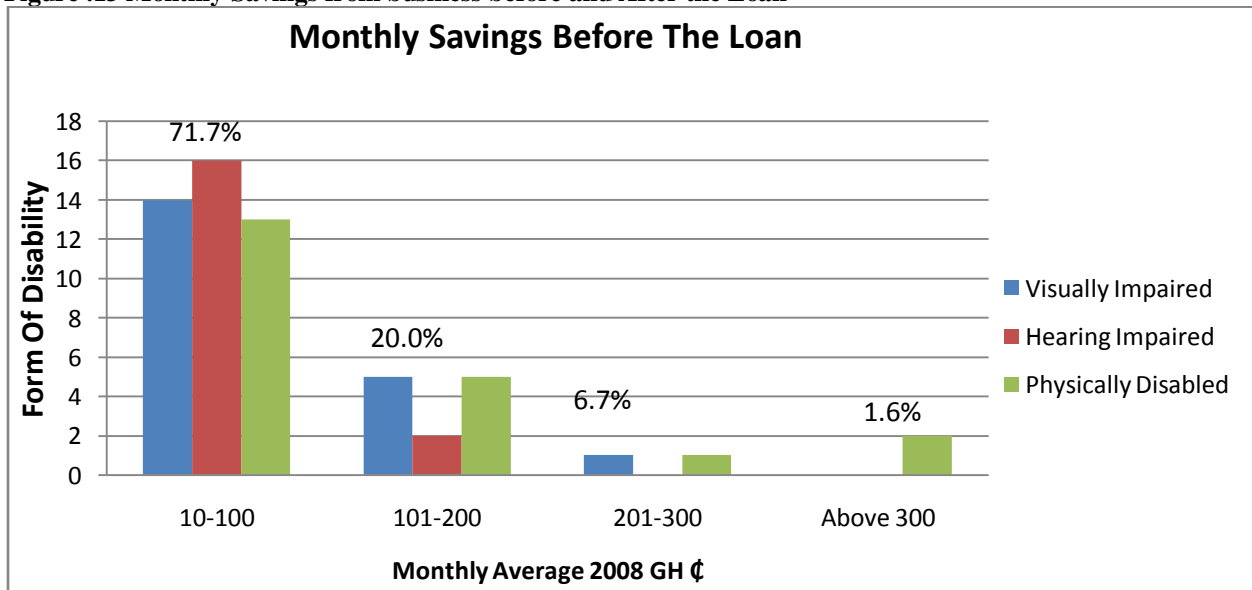


In figure 12 forty-one percent (41.65%) said they had recorded an increase in customer base, whilst 16.7% did not offer any response. They could not tell whether there had been any change in any of the parameters described. The findings of the study again proved that women with disability can improve their businesses and improve their life situation when they gain access to microcredit. The findings confirm Pitt and Khandkar’s (1995) study which stated that credit to women, increase women’s assets and improves their livelihood.

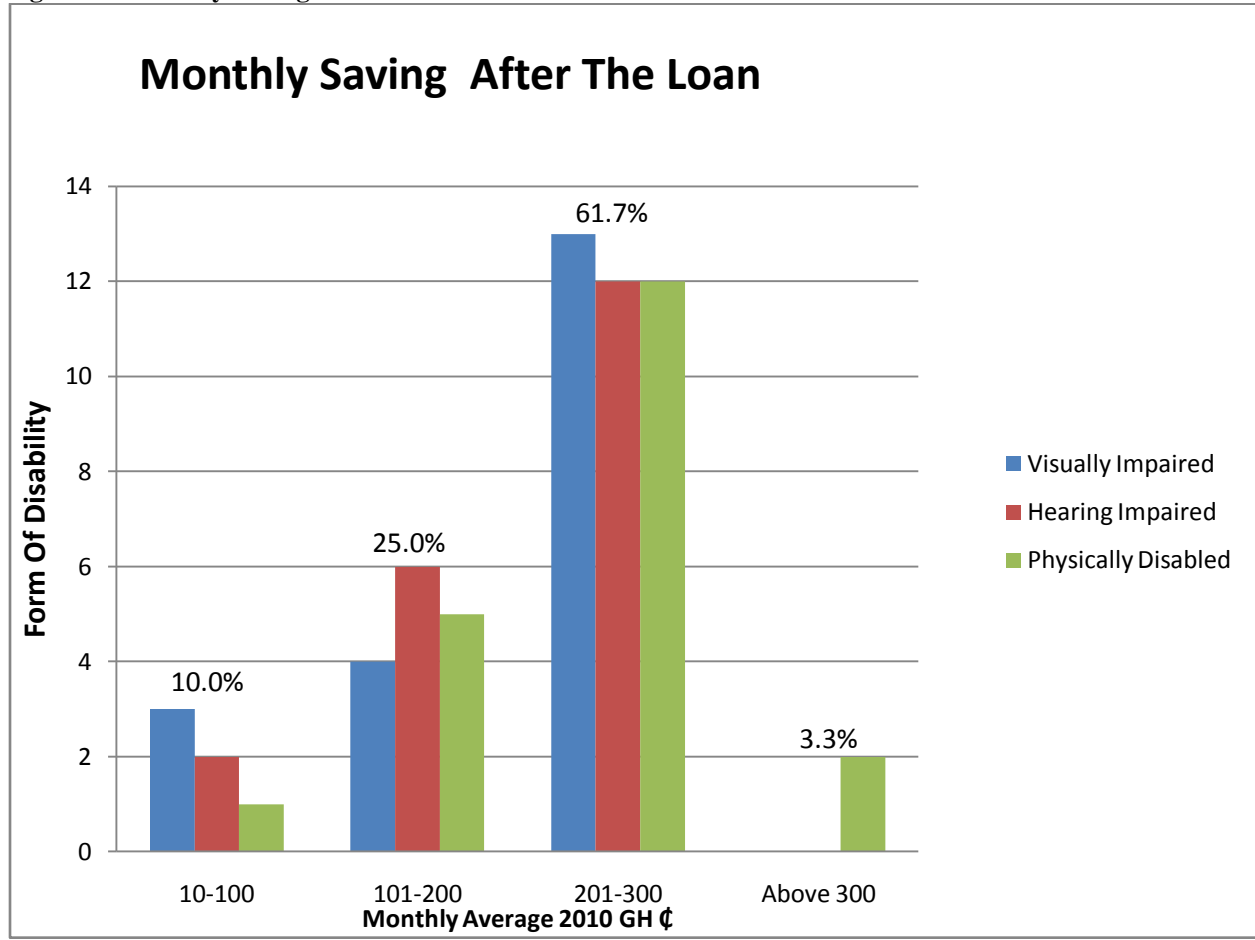
**Monthly Savings from business before and After the Loan**

The researcher used savings from business as one of the measures to assess performance of respondents businesses. This is because when one is able to save from the business, one is sure of re-investing profit for expansion and growth in the business. Figure.13 shows the average monthly savings from business by respondents before and after the loan.

**Figure .13 Monthly Savings from business before and After the Loan**



**Figure .14 Monthly Savings from business before and After the Loan**

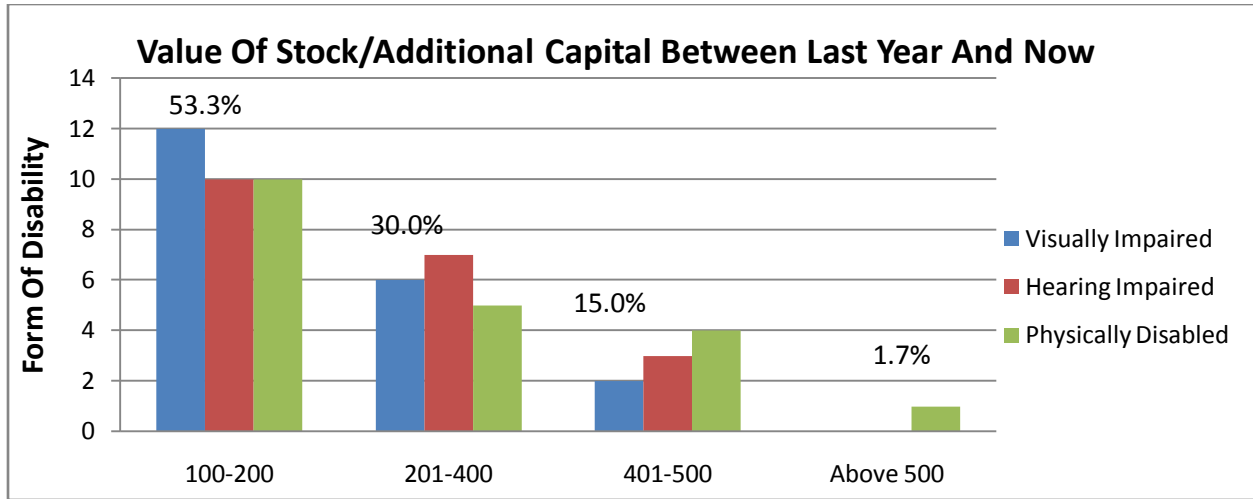


The data collected revealed that 71.7% of the respondents saved between 10-100 Ghana cedis from their businesses in 2008 when they had no access to loan. Twenty percent of women saved between 101-200 Ghana cedis in the same period in 2008 whilst 6.7% and 1.6% saved 201-300 and above Ghana cedis respectively in the same year, 2008. However in 2010, when respondents had gained access to microcredit, 61.7% they were able to save between 201-300 Ghana cedis, a clear improvement over the last three years. Twenty-five percent (25%) of women said they were able to save between 101-200 Ghana cedis whilst 10% saved between 10-100 Ghana cedis. Three percent (3.3%) of the women with physical disability were able to save above GH¢300 compared to 1.6% for the same group in 2008 when they had not gained access to microcredit. The findings clearly revealed that access to the loan has contributed to an increase in monthly savings. This again suggests that when women with disability gain access to loans, they will perform better in business.

**Value of Stock/Additional Capital between Last year and Now**

When respondents were asked how much capital or value of stock they were able to add to their capital between last year and now, 53.3% of them said they were able to add between 100-200 Ghana cedis (see Figure 15)

**Figure .15 Value of Stock/Additional Capital between Last year and Now**

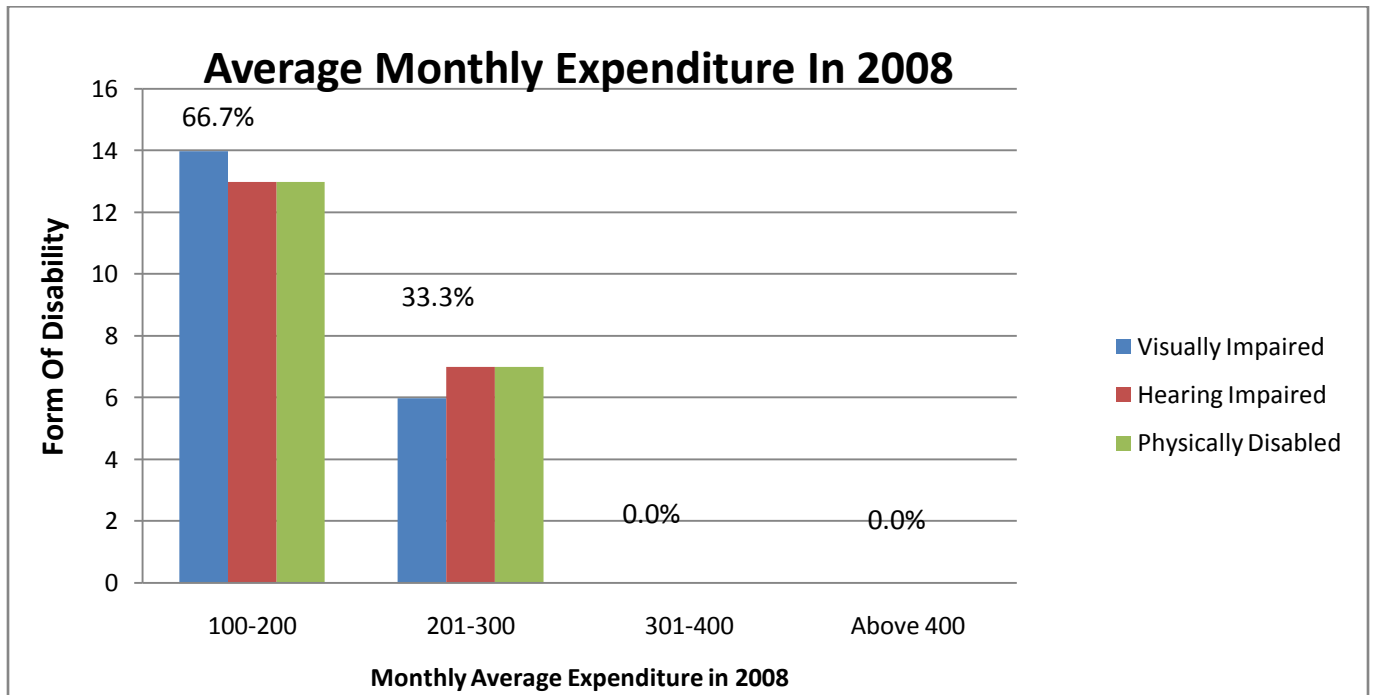


Thirty percent of the respondents said they were able to add between 201-400 Ghana cedis, while 15% said they were able to add between 401-500 Ghana cedis. Only 1.7% of the women with physical disability had additional stock above 500 Ghana cedis. These figures may be attributed to the average loan size received by the women, since the majority of them received between 100-200 Ghana cedis as loan. This confirms that there is a connection between the size of a loan and the amount of money one could save for re-investment.

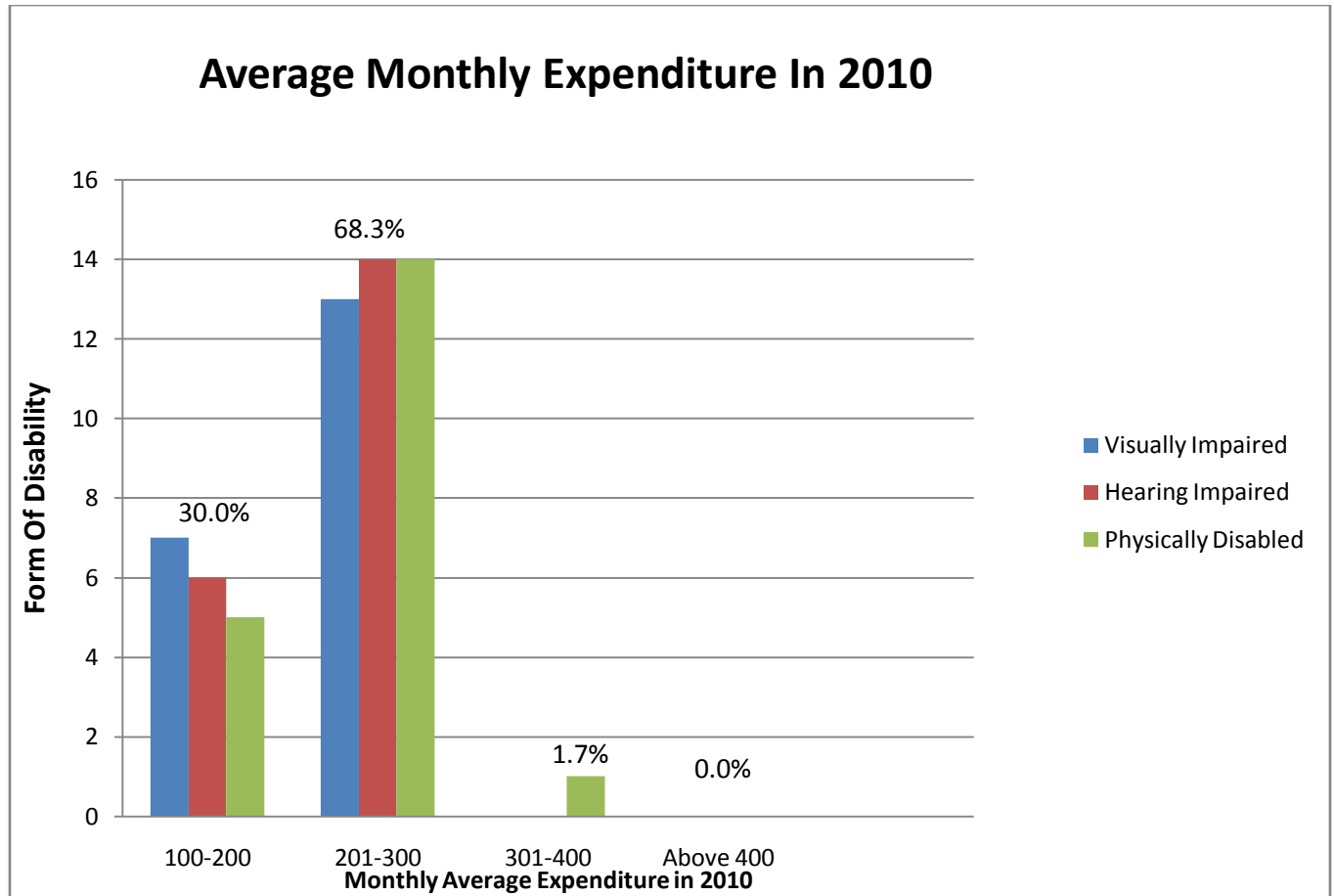
**Average Expenditure in 2008 and 2010**

Literature reviewed indicates that when women are empowered economically they are better able to take care of their family’s basic needs like clothes, health and education (Cheston & Kuhn, 2002). Figure 15 and 16 shows the comparison between the expenditure patterns before and after obtaining loans in 2008 and 2010.

**Figure.16 Average Expenditure in 2008 and 2010**







The results of the study shows that in 2008, 66.7% of the respondents spent 100-200 Ghana cedis on their households, 33.3% spent 201-300 Ghana cedis, whilst in 2010, 30% and 68.3% spent 100-200 Ghana cedis and 201-300 Ghana cedis respectively on their households. The expenditure made by the women in 2010 was a bit higher than that of 2008. The general overview of the results again confirm that women with disability will improve the life situation of their families if they gain access to microcredit.

## CONCLUSIONS

### Findings of the Study

The study showed that women with disability engage mostly in trading activities just like any other business women or petty traders and as such require regular flow of credits to run their business. The study revealed that women with disability in the district engage in their own businesses at a younger age (31-40years). The study also showed that approximately 76.7% of the women with disability in the district had no formal education. Among the different disability groups, the study showed that physically disabled women were twice more likely to marry than the visually impaired and hearing impaired women. With regards to source of startup capital, the findings showed that charitable individuals and organizations were more sympathetic toward disabled persons than persons without disability. Most of the women received their loans from the Non-Governmental Organization's (NGO's) with a few receiving theirs from the Bonzali Rural Bank Limited. The NGO's in the district however grant only group loans, whilst the rural bank grants both individual and group loans. The conditions for obtaining individual loans from the rural bank are making initial deposit, being a regular customer with a minimum balance of not less than GH¢10. For the group loan, you need to belong to a group of not less than 10 members. The group members are also required to attend regular meetings and do weekly savings which they keep in the banks as collateral security. The NGO's

however demanded the formation of groups as collateral. The study shows that factors such as; attitude of microcredit staff, fear of being indebted, family attitude and inability to secure group hinder women with disability access to microcredit. The general overview of the results of the study showed that women with disability on the average received smaller loans that are between 100 and 400 Ghana cedis (91.7% of respondents). With regards to loan repayment the study revealed that about 80% of the women with disability in the district paid the loans they obtained with ease. The study reveals that access to loan improved the business of the women as over two-thirds of the women who had access to loan witnessed growth in business for the three year period. The findings also proved that access to microcredit contributed to an increase in the level of participation of respondents in social activities.

## Recommendations

On the basis of the results of the study, this researcher will like to make the following recommendations.

### ✚ Microcredit Institutions

The following should be considered by microcredit institutions

- **Simplify services;** make the credit programme customer friendly by employing the use of simple application process appropriate to low levels of literacy and numeracy.
- **Offer small initial loans:** microfinance institutions should start with small loans appropriate for meeting day to day financial requirements and motivate repayment by offering larger loans as incentives for repeat customers.
- **Offer short term loans:** offer initial loans of three to six months with frequent repayment periods.
- **Localize Services, Focus on Scale:** Microfinance Institutions should locate close to entrepreneurs (in small scale industrial estates, villages etc). Select staff from local communities, including people with lower levels of education (and salaries) rather than from staff in formal banks. Locate where there is a critical mass of client in order to reduce transaction costs. Micro-finance programs reach sustainability in part by making large volume of loans.
- **Shorten Turn Around Time:** Microfinance Institutions should limit the time between loan application and disbursement. Since the majority of micro-loans are for working capital, speed is ideal for borrowers and saves administrative costs for the lending institutions.
- **Motivate Repayment:** Microfinance Institutions should motivate repayment via group solidarity and joint liability. Group lending is efficient because it externalizes costs. Character-based lending to individuals (as opposed to groups) can be effective where the social structure is cohesive and there is little potential for political abuse.
- **Recognize that the poor do save:** Credit programs are more sustainable when they are financed with personal savings, therefore Microfinance Institutions should encourage personal savings by beneficiaries. However, accepting deposits is labour-intensive and therefore quite costly. Moreover, unstable programs can rob the poor of their savings.
- They should charge lower interest rates to enable beneficiaries pay loans with ease and minimize default.
- There is the need for microcredit institutions to target directly women with disability and design products that would suit their needs.
- They should collaborate with NGO's who are rendering financial services to women with disability so as to reach out to larger proportion of women with disability.
- Microfinance Institutions/Rural Banks should create a desk officer who can be trained in basic sign language to communicate with the hearing impaired.

### ✚ Government

- Government should take training of the physically challenged seriously. Training should not be restricted to reading and writing but more importantly to skills acquiring for those who had attended primary education and apprenticeships for some vocational jobs.
- Since microfinance services are a means of broadening economic participation to include the marginal groups the issue of fiscal/budget subvention microfinance programmes should be pursued.
- Government should re-visit the disability Act and ensure that the physical accessibility clause is adhered to so that financial institutions will make their offices accessible to persons with disability.

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