

Empowering the Ghanaian Woman: (Entrepreneur and Investor)

Linda Addie Sarpong, PhD.

School of Business Administration (SBA)
Zhejiang Gongshang University
Zhejiang Gongshang University, 18 Xuezheng
Str., Xiasha, Hangzhou, 310018, China

Abstract

This research paper seeks to address the ensuing principal research question: “Who is an entrepreneur? What is investment? Entrepreneurs and investment methods which can be found in the proposed research interest lies in the fact that women now a days have become home contributors in terms of funding. There is an amount of scholarly publications which enclose focused on the identification of key areas in want of advance study involving women in commerce and investment.

Hence, this research study will aim at this void by enunciating, refining and encompassing a number of the most up-to-date theoretical viewpoints of microfinance, small as well as average size enterprises, the logical focal point of this study is in the area of entrepreneur and investment.

The most important focal point will be on women as entrepreneurs and investing in their businesses. How the present political and trading environment inside Ghana is affecting women in small and medium level trading, as well as the savings and microfinance services in Ghana.

Gone was the time when women in the country where domicile house wives, lacking education in addition to being degraded to a less trivial woman in society. Conversely these merit analyzing in further details, it seems that microfinance has been prejudiced towards women, who in countless countries still in need of the opportunities they require to succeed in business and provide for their families.

Keywords: *Women, Microfinance, Investment, Ghana*

Introduction

Microfinance helps make powerful women from deprived households contribute more towards their children and families future. Microfinance services pilot women empowerment by optimistically influencing women’s choice-making and enhancing their overall socio-economic status. Nevertheless, it is significant to point out that what investment is considered as ideal and can on no account be utterly reflected in the smallest amount of educational research.

This merit analyzing in further details as of the beginning on, it seems that microfinance has been unfair towards women, who in several countries still lack the opportunities they need to achieve something in trade and provide for their families. However investment and entrepreneurship is measured or related with a person who accepts a number of risk involving the choice of economic investment in the quest of new ventures, an entrepreneur has the utmost possibility of achievement by focusing on top of a market niche whichever way is too small or latest to have been noticed by established businesses.

Frequently the entrepreneur is an individual or an organization not the being or persons who really create the new goods or services other than an individual who has control of the latest enterprise, such as a pension fund, business enterprise or a proposal and is held responsible for the inherent risks and the outcome leads the firm or organization and also demonstrates management persona by selecting executive staff.

Review of Literature

There is an amount of studies which have been carried out to establish the extent to which access to microfinance by women can aid in poverty alleviation, women’s empowerment and sustainable growth of the society and the country’s economy at large. Amid the existing study here is Rosenberg (1998). Leach and

Sitaram (2002) suggested points supporting why women should be provided with loans to fund their businesses.

Cheston and Kuhn (2002) argues that, because women are traditionally responsible for providing food, clothing, children's allowances (pocket money), and cooking and cleaning supplies, a woman's earning a little money to cover household expenses will not necessarily earn her more respect in the eyes of her husband. If, however, she earns enough to help cover typically male expenditures like school fees, rent, furniture, and transport, her decision-making power often increases greatly.

Rutherford, S. (2002) was of the view that microfinance impact on economic behavior training creates perceptual conditions to better repayment and persistence in microfinance intermediation . Schumpeter (1934) stressed the critical importance of the banking system in economic growth. He argued that, the services provided by the banking system are essential for technological innovation and economic development and highlights situations when banks can actively encourage innovation and future economic growth by actively identifying and funding productive investment.

Hillary Clinton (2009) stated that, let women work and they drive economic growth across all sectors. Send a girl to school even just for one year and her income dramatically increases for life, and her children are more likely to survive and her family more likely to be healthier for years to come. Give women equal rights and entire nations are more stable and secure. Deny women equal rights and the instability of nations is almost certain."

It's not just the extra income that this generates for women and their families. Greater economic security and independence gives women more control over their lives and a more influential voice in their communities. And no society can thrive fully by writing off the talents of half their population. It's why helping women to make the most of their economic potential is vital in tackling global poverty and inequality. (Cherie Blair, Leading Queen's Counsel).

The microfinance system is characterized by daily or weekly deposit collection which are safeguarded and made available to the depositors when required or to borrowers for a fee (Alabi et al., 2007). This practice is not entirely gender neutral because in communities, women's land rights are subordinate to men's based on social and cultural norms (Toulmin, 2005). Women's weak credit access from commercial banks have been traced to discriminatory treatment from bank officials despite key legislation recognizing the equal legal status of both male and female borrowers (Ellis and Cutura, 2007). Improvement in clients' entrepreneurial skills can contribute to microfinance own success and sustainability.

Analyses

In majority of budding African economies, women are the foundations of those economies. The advantage of promoting women's trade and industry empowerment accordingly spreads further than the individual woman to her kids, relatives, society and the state subsequently. Empowerment refers to increased well being, societal expansion, self competence and increase of individual choice.

Current studies have established that women are intelligent traders. Not only do they pay off more consistently than male borrowers but women are also more probable to utilize their trade profits to sustain their families. Once a microfinance establishment empowers a woman to increase her revenue, the ensuing income is naturally used to provide better sustenance, enhanced accommodation, or education intended for kids who might be part of the family unit

In the midst of current research philosophy, it is debated that women are disproportionately represented amid the poorest in the world and require aid as compared to man, as far as securing sustainable livelihoods is concerned. Also, most African women are discriminated against in bureaucrat institutions, so it ends up being far more than just another source of revenue in the informal division nonetheless, with the move towards gender impartiality throughout the world seems not to be a grave issue. Again, research has established that women-headed households are on the raise as an outcome of financial boom, changing labour needs, growing urbanization, and the disintegration of extended family structures.

Women in small scale business have therefore become the breadwinners in some homes. They accessing finance have become more assertive, confident, and more visible and are better able to negotiate in the sphere of public. Enabling women to access finance for their enterprises will help in empowering them.

In Ghana, roughly 50.2 percent of the populations are women, which is partially the total number of work force and are of considerable supplier to nationwide productivity, in 2007 a detailed studies which was conducted on women entrepreneurs in Ghana printed by the International Finance Corporation (IFC), which is a member of the World Bank Group stated that most economically vigorous women in Ghana work in the informal economy, where they are more than men, and are predominantly occupied in a variety of micro-enterprises and retail trade.

In Africa at present female entrepreneurs are successful widely across all spheres of life, but the Ghanaian woman tops all and is leading the pack. Culture, education, national stability, economic boom, development and microfinance have spurred their success. Initiatives such as brand Ghana reinvention program calls for an urgent re-orientation of our mindsets with respect to the concept of nation building.

According to UNICEF, up from 16.6 percent in 1970 literacy rate among females between the ages of 15 to 24 is now 78 percent, it is a remarkable leap that demonstrates how several Ghanaian women as at present can access the type of skills required for managing a business such accounting, marketing, and management. These women workforce throughout the country add to the economic development and sustainable livelihoods of their families and communities.

This is an impressive jump in the time span of one generation and demonstrates how many more Ghanaian women today can access the kind of skills needed for running a business, like accounting, marketing, and management. Ghana's stability has also helped catapult its business environment forward. It was the first nation in sub-Saharan Africa to achieve independence in 1957.

From the year 1970s to 1980s, political instability and insecurity was the order of the day this took its toll on the country. Nevertheless Ghana has regained political solidity and a feeling of goodwill from its inhabitants as well as the international community, providing an atmosphere ready for business development and growth. Consequently, shareholders self-confidence has increased and also growing investment has influenced Ghana's trade and industry, making it a success story. The nation is currently the fastest-growing economy of 2011, growing at a rate of 20.2 percent in the first half of the year. Ghana's natural resources in addition to investment also boost up its per-capita GDP

At present women workforce contribution rate in Ghana is projected at a rate of 50.1 percent – and the female population makes up for about 50.2 percent of the entire population of country. Amid enhanced education, the wealth of the country, and a steady microfinance sector, the women of Ghana are making an impact in the entrepreneurial world that cannot be denied.

The Ghanaian intellectual scholar and educationist Dr. James Emmanuel Kwegyir-Aggrey in (1875-1927) made a profound statement, which rings true up to day and has been adopted by government, NGOs and individual companies and many others goes that if you educate a man you educate an individual, but if you educate a woman you educate a family (nation). He used this proverb to persuade African parents who were eager to let their male kids to go to missionary schools than their female children. The second-in-command chairperson of the African Union, Mr. Erasmus Mwencha, also stated that women are for the most part one of a nations important resource on the continent but they have been marginalized for too long. And that if we leave them behind it will be like a two-engine plane flying with one engine . . . it will go nowhere.

Despite the stress on the value of communal ventures across the country, women in Ghana lack widely in this sector. Even though the shared challenges of capacity building and lack of strategy as well as the downbeat view of the society of non profitable organizations, the challenges facing working class women inhabits women social entrepreneurs to profit, thrive and have encouraging impacts in societies developments.

Microfinance initiatives have made some good turning decision-making power towards division of labor. Women's economic independence has been sidelined while the economic well-being of the whole family and the repayment of the loan take main concern. Access to leading money is only one of the many other reasons

that can have an impact on gender relations “social reproductive activities” in the home, including taking care of children and household chores are unvalued.

Due to the high cost of business capital needed to begin trading, most women are unsatisfied with the little money offered by their spouses, as such to meet the unsatisfied demand for financial services to women, a wide range of Microfinance investment banks and services has emerged over time in Africa. Most of these banks focus only on providing credit loans, others on the other hand are occupied with providing both deposit and credit facilities, and some are also involved only in deposit collection. They range from nongovernmental organizations, savings and credit cooperatives, commercial banks and regulated specialized providers.

Financial empowerment is also another means of equipping women with another form of security: that they will not only have a roof over their heads for the rest of their lives they would have food on the table and money in their pockets. Empowering women economically boosts both gender equality and wealth of the nations. This entails enabling the women to have the capacity to control income and other key economic resources like farm lands and livestock.

Women headed companies in Ghana most of the time turns out to be micro and small enterprises (MSEs) which is largely concentrated on in the informal sector. This trend also hinders female success: MSEs in the informal sector are unable to expand because they are faced with a lot of different challenges such as limited access to public infrastructure and services (water, electricity, etc.), cheap and long term credit, and new technologies.

Tapping the vast prospective of women folks makes perfect sense as Governments, non-governmental organizations, and the private sector all have taken a role in collectively empowering women. For this reason, women have developed the capacity to generate and maintain their means of livelihood and produce excess that has lead to savings.

Even though micro-finance has made a contribution to empowerment of women, it cannot be assumed to have achieved an automatic outcome, therefore having a good approach to this helps in solving the incapacitation of the poor women in rural and disadvantaged areas of Africa to move out of poverty.

Finally, for quite a number of years the Ghanaian economy has flourished reaping the benefits of microfinance, a tool that is very effective in empowering women. As described by the Economics Web Institute, Ghana provided subsidized credit in the 1950s, established an Agricultural Development Bank in 1965 for fish and farm loans, and required commercial banks to set aside 20 percent of their portfolios for agriculture and small-scale industries in the 1970s and early 1980s.

The following are key findings drawn from the research:

- ❖ The study recognized that quite a number of women were benefiting from small scale businesses; yet still they were struggling to raise capital for their businesses due to lack of collateral security, and other off the record selection process.
- ❖ Women make better clients. Women are able to find jobs much more easily than men. They're a lot more adaptable to change. If one business fails, they will pick something else up very quickly. They are able to concentrate on more than one regular, income-generating activity.
- ❖ The Microfinance sector is now giving the African women a chance once again to play a part in being involved in the economy as they are in dire need of other income generating activities to bring in extra income for their small farms which barely fed them.
- ❖ It is considerably more a lot more expensive for microfinance institutions in Africa to function as compared to their peers in developing countries. High rate of service delivery with poor infrastructure, regulatory policy issues and the need to develop institutional leadership.
- ❖ The unequal distribution of the family resources in low population density area where the number of women form a viable group is inadequate becomes challenge as it makes it difficult for women to raise the necessary savings.

Conclusions

Women entrepreneurs are challenged with a whole new set of obstacles that could have regulatory or traditional roots. The most pertinent among these obstacles for the women are accessing credit to expand their businesses and the capacity to pay off taxes.

Local Ghanaian proverbs and metaphors such as ‘the palm tree does not bear fruit in a woman’s farm’ or that ‘If a woman buys a gun, it is a man who keeps it’ ... tells us that women are not considered to be commercially and economically productive as men are, and even if they are, men control their resources. Men are bread winners and head of families who traditionally are to maintain, and provide, the economic support for their wives and children domestically. This stands to reason why the Ghanaian society seems to invest more inheritance rights on men than women’.

There needs to be a concerted action to empower women by educating them and providing them with income generation skills and training. Women give noteworthy assistance to the economy in businesses, on farms, as entrepreneurs and employees, and by undertaking the bulk of unpaid care at home. They ought to have equal access to jobs, market, capital, landownership, and control over resources. Women ought to be empowered to make choices and decisions and to use their rights, resources and opportunities.

Finally even though women’s are being dominated in entrepreneurial activities in Ghana, they still face significant challenges. In addition, the obstacles of men and women’s entrepreneurship in Ghana cannot be separated from those of the informal sector in particular and the private sector development in general.

References

- Alabi, G./J. Alabi/S. T. Akrobo (2007): The role of "Susu" a traditional banking system in the development of micro and small scale enterprises (MSEs) in Ghana, *International Business and Economics Research Journal* 6:12, 99-116
- Buckley G (1996). Micro-finance in Africa: is it either the problem or the solution? *World Dev.* 25:1081-1093.
- Cherie Blair, Leading Queen’s Counsel, wife of the former British Prime Minister and founder of the Cherie Blair Foundation for Women
- Cheston S, Kuhn L (2002). Empowering Women through Microfinance: Women’s Opportunity Fund and its funding partners:
- Ellis, A./J. Cutura (2007): Doing Business in 2008, Background Paper on Opportunities for Women, BMZ Pre-Conference Enterprise Development -African and Global Lessons for More Effective Donor Practices from Women's Perspectives, Accra, Ghana
- Elizabeth Foster and Michael Walsh, Gems of Hope USA, and the Morrow Charitable Trust Publication sponsored by UNIFEM.
- Hillary Clinton, 67th United States Secretary of State from 2009 to 2013, First Lady from 1993 to 2001
- <http://fabmagazineonline.com/11-powerful-women-on-empowering-the-girl-child-on-international-day-of-the-girl-child/>
- <http://fellowsblog.kiva.org/fellowsblog/2011/03/08/empowering-women-through-microfinance-in-ghana>
- <http://www.wisegeek.org/what-is-an-entrepreneur.htm>
- <http://www.afriprov.org/index.php/african-proverb-of-the-month/25-1999proverbs/146-sep1999.html>
- <http://www.economicwebinstitute.org/essays/microfinanceghana.htm>
- <http://www.developafrica.org/microfinance-Africa>
- Impact Assessment of MSME Programs . Study conducted by Ernst & Young and ISSER for the Bank of Ghana
- Leach F, Sitaram S (2002). Microfinance and Women’s empowerment: Lessons from India. *Development in Practice*, Volume12, Number (5): November Estapé -Dubreuil G, Torreguitart
- Mirada C (2010). Microcredit and women empowerment: an empirical case -study based in Catalonia Paper Presented at 2010 ISTR International Conference – Istanbul.
- Mayoux L (1999). Questioning Virtuous Spirals: micro-finance and women's empowerment in Africa. *J. Int. Dev.* 11:957-984.
- Rosenberg R (1998). Internal Review of UNCDF Micro-finance Activities. CGAP
- Rutherford, S. (2002), *The Poor and Their Money*, Delhi: OUP.
- Schumpeter, J.A. (1934) *The Theory of Economic Development*. Cambridge Mass: Howard University Press
- Toulmin, C. (2005): Securing land and property rights in sub-Saharan Africa: the role of local institutions, *World Economic Forum*, Switzerland
- World Bank-Africa Region, *Studies in Rural and Micro Finance: Financial Services for Women Entrepreneurs in the Informal Sector of Ghana*. World Bank, New York, (1999)