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Prospects and Challenges of Developing Women Enterprises through Micro-Finance: The Case of the Nanumba North and South Districts of the Northern Region of Ghana

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Abstract
Women own a substantial percentage of small scale enterprises worldwide and play critical roles in rural development. They, however, remain disadvantaged in terms of access to financial support for starting and expanding their businesses. This paper examined the prospects and challenges of developing women-owned businesses through micro-finance as a strategy for poverty alleviation in the Nanumba North and South Districts of the Northern Region of Ghana. Applying the mixed research methodological research strategy to explore the subject, the paper suggests that women micro-enterprise development through micro-finance positively impacted on the lives of rural women entrepreneurs and their households regarding self-employment, better incomes, household food security, enrolment and retention of children in school, greater access to health care and access to information on reproductive health issues. In this regard, the paper argues that strategies that aim at boosting rural women's productive capacity and enhancing their direct access to financial services ought to be encouraged as this lead to higher investment in human capital and greater impact on children's health, nutrition and education, with tremendous long term positive implications for families and societal progress.
Keywords: Micro-Finance, Micro-Enterprise, Women-owned Enterprise Development

1. Introduction

This paper is an extract of an M.A. thesis that explored the prospects and challenges of micro-finance in the development of women-owned micro-enterprises in the Nanumba North and South Districts of the Northern Region of Ghana. The study employed qualitative and quantitative research strategies, as well as the case study design to explore the role of micro-credit in the development of micro-enterprises as a means of poverty reduction among rural poor women in the study area. The Credit with Education (CwE) model was adopted as a guide to explore how micro-credit positively affected micro-enterprises development since the model has been successfully employed in several studies involving micro-finance, small scale enterprise development and poverty alleviation (CwE, 2002).

The CwE conceptual framework posits that participants of the Credit with Education development module are granted small working capital as loans, provided safe places to deposit savings, and given access to educational services in business management, as well as health and nutrition (CwE, 2002). When these services are delivered to very poor women who come together to form joint-liability borrower groups, they are able to increase household food security, better nutrition, which will enhance the health status of participants. Ultimately, women's incomes and savings are increased, leading to improved nutrition and health practices, and enhanced self-confidence among rural poor women (CwE, 2002). The CwE framework was successfully applied to this study to achieve its aim and objectives.

The paper is organised into three sections. The first section focuses on the background and context of the paper. The second deals with conceptual analysis relating to the subject of the study while the third section deals with a summary of the findings, recommendations and conclusion.

2. Background and Context of the Paper

Women entrepreneurs play critical roles in local economic development worldwide. This is especially so in the informal sector where women own a substantial number of micro-enterprises (Women's World Banking 2010). Women traditionally have primary responsibilities for agricultural production and food security, housekeeping and child upbringing that tend to increase their work load thereby limiting their engagement in micro-enterprise development (World Development Report, 2001). Similaly, Cavalluzzo et al. (1999) argue that inspite of the critical role rural women entrepreneurs play in economic development, they are more constrained than their male counterparts with equivalent socio-economic conditions and status.

In response to these challenges, it has been suggested that labour saving technologies be introduced to allow women pay more attention to micro-enterprises development and poverty reduction (Women's World Banking 1995; UNDP, 2002). For ages, poverty has been a major development challenge worldwide and continues to attract the attention of governments and international organizations that work towards poverty reduction through the promotion of female entrepreneurial acumen and the development of women-owned small and medium scale businesses. Poverty, especially among rural women, continues to attract the attention of international development agencies, research institutions and development practitioners by virtue of its crippling effects on the dignity of women and their children (Women's World Banking 1995; UNDP, 2002).

Feminists have attributed the incidence of poverty among women largely to women's unequal access to economic opportunities and societal attitudes towards the traditional roles of women, which tend to place limits on women's participation and ultimate commercial success as micro-entrepreneurs (Women's World Banking 1995; World Bank, 2008). Ensuring that women have adequate access to finance is one of the key prerequisites for any successful rural development strategy that is aimed at enhancing economic growth, boosting productivity and improving the wellbeing of rural women (World Bank, 2008; Mbambo, 2011). As a result of lack of access to venture capital for women entrepreneurs to capitalize their businesses, most women-ownd enterprises can hardly invest in riskier and yet profitable ventures, as well as reach markets effectively (Zeller, 1997)

Although the prospects for the development of women-owned enterprises are bright, such businesses continue to face daunting challenges, including limited productive resources, such as limited capital, poor technologies and labour time (Muhammad & Yamao, 2009). Other impediments to female-owned small scale enterprise development include lack of basic financial literacy and numeracy skills, inadequate knowledge of business management principles or practices, as well as lack of transportation and market knowledge (Ledgerwood, 1998). Consequently, financial market imperfections, which particularly constrict small entrepreneurs who lack collateral, credit histories and connections, are mostly women from developing nations.

This phenomenon is worrisome since women-owned micro-enterprises are the underserved segment in national economies (World Bank Group, 2011). Social exclusion also makes it pretty difficult for women to own land or capital goods (GPRS II, 2006; GSS, 2007; Muhammad & Yamao, 2009). According to Muhammed & Yamao(2009), women are disadvantaged by collateral based lending policies of most financing institutions. Women are furthermore disadvantaged with the risk of being left out especially when loans are channelled through heads of households (IFAD, 2009). The UNDP (1997) suggests that only 5% of women had access to bank loans, partially because some lending organizations require signatures of husbands. These, among other constraints, are some of the factors that plague effective participation of women in micro-enterprise development activities.

In addtion, in male dominated societies, women are only nominal owners of micro-enterprises because they hardly have complete control of the incomes and assets accruing to their businesses(Women's World Banking, 1995). As a result of these decriminatory practices against women, most women and their children continue to live in abject poverty and squalor. In response to the felt needs of poor rural women, some income generation activities were in the past targeted at women by non-governmental organizations, such as the Adventist Development and Relief Agency(ADRA), Women of the North (MATAN TUDU) and World Vision International Ghana (WVIG). This approach for empowering women was unfortunately submerged in an implicit assumption that the income of a woman was supplementary to the male head of the household or her husband (Women's World Banking, 1995).

Consequently, loans and other financial services tend to be larger and more long-term for men than women, in spite of the evidence from many small scale credit projects that women were very good credit takers with very neglegible default rates than their male counterparts (Narayan, 2002; Norwood, 2005, Women's World Bank, 2010). Research has also shown that businesses owned by women tend to do better than those owned by men (African Development Bank, 2010). Similarly, studies which compared women-owned enterprises with those of men found that significant residual differences and benefits existed between men and women entrepreneurs (World Bank Development Report, 2005). In addition, the Consultative Group to Assist the Poor (CGAP, 2004) asserts that women use only a third of their start-up capitals in household management as compared to their male counterparts. Micro-finance support for small or micro-scale enterprises owned by women has been identified as an effective way of promoting women self-employment and substantial poverty reduction through sustainable income security. Therefore, deliberate promotion, financing and strengthening of micro-enterprises owned by women is an effective way to increase the productive capacity of women and reduce the high level of poverty among them (Tilakaratna, 1996).

Thus, by the close of the twentieth century, a major development approach was the concept of micro-finance, which was intended to benefit low income women and men (Muhammad & Yamao, 2009). The Consultative Group to Assist the Poor (CGAP, 2004) defines micro-finance as the provision of financial services to low income clients offered by different types of service providers, including the self-employed. Similarly, and in a broader perspective, mico-finance refers to a movement that envisions a world in which low income households have permanent access to a range of high quality and affordable financial services offered by a range of retail providers to finance income producing activities, build assets, stabilize consumption and mitigate risks (Market Information Exchang, 2010; Opportunity International, 2010). In addition to micro-financing, many micro-finance institutions provide such social intermediation services as group formation, confidence building and training in financial literacy and numeracy, as well as the managerial ability of loan beneficiaries.

As an economic development approach, micro-finance was evolved with an expressed intent to benefit low-income women and men alike (World Development Report, 2000/2001). Therefore, the term 'micro-finance' refers to the provision of financial services to low income clients, including the self-employed (Ledgerwood, 1998). Hussain et al. (2001) suggest that providing micro-credit to the very poor households will enable them meet their basic needs and protect them against extreme poverty. Indeed, according to the United Nations Development Programme (2007), micro-finance is known to be the vehicle through which household economic welfare is enhanced and improved in terms of reducing levels of economic poverty.

As a result of the high promise of microfinance, many international bodies, as well as national and community-based non-governmental organizations, often resort to providing micro-credit as a means of overcoming income poverty at the expense or neglect of human poverty (UNDP, 2007). A good number of studies also tend to concentrate on identifying causes of poverty from an income perspective, thereby leaving out other equally important non-monetary variables (Khadakar & Rahman, 2006; Jain, 2010). On one hand, income poverty is defined in terms of measures like the minimum daily wage, access to employment, as well as goods and services. Human poverty, on the other hand, is defined to include issues of food security, access to housing and utilities, health care, education, information communication technology (ICT), social inclusion, political participation, and confidence to assert one's fundamental human rights. Participation in decision making of one's household refers to the extent to which a person contributes or is involved in shaping national, community and household decisions (Aruna & Jyothirmayi, 2011). Anyone with little or no access to income, education, employment, information and goods and services, as well as opportunities accruing to society tends to be disadvantaged, poor and marginalized (Narayan, 2002). Consequently, the poor would more likely lack self-confidence to assert their individual rights.

This does not suggest that micro-finance has always been a panacea to poverty reduction because that has not been totally supported by the evidence. Hulme & Mosley (1996) argue that micro-finance is not the magic bullet that will solve all the problems of poverty and that in some cases the poor are made poorer as a result of loans they contract. This stems from the fact that credit facilities usually come with strings of high interest rates. A study by the World Health Organization (2002) on community-based rehabilitation projects in Ghana revealed that 41% of poor persons with vulnerability do not have their income situation improved, while only 17% were purported to have improvement as a result of the micro credit extended to them. The initial phenomena of 41% buttresses the fact and assign reasons for lack of income improvement due to high interest rates, inadequate skills training in business management and short loan repayment schedules.

Despite attempts by various schools of taught to draw a balance as to whether micro-finance hurt or help, undoubtedly, to a large extent, micro-finance as a development approach continues to grow globally for a number of reasons. First, micro-finance offers the window of hope for even the hopeless (poor) because of its ability to support income generation of enterprises operated by low-income earners. Second, micro-finance activities help to build and sustain financially self-sufficient, subsidy-free locally managed organizations and enterprises (World Bank, 2003). In addition, micro-finance is attractive, not only because of financial sustainability but because it has the potential to build on traditional systems, such as the 'susu' in Ghana. Finally, micro-finance as a concept continues to attract many based on its capacity to contribute in strengthening the existing financial system of any developing economy (Aryeetey, 2008).

Many contemporary micro-finance institutions, such as the Assemblies of God Relief and Development Services Ghana (AGREDS-Ghana), are involved in the six core activities of granting small loans typically to the poor as working capital, informal appraisal of borrowers and investors, provision of such collateral substitutes like group guarantees and compulsory savings. The AGREDS-Ghana is a non-governmental organization that runs among other interventions, micro-finance programme targeting rural women-owned micro-enterprise development in the Nanumba North and South Districts. Other micro-finance activities are access to repeat and larger loan facilities depending on the clients' loan repayment performance, the streamlining of loan disbursement and monitoring procedures, and the provision of security for savings products.

3. Conceptual Analysis

Micro-Enterprise

Micro-enterprise has been variously defined in the literature, but in general, it refers to any small-scale business operating in the informal sector of an economy (Norwood, 2005; World Bank, 2005). Examples of micro-enterprises include and range from carpentry shops, fitting shop and sale of goods on tables and kiosks to vegetable selling and barbering shops. Micro-enterprises tend to be characteristically small in size, with their owners working full time for the firm, and are usually started with small or minimum capital and employ fewer than 10 workers (Lidgerwood, 1999). In 1995, it was indicated that more than 50% of the 500 million economically active poor people all over the world who operated micro-enterprises or small scale businesses were women (Women's World Banking, 2010; UNDP, 2007).

Micro-Finance and Micro-Enterprise Development

Micro-finance and micro-enterprise development are two complementary activities which jointly play a facilitating role in the empowerment of women and in poverty reduction, especially among the rural poor. The adoption of both micro-finance and micro-enterprise as agents of development are beset with many challenges. The challenges include lack of venture capital, high interest rates, lack of basic buniness management skills and knowledge, lack of market for products and no insurance cover for most microenterprises.

Substantially high demand for financial services by low income women entrepreneurs underscores the need for some forms of micro-finance interventions to support the development and growth of women-owned micro-enterprises. A discourse on micro-enterprise development involves two overlapping activities. First, micro-enterprise development deals with helping the poor to start and run small businesses in order to have stable incomes to cater for their financial needs, such as life cycle needs, personal emergencies, disasters and investment opportunities. Second, micro-enterprise development refers to a process whereby the vulnerable and the poor are assisted to access such financial services as loans, savings, insurance and payments. According to Lidgerwood (1998) and the World Bank (2005), the two ways overlap and focus primarily on enabling people to manage and overcome poverty.

Usually, micro-enterprise development activities focus primarily on income generation, as well as the development and accumulation of capital (Muhammad &Yamao, 2009). In order to adequately address the development challenges of women-owned micro-enterprises, as well as enhance the demand for credit and reduce the risk of indebtedness of women, the International Fund for Agricultural Development (IFAD, 1991c) recommends a number of best business practices which include modest financial investment, taking low investment risks, ensuring that there is a short gestation period between investment and generation of regular income, as well as availability and access to local markets. According to IFAD (1991c), a meticulous application of the four micro-enterprise development criteria above tended to ensure business success and sustainable cash flow which ultimately lead to substantial reduction in the levels of poverty among rural poor women.

The importance of financing women enterprises for the development of national economies cannot be overlooked because of the significant contribution women enterprises make towards the growth of national economies globally (Cavalluzzo et al., 1999). It is for this reason that women enterprises have, in recent times, attracted the attention of policy makers worldwide, which is considered as the untapped source of economic growth (Mbambo, 2011).

In Ghana, women own almost 45% of micro and small enterprises, contributing 46% of the country's Agricultural GDP (Aryeetey, 1997). Out of the 45% business representation, 37% of these businesses are concentrated in the urban centres while 8% are in the rural settings (Economy of Ghana, 2008). Thus, if the assertion that 80% of Ghana's population lives in the rural areas is true, then much needs to be done if governments want to achieve the Millennium Development Goal of eradicating extreme poverty and hunger (World Bank Report, 2006, GLSS, 2006). There are contentions that women are incapable of operating and managing businesses and that their status in traditional societies is dependent on their male counterparts for financial survival (Coleman et al., 1996). This is flawed by the fact that women who own businesses tend to do better as compared to their male counterparts (Majoux, 2006). According to Majoux (2006), increases in women's access to micro-finance will lead to economic empowerment in the efficiency consideration in terms of repayments.

Despite the various policy initiatives to attract investment and encourage expansion of productive activities in the private sector, this sector continues to grapple with some challenges and difficulties that require serious attention (GPRS II, 2003). Ironically, women are constrained in terms of business financing, considering their vulnerability as compared to their male counterparts in terms of accessibility and the stringent borrowing regulation by financial institutions (Economy of Ghana, 2008). The proximity of financial institutions to rural communities, which brought to birth the new banking law to restructure rural banks to be more responsive to private sector business growth continue to pose problems (GPRS 11, 2003). Women who are glued to household responsibilities may not be able to find the time to travel to urban centres in pursuit of credit which will in essence consume the chunk of their time because of the attendant bureaucracies in assessing credit (Ayeetey, 2005). Consequently, in spite of the challenges women face in their quest to access finance to start-up and or grow their enterprises, the assertion that as compared to their male counterparts, women are the most reliable clientele in terms of loan repayment and meeting of time lines (Majoux, 2006).

Many researchers have attempted to deal with issues of financing but have never considered the gender dimension of financing which, as it were, considered the fastest vehicle in private sector development and growth (Aryeetey, 2008). It is for this reason that countries around the world are increasingly formulating policies to make it easier to start a business of which women could benefit significantly. For instance, McConnell (2007) indicates that countries that ranked highest on their cost of doing business scale are associated with higher percentage of women entrepreneurs in comparison to their male counterparts.

In conclusion, many organisation's frameworks, including the AGREDS-Ghana model, has categorised the above discourse into three paradigm consideration namely: the Feminist Empowerment Paradigm; the Financial Self-sustainability Paradigm and the Poverty Alleviation Paradigm. In the Feminist Empowerment approach, micro-finance is an entry point for women's economic, social and political empowerment with the underlying assumption that women's empowerment requires both fundamental change in the macro-level development agenda, and elicits support for women to challenge gender subordination at the micro-level (Majoux, 2006). The Financial Self-sustainability concept hinges on the efficiency consideration which relates to repayments and business growth. Finally, the Poverty Alleviation concept concerns the high levels of female poverty and the tickle down effect and women's responsibility for household well-being.

Poverty

Poverty is a global social problem and is an affront to human dignity (UNDP, 1995). In 2008, the World Bank estimates showed that over 3 billion people or almost 50% of the world's population lived on less than $2.50 a day and lacked access to the basic needs of food, shelter and clothing. In Ghana, data on levels of poverty have revealed that national poverty rate was halved from approximately 51.7% between 1991 and 1992 to 28.5% between 2005 and 2006 (UNDP, 2007). Indeed, Ghana was among countries that achieved the goal 1 of the MDGs in 2015.

As a matter of fact, the level of poverty in the urban and rural areas reduced by 17 and 24 percentage points respectively, and, although there was a substantial overall reduction in the incidence of poverty in the country, the phenomenon continues to have a firm hold on rural dwellers, especially in the three northernmost regions, including Upper East, Upper West and the Northern regions, where poverty levels are 82%, 90% and 70%, respectively out of which women are the most affected or vulnerable (GPRS I, 2003; UNDP, 2007). Again, in Ghana, women own nearly 45% of micro and small scale enterprises, which contribute 46% of the country's gross domestic product (Aryeetey, 2008). Thirty-seven out of a hundred (37%) women-owned enterprises in the country are located in urban centres, while only 8% are found in the rural areas (Economy of Ghana, 2008).

The Nanumba area is characterized by extreme socio-demographic measures, such as low levels of education, and health and high levels of poverty, Hiv/Aids (GSS, 2008). For example, there was only one doctor at the District Hospital at Bimbilla which served the Nanumba North, Nanumba South and Kpandai areas, which have a combined population of over 177,671. More than 56% of the population were aged between zero and 19 years. The Nanumba District ranked 8th out of 15 most endemic guinea-worm districts in Ghana as result of poor access to wholesome drinking water (GGWEP, 2006). Malaria accounts for 46% of reported cases at the Bimbilla Hospital, and only 20% of children aged between 4 and 6 years were in school. Substantial number of young girls in the district are found in the streets of Accra and other urban centres as "kayaye" or head porters.

Women-owned Micro-enterprises and Poverty Alleviation

The UNDP (1995) estimates that 2.3 billion people wallowed in poverty and more than 70% of them were females. Indeed, the proportion of women who lived in poverty increased disproportionately more than that of men before the end of the twentieth century. Success stories of microcredit organizations suggest that micro-enterprise development has great promise for fighting both income and human poverty, especially among rural poor women (Rosenberg, 2010).

In the Nanumba North and South Districts, women-owned micro-enterprises were specifically targeted because of the dual economic and domestic roles they play. As indicated earlier, traditionally, women's work have ranged from buying, preparing and serving food, child care, infant feed and nutrition to maintenance of clean and safe environments to overseeing children's personal hygiene, providing both preventive and curative health care (UNDP, 1996). In spite of the important roles that women play in society, they have limited access to formal enterprise development services, such as credit, savings, and life skills information (CwE, 2002).

Unlike Credit with Education (CwE, 2002), which considers women empowerment in terms of improved nutritional status and ownership of durable consumer items, this paper conceptualizes women empowerment to include women's participation in community and family decision making, access to basic needs, such as life cycle, emergency, disaster and investment opportunities as a deliberate policy of channelling microcredit into women-owned enterprises for transformational growth and development. The paper also identifies other equally important indicators of female empowerment via the development of women-owned micro-enterprises. These include access to land, health services and utilities, political participation and women's ability to educate their children.

Thus, the paper's conception of empowerment of rural poor women of the Nanumba North and South is somehow similar to that by Narayan (2002) that, when empowerment was conceptualized at the level of the individual and the community, and entails using microcredit to develop women-owned enterprises which will in turn enhance women's participation in the economic, social and political activities of society. The paper hypothesizes that the greater the level of microfinance assistance to women-owned micro-enterprises, the greater the chances of reducing both income and human poverty among rural poor women.

In the past, much attention was paid to research and development activities that overly dwelt on issues about policy, regulatory and institutional frameworks that created enabling environment for private sector development to the neglect of building the productive capacity of women-owned enterprises to compete, create jobs and contribute towards poverty reduction (Aryeetey, 2008). Without finance, rural women-owned enterprises can hardly acquire or absorb new technologies in order to expand and compete favourably in the globalized market or even strike business linkages with larger firms in order to enjoy economies of scale (World Bank, 2003).

Thus, generally in the context of this paper, the use of outmoded equipment which culminate in low productivity, soil infertility and drought, migration and lack of access to market account for some of the reasons why women owned businesses can not expand and compete in the global market. In addition to these challenges, women do not have access to land, other assets and funding to invest in farming and micro enterprises, even though most women in Ghana engage in many forms of micro-enterprises development in order to supplement household food security (UNDP, 2007). In rural Ghana, including the Nanumba North and South Districts, women entrepreneurs engage in poultry and small ruminants rearing and retailing of all manner of commodities on table tops as coping mechanism to ensuring food security and to cushion their households against the effects of poverty. Lack of micro-enterprise development among rural poor women was identified by the researcher as a hindrance to attempts being made to pull women out of poverty in the Nanumba North and Nanumba South Districts.

It was hypothesized that developing women micro-entrepreneurs as a strategic option would have a catalytic effect on reducing the high levels of poverty among rural poor women in the District. Poverty has continued to receive the attention of academics and development practitioners. Pioneer studies into poverty include those by Rowntree (1901), Watts (1968) and Sen (1985). Since then, there have been a proliferation of studies into poverty worldwide, and in recent times, authorities in poverty studies and development have identified micro-finance as appropriate antidote for poverty reduction (Muhammad and Yamao, 2009).

The aim of this study, therefore, was to support the Ghanaian government's Shared Growth and Development Agenda (GSGDA, 2010), which recognized that the private sector in Ghana comprised of a very large number of Micro, Small and Medium Enterprises (MSMEs) and that there were serious challenges to the development of that sub-sector. These include ineffective national strategic agenda, capable but non-responsive public sector, unpredictable macroeconomic conditions, unreliable and expensive infrastructural services, unpredictable legal and regulatory regimes, inadequate managerial skills, inadequate capital base, poor entrepreneurial orientation, obsolete technology, generally low productivity, pervasive corruption and poor market access.

These obstacles have hampered the growth of the MSMEs sub-sector, hence the centrality of the issue to private sector competitiveness and Government's quest to fight poverty. In this regard, there is the need for Government to support and facilitate increased private sector access to credit at competitive cost and provide innovative products that are better suited to the needs of the private sector. The GSGDA (2010) further points out that, in order to ensure that the financial sector responds effectively to the needs of the MSMEs sub-sector, Government will continue to deepen financial sector reforms and continue to implement, monitor, evaluate and regularly update the on-going Financial Sector Strategic Plans (FINSSP I).

The study was, therefore, aimed to support the process by making available up-to-date information on the impact of micro-finance on the development of micro-enterprises in the Nanumba North and South Districts of the Northern Region of Ghana. The overall rationale was to complement similar research efforts in the country that will provide useful information on how to deepen financial intermediation and promote inward transfers of capital for MSMEs development in especially rural areas of the country.

4. Summary of Findings and Recommendations

As indicated already, this paper is an extract of an M.A. thesis that explored the prospects and challenges of micro-finance in the development of women-owned micro-enterprises in the Nanumba North and South Districts of the Northern Region of Ghana. A total of one hundred and thirty-four (134) women entrepreneurs participated in the study.

The study identified six main types of micro-enterprises owned by women, including the sale of tuber crops (yam, sweet potato and cassava), crop farming, table-top retailing of miscellaneous items, rice processing and malt/pito brewing. The study suggested that about 90% of the participants were engaged in more than one type of business as a means of spreading business risks and guaranteeing income stability. It was also a coping mechanism against poverty.

The study also revealed that women aged 18-47 years constituted 96, representing 71.64% of the respondents. This was quite encouraging because a larger proportion of women in their youthful ages in the districts were in one form of entrepreneurship or the other. This means that there was a greater prospect and potential of these women to nurture and expand their businesses in future. The paper recommends that government, through its decentralized agencies, and other agencies working towards poverty reduction should support these young women which in the long term could bring about economic transformation of the districts.

The study further suggests that the levels of education and incomes of the respondents were both low. Indeed, about 51% of the respondents (68) had no formal education and only a few (23 respondents) attain post-secondary education. Studies suggest that there is a positive correlation between education and entrepreneurial development. Thus, women who have some appreciable level of education tend to do well or better in business. In the light of this, the paper suggests that the government, through the two District Assemblies, should enforce the 1992 Constitutional provision on Free Compulsory Universal Basic Education (fCUBE) to ensure that the girl child attains an appreciable level of education as a basis for their entrepreneurial development in the districts. Second, The District Assemblies, AGREDS-Ghana and other agencies should give incentive packages to women entrepreneurs who put premium in the education of their children, especially the girl child.

The World Bank (2011) asserts that the number of women reached by micro-finance grew exponentially from 10.3 million in 1999 to nearly 69 million in 2005. This study confirms this suggestion by the World Bank as it was found that income levels for most (65.7%) of the respondents fell below Two Hundred Ghana Cedis (GHC 200.00) per month. Against this background, there is an increasing recognition that the growth and start-up needs of business women go beyond micro-credit. For instance, some women have extremely good business ideas which require larger loans to grow them. To remedy this situation, this paper suggests that stakeholders should identify some enterprising entrepreneurs in order to provide them with the requisite financing, since the traditional banks often do not finance such entrepreneurs without collateralization.

In ascending order of relevance, the main funding sources for the women entrepreneurs in the study area included personal savings, funding from NGOs, funding from Commercial banks, funding from family members and funding from private micro-credit institutions. It emerged that most respondents were not aware of other funding opportunities, such as equity and debt financing.

About 44% of the respondents indicated that the foremost challenge that confronted micro-enterprise development in the study area was lack of access to finance. This is indicative of the fact that the businesses were riskier for conventional financial institutions to commit resources to irrespective of the fact that they were the vehicle through which economic transformation can be realised in the area given the critical role that women-owned enterprises played there. For the required transformation to be realized, government and other major actors in the sector should expand the financial infrastructure, such as credit bureaus and collateral registers that will ultimately increase access and reduce cost of borrowing.

Similarly, high interest rates, which featured in the findings, accounted for 22 respondents, representing 16.4%. High interest rates had the penchant of further impoverishing women, and to curb the canker, government, through the apex body, needs to ensure that glass ceiling rates are lower enough to deliberately target women. In addition, at the national level, central government should ensure the setting up of sound macro-economic policies that provide stability and low inflation and adjust bank regulation to facilitate retail micro-financing.

Other challenges that hindered micro-enterprise development in the study area included loans collateralization as revealed 18 respondents, representing 13.4%, delays in processing loans (14 respondents), lack of markets for products, and lack of business information. Socio-cultural barriers, such as women not being allowed to possess land, cattle and other productive assets were also identified as major challenges confronting the development of women entrepreneurs. To this end, this paper suggests that Government, through the District Assemblies, should enforce and implement the women asset acquisition framework to the letter. In addition, the study recommends that a special business development fund be created by the District Assemblies in the area to support female-owned micro-enterprises to access funding for both start-ups and enterprise expansion or development. Proven credit worthy women entrepreneurs should be given larger loans and timely enough to enable them expand their businesses. For purposes of increasing the support base of clients, micro-credit could be given both in cash and in kind, to serve as shock absorbers in times of losses.

In order to overcome market imperfection for products which remain a major challenge to female entrepreneurs in the study area, it is imperative that women-owned enterprises in the area liaise with NGOs, such as AGREDS-Ghana, SEND Ghana and Trade Aid Integrated, to link small businesses to both internal and external marketing opportunities. Another critical form of assistance to women entrepreneurs in the area was insurance, which is an important financial service for the poor, given that they are vulnerable to livelihood and business risks. The emphasis should not be only on life insurance but on crop insurance and insurance for such income earning assets like livestock. Thus, the focus should not be on micro-credit alone and at the expense of micro-insurance otherwise many poor clients might be drawn into indebtedness.

Similarly, in order to further enhance effective microenterprise development through micro-finance and reduce rural poverty among rural poor women in the districts, women-owned microenterprises should be strengthened through women group formations and nurturing of producer cooperatives among rural poor women in order for them to present a united front instead of competing among themselves in the market place.

5. Conclusions

It is evident from the foregoing analysis that, even though women in Nanumba North and South Districts had significant challenges regarding the development of their entrepreneurial acumen, they remain the untapped segment and vehicle through which local economic and industrial development can thrive. This paper has shown how micro-finance support for women-owned enterprises had impacted on the lives of women and their households in the study area.

The study reveals that, if rural women who constitute a large proportion of the populace of the economy engage in a wide variety of economic activities, there could be significant economic benefits. This could be made possible through business finance. Finance plays a central role in entrepreneurial development but this is feasible if it is available and accessible. While SMEs are increasingly seen as playing a strategic role in economic growth and development, they suffer from internal and external challenges. These challenges include numeracy and literacy skills of owners, difficulties in accessing loans from financial institutions, limited management and technical skills, lack of collateral, poor technology, lack of financial information and what have you. Other challenges include physical infrastructure and limited markets. Where SMEs succeed in accessing financial resources, the cost of funds (interest rates) is high sometimes leading to non-performing loans.

In the final analysis, this paper suggests that women micro-enterprise development through micro-finance positively impacted on the lives of rural women entrepreneurs and their households regarding self-employment, better incomes, household food security, enrolment and retention of children in school, greater access to health care and access to information on reproductive health issues in the study area. In this regard, the paper argues that strategies that aim at boosting rural women's productive capacity and enhancing their direct access to financial services ought to be encouraged as this lead to higher investment in human capital and greater impact on children's health, nutrition and education, with tremendous long term positive implications for families and societal progress.

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