

**Does CBRDP's microcredit scheme work for its beneficiaries?
A case study of CBRDP's palm oil processing women groups in the Kade community,
Ghana**



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By

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Dedication

To my parents Mr. and Mrs. K. A Dankwa who have shown me the importance of educating a girl

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Abbreviations

CBRDP	Community Based Rural Development Project
IFAD	International Fund for Agricultural Development
KDA	Kwaebibirim District Assembly
MDG	Millennium Development Goals
MFIs	Micro Finance Institutions
NBSSI	National Scale for Small Scale Industries
SMEs	Small and Medium Enterprises
UNIDO	United Nation Industrial Development Organisation

Abstract

This study examines the influence of group loans to individual palm oil processing women in the Kade community in the Eastern Region of Ghana. The aspects studied are the standard of living of the women and their position with regards to their productive and reproductive roles.

The CBRDP palm oil processing groups in Kade involves the Ataa women group made up of 10 women, Adom palm oil processing group made up 8 women and Kade women oil processing group made up of 12 women. Upon approval of their loan request, an amount of US\$500 was distributed to each individual member in Kade and Adom palm oil processors whereas the Ataa women processors received US\$ 700 each as their working capital, with three months grace period. In practice these women process their palm oil and sell individually, but repay as a group to the Kwaebibirim rural bank. The processing is done in mills where they are charged for a fee according to the number of press cake produced in a day. These women groups have requested for additional loan from the project with the intention of expanding their business and reinvesting into new businesses.

Primary data from the field was collected through personal interviews and focus group discussion which was guided by a semi structured questionnaires and supported by personal observation. Purposive sampling is used for this study which focused on the three women group beneficiaries of CBRDP who have requested for additional loan in Kade community. Secondary data was gathered from books, articles, journals, CBRDP's field reports and other relevant information from internet. Qualitative data collected from the field was discussed with the aid of adapted Harvard framework tools 1, 2 and 3. Numerical data from the respondents is grouped and summarised into tables.

The study concludes that there has not been any major improvement in their standard of living of these women respondents. Prominent changes although very minor are noticed in their productive and reproductive roles, control and access of resources and decision making where responsibilities are now shared between the women and their husbands which was not the norm. It was also revealed that their inability to repay their loans on time is the fact that income generated from their business is used to cater for the families needs. In the study of the small scale oil palm business of the women entrepreneur the main constraints identified are limited finance, limited market opportunities, and ownership of machines, quality standards and education. At the end of the study, recommendation to make loans more beneficial were to encourage the women to mobilise for financial resources both as individuals and groups, provide appropriate machines and mechanised operations, training in quality standards among others were proposed.

Key Words: Microcredit, Women entrepreneurs, groups

Chapter 1

INTRODUCTION

1.1 Background of the problem

Microcredit is proven to be one of the strategies for alleviating poverty in developing countries such as Ghana. According to the Microcredit Summit Campaign (2005) 14.2 million of the world's poorest women have access to financial services accounting for nearly 74% of the 19.3 million poorest people served by microfinance. IFAD (2009) states that Ghana emerged as one of the leading nations in Sub-Saharan Africa that is on course to achieve the Millennium Development Goals (MGDs) before 2015. Currently in Ghana donors and government agencies have adopted the concept of microcredit scheme as a means of alleviating poverty. Community Based Rural Development Project (CBRDP) is one of the projects in Ghana which supports the government of Ghana's strategy to alleviate poverty by supporting micro and small enterprises which will result into quality life of women and men beneficiaries. According to the project implementation document (2000) CBRDP has been designed to contribute to the overall empowerment of rural populations to actively participate in issues that affect their daily lives. It also contributes to improve service delivery, employment and economic growth especially among the rural population. CBRDP contributes to its objectives by directly assisting communities to determine their requirements on poverty reduction in a participatory manner, prioritizing these requirements and providing the resources to them to implement their programs. Provision of facilities such as schools, roads, water pipes and tricycles to beneficiaries is based primarily on the community-demand driven initiative. CBRDP's six components therefore cover investing in capacity building and empowerment to drive the agenda for community demand driven programmes.

1.2 The scope and structure of the study

This study is limited to the Kade Community in the Kwaebibirim District of Ghana. The focus of the study was on the women beneficiaries of the CBRDP microcredit scheme in palm oil processing. This study report is structured into six chapters:

Chapter one is an introductory part of the thesis. It provides background of the study, description of CBRDP, formulation of problem statement, objective of this research, research questions and definition of various concepts used in this research.

Chapter two presents the literature review on importance of microcredit, the effect of microcredit on women entrepreneurs, access and control over resources of women in microcredit entrepreneurs, constraints of women in microcredit and example of successful microcredit scheme.

Chapter three presents the methodology used in carrying out the research that is background information of Kwaebibirim District highlighting on Kade community. Emphasis was made on the geographical setting, socio-economic and other relevant characteristics of Kade and selection of the respondents, sampling procedures, methods of data collection.

Chapter four deals with the data presentation of the research findings from respondents, key informants and observations. The information is presented with the major theme of the main research questions.

Chapter five presents discussions on the data collected from the field against the literature review.

Chapter six concludes the study with a summary of the major findings, conclusions and recommendation drawn for consultative purposes.

1.3 CBRDP as a poverty alleviation intervention strategy in Ghana

CBRDP is one of the major interventions by the government of Ghana which is funded by the World Bank to alleviate poverty and improve upon income levels of the productive poor. It is an ongoing project being implemented by the Ministry of Local Government and Rural Development in 2004. CBRDP serves as one of the principal vehicles for the implementation of Ghana poverty reduction strategy. Its components cover investing in capacity building and empowerment to drive the agenda for community driven development programmes. The overall goal of CBRDP is to reduce poverty and enhance the quality of life of beneficiary rural communities. This is done by improving their productive assets, rural infrastructure and key support services from private to public sources. The specific objectives are to build and strengthen capacities of national, regional, district area councils and rural communities to deliver services and manage resources; Transfer technical and financial resources for the development of infrastructure and income generating activities to be managed and maintained by beneficiaries for their economic and social wellbeing and promote the convergence of decentralisation efforts in accordance with the National decentralisation action plan.

The achievement of CBRDP objectives, outputs, outcomes and impacts is measured through a set of key indicators which include: number of communities engaged in the management of infrastructure provided and ability of district assemblies to plan, deliver services and monitor effectively; increases in real value of agricultural production and productivity; increase in the number of rural enterprise and their productivity; volume of rural infrastructure constructed or rehabilitated based on kilometres for roads, hectares for irrigated land; number of households with potable water, number of schools and community health compounds and nutrition centres rehabilitated; reduction in the transmission of water borne diseases in beneficiary communities; size of environmentally sustainable managed natural resources; number of communities engaged in the management of natural resources and; increases in real net incomes of beneficiaries. CBRDP has a national coverage and consists of six components which covers investing in capacity building and empowerment of rural population to drive the agenda for a community demand driven program. These project components are;

i) Institutional strengthening and capacity building

This component provides support to strengthen capacities of local government institutions in furtherance of the Ghana poverty reduction strategy which includes: (i) Good Governance through accountability and transparency and, (ii) human resource development, in order to improve service provision by statutory government agencies and private providers to rural communities. This component includes training, a public communication program, technical support and provision of logistical support to enhance communities' participation in decision making processes, the performance of various levels of government in their statutory roles in planning and managing community driven initiatives.

ii) Infrastructure for agricultural development

It provides facilities and resources to enhance farm and non-farm activities to increase the incomes of beneficiaries. This includes provision of water for agriculture, the rehabilitation of feeder roads, and provision of intermediate means of transport to improve access like track and trails, carts, tricycles etc to improve access to farm and markets and reduce the drudgery of head portage and enhance socio-economic activities in the rural areas.

iii) Rural enterprise development and learning centres

The objective of the Rural Enterprise Development and Learning Centre component is to develop skills and create employment in rural communities. This is achieved through the provision of business management training and technical assistance. Credit deliveries to owners or operators of rural enterprises form an integral part. In addition there is provision of ready market for agricultural produce for processing for value addition and increased shelf life. The project provides support for the strengthening of co-operative business activities, market research, business linkages and joint venture agreements, micro-enterprise development and small business through training in technical and business management, upgrading and rehabilitation of equipment to develop the enterprises in particular fields of commodity production, agro-processing and marketing. Learning centres serve as focal points for empowering the poor through the acquisition of knowledge and skills, processing units and marketing outlets and promoting horizontal communication among communities.

iv) Infrastructure for social and human development

This component provides potable water for areas known to have water related diseases which limit the productivity of the rural population and where women and children have to travel far to access clean water.

v) Community-based natural resource management

This component strengthens the capacities of environmental and sanitation sub-committees, area council and community level organizations to enhance environmental governance and integrated management of land and water resources. The project in addition provides support to non-farm activities by targeting resource collectors, processors and traders, wood carvers, traditional medical practitioners, wildlife traders and breeders, tree crop growers, and rural eco-tourism operators.

vi) Micro-credit scheme

The aim of the CBRDP microcredit scheme is to alleviate rural poverty by providing credit to the productive poor in the rural areas of Ghana who are involved in indigenous enterprises. Activities supported are developmental in the sense of enabling relatively poor farmers and rural entrepreneurs to undertake private investment that enables them to lift out of poverty. These clients are both men and women who are into rural small scale enterprises such as agro processing activities for example palm oil processing, commodity production and non-agricultural activities which are textiles, handicraft among others.

Loan processing procedures for groups

In this scheme a letter of understanding stipulating the terms and conditions governing the operations of the scheme are signed between participating rural banks and the project. The participating rural banks verify and validate the eligibility of the clients and their enterprises. Approval of loans is done entirely by the rural bank indicating the purpose of microcredit, amount approved and the date for repayment; upon approval, the bank disburses the loans to clients. Interest rate of the various participating rural banks in Ghana ranges from 24%- 32% of which the project do not have an influence over. Repayment of loan is based on the product produced by the enterprise; the grace period depends on the product which determines the commencement of repayment. The criteria for group loans include;

- They should be a group that have shared aims with an operating account for more than 6 months with a participating rural bank.

- The group should provide adequate evidence that it required contribution of 10% total investment cost is available at an agreed time before disbursement.
- The group should not be defaulters of another rural bank.
- The group should register their enterprise with the district assembly
- The groups should be at least 5 and not more than 25 members with a leader, secretary and treasurer. It is a joint and several guarantee in which each member is liable for repayment of his/her portion of the loan and those of his /her fellow group.
- The loan limit for a group is US \$10,500.

1.4 Organisation of the palm oil processing women groups

These women groups were formed by their own initiative to access loans from the project. The group appoints a leader, a treasurer and a secretary as group executives who are signatories to their bank account. They present their constitution which outlines rules and regulations that govern their enterprises. Applications for group loans are forwarded to the bank of which funds are disbursed upon approval by the management of the rural bank to individuals in a group. An application has to include names of all members and description of the group's objectives. The project zonal officer is a facilitator between the women groups and the Kwaebibirim Rural Bank whilst the loan officer's main responsibility involves monthly visits to groups for monthly repayments besides repayment.

1.5 Problem statement and justification of problem

CBRDP's microcredit scheme gives additional loans to individuals or groups based on a relatively good repayment record and change in assets and income. Starting June 2010, CBRDP decided to give additional loans to beneficiaries based on how they have benefited from the microcredit provided to them. The Ataa women group made up of 10 women, Adom women group made up 8 women and Kade women oil processing made up of 12 women who are the project's beneficiaries in Kade community have requested for additional loans to upgrade their business. This research study aimed at assessing these women group entrepreneurs if another loan would benefit them in their palm oil processing and lead to an improved standard of living. With the background of the researcher in gender and rural development, the research was approached within the framework of finding gender responsive interventions to the microcredit scheme. Addressing the gender dimensions of poverty and creating gender responsive interventions enhances the probability of success in poverty reduction strategy efforts (Bamberger, Blackden, Manoukian and Fort, 2001). According to Khandker (1998), assessment of microcredit schemes helps unravel the strengths and weaknesses of the micro schemes as a tool for reducing poverty.

1.6 Research Objective

This research study was aimed at assessing if another loan would benefit the women in their palm oil processing and lead to an improved standard of living.

1.7 Research questions

Based on the research objective one research question with sub questions have been formulated as follows:

1. What changes has CBRDP's credit scheme brought to the women palm oil processing entrepreneurs?
 - a) What is the interaction of the men and women entrepreneurs in the palm oil processing?
 - b) What are the constraints faced by women in their palm oil processing?
 - c) What is the effect of the microcredit on the income and assets of the women in palm oil production and on their enterprises?
 - d) How has the reproductive and productive responsibility of women changed as a result of the loans?
 - e) What approach can CBRDP take to enhance the functioning of the microcredit scheme for women entrepreneurs in palm oil processing?

1.8 Limitations of study

The information on income and price was collected through oral evidence which does not rule out the possibility of bias towards giving socially desirable answers for additional credit; this is because the women had no records on their business. As interviews with the women respondents were carried out with in the local language, the information may have been misinterpreted during transcription. Interviews were carried out in the palm oil processing mills where these women were on their normal duties, interviews were interrupted which destructed the concentration of the interview. Three respondents did not turn up to be interviewed as they were said to be away from community this affected the sample size.

1.9 Key concepts and conceptual framework

In this section, concepts relevant to the study are discussed such as microfinance and microcredit, income, assets, gender responsibilities, empowerment and the Harvard Framework tool which will lead to the next chapter for literature review.

1.9.1 Microfinance and Microcredit.

It is important to distinguish between the concept microcredit and microfinance in this research. Misra (2004) defines microcredit as "credit and repeated credit provided in small measures to suit the recipients' requirements, with a comfortable pace of repayment and at an appropriate rate of interest" while microfinance "implies some other services accompanying credit, facilities for savings and availability of services for insurance of the assets acquired with microcredit mainly to the poor, enabling them to raise their income. Nader (2008) defines microcredit as "the offer of financial services to customers with low income levels". From the definitions it is realised that microcredit is a component of microfinance which provides loans to people with low income and microfinance entails other non-credit financial services such as savings, insurance and pension's scheme. In brief , microcredit targets people with low income and having no access to the formal lending system whiles microfinance is the advanced program which entails other financial services but according to the CBRDP's manual microcredit is a substitute for informal credit which requires no collateral and have simple procedures and less documentation involving group lending and individual lending.

Microcredit scheme is known to be one of the approach by the Ghana government in achieving their development objectives in reducing poverty and meeting the Millennium Development Goals(MDGs) on gender equality and women's empowerment as well as those relating to education, health and child mortality. Littlefield, Murdugh and Hashemi (2003) also state that micro-credit is a critical contextual factor with strong impact on the achievements of the MDGs. Micro-credit is distinctive among development interventions such that it can convey collective benefits to people with low income on all a large scale. But Hulme and Mosley (1996) have of

the view that most contemporary microcredit schemes are less effective than they might be. They argued that microcredit is not a solution for poverty alleviation and that in some cases the poorest people have been made worse-off. During the launch of the international year of Micro Credit in 2005, former United Nation Secretary General Kofi Annan stated that microcredit can facilitate the achievement of the MDGs as well as national policies that target poverty reduction, empowering women, assisting vulnerable groups, and improving standards of living.

1.9.2 Income from micro enterprises of women entrepreneurs

According to Lipton and Maxwell, (1992) income refers to the cash earnings of the household plus payments in kind that can be valued at market prices. The cash earnings component of income includes items like crop sales, wages and remittances. In this study, importance is given to cash income from the palm oil enterprise because it is easier to measure and account for when assessing a microcredit scheme. Cash income is important to take into consideration when assessing the effect of microcredit schemes on women. This is to ascertain whether the credit has achieved its intended objective such as to increase income level of these women in the palm oil enterprise.

1.9.3 Acquisition of assets by women entrepreneurs

Sherraden (1991) defines assets as the stock of wealth in a household which represents the gross wealth of the unit. Physical assets for this study are basically land and equipment which can be used to measure the effect of microcredit scheme on women entrepreneurs. An increase in income from microcredit scheme would not have an impact on women unless the assets they acquire allow them to become more independent in their business investment. Assets are considered to be essential when probing the effect of microcredit scheme on women as they are known to be better indicators of economic wellbeing than income. In this study emphasis will be made on productive assets such as land and palm oil processing equipment.

1.9.4 Gender responsibility

Macdonald, Sprengel and Dubel (1999) defines gender as “a social construction of femininity and masculinity which varies overtime and place and is enacted through learned, rather than innate, behaviour”. From the definition above it is known that gender is a socially determined in contrast to which is biologically determined and therefore gender roles can be changed from society to society.

According to Moser (1993) gender roles are socially determined context specific changeable but also resist change. Gender roles influence the division of labour in the society that is the different gender roles create differential access to decision-making, services and benefits. Gender roles and relationships in a society can change when people have access to credit and improve on their livelihood. There are four gender roles and relationship as explained by Moser (1993) namely the productive, reproductive, community management, and community politics role.

According to March, Smyth, and Mukhopadhyay, (1999) the productive role is work which mainly recognised and valued as work by individuals and societies. It is also realised that men and women do the same work but are rewarded in different ways. For example, women involved as farm labourers are paid lesser than their men colleagues. Reproductive roles are often connected with a woman's role as it relates to issues of child bearing and nurture which is normally unpaid. March et al (1999) found that as a result of women low status in the community, the activities they perform tend to be valued less than men's and in turn their low status is perpetuated through the low value placed on their activities. According to Moser (1993)

community management roles are associated with the activities undertaken by women as an extension of their reproductive role such activities ensure the provision and maintenance of scarce resources such as water which is unpaid. Match *et al.*, (1991) states that community politics roles are undertaken primarily by men who take part in organised and formal politics which is paid. Women in the rural communities benefit differently from credit programmes and face different constraints in accessing credit this is because women are stereotyped as not been enterprising.

1.9.5 The Harvard analytical framework

According to March *et al.*, (1999) the framework was designed to demonstrate that there is an economic case for allocating resources to women and men. They further stated that the framework aims to help planners design more efficient projects and improve overall productivity. It does this by mapping the work and resources of men and women in a community and highlighting the main differences. It is also a tool for organising data. The Harvard Analytical Framework has four tools which are; Harvard tool 1 is about activity profile, this identifies all applicable reproductive and productive roles and answers the questions like who does what? Harvard tool 2 is about the access and control profile of resources and benefits, this enables users to list resources people use to carry out their roles identified in tool 1. It indicates whether women or men have access to resources, who controls their use and who controls the benefit of a household use of resources. Access means that one is able to use the resource but has no control over it. Control of resources means to make the key decision over the use of the resources. Harvard tool 3 is the tool used for charting factors which influence the differences in gender division of labour, access and control. These tools were used during focus group discussion to present findings from the field.

1.9.6 Empowerment as a benefit of microcredit scheme

According to the World Bank (2009), empowerment is defined as the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Keller and Mbwewe (1991), as cited in Rowlands (1995) describe it as “a process whereby women become able to organize themselves to increase their own self-confidence, to assert their independent right to make choices and to control resources which will assist in challenging and eliminating their own subordination.” From the definitions above empowerment is described as the ability to make choices, but it must also be about being able to shape those choices which are on offer into sustainable outcomes through a planned process. Empowerment in this study is understood as a process which women learn to achieve and control their own resources, through access to microcredit and group support.

1.9.7 Conceptual framework of the CBRDP microcredit scheme

The conceptual framework below illustrates the theorised process of CBRDP microcredit scheme for women entrepreneurs in palm oil processing as shown in Figure 1. The loan plays a vital role in equipping the women with financial resources needed for investing in their palm oil processing. Empowerment is assumed as the intermediate benefit in this process and is enabled by the microcredit scheme of CBRDP. The expected benefits are: 1) financial – increased income and savings; 2) social – increased self-confidence, ownership of assets and control of income 3) behavioural- increased in knowledge. Directly and by interaction with each other the changes are assumed to end in long term benefits of improved standard of living and increase and improved their productive assets of their palm oil enterprise. Through training of repayment of loans women get to know the benefits of repayment and practice it as such to be credit worthy to their banker. The next chapter presents literature review on relevant themes for analysis.

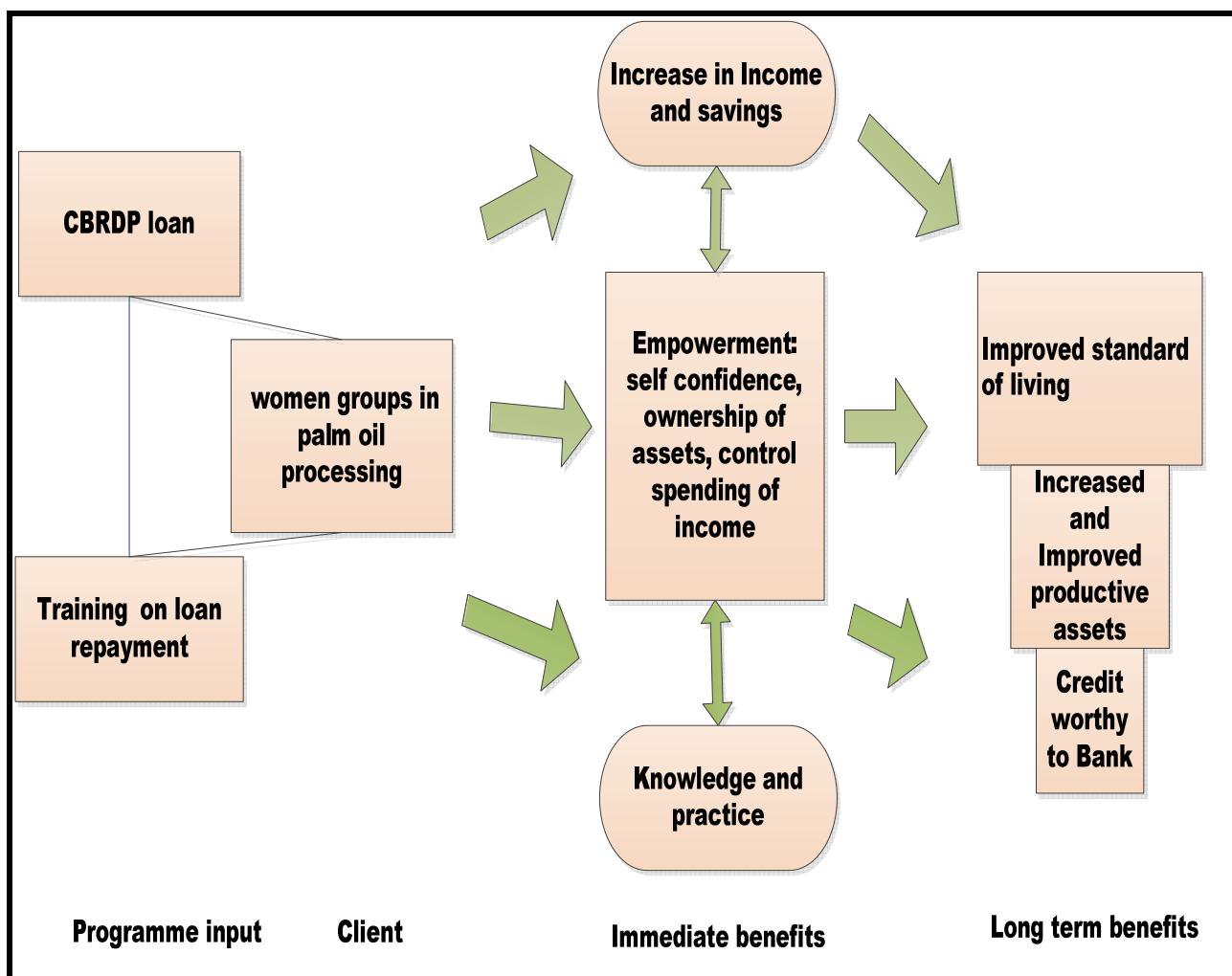


Figure 1: Benefits process of CBRDP microcredit scheme

CHAPTER 2 LITERATURE REVIEW

The literature review focussed on women in micro credit schemes, effects of microcredit on women entrepreneurs, access and control over resources of women in microcredit, Successful micro credit scheme, small scale palm oil processing in Ghana and constraints that affect women entrepreneurs.

2.1 The importance of microcredit schemes to women

Micro credit initiatives are known to have become increasingly accepted as a way to mobilize poor communities through the provision of loans through specialized financial institutions. Small groups are formed, and loans are allocated to members, based on group solidarity instead of formal collateral (Montgomery, 1995). According to Karlan and Zinman (1999) micro lenders typically target women operating small scale businesses and traditionally using group lending mechanisms. It is realized that microcredit interventions give loans to women in order to promote women's empowerment and gender-balanced development. It is also known from literature that traditional development plans do not take gender into consideration, the fact that microcredit interventions target women is important because according to goal 3 of the MDG most in need are women this is because 70% of the world's 1.3 billion people living in poverty are women (United Nations 2005).

According to (Nader 2008) microcredit is specifically important for women because they often lack the necessary collaterals and pre-conditions to obtain a credit from a formal lending institution. Nader (2008) further states that microcredit schemes are increasingly targeting women due to equity reason because women have less access to productive employment in developing countries such as Ghana and because women invest largely in their children and households which brings about multiplier effect that improves the effectiveness of the credit funds. A number of studies on microcredit have shown that the lack of financial resources is a major constraint to start economic activities especially for women in developing countries such as Ghana. In this view, microcredit is used as a tool to alleviate poverty and remove gender disparities.

Wright (2000) states that allowing women to borrow gives women a chance to gain fiscal power within a household, which supposedly gives a woman more position in the society. Zohir and Matin (2004) states that loans are used for agricultural production, trading, processing and transport, resulting in an increase in the use of agricultural inputs and increased output of agricultural production which leads to enhance employment opportunities in these sectors for the wider community also contributes to reduction in the prices of such produce due to increase in supply. They also state that trading activities financed by MFIs can help to establish new marketing links and increase the income of traders.

Micro credit as said earlier on can be a powerful tool for enhancing incomes and protecting households from poverty. The provision of loans to women may then serve the dual goals of increasing household wealth and empowering females (Amin, Becker and Becker, 1998). Studies have found positive results, including female empowerment and decreased violence against women (Hashemi, Schuler and Riley, 1996). According to Khandker (1998), women have had particularly low rates of loan default, which are said to be less than one-third that of men in Bangladesh. This could be the reason why women are the prime target of most microcredit institutions.

2.2 Women entrepreneurs in Ghana

Small and medium-sized enterprises in Ghana have a significant impact on the growth of economies through the generation of employment, productivity and innovation (Abor and Biekpe, 2006). However, the low level of women's participation in entrepreneurship and technology has been identified as a problem in terms of economic development and women's personal advancement (Hollowell, Mellors, and Silver, 2006). Females are mostly involved in sole-proprietorship businesses, which are very small firms, and as such may lack the necessary collateral to qualify for loans (Abor and Biekpe, 2006). According to the literature, women in Ghana play a vital role in the management of small enterprises and often have a strong traditional and contemporary knowledge of their environment. In the rural areas, they perform the bulk of household subsistence work and carry major household responsibilities for farming, food provision, health care, and the utilization and management of enterprises. In Ghana, women produce nearly all the food their families consume. Yet for the most part, they still do not have access to land, credit, technology, education, employment and political power (Ardayfio-Schandrof, 1999; Abzug, 2002).

Sarris (2002) states that certain social structures prevent Ghanaian women from having access equal to that of men, particularly to land, credit, education, and extension services, and most of them have their roots in the traditional society. Ardayfio-Schandrof and Wrigley (2001) also reveal that this restricted access to productive resources has clearly undermined the type, level, and extent of women's participation in economic development. Arhin (2000) reports that the basic problems of Ghanaian women engaged in economic ventures are finance and unfavourable government policies. He points out that traditionally, a woman's debt was held to be the collective responsibility of the family or the husband and therefore a family or husband could prevent a woman from acquiring a loan from the bank or the moneylender. Abzug (2002) endorses this by showing that Ghanaian women engaged in enterprise development could not expand the businesses, as they were not able to obtain financial assistance from the banks. Apart from equity concerns, the economic empowerment of Ghanaian women has been shown to bring direct welfare benefits for the family and national economic development. Expenditure studies in various parts of Ghana have shown that women consistently spend more of their incomes directly on children and other household supplies, while men tend to concentrate more on capital investment and their own personal needs (Tripp, 2001).

One of the main factors that have shaped the direction of women's economic activities in Ghana has been the male subjective allocation of traditional entitlements and modern assets, a historical object of neo patriarchal ideologies of gender relations found in both patrilineal and matrilineal kinship systems in parts of the country. The same cultural norms, however, embody windows of opportunity for women to acquire wealth, by granting them the right to own their self acquired property. In many respects the pattern of men's and women's roles and statuses in the Ghanaian society has continued very much as it was in the past, retaining varying degrees of rigidity in a gender segregated division of labour in non market production for the home, as well as in market-based production and public office (Yoshikuni, 1999).

Over the year, local and international pressure for the increased participation of women in the economy and other affairs of the nation has led to limited efforts on the part of the state to create a more opportunities for girls and women. Nevertheless, despite at least twenty years of such attempts and the evidence of some progress, the gap between women and men in terms of their participation in both the traditional and the modern economy remains wide (Riddell, 2002).

2.3 Effects of microcredit on women micro entrepreneurs

Khandker (2001) stated that micro credit has a positive effect on women's livelihood which leads to higher income that helps women to be enhanced in their reproductive role such as maintaining the home and improve the productivity of their enterprises which enhance their self-confidence in the community. According to Johnson and Rogaly (1997), studies undertaken in various countries showed that obtaining a microcredit would increase the income of the recipients while enabling them to widen their activity and to increase the quantity of the goods they sell. A study by Schuler and Hashemi, (1994) from Bangladesh confirms improvements in women's physical mobility, economic security, ability to make own purchases, freedom from family domination and violence, political and legal awareness and public participation, as a result of a more stable integration into microfinance circuits.

A study of Grameen Bank suggests that women participants in credit programmes are more conscious of their rights, better able to resolve conflicts, and have more control over decision making at the household and community levels (Chen, 1992). According to Sebstad and Chen (1996) conducted a study in Bangladesh found that only 36 percent of women have full or significant control over productive processes which reduces their control of loans. The study finds that women's control over loans is greater when they invest in traditional women's work, and increases over time with participation in credit programs. A study by Pitt and Khandkar, (1995) suggest that credit to women has positive effects on the schooling of children; it increases women's asset holdings except land and is a significant determinant of total household expenditure. A study in Sri Lanka found that loans contributed to women's independent income, giving them more bargaining power in their relation with male family members (Hulme and Mosley, 1996). MkNelly and Watetip, (1993) study reveals that microcredit enhance women's empowerment, such as increased self-confidence, and better cooperation with neighbours and husbands has also been observed in Thailand .

The findings for Africa has a different image, such that there is a positive impact on self-confidence but little proof of increased access to credit, intra-household decision making and individual assets ownership (Vengroff and Creevey, 1994). The findings from Africa countries such as Guinea, Senegal and Kenya according to Vengroff and Creevey (1994) shows interesting gender differences in decision making, but little evidence of change in decision making patterns. However, studies have also showed negative impacts on women's income and employment, such as increased workloads and higher social pressure to ensure loan repayment (Vengroff and Creevey, 1994). A case study from Vietnam showed that loans controlled by men had negative implications for women and their influence on decision making and in some cases increased the workload of male children (Peace and Hulme 1994).

2.3 The effect of microcredit on productive and reproductive responsibilities of women

Haynes (2002) stated that in most developing countries such as Ghana women achieve unsatisfactorily compared to males in most conservative actions of development such as school enrolment, access to land, availability of credit and political office holding at local intermediate and national levels. According to Clancy and Skutsch, (2005) women are obliged to carry out certain duties and tasks in order to ensure the survival of the household. In addition to their reproductive role, women are expected to carry out productive activities to generate income. According to Mead and Liedholm (1998) a consequence of the dual responsibilities of women entrepreneurs are more risk averse than their male counterparts, reflecting their responsibilities for maintaining the welfare and perhaps even the survival of the household. Clancy and Skutsch (2005) stated that in terms of employment and division of labour, it is expected that there is a clear distinction according to the gender relations assigned to men and women.

2.4. Access and control over resources of women in microcredit scheme

According to Sebstad and Chen, (1996) women may have access to finance but may not have control over the loans contracted. This seems to be true to most microcredit schemes in developing countries as indicated by Sebstad and Chen in the following studies:

- A study of 151 Grameen Bank loans to women found that 12% surrendered the entire loan to male family members.
- In Bangladesh it was discovered that of 140 loans made by ACTION AID to women, about 50% were used for men's productive activities.
- A survey of loans to women borrowers in the Grameen Bank, Save the Children Fund and BRAC registered a loss of direct control over loan use (Ackerly, 1995).
- A more recent study of women borrowers in the Grameen Bank, 10 of 40 women in the sample were passing on all or most of their loans to male family members under circumstances that gave them little control over the use of this capital. The loss of control over financial resources does not necessarily mean that women are worse off in terms of increased social and economic opportunities (Todd, 1996).
- A study in Kenya found little evidence of conflict between spouses over women's labour investments or enterprise management, except in some home-based enterprises. Husbands however, try to control income from women's enterprises but not always successfully (Sebstad and Walsh 1991). Creevey (1994) suggests that women gain more independence in areas where they are dominated, but may lose control over new income in areas where they already are more independent.
- Goetz and Gupta (1996) looked at the control women retained over loans received from the Grameen Bank, a large government scheme and a small NGO, all four in Bangladesh. The study was based on 275 detailed loan-use histories. The findings suggested that in 37% cases women retained significant control over loan use while 63% had partial, limited or no control over loan use. At the same time the findings had shown prevalence of house hold transfers of loan from the female borrowers to their male. The study further established that single, divorced and widowed women were more likely to retain control of loan use than others.

According to Ackerly, (1995) the impact of microfinance services is higher when women actually control the financial resources acquired in their name. Increased control is likely to contribute to women's empowerment, to facilitate women's entrepreneurship, to assist women in their reproductive tasks and to ease their repayment burden.

2.5 Constraints women encounter in their enterprises

Several literatures stresses numerous constraints of small firms to innovate successfully such as the lack of financial resources, shortfall in marketing, and weaknesses in external information and linkages are factors that limit their competitiveness (Freel, 2000).

Access to capital is vital to the development of small businesses. The uses of capital are countless and range from investments in fixed assets to the adoption and installation of new and better technology for business enhancement. Access to working capital financing is also necessary to smooth out fluctuations in income due to differences in the timing of production and sales. Lack of sufficient capital tends to affect SMEs' ability to develop new products and services or to grow so as to meet demand (Abor and Biekpe, 2006).

Clancy and Skutsch, (2005) a further barrier female entrepreneurs face is the access to money this due to the fact that they lack the savings needed for the equity payment required to get a loan and have no access to land or physical infrastructure, which could be used as collateral for a loan.

Lack of financial resources, shortfall in marketing and management expertise, weaknesses in external information and linkages are factors that limit their competitiveness (Freel, 2000). With sufficient capital, they would be able to develop the idea and the marketing plan in parallel. Failure to do so would lengthen the time to market and adversely affect income.

Also, with sufficient capital they could advertise heavily and build up stock to offer faster delivery and meet larger orders (Larsen and Lewis, 2006). Similarly, there might be a role for government support agencies to develop mechanisms for introducing innovative small and medium-sized enterprises to venture capital (Freel, 2000).

Although the traditional image of the entrepreneur as intrinsically male has been broken to a certain extent, it is still strong enough for some women to find it hard to be taken seriously, which has an adverse impact on applications for funding and finding clients (Brush, 1997). Warren (2004) found that, while this was the case, women were willing to assume the mantle as it pleased others; for example, in order to obtain finance. The study also found the women's experiences of the entrepreneurial identity came secondary to their wish to maintain other aspects of their lives, for example, family, 'yet renegotiate that around the identity of a professional business person' (Warren, 2004).

Illiteracy or semi-literacy among the majority of women in Ghana creates a further barrier to processing paperwork. Women's lack of control over resources, such as land and labor, also limits their eligibility for loans (IFAD, 2000). Female entrepreneurs face the difficulty of limited access to education which makes it difficult for women to fill in complex forms for applying for a loan or to keep track of their business records since banks require business records as minimum basics before granting credit. Hookimsing and Essoo (2003) states that women entrepreneurs in Africa have relatively lower educational levels which make it difficult for them obtaining money to start and grow their own business which attributes to women's inexperience in negotiating for loans from the banks and lack of confidence to argue for loans.

According to Mead and Liedholm, (1998) due to the fact that many female entrepreneurs operate from their home they tend to be disregarded and likely to be the unseen entrepreneurs. The "typical profile that emerges is that women's enterprises are of low investment, low returns, low growth, and low skill" (Sivakamasundari, 1995).

The lack of training effectiveness of the women entrepreneurs has an influence in their business such as the technical knowledge; the prospects of entrepreneurial training have increased. According to Rahman, Hossain and Miah (2000), it is evident that enjoying a certain volume of credit is not enough unless those rural entrepreneurs could also be offered adequate training facilities so as to utilize the available resource at the optimum level.

Jones (1990) recommends economic empowerment which would allow such women to attend training and increase their ability to buy equipment necessary for expanding their businesses. Furthermore, self-confidence, determination and positive attitudes are also problems facing women entrepreneurs. These constraints can only be eliminated through training from within.

A study by Richardson, Howarth and Finnegan (2004) on women entrepreneurs in Africa reveals that many women entrepreneurs in Africa lack abilities, skills and expertise in certain business matters. In addition to lack of skills and expertise, women's business networks are not well developed. Their access to abilities, skills and experiences for business is also

unfavourably affected by various constraints on their mobility due to their household and community roles.

According to UNIDO Document (2003), In Uganda, where more than 70 percent of enterprises employ less than 20 people, micro- and small enterprises play an important role in the economic and social life of the majority of citizens. However, the growth and the competitiveness of this sector are hampered by a lack of managerial and technical skills, weak infrastructure, difficulties in accessing loans, and complicated company registration processes. They further states that appropriate technology means that it needs to be simple, effective, available, flexible, durable, efficient and cost effective.

Another constraint, micro enterprise encounter is the access to markets. Liedholm and Mead (1998) continue to state that the lack of information about market opportunities and standards and regulations is one of the underlying factors those constraints entrepreneurs. They also state that the high number of micro credit enterprises closures is due to lack of demand and a shortage of working capital.

2.6 Successful microcredit schemes

Collier (1998), think that overcoming obstacles have prevented large potentially productive segments of the population from access to formal financial institutions may require more than conventional financial intermediation. Incorporating underprivileged groups into the formal financial institution entails some measure of up-front investment to develop the human resources such as confidence, knowledge, skills and information among the clients at the same time to build local structures that help them to link with financial institutions. Trust and willingness to cooperate allows the poor to form groups and associations, which facilitate the realization of shared goals particularly to be linked with financial institutions. Fukuyama (1995) further elaborates the significance of social capital building in the institutional setting especially when addressing the issue of eradicating poverty by emphasising the concept of 'trust' within the society and organizations. In his view trust is the paramount social asset, by which opportunism can be reduced and transaction costs can be minimized.

The success of micro credit programs relay on the innovative use of joint-liability groups to make loans to people without collateral (Murdoch, 1999). Small loans to groups of borrowers have become popular in recent years in parts of Africa. Micro credit loans typically target groups with no access to formal lending institutions and have become the foundation of many development strategies such as CBRDP. The typical micro lending program loans small amounts of money to a group of borrowers who chose their own members. The group is held jointly liable for the loans (Sarangi and Chatterjee, 2004). According to Chatterjee and Saranji (2004), the success of Joint liability depends on their nature and composition of borrowing groups. The underlying rationale under group lending is that , there is efficiency gains from group formation that compensate for information asymmetries since group members know each other well. The structure of group lending depends on the formation and composition of the group. Banerjee, Besley and Guinnane (1994) extend the notion that group liability might create incentives for borrowers to form such relationships in order to have a successful group. Social connections provide links that bind a group of people together and determine their social interactions.

In addition, the success of small business depends on education and training (Simpson, Daws and Wood, 2002) noted that training needs include marketing, financial and business planning, record-keeping, book-keeping, accounting, budgeting, computer skills; management skills such

as delegating and time management, leadership skills, staff issues and networking; industrial information and legislation, industrial relations, legal obligations and personal development and self-confidence building.

2.7 Processing procedures of small scale palm oil processors in Ghana

In Ghana, palm oil production is at the top of the agribusiness development agenda. The demand for palm oil is not only growing in the food sector, but also in industry where it is used, for detergents, the government of Ghana is investing in the cultivation of more resistant and, high-yielding oil palms and promoting the use of new seed among small and medium scale farmers.

Oil palm processing is the predominant manufacturing activity occupied by the micro and small enterprises that use labour intensive technology for oil palm extraction (CRED, 2005). The micro and small enterprises process palm fruits into palm and palm kernel oil. Palm and kernel oil are used for diverse products such as laundry and personal washing soaps, fat and margarine, refined cooking oil and edible oil. A study conducted by PSI (2004) indicates that the oil palm sector has the potential of employing more people, improving their standard of living and transforming the local economy, given the high demand in the internal and external markets.

According to Poku (2002) palm oil processing is the reception of fresh fruit bunches from the plantations, sterilizing and threshing of bunches to free the palm fruit, mashing the fruit and pressing out the crude palm oil. The crude oil is further treated to purify and dried for storage and sold. Palm oil processors of all sizes go through these unit operational stages. They differ in the level of mechanisation of each unit operation and the interconnecting materials transfer mechanisms that make the system batch or continuous. The scale of operations differs at the level of process and product quality control that may be achieved by the method of mechanisation adopted. Small scale palm oil is mostly prepared by women in the rural areas (Poku 2002). The traditional process of oil production begins with the boiling of the raw nuts in water for four hours to soften the pericarp for easy separation. The boiled nuts are then smashed, so that the oil is released. Water is added throughout this process which causing the unrefined oil to float to the top of the water. The kernels remained on bottom, with the fibrous material on top. The oil is collected off the top with a bowl and heated to release all the water. The kernels which remaining is collected in a basket the process finished oil was then cooled in a pan, and stored for retail. The oil is boiled to remove water traces and is then ready for sale. According to Poku (2000) about 240 litter of clarified oil can be produced in two days depending on quantity, variety of palm fruits and machines available.

According to FAO (2002) the traditional manual methods were referred to as 'low technology' production. The activities found in the production process includes steeping the pounded fruit mash in hot water, removing fibres and nuts in small baskets and hand squeezing and filtering out residual fibre. Studies conducted by CRED (2005) also revealed that the processors lack the appropriate technical knowledge and the know-how to produce good quality palm and kernel oil. Besides, infrastructural facilities such as shed, water, electricity, transport and good roads were inadequate and inaccessible. In addition, the cost of processing machines was also very expensive and beyond the reach of the processors.

CHAPTER 3

METHODOLOGY

This chapter is in two sections, the first session deals with the methods for data collection, the second deals with the geographical and socio- economic description of Kade community. The purpose of this chapter is to show the location of Kade on the map of Ghana and the relevant socio economic activities of Kade and explain the research design for gathering data.

3.1 Research design

This research can be categorised as a case study which was focused on the three CBRDP's women groups in palm oil processing totalling 30. This is a qualitative study based on secondary data and primary data gathered from desk study and the field respectively within the period of July, 2010 to September, 2010 in the Netherlands and Ghana.

3.1.1 Secondary data and primary data

Secondary data was gathered from books, articles, journals, CBRDP's field reports and other relevant information from internet. The socio economic profile of Kwaebibirim district was collected from the district office. Literature review was used as empirical bases for data analysis.

Primary data from the field was collected through personal interviews, focus group discussion which was guided by semi structured questionnaires (annex 2, 3, and 4) and supported by personal observation on their socio economic activities in the field. The justification for the observation was to query into the effect of micro credit on the women's daily activities. A pre-test of the semi structured was done with two women to check if questions will capture relevant data for the research and understood by the women.

Purposive sampling

This is a study that focused on the three CBRDP women group beneficiaries who had requested for additional loan in Kade community. Respondents were selected based on their request for additional loans from CBRDP's micro credit scheme. Three groups of respondents were interviewed these are categorized below:

Informant selection: consisted of microcredit staff of the project, the loan officer of the Kwaebibirim rural bank and a World Bank representative of micro scheme. Interviews were conducted with CBRDP zonal officer in charge of the scheme for Eastern Region, the microcredit specialist from World Bank and the loan officer of the Kwaebibirim rural Bank. These three informants were interviewed for their diverse knowledge on the microcredit scheme particularly on the project's strategy for women who want additional loans. The interview was done with the aid of a semi structured questionnaires (annex 3).

Interview: 27 women beneficiaries instead of 30 women were interviewed this was because the 3 women were not in town at the moment of data collection. The women were interviewed to get a better understanding of the problem and also serve as across check to the already collected secondary data. Semi structured questionnaires were used in interviewing the women this can be found in annex 2. The individual data the women respondents is summarised and categorised in groups which can be found in annex 1. Responds of the interview was recorded by taken notes.

Focus group discussion: one focus group discussion was conducted with the three women group beneficiaries who have requested additional loans. With the aid of checklist in annex 4 questions were administered to the focus group which comprised of 12 women from the three

groups. Kabeer (1997) stated that the process of empowerment should be judged as having occurred if it is self-assessed and validated by women themselves, it was realised that the interactive atmosphere of group discussion helped exchanged ideas among the women beneficiaries which facilitated the researcher to clarify and extract important qualitative information regarding the effect of microcredit on women and the activity profile of the palm oil processors.

Observation: this was a source of gathering primary information from the field. It was used to identify possible resources available and the palm oil processing activities in the processing mills.

Presentation of data and analysis: The qualitative data was obtained from interviews and focus group discussion. Information obtained is organised with the aid of tables and the Harvard analytical framework tool 1, 2 and 3 (activity profile, access profile and influencing factors). According to March *et al.*, (1999) the framework was designed to demonstrate that there is an economic case for allocating resources to women and men. They further stated that the framework aims to help planners design more efficient projects and improve overall productivity. It does this by mapping the work and resources of men and women in a community and highlighting the main differences. It is also a tool for organising data.

The Harvard Analytical Framework has four tools which are; Harvard tool 1 is about activity profile, this identifies all applicable reproductive and productive roles and answers the questions like who does what? Harvard tool 2 is about the access and control profile of resources and benefits, this enables users to list resources people use to carry out their roles identified in tool 1. It indicates whether women or men have access to resources, who controls their use and who controls the benefit of a household use of resources. Access means that one is able to use the resource but has no control over it. Control of resources means to make the key decision over the use of the resources. Harvard tool 3 is the tool used for charting constraints which influence the differences in gender division of labour, access and control. Discussions were done against literature review. Findings are presented based on the themes of the research sub-questions.

3.2 Profile of Kade in the Kwaebibir District.

This section gives a description of the study area. The description of the study area was discussed along the lines of location and size, physical characteristics, demographic characteristics, rainfall, agricultural activities, income distribution and expenditure patterns. These elements described below may have an influence on CBRDP's micro credit scheme and women in palm oil processing. Kwaebibir district has been described based on the information provided by the District Assembly.

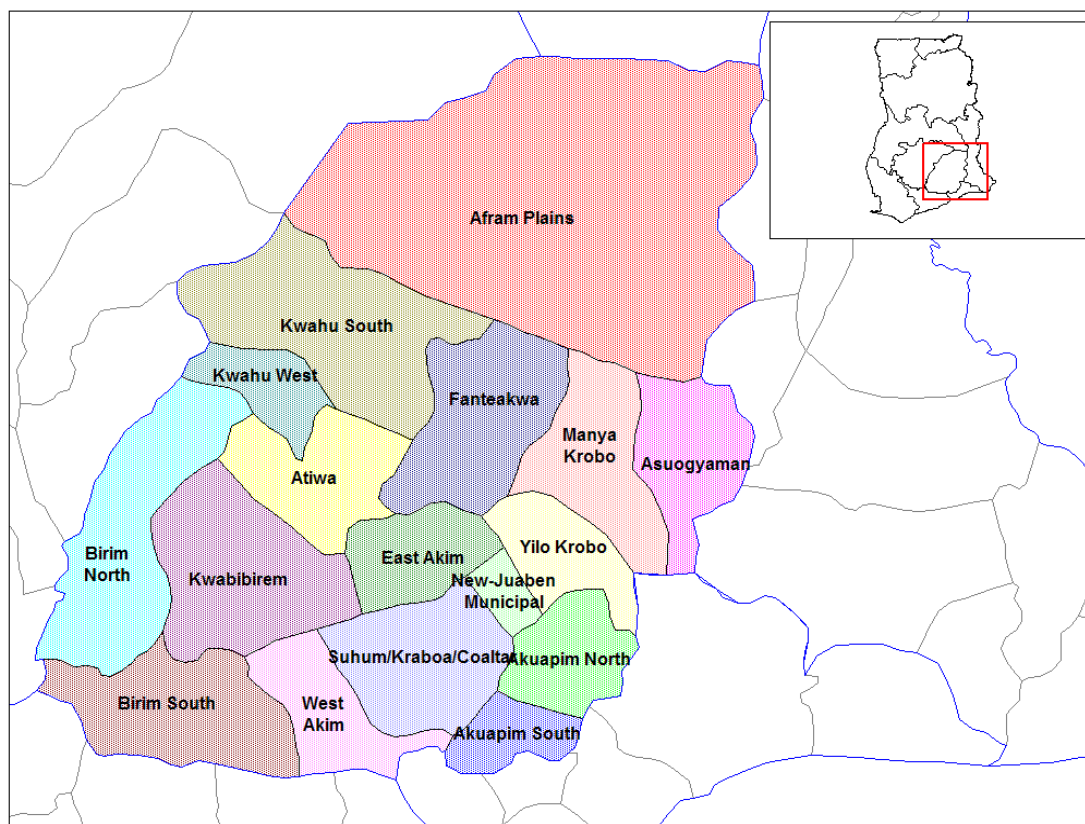


Figure 2: Map showing location of Kwaebibirim District

The Kwaebibirim district is one of the twenty-one districts in the Eastern Region, with Kade as its capital. Crop farming is the predominant economic activity and thus serves as the source of livelihood for over 72% of the population and contributes about 80% of the internally generated funds of the district. The main development problems facing the district include low agricultural output resulting from the use of rudimentary farming methods, poor road network, and inadequate supply of basic social services such as education, health, water and sanitation. These factors have resulted in a high incidence of poverty, deprivation and generally low standards of living among the people. To address these problems, the Kwaebibirim District Assembly has since its creation carried out a number of development programmes and projects that seek to secure better livelihoods and alleviate poverty in the district. Prominent among these is CBRDP which was prepared and implemented in line with the Ghana Vision 2020. The District lies within the semi-equatorial climate zone with a double maxima rainfall regime. Annual rainfall ranges between 1,120mm and 1,933mm with this type of rainfall regime cash crops and food crops are cultivated. (Kwaebibirim District Assembly Mid- year report). Kade is known for its large palm oil plantation due to the climatic belt within which the community falls which is highly conducive for oil palm production which is the traditional occupation of both women and men.

3.3 Socio-economic activities

Demography characteristics and employment

According to results of the 2000 population and housing census, its total population stood 179,209 in 2000 with an annual growth rate of 1.9%. The current population is projected at 213,259 more than two thirds of this population live in rural areas. According to the district's annual report census, 84.7% of the population is under 45 years. The district is predominantly rural about 70.0% of its population resides in rural settlements. The predominant occupation in the district is agriculture and agro processing industries, which engages about 76.8% of the economically active labour force. Commerce accounts for 11% and services employ 8.5% and 3.7% respectively (KDA Mid- year report, 2010).

Small-scale industries and large scale agro processing

The district is one of the leading districts in Ghana when it comes to the production of oil palm. It also has one of the biggest oil palm processing plants in the country. Coupled with this, it has a number of smalls scale oil processing mills dotted all over the district. Palm oil production and cassava processing are the most organized household industries in the Kwaebibirim district. The Ghana Oil Palm Development Company with its office at Kwaie has very large oil palm plantation in various parts of the district. It has over 11,000 hectares of land under oil palm cultivation. As a result of large volumes of fruits obtained from its plantation and the out growers, a number of processing units have been set up in the district. (KDA Mid- year report, 2010).

Saving and credit

According to KDA mid-year 2010 report about 73.8% of households do not save. 51.1 % savings from incomes went into investment in income generating activities such as palm oil processing. This shows the level of importance households attach to establishing and expanding small and medium scale enterprises. Demand for credit in the district revolves around 44.6% of households of which 63.7% of credit was intended to address issues business expansion. About 38.6% get loan from the Kwaebibirim Rural Bank and informal credit institutions such as “*susu*” collectors and 53.3% from friends and relatives.

CHAPTER 4

RESULTS

This chapter presents the findings of data collected from Kade community with the aid of tables and an adapted Harvard framework tools. It begins with section one which presents the background data of the 27 women clients of CBRDP who have requested for additional loan were interviewed followed by section two which presents data on the major themes of the sub questions. The information in this chapter is based on interviews, focus group discussion and personal observations. Semi structured questionnaire which served as a guideline for interviews is found as annex 2. In annex 1 the results of individual responses given during interviews is presented according to their groups.

4.1 Background data of respondents

Background data of the 27 women respondents such as age, marital status, educational status, dependency size on income of women and their additional source of income are presented in Table 1, 2, 3, 4, 5 and 6.

Table 1: Age distribution of women respondents

Age- group	No. Of Respondents
30-35	10
36-40	9
41-45	7
46 and above	1
Total	27

Table 1 confirms the 26 women respondents who fall within the ages of 30-45years which represents the productive and active age in Ghana. One woman respondent's age was in the range of 46 and above which is the age most women retire in the palm oil processing enterprise and their children cater for them. The palm oil processing activities involves the use of physical and manual labour which explains why the active age group are the majority.

Table 2 : Number of years in the palm oil business

No. years in the palm oil business	No. Of Respondents
1-4	0
5-8	24
9-12	3
Total	27

Table 2 shows the number of years the women respondents have been in the palm oil business. A total of 24 women indicated that they have been in the palm oil business for between 5–12 years. The other 3 have working experience in the ranges of 9-12 years. This shows how experienced these women are in traditional palm oil processing.

Table 3 : Marital status of respondents

Marital Status	No. Of Respondents
Single	0
Married	26
Widowed	1
Total	27

Table 3 shows that the majority of the women respondents are married women and this constitutes 26 of the women respondents. This could be an indication of the value placed on marriage in Kade community which is cherished for social and economic reasons.

Table 4: Educational status of respondents

Educational Status	No. Of Respondents
No education	0
Primary education	10
Secondary education	10
Adult literacy education	7
Total	27

From table 4 above it is clearly shown that the informal sector mostly employs people without choice to their educational background. It can be seen that 20 women respondents claimed to have received some level of primary and secondary school education. Although the women indicated that they had either primary or secondary education, they however stated that this education had been taken some years back and due to limited use of English documents, they are not very conversant with the English language. This was confirmed by the loan officer, who stated that,

“The women are not able to present a good business plan due to their limited level of education while some married women entrust their husbands to apply the loan for them and so the bank never gets to deal with these women.

This was further confirmed by the WB representative, who also stated that,

“CBRDP’s role at that point could be to support the group with training in financial literacy and business management, to help them understand what they need to do to operate their businesses successfully and when to save and borrow”.

Table 5 : Number of dependency on income of respondents

Size	No. Of Respondents
1-5	15
6-10	12
11- above	0
Total	27

Table 5 indicates that all these women have relatively large dependency size on their income which ranges from 1-10. This could be due to the extended family system in Ghana, which means many family members to cater for with their income from the palm oil enterprise. As one of the respondents opened up to me and said; *“I cater for my mother, my nephew who is in the university and my four children with my income.”*

Table 6 : Additional source of income

Activity	No. Of Respondents
Petty trading	6
Small scale Farming	9
None	12
Total	27

From Table 6, 15 out of these 27 women respondents have other additional source of income such as petty trading and small scale farming which serve as a supplement to their palm oil processing enterprise. There were 12 respondents who claimed that their main source of income is the palm oil processing.



Figure 3: A man using the oil extractor whilst women are separating nuts from the fiber

4.2 The palm oil production process

The adapted Harvard tools are used to depict the palm oil processing from purchase of fresh fruits to marketing of palm oil. It also depicts the interaction of men and women entrepreneurs in the palm oil enterprise, access and control of resources and benefits of the scheme as well as the constraints they encounter.

Table 7 :Labour division of palm oil entrepreneurs

Labour	Entrepreneur doing activity
Buying, splitting of bunches and sorting of palm fruits (manually)	Women
Transportation of palm fruits	Women and men
Steaming of palm fruits	Women
Digestion of palm fruits	Women
Pulp pressing	Men
Palm oil clarification	Women
Palm oil storage	Women
Palm oil packaging	Women
Marketing of oil	Women

Table 7 indicates the labour division of the women and men entrepreneurs in the palm oil processing. According to the women entrepreneurs, they directly buy palm fruits from the local markets and out growers of palm fruits. The cost of a bunch of palm fruit which weighs between 15 kg to 25 kg ranges from \$3 to \$5 and produces between 3-5 litres of palm oil depending on the variety. On average an individual group member buys \$70-\$200 worth of palm fruits in a week which gives them 70-200 litres depending on the variety of fruits. Palm fruits are purchased again when fruits are out of stock in the mill. The stocks of palm fruits at the mill are owned by the women. The fruits are transported from the market or the farms to the mills by the women who hire 2.5 tonne trucks that charge a fee of \$20 to \$50 per trip according to the weight of the bunches and distance to the mills. The hiring of the truck according to the women is sometimes done in groups or individually by the women group who took the loan. The women entrepreneurs take their palm fruits to the processing mills which belong to men entrepreneurs who charge a fee for the use of the machineries depending on the number of press cake made, which cost approximately \$1 per cake. Press cake is the residue of fibre and kernels which produces roughly 10 litres of oil. In the mills the women are actively involved in all the activities from buying of palm fruits to marketing of the oil with the exception of pulp press which involves physical strength to extract the oil from the palm fibre and is done by men. Sorting of palm fruits according to the women groups is the activity which takes most of the women's working time in the mills this involves approximately 5 hours depending on the quantity of fruits available. A litre of oil produced by the women entrepreneurs is sold locally for \$1.5 while Unilever sells its palm oil for approximately \$2.5 per litre. The palm oil from the women enterprise is sold as cooking oil for household use and also sold to local soap manufacturers in the community.

Table 8 :Access and control of assets and benefits in the palm oil enterprise

	Access		Control	
	Women entrepreneurs	Men entrepreneurs	Women entrepreneurs	Men entrepreneurs
Resources	Processing mill	Processing mill	-	Processing mill
	Labour	Labour	Labour	Labour
	Loan	-	Loan	-
	Machine	Machine	-	Machine
Benefits	Training on repayment	-	-	-
	Income	Income	Income	Income

Table 8 shows that resources like the processing mills are controlled by wealthier men entrepreneurs. These assets were acquired by the men using their own money. Although the women entrepreneurs have access to the processing mills and the machines to process their oil, they have to pay a fee based on the press cake made for the day. According to the women, the Chief of Kade owns two mills and has employed men whose labour is used for pulp pressing or extraction of oil and this is where the majority of the women in the community process their oil. The mill owners make decisions on when to open the mill and when to operate

the machines. The women entrepreneurs stated that they spend all days of the week in the processing mills except on Sundays when the operators of the mills take a rest.

Loans acquired for the palm oil business is controlled and accessed by the women who have acquired loans from the project whilst the men operators and mill owners do not have access and control of the loans although they have the same opportunity as the women to apply for loans. The women mentioned training on repayment of loans as the only support they have received from CBRDP which they only have access to but cannot control the content of the training. The training is conducted exclusively for project beneficiaries.

Table 9 :Constraints of women entrepreneurs in palm oil processing

Constraints
Limited finance
Limited access to market opportunities of palm oil
Ownership of palm oil processing machines
Quality Standards
Education

In discussing the factors which impedes women entrepreneurs in their palm oil processing, the women mentioned limited finance as a major constraint to their business as indicated in table 9. Finance is an important factor which has an impact on whether entrepreneurs can expand their business activities. The women need finance to buy high yielding fruits and purchase processing equipment and infrastructure but in the case of CBRDP beneficiaries from the study, they are only buying fruits and depend on owners of processing mills to process oil. The loan officer confirmed this by stating that *“World Bank or any donor agencies should always try as much as possible to meet the financial request of these women to avoid the situation where the beneficiaries are not able to make significant investments”*.

An in depth interviews with the women groups in the oil palm processing has shown that they had little information on the current market avenues and product quality. When asked whether they had certification and licensing from either Ghana Standard Board or Food and Drugs Board, their response was in the negative. Certainly, this state of business had negatively affected their market opportunities. From table 9, the majority of these women sell their palm oil in the local markets which is saturated with the product and has many competitors. Two of the women respondents stated that they sell their large quantity of the oil outside the region but they still need to identify more market avenues. This was also confirmed by the WB representative of the scheme who stated that;

“The primary constraint is that the women need to market their oil to make profit rather than request for additional loans. If they were selling more, they might not need credit. If borrowing is just to keep buying palm nuts for processing but they cannot sell the oil, then they will not be able to repay the loan”.

Ownership of machinery for palm oil production is seen as another constraint by the women. The credit acquired by these women is insufficient to acquire processing machines and are therefore faced with the option of processing their oil in processing mills where a fee is paid for the use of the machines. *The WB representative mentioned that, "it is important to provide a loan that can make the women obtain the necessary equipment which will certainly help them increase their level of economic activity and the income they generate from it".*

According to the women respondents the quality standards of their oil does not meet international standard which is proved by the rejection of their products by exporters from Nigeria and other international countries on the grounds that processing is done by traditional methods and under poor environmental conditions which can be harmful for consumption. Palm oil production process in Kade seems to fall short of international quality standards leaving small scale processors unable to take advantage of markets such as for organic and Fair Trade products which lead to better income. According to one of the respondents, their business faces great competition from rivals in the palm oil processing sector such as Unilever and other medium scale palm oil processors who are highly mechanised. All the key informants confirmed that entrepreneurship training and education in all aspect of business growth is what these women lack.

The education levels of the women entrepreneurs is another constraint mentioned by the keys informants and has already been described in results of table 4 under section 4.1.

4.3. Organisation of CBRDP scheme

According to the project zonal officer in charge of the scheme, there number of beneficiaries of the microcredit scheme is 1,606 in total which includes both individuals and groups. He further explained how the loan is processed for groups. He says that the palm oil processing groups in Kade are the Ataa women group made up of 10 women, Adom palm oil processing group made up 8 women and Kade women oil processing group made up of 12 women. Upon approval of their loan request, an amount of US\$500 was received by each individual member in Kade and Adom palm oil processors whilst Ataa women processors received US\$ 700 each inclusive their 10 % contribution which they deposit in their account to show a sign of commitment before the money was disbursed to them. He stated that the interest rate for the bank 24 %. For the women in palm oil their grace period was 3 months.

The World Bank representative for the CBRDP micro credit scheme stated that;

"CBRDP is not designed to be an on-going credit facility, but rather to help micro and small enterprises whether group owned or individuals to acquire assets in such a way as to establish their relationship on a commercial basis with a financial institution.

Table 10 :Repayments of women respondents with Kwaebibirim Bank

Repayment	No. Of Respondents
Not repaying	0
Repaying	12
Finished repaying	15
Total	27

From table 10, 15 respondents claimed to have finished paying their loans and want additional loans from the project and 12 are still repaying. When asked why they have not finished repaying the response was that the market has not been favourable. The women received their

credit in the year 2006 and still have not finished repaying and as a result of this the project had to persuade the rural bank to reschedule their loans for them which has helped the majority of the women to repay.

Table 11: Savings of women respondents with Kwaebibirim Bank

Savings	No. Of respondents
Do not save	5
Do save	17
Save with other institutions	5
Total	27

It was realised that 17 of the respondents (table 11) make savings with the Kwaebibirim Rural Bank while 5 save with other institutions such as church savings and others financial institutions. There were 5 respondents who said they do not save because the money they get is for repaying the loan. As stated by the WB representative, the women entrepreneurs are supposed to develop relationships with the bank through saving regularly. This according to the representative would act as a business record for the entrepreneurs as they would now be considered by the banks as their customers and provide them an advantage when applying for loans.

Table 12: Purpose for additional loan

Purpose for additional loan	No. Of Respondents
Expansion of palm oil business	12
For household maintenance	0
Investment into new business	15
Total	27

Table 12, indicates that 15 out of these 27 women respondents want to invest into new business as one respondent stated that *"I did not make much profit from the palm oil and want to go into trading of pork which will give me more profit"*. Some of the new business they mentioned was trading in meat and clothes which they said is in high demand. The 12 respondents still needed money to expand their business although they claim they do not make much profit. The loan officer said a possible strategy for the project to adopt in giving additional loans is to assess these women by finding out the need for additional loans and how they will repay the loan. However, the loan officer pointed out that, *"The women entrepreneurs do not keep records and are not able to answer questions about their business which makes it difficult for the bank to really know what the additional loan will be used for"*.

The WB representative was of the view that,

"Conditions for women in palm oil processing to access additional credit is (i) repay the loan on time; and (ii) build up some savings which can be used as security against future loan. Since future loans are fully commercial and do not qualify for an additional grant, they are best used for working capital which can be turned over quickly for example purchase of additional raw materials rather than new capital investment".

4.4. The effect of CBRDP loans on the livelihood of the women groups in Kade

The effect of the loan disbursed to these women entrepreneurs are assessed based on the level of income earned after receiving the loan and the level of production of palm oil after the credit. This section also assesses the effect of the loan on assets of the women enterprise.

Table 13: Effect of the CBRDP's loan on income of the palm oil business

Level of Income	No. Of Respondents
Increased	2
Decreased	5
The same	20
Total	27

From table 13 it can be seen that the majority of the women respondents who number 20 claimed that their income from their palm oil business stayed the same while 5 women respondents have their income decreased and 2 of them claiming to have their income increased. The reason for the decrease in income is attributed to the low demand of palm oil in the Kade community and its surrounding communities; the decreased or same level of income is linked to the level of productivity as explained in table 14. Two of the women respondents say that they market their product out of the region where there is an increase in demand for palm oil.

Table 14: Percentage change in palm oil production after the loan (gallons/week)

% Change in production	No. Of Respondents
Decrease	5
0-10%	10
11%-20%	5
>21%	7
Total	27

The figures in table 14 shows that after the CBRDP'S loan were provided, 5 respondents claimed to have had a decrease in production of palm oil, 10 respondents said their production has increased by less than 10% whilst 5 respondents have increased their production by 11-20%. The figures of production were based on estimations from the respondents. The women attributed the decrease in production to the low demand of palm oil in the Kade community and its surrounding villages. They said that the markets are saturated with palm oil and so they have to wait until when palm oil is off season to produce more and also sell what they have stored for the season.

Table 15: Effect of the CBRDP's loan on their standard of living

Effect on standard of living	No. Of Respondents
Major improvement	0
Moderate improvement	0
No improvement	27
Total	27

From table 15, all 27 respondents claim not to have seen any major improvement in their standard of living after taking the loan. This is because they felt the loan size given to them was small to make a major improvement in their life. The word improvement was explained to the women as an increase in income and if they had purchased any productive assets since they

acquired the loan. The loan officer had a different opinion on their standard of living as he stated that;

“The CBRDP credit scheme has increased their income and improved on their life since some of the women have been able to further the education of their children through to the higher education level such as nursing training school and the universities”.

When asked if they had acquired any productive assets after the loan one woman said the income is for investing into the education of her children. Whilst most of the women respondents said they have acquired assets such as land after the loan, this was not solely from their income earned from their palm oil enterprise but was done jointly with their husbands.

4.5 Change in gender responsibilities of the women respondent after the microcredit

In this section, the gender responsibilities of the women respondents are assessed after taking the microcredit. This is to assess if the women have control over their income and assets acquired and if they are able to make their own decisions and also to find out if the productive and reproductive responsibilities had changed as a result of the loan.

Table 16: Control of income and assets from the palm oil business

Control	Control of Income	Control of Assets
Husband or son	0	0
Women	11	0
Both women and husbands	16	27
Total	27	27

Table 16 indicates that 16 respondents claimed to control the income from the palm oil enterprise with their husband. This is because their husbands gave them some amount of capital for the palm oil business. *One respondent said; “She as a woman cannot do anything without her husband’s involvement”.* A total of 11 respondents reported that they solely control income from their business. From the table it can also be seen that husbands or sons are not having sole control over the income of the women. All 27 respondents said assets acquired are jointly controlled by their husbands and themselves.

Table 17: Decision making over resources in business

Decision making	Decision for additional loan	Decision to save
Husband or son	1	0
Women and husband	8	18
Women	18	9
Total	27	27

To examine women’s roles in decision-making, the following questions were asked; who makes the decision to seek for additional loan; who decides when to save. The results presented above in table 17 shows that 18 respondents made the decision to request for additional loan on their own, while 8 respondents said the decision to request for a loan is made jointly with their husbands. This they said they could not do anything without their husband concern. One respondent sincerely said; *“My husband asked me to seek for additional loan to expand my*

enterprise. There were 18 respondents who claimed that the decision to save is jointly made with their husbands since traditionally they need to consult their husbands in everything they do. However, 9 respondents reported that they make their own decisions to save some portion of their money without any influence from their husbands.

Table 18: Change of productive and reproductive responsibilities of women after loan

Change of role of respondents	No. Of respondents
Yes	10
No	17
Total	27

From the group of respondents, 10 women respondents said that since they received the loan, it changed their responsibilities as women in the household (Table 18). As explained by one woman; *“My husband always asks me to pay the water bill and sometimes the school fees of the children.”* This was formerly done by their husbands alone but now their husbands also help in the house chores such as washing, cooking and bathing the children for school. During my data collection I observed a husband of one of the respondent washing clothes which the woman said it was regular practice of her husband. Majority of the respondents (17) said responsibilities in the household are still the same.

CHAPTER 5

ANALYSIS

This chapter analyses the results from chapter four and discusses against the literature review. The themes for discussions are in line with the themes of the results and answer the sub questions of the study.

5. Palm oil production process

This section analyses the findings presented in Chapter 4 on palm oil production process of women entrepreneurs in Kade. The main objective is to assess the interactions of men and women entrepreneurs in palm oil production as well as look at the constraints faced by the women in their enterprises. The above analysis will point towards approaches which can be taken to enhance the functioning of the microcredit scheme.

5.1 Interaction of men and women entrepreneurs in the palm oil processing business

The labour division of the women and men entrepreneurs indicated in Table 7 showed that women are actively involved in all the stages of palm oil processing except the pressing of oil where the men use equipment. This finding is in line with similar findings by Clancy and Skutsch (2005) in which they found a clear distinction in the division of labour according to gender relations assigned to men and women in an enterprise. It is also realised that the women work longer hours than the men operators. This is mainly due to the fact that all activities are carried manually out by the women. The typical division of labour where women have heavy workloads and spend long hours in working is attributed to the culture and society of Ghana which according to Yoshikuni (1999) has strictness in gender segregated division of labour in market based production. Although results of the study revealed that women do not have control over the mills and the machines, they however have equal access to them for their palm oil production. This slightly differs with the findings of Sarris (2002) who stated that certain social structures prevent Ghanaian women from having access equal to that of men, particularly to land, credit, an education and extension service which is stemmed from the tradition of society.

5.2 Constraints of women respondents in palm oil processing

5.2.1 Limited Finance

In discussing the constraints which the women group in processing palm oil are faced with, limited finance was mentioned as a major constraint which prevents them from expanding their business such as owning their own machines and processing mills and therefore depend on men operators and owners of mill to process their oil (table 8). This is in agreement with Abor and Biekpe (2006) who stated that lack of sufficient capital tends to affect small scale enterprises' ability to develop new products and services to grow so as to meet demand. Larsen and Lewis (2006) suggested that with sufficient capital small scale entrepreneurs could advertise heavily and build up stock to offer faster delivery and met larger orders. Another hindrance to access to credit from financial institutions is that most of the women lack the appropriate collateral. The credit scheme provides group loans as a way of addressing this challenge. The advantage of group loans according to Montgomery (1995) is the solidarity that they serve as collateral therefore the basis loans are allocated to group. Insufficient capital can lead to the closure of their palm oil enterprise.

5.2.2 Limited marketing opportunities

It is evidenced from the findings of field study that the majority of the women respondents sell their oil in the local market which is flooded with palm oil. This makes them have limited market opportunities. The women respondents mentioned lack of information on marketing as one of the reasons they have to explore other markets. According to Freel (2000) the shortfall in marketing, weaknesses in external information and linkages are factors that limit the competitiveness of women entrepreneurs. Poor marketing or networking opportunities among the women palm oil processors is due to the societal values where some Ghanaian women perceive networking with other entrepreneurs as a disadvantage, the reason being that they are lack confidence. The women are unable to produce oil more and increase their income as shown in table 13 and 14 is as a result of their limited marketing opportunities. This was also confirmed by the WB representative who stated that; *"The women need to market their products for profit and not additional credit"* He is of the view that marketing is the solution to this women's low income and productivity and so giving them additional credit will not benefit them.

5.2.3 Ownership of machinery

Ownership of machinery for palm oil production was observed and also mentioned by the women group as a constraint. It is realised that credit acquired by these women is insufficient to acquire processing machines as the prices of these machines according to the women ranges from \$10,000 to \$15,000 and are therefore faced with the option of processing their oil in processing mills where a fee is paid for the use of the machines. This is confirmed by a study conducted by CRED (2000) which states that the cost of processing machines is very expensive and beyond the reach of the processors. There is also need for machinery that can be easily operated by women. This is supported by UNIDO (2003) who argues that appropriate technology means a machine needs to be simple, effective, available, flexible, efficient and cost effective. As stated by another woman respondent; *"We do not have the machines and so we process our products in a mill that belonged to the chief and sometimes the machines breakdown which takes days to be repaired"*. This makes it difficult for them to satisfy customer demands. The WB representative mentioned that; *"If the women operate their enterprises in a business like way then they can be able to obtain credit to buy the necessary machine they need"*.

5.2.4 Quality Standards

Studies conducted by CRED (2005) revealed that processors lack the appropriate technical knowhow and knowledge to produce good quality palm oil. This observation is also true for women groups in palm oil processing in Kade as previously described under table 9 where processing of the oil is done traditionally and under unhygienic conditions. These conditions deter international customers from purchasing their products since they are not certified by the Food and Drug Board of Ghana. The acquisition of processing equipment can improve the quality of their products and increase production yields. The reason for their poor quality can be attributed to their level of education and training which does not allow them to expand their enterprises. According to the respondents, their business faces great competition from rivals in the palm oil processing sector such as Unilever. These operators have mechanised technology which results better quality palm oil products and also acquire certification from the quality standard board. It is also evidenced that the number of years in the palm oil processing (table 2) does not necessary mean they have the technical skills on quality standards and hygiene.

5.2.5 Educational status

All the key informants confirmed that entrepreneurship training and education in all aspect of business growth is what these women lack in their palm oil processing enterprise. Some of the

women respondents indicated that they have not had as much formal education as they had not completed all the years of formal schooling. According to literature illiteracy or semi-literacy among the majority of women in Ghana creates a further barrier to processing paperwork. Their level of education impedes them from presenting business plans and filling complex forms which is required by the bank for loan as confirmed by the loan officer of Kwaebibirim Rural Bank;

“The women are not able to present good business plan and entrust all loan transactions to their husbands due to their low level of education attained.”

The lack of education or training contributes to low self-esteem that is why the women rely on their husbands when it comes to business plans. This finding is in line with the study of Richardson *et al.*, (2004) which shows that many women in Africa have relatively low education levels and this makes it difficult for them to obtain money to start and grow their own business because they are unable to negotiate for loans from the bank.

5.3 Organisation of CBRDP scheme

Analysis of the loan process indicates that there is no training carried out on business management before the disbursement of the loan. Investigation proved that, apart from the bank facilitating the women with loans they also undertook training of repayment of their loan as indicated in table 8. However the women were given loans without first addressing their technical needs. Morris and Saul (2000) indicated that by addressing technical deficient capabilities of palm oil small entrepreneurs equips them with new knowledge and skills which result in improved production and marketing therefore enhancing incomes. The palm oil entrepreneurs will be able to secure markets for their products by producing high quality product as well as increase their production yield and productivity. As described in section 1.3, CBRDP has as one of its six components, Rural enterprise development and learning centres which has training in technical and management skills as one of its package. Looking at organisation of the microcredit scheme component shows that there is no similar package designed for micro credit beneficiaries.

The proactive nature of the project to reschedule their loan repayments lead to majority of the women to finish repaying as indicated in table 10. There is a direct relationship indicating that the higher the level of interest rate charged by the bank, the higher the probability of the clients defaulting in repayment of loan. This could also be attributed to their level of productivity and low level of income. Majority of the women respondents in table 11 claimed to save with the Kwaebibirim rural bank which according to the WB the project is to tie the women entrepreneurs to a bank so they develop a relationship with the bank based on regular saving and other bank transactions as confirmed by the WB representative who says CBRDP is not designed to be an on-going credit facility but to help the women entrepreneurs to establish a relationship with the bank. This is intended to help them repay their loans since money deposited in their account will be deducted to repay their loans.

According to majority of women an additional loan will be used to invest into new business which to them will increase their sources of income. Business like trading in meat and clothes are said to bring much income, the indication that CBRDP has requested for an assessment of their previous loan and purpose of the additional loan indicates the willingness to address the limited finance of the women entrepreneurs this interpretation is in line with the argument made by Khandker (1998), who states that assessment of microcredit schemes helps unravel the strengths and weaknesses of the micro schemes. The Key informants are of a different view

that the women do not need an additional loan but training on management skills and marketing which will help them build up savings against future loans.

5.4 Effect of CRBDP loans on the livelihood of women groups in Kade

Findings from the study on the effect of the loan on their livelihood of the women respondents shows that the majority of the women beneficiaries in the palm oil processing enterprise have significantly increased their level of production (table 13 and 14). However, the increase in production was not accompanied by an increase in income. This finding differs from the findings of Johnson and Rogaly, (1997), which showed that obtaining microcredit increased the income of the recipient while enabling them to widen their activity and to increase the quantity of the goods they sell. An explanation for there being no change in income level for the women groups could be attributed to the fact that the women do not market their product outside their locality and depend on their local market which is flooded with many small palm oil operators resulting in low prices. The significant increase in production was as a result of the fact that the women used their money to purchase more palm fruits but are not able to sell their oil at a reasonable profit due poor marketing of their oil. The number of years in business (table 2) these women have attained in their business does not reflect on their level of productivity.

Their inability to make profit that could increase their level of income has resulted in there being no improvement in their lives of the women respondents as was shown in table 15. The reason why the women cannot see any improvement in their lives can also be the fact that their income are spent on their family as indicated in table 5 which is supported by a statement by one respondent who said that; *"Income from the business is used to support the children"*. This statement endorses the study done by Tripp, (2001) who states that expenditure studies done in various parts of Ghana have shown that women consistently spend more of their incomes directly on children and other household supplies. Although the women claim not to have seen any improvement in their lives, further probing of the respondents revealed that some of the women had been able to take their children to higher levels in education. This finding shows that the women do not regard higher level of education as an improvement in their lives. The reason why the women do not see education of children as improvement is attributed to the long time benefits in education which it is a gradual process of improving the standard of living. The loan officer at the rural bank had a different view from the women as he argued that because some of the women have been able to further the education of their children through to higher education levels such as nursing training school and universities, this should therefore be seen as an improvement in their lives. However it can argued that some of the women have additional source of income as was shown by findings described table 6.

An analysis of the status of productive assets in relation to the CBRDP loan shows that the women have had limited success in acquiring the assets. As previously discussed in section 5.1 this according to the women arises from the fact that the loans are not adequate for buying assets such as machinery. It can therefore be seen that there is need to design credit packages that bring meaningful improvements in the standard of living of recipients. This allow for one to agree with the argument by Pitt and Khandkar (1995) where they stated that credit to women has positive effects such as it increases women's asset holdings and is a significant determinant of total household expenditure which shows an improvement in the standard of living.

5.5 Change in gender responsibilities in households of the women respondents after the microcredit

Findings from the study indicate that more than half of women respondents claimed that the control of income generated from the business were by both women and their husbands (table 16). The basis for this is that the husbands had provided the 10 % own contribution which was deposited into the group account before disbursement of the loan. The women therefore involve their husbands in decision making on savings and also on the request for additional loan. Sebstad and Walsh (1991) made similar findings in their study where they observed that husbands of participants of microcredit scheme try to control income from their wife's business. The women however were in agreement that before the loan, their husbands would make all the decisions on issues to do with finance. This situation was similar in the case of assets acquired with the joint effort of the women and their husbands. Women who had not involved their husbands in the process of acquiring the loan indicated that they the ones with control of income from their enterprise although control of assets in households was by both partners for the same reason given above. According to Ackerly (1995) the impact of microcredit is higher when women actually control the financial resources acquired in their name. Increased control is likely to contribute to women's empowerment which will boost their self-confidence, facilitate women's entrepreneurship, assist women in their reproductive tasks and ease their repayment burden. The decision to request for additional loan for the majority of the respondents was made without involving their husbands which might result in a change in decision making if these loans are approved whereby women could now be having sole control over income from their business.

According to Clancy and Skutsch (2005) women are obliged to carry out certain duties and tasks in order to ensure the survival of the household, in addition to their reproductive responsibilities; women are expected to carry out productive task to generate income. The above statement by Clancy and Skutsch can be related to the findings of this study where it is also realised that the women have dual responsibilities such as their palm oil business and paying utility bills to ensure the household survival which differs from the past where it was the sole responsibility of men to provide for the needs of the family. However, the women have directed the little income generated from their business mostly to meeting household requirements instead of investing in their palm oil enterprise as was stated by Sweetman (2001) who mentioned that, *"A woman who makes a small profit would be expected by a financial institution to re-invest it in her business. However, family needs may force her to use the profits for food, fuel, or school fees."* The reason could be that the women are now seen to be financially sound after the microcredit intervention and can assist their men in maintaining the household which according to Wright (2000) allowing women to borrow gives them the chance to gain fiscal power within the household which also gives them more status in the society.

The reproductive responsibilities of majority of these women respondents had not changed as indicated in table 18. However results in table 18 also show that there is also a considerable number of respondents who admitted that there was change in responsibilities in households. The women further stated that the household chores are now shared among themselves and their husbands. This differs with the argument made by Vengroff and Creevey (1994) that microcredit have negative impact of increasing workloads of women. The women explained that after the credit was given to the women the men assist them on their multiple tasks so that they can concentrate on the business. On the suggestion that the men could be doing this because were also interested in the money of their wives, the women agreed that this was a possibility.

5.6 Approaches to enhance functioning of microcredit scheme

It was realised that the majority of these women respondents have not finished repaying their loans as indicated in table 10 but wanted additional loans. The reason given was that they needed the loans to repay their debt at the bank whilst others said they want to expand their business as indicated in table 12. From this study it shows that the women palm oil processing business is not making enough profits that will let them repay their loan. This agrees with Sivakamasundari (1995) who stated that women's enterprises are of low investment, low returns, low growth and low skill. Despite this constraint in loan repayment, the response given by women that they required the additional loans to repay their debts with the bank supports the idea by Khandker, (1998) who in a study in Bangladesh found that women have had particularly low rates of loan default than men.

As suggested by the key informants CBRDP could support the group with training in financial literacy and business management, to help them understand what they need to do to operate their businesses successfully and when to save and borrow. This approach has a potential for enhancing the functioning of the scheme whereby beneficiaries will be expected to experience an improvement in their livelihoods. This is supported by Simpson *et al.*, (2002) who stated that the success of a business depends on education and training. They noted that training needs to include marketing, financial and business planning, personal development and self-confidence building.

According to the WB representative there are two issues that may be more important than credit when dealing with women's palm oil processing groups;

"Marketing is often their primary constraint, not credit. If they were selling more, they might not need credit. If borrowing is just to keep buying palm nuts for processing but they cannot sell the oil, then they will not be able to repay the loans".

Marketing is important for business growth as stated by Liedholm and Mead, (1998) who stated that access to markets is a major constraint to entrepreneurs that is entrepreneur's faces difficulties when it comes to finding suppliers for the needed inputs and buyers for their products. Marketing of their products on both regional and national markets can open up their business which will give them profit.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusions

The focus of this study was to assess if another loan would benefit the women in their palm oil processing and lead to an improved standard of living. This chapter draws conclusions by answering the main question leading to recommendations based on the findings from the study.

Interaction of men and women entrepreneurs

After being given the CBRDP loan, women palm oil entrepreneurs in Kade community are still not owning any palm oil processing machinery but have access to machinery owned and controlled by men entrepreneurs. Division of labour is mainly along gender lines with women carrying out less strenuous work whilst men operate machinery requiring physical strength.

Constraints

Although the women had received the loan from the scheme, they still remain financially insecure as they are unable to purchase processing equipment and infrastructure.

The loan given to the women groups did not result in any significant changes in the marketing system for products produced by the women. The women palm oil entrepreneurs have not been able to penetrate into possible lucrative regional and international markets due to product quality and limited access to market information.

According to findings of the study, it can be concluded that entrepreneurship training and education in business expansion is lacking in the palm oil groups in Kade community. The CBRDP micro credit scheme is not incorporating in its loan package training in financial literacy and business management which would have benefited to recipients of the project loans.

Organisation of scheme

It can be concluded that the loan has resulted in an improvement in the relationship between the bank and group members of the women entrepreneurs in palm oil processing in Kade. Savings with the bank is long term benefit for the women groups in which they are building a track record with the institution which can be used as security against future loans as they intend to become fully commercial.

The choices selected on the purpose of the additional loan by the women groups in Kade are made without evidence of proper business planning and analysis and from this it can be concluded that training in business management techniques is highly required for these women.

Effect on income and assets

The income of most of the palm oil women group members did not improve after being given the loan. Production of palm oil improved for most of the palm oil entrepreneurs. The conclusion drawn from this is that the increase in production did not translate into increased income due to depressed local market prices.

Improvements in productive assets were only realised after combining income from the palm oil processing with income from the husbands of the married group members.

Reproductive and productive responsibilities

There has not been a significant change in gender responsibilities of the women after taking the loan. The women are still having the influence of their husbands in the control of income and assets in the palm oil business. Responsibilities in the household have changed with women now being involved in also paying for household bills.

Proposed approaches for a successful microcredit scheme

From the study the following approaches were identified for CBRDP's microcredit scheme for additional loans:

- Women should be encouraged to mobilise for financial resources both as individuals and in groups.
- Training needs on business management and marketing strategies
- Training on quality standards of palm oil and mechanization of operations
- Identifying more market avenues for the women both national and international
- Appropriate technology for women to process their products.

These approaches will be elaborated in the recommendations for additional loans.

6.2 Recommendations

From the findings of this study, it was also known that the CBRDP's Rural Enterprise Development and Learning Centre component is not linked to the microcredit scheme. All the suggested approaches for a successful microcredit scheme are embedded in the Rural Enterprise Development and Learning Centre (REDLC) component.

It is from this background that the linking of the component REDLC to the microcredit scheme is recommended so that the two components work hand in hand to increase their income generated from the palm oil processing. It is also important for the project to take into consideration the appropriate loan size for their beneficiaries which matches their needs and interest rates should be realistic from the rural banks so they repay in regular and immediate periods.

It is known from the research that the women group entrepreneurs need additional loans to repay their debt and have not attained much benefits both immediate and long term as illustrated in the conceptual framework in figure 1. From literature, for an individual to be considered to have benefited from a microcredit scheme, one needs to get permanent tools of empowerment which would result in business growth that will translate into improved livelihood. Findings from the study reveals that the most important needs of entrepreneurs such as business literacy and productive assets were not met by the CBRDP microcredit scheme, therefore, these women group entrepreneurs have not had a long term benefit.

Unless the subsequent loan is designed to address the following proposed recommendations, beneficiaries will not see the benefits from the microcredit scheme but continue to request for loans without making an impact in their livelihoods.

- **Regular training on business management:** The women should be taken through training on business management training on regular basis. Some elements of business management to be trained on are simple book keeping, recording keeping of business activities such as travelling expenses, cost incurred in oil processing among others. They should also be trained in preparing a simple business plan for loans. Apart from

training on business management an educational package should be developed for the women that will raise their self-confidence and esteem this package should entail conflict resolution, environmental hazards and prevention and control of malaria in the household.

- **Regular group interaction and participation in meetings and workshops will broaden the attitude of the women:** They will benefit from regular interactions with facilitators and other groups from outside Kade and exposed to cities such as Kumasi and Accra through this interactions they will have more ability to make their own choices and improve on their self-esteem, self confidence and negotiation skills. All these benefits will be gained after the end of the project.
- **Training on quality standards:** The women should be trained on techniques on improving the quality of oil for regional and international markets by the Quality Standard Board. Institutions like Unilever should be a mentor for them in guiding through the preparation of palm oil on large scale taking into consideration the organic and fair trade standards. The training topics proposed to be covered are hygienic processing methods, quality control of the oil, packaging and hygiene at work.
- **Identifying market opportunities both national and international markets: Marketing is known to be an essential tool for business growth:** The women entrepreneurs in their own ability should keep networking for market after CBRDP has introduced them to available markets through organisation of periodic trade fair.
- **Appropriate machines and mechanised operations should be provided for women to process their palm oil:** Technologically, machine design and development should be conscious of the need to preserve and enhance women's responsibilities in the palm oil processing so women become self reliant in their enterprises. The processing machines should be simple, affordable, durable and user friendly to women. They should be trained on its usage, maintenance and repairs which will prolong the life of the machines. A mechanised model operating mill should be established for these women entrepreneurs to service as a centre of excellence for the community and train other women who wants process oil in a mechanised methods. The complete mechanised processing mill is made available and utilised; five hours of time can be saved which will contribute to improvements in household such as more improved health, entertainment and increased attention to other income generating activities.
- **The women should be encouraged to mobilise for financial resources both as individuals and groups:** the project should through its training programmes encourage mobilisation of financial resources from all practicable sources, such as personal savings, rotating saving and credit groups, group savings and community savings. The women entrepreneurs in palm oil processing should become part of some savings committee, putting aside some income into a savings scheme that gives them an occasional interest free capital as the funds revolve around the contributors.

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Annex 1 Summary of individual responses to questionnaire of women respondents

Women Respondents	Age	Marital Status	No. of years in business	Educational Status	Dependency size	Additional of source income	Effect of the loan on income	Purpose for additional loan	Effect of the loan on standard of living	control of income and assets from the palm oil activities		Change of Role of respondents	Repayment
										Income	Assets		
Group 1 Atta women group													
1	30	M	5	PS	4	PT	Same	RepayLoan	No.Impr.	W	WM	No change	Repaid
2	40	M	7	PS	6	SSF	Same	Bus.Expan.	No.Impr	WM	WM	Change	Repaid
3	42	M	8	SS	7	none	Same	Bus.Expan	No.Impr	WM	WM	Change	Not repaid
4	37	M	7	PS	4	none	-	RepayLoan	No.Impr	WM	WM	Change	Not repaid
5	35	M	5	PS	5	PT	Same	Bus.Expan	No.Impr	W	WM	No change	Not repaid
6	34	M	6	PS	3	PT	+	Bus.Expan	No.Impr	W	WM	No change	Repaid
7	46	M	9	PS	8	SSF	Same	RepayLoan	No.Impr	WM	WM	No change	Repaid
8	39	M	7	SS	4	none	Same	Bus.Expan	No.Impr	W	WM	Change	Repaid
9	30	M	5	AE	4	SSF	Same	RepayLoan	No.Impr	W	WM	No change	Not repaid
10	37	W	7	AE	5	PT	Same	Bus.Expan	No.Impr	WM	WM	No change	Repaid
Group 2 Adom women group													
11	45	M	9	AE	7	none	Same	Bus.Expan	No.Impr	WM	WM	Change	Not repaid
12	35	M	5	PS	6	PT	Same	Bus.Expan	No.Impr	W	WM	No change	Not repaid
13	44	M	7	PS	3	PT	+	RepayLoan	No.Impr	W	WM	No change	Repaid
14	32	M	5	SS	5	none	Same	RepayLoan	No.Impr	WM	WM	Change	Not repaid
15	43	M	8	PS	6	none	Same	RepayLoan	No.Impr	WM	WM	No change	Repaid
16	31	M	6	SS	5	SSF	-	RepayLoan	No.Impr	W	WM	No change	Not repaid
17	48	M	10	PS	8	none	-	RepayLoan	No.Impr	WM	WM	Change	Repaid
18	39	M	6	AE	5	SSF	Same	Bus.Expan	No.Impr	W	WM	No change	Repaid

Group 3 Kade women group													
19	33	M	5	SS	4	none	Same	Bus.Expan	No.Impr	W	WM	Change	Repaid
20	45	M	7	AE	6	SSF	Same	RepayLoan	No.Impr	WM	WM	No change	Not repaid
21	36	M	6	SS	3	none	-	RepayLoan	No.Impr	WM	WM	No change	Repaid
22	41	M	7	SS	6	SSF	Same	Bus.Expan	No.Impr	WM	WM	Change	Not repaid
23	35	M	6	SS	5	none	Same	Bus.Expan	No.Impr	WM	WM	No change	Not repaid
24	39	M	7	AE	5	none	Same	RepayLoan	No.Impr	WM	WM	No change	Repaid
25	38	M	7	SS	7	SSF	Same	RepayLoan	No.Impr	WM	WM	No change	Repaid
26	34	M	5	SS	6	-	-	RepayLoan	No.Impr	WM	WM	Change	Not repaid
27	40	M	8	AE	5	SSF	Same	Bus. Expan	No.Impr	WM	WM	No change	Repaid

Keys: SS- senior school

AE- adult education

WM-women and men

M- married

SSF- Small scale farming

Bus.Expan- Business Expansion

W- widow

W- women

PS- primary school

PT- petty trade

+- Increase

- - decrease

No.Impr- no improvement

Annex 2 Semi structured questionnaire

Introduction

A. Background data of respondents

- Name of the enterprise _____
- Location of Business _____
- How old are you? a) 24-29 [] b) 30-35 [] c) 36-40 [] d) 41-45 []
- What is your marital status? a) Single [] b) married [] c) divorced/ widowed []
- How many dependants do you have? a) 1-5 [] b) 6-10 [] c) 11-above
- How many years have you been in palm oil production? a) 1-4 [] b) 5- 8 [] c) 9-12 []
- Educational Background: a) Primary education [] b) Secondary education [] c) Other (please specify)
- What is the additional source of income? a) Petty trading [] b) farming [] c) none [] d) Others.....

Effect of CBRDP's credit on the women palm oil processors in Kade

- How much do you produce in day before _____ and after the loan _____
- From the time you got the loan has your household income increased [], decreased [] or stayed the same []
- What do you need the additional loans for? 1. Expansion of business [] 2. Investment into new business [] 3. For personal household maintenance [] 4. others _____

Effect of the loan on productive assets in palm oil processing enterprise

- Have you used your income to acquire any physical assets? If yes, what type of assets? If no why?
- What benefits did you enjoy from the CBRDP microcredit scheme?

Effect of the loan on their standard of living

- Has the credit improved on your standard of living? a) No improvement b) moderate improvement..... c) major improvement..... Explain

Control of income in the household

- Who controls income and assets in the business? a) Husband b) Beneficiary c) both husband and beneficiary d) others and explain
- What is the role of men and women in the oil palm processing?
- Has your role as woman in the household changed after acquiring the credit? No..... yes..... give reasons

Decision making over resources in the home

- Who decides when to save money? a) Husband or son b) beneficiary c) husband and beneficiary d) others give reasons.....
- Who makes the decision to seek additional loans? a) Husband or son b) beneficiary c) husband and beneficiary d) others give reasons.....

Annex 3 Check list for Zonal Officer, Loan Officer of Kwaebibirim Rural Bank and World Bank Official for the scheme

- How is CBRDP's scheme operated?
- Do you think the credit is able to increase the income of the women and improve their life? If yes, explain.
- What are some of the problems you face when giving credit to women entrepreneurs?
- In your view what can be done to improve the CBRDP's credit scheme on women entrepreneurs?
- What is the project's strategy for women who want additional loans?

Annex 4 Check list for focussed group discussion

- What are the activities involved in the palm oil processing?
- What role do women and men play in the palm oil processing activities?
- What are the prices incurred in the processing?
- Who has control and access of resources and benefits from the palm oil processing activity?
- What are the constraints women entrepreneurs experienced in their palm oil processing business?