

## WOMEN ENTREPRENEURS IN THE INFORMAL SECTOR AND INTEREST IN FORMAL INSTITUTIONAL CREDIT

GhanaGhana  
MADONNA AFIBA D...



### Organization type:

nonprofit/ngo/citizen sector

Project Stage:


Idea

### Budget:

\$10,000 - \$50,000

Website:

<http://www.centralian.com/aboutus/mdolphyne.htm>

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### Project Summary

#### Elevator Pitch

**Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.**

The organization was established for the purpose of facilitating Micro-finance Institutions, MSME & SME's

#### About Project

**Problem: What problem is this project trying to address?**

In many developing countries such as Ghana the vast scale and rate of the informal sector presents a dilemma and a challenge for Governments, Social Partners and the Civil Society alike. The informal sector encompasses employment situations which not only differ from those in the formal sector, but also infringe upon established rules and laws. A challenge, as it absorbs a large and growing fraction of the labour force and provides a "safety net" for the poor, finding themselves excluded from formal employment and income opportunities. . Access is particularly low for rural people and in certain parts of the country. Needs for Credit access are mostly urgent among micro and small rural entrepreneurs, many of whom are women.

**Solution: What is the proposed solution? Please be specific!**

My mission is to enhance the advancement and empowerment of women in the informal sector through the provision of Savings and Credit facilities and other technical support especially giving direct financial service through Saving Mobilization and Granting of Credit/Loans to marginalized women, groups particularly women in small-scale business. • To motivate marginalized groups, women to have access to the much needed credit and cash to enable them improve upon their productive capabilities their various enterprises for sustainable development. My clientele consists of small sale women entrepreneurs' majority of who engage in small sale enterprises such as agriculture, food-processing, marketing among others like "Makola Women/Traders" fishmongers, bakers. The client becomes eligible to apply for a Loan after saving regularly for at least six months after satisfying all lending requirements minimum and maximum Loan maturity period ranges from 3 months to 12 months respectively

### Impact: How does it Work

**Example: Walk us through a specific example(s) of how this solution makes a difference; include its primary activities.**

Organizing programs as detailed below: • Close targeting of the most needy borrowers • Decentralizing loan delivery and management systems through intermediary institutions or parallel banking system • Group formation to ensure financial discipline and • Support systems to enhance productivity Offering primarily short-term working capital loans • Having a turnaround time for loan approval of less than 2 weeks • Providing services close to borrowers home or work • Charging interest rates significantly above rate of inflation and • Having lower salary levels than financially less viable programs

#### Sustainability

##### **Marketplace: Who else is addressing the problem outlined here? How does the proposed project differ from these approaches?**

My peers and competitors in the market are Women World Banking;Ghana Mutual Assistance Susu Limited {SUSU} under the Non Financial Banking Institutions {NBFI} PNDL.328;Rural Banks and Non financial Institutions

#### Team

##### **Founding Story**

As an Expert in the adoption of small scale enterprises I observed that Micro enterprises have been seen as having particularly advantages for women: e.g. their flexibility and location in or near women's homes, ease of entry and links with the local markets. Supporting their entrepreneurship is seen as having important "trickle down" effects on wider poverty alleviation and gender equality. Female entrepreneurs have been given particular characteristics developed partly as strategies to overcome economic and other discriminations • The use and investment in social networks • A greater reluctance to take risks; and • A tendency to diversify in order to minimize risks With the growing role of female micro enterprise {informal sector} women will need to rely on the success of these strategies looking at the constraints they face and I chose to see this solution as a potential to change the world

#### About You

##### **Organization:**

Centralian Consulting Foundation, Takoradi, Ghana

##### About You

###### **First Name**

MADONNA AFIBA

###### **Last Name**

DOLPHYNE

###### **Twitter URL**

###### **Facebook URL**

madonna.dolphyne

##### About Your Organization

###### **Organization Name**

Centralian Consulting Foundation, Takoradi, Ghana

###### **Organization Country**

, WE

###### **Country where this project is creating social impact**

, WE

###### **How long has your organization been operating?**

More than 5 years

###### **Has the organization received awards or honors? Please tell us about them**

N/A

The information you provide here will be used to fill in any parts of your profile that have been left blank, such as interests, organization information, and website. No contact information will be made public. Please uncheck here if you do not want this to happen..

#### Innovation

##### **How long have you been in operation?**

Operating for more than 5 years

##### **Which of the following best describes the barrier(s) your innovation addresses? Choose up to two**

Cost, Quality.

**Please describe the goal of your initiative; outline what you are trying to achieve**

This Project seeks to promote growth and reduce poverty in Ghana amongst rural women, broadening financial mediation in the informal sector by strengthening operational linkages between women and Formal Institutions and Rural Community Banks and building their capacities. The components will focus on strengthening rural women's operational effectiveness; logistics finance technical assistance needed to implement and providing support to the women

**Which barrier(s) to financial inclusion does your solution seek to address? (select all applicable)**

Physical and other accessibility obstacles that prevent communities from reaching financial services, The lack of affordable financial products tailored to the needs of underserved and excluded communities., Powerful incentives for financial service providers to move up-market.

**If you selected 'other' above, please specify which other barriers to financial inclusion your solution seeks to address:  
For which underserved or excluded communities will your solution create access to valuable, affordable, secure and comprehensive financial services?**

TO ALL RURAL COMMUNITIES IN ALL TEN REGIONS IN GHANA

**Could your solution work in other geographies or regions? If so, where?**

Yes my solution can work in other geographies or regions because The plausibility of these assumptions is largely borne out by empirical evidence of the positive effects of Lending/Credits on the livelihood of poor women especially in Africa

- A study from Ghana 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 micro finance circuits

Credit to women has positive effects on the schooling of girls, it increases women's asset holdings and is a significant determinant of total household expenditure

Enhanced women's empowerment such as increased self-confidence and better cooperation with neighbours has also been observed in Thailand

**If your solution is dramatically successful, how will things be different in 10 years?**

It seems obvious that the impact of credit services to women to women entrepreneurs in the informal sector in 10 years time will be 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
- To ease their repayment burden

**What will have had to have changed to make this happen?**

A "more efficient and continuous supply of financial services that allow women micro entrepreneurs to take advantage of economic opportunities stressing institutional viability

- reducing cost due to increased efficiency in financial technologies
- emphasizing market knowledge which lead to better knowledge of customers characteristics and financial technologies
- using concepts of micro finance which over both the enterprise and household sphere

**What has been the impact of your solution to date?**

I will seek to strategically position women to access opportunities and ensures women organizations and networks will become aware of their roles and responsibility better and also work for the realization of goals of the various associations and individual aspirations of their members

The women will acquire skills to enhance their capacity to lobby and network on behalf their members

The women will also acquire skills to enhance their capacity to lobby and network on behalf their member sector and enhance the growth of their institution.

**What is your projected impact over the next five years?**

It is widely assumed that Credit or Lending will have a positive impact on women's livelihoods in leading to higher income that will help women to better perform their reproductive role as

- brokers of health, nutritional and educational status of other household members
- increasing women's employment in micro enterprises and in improving the productivity of women's income-generating activities
- enhancing their self-confidence and status within the family as independent producers and providers of valuable ash resources to the household economy

**What barriers might hinder the success of your project? How do you plan to overcome them?**

Small enterprises in Ghana typically cite lack of access to finance as an important constraint on their operation. This lack of access is often associated with financial policies and bank practices that make it hard for banks to cover the high costs and risks involved in lending to women entrepreneurs in the informal sector.

I plan to encourage banks and make efforts to lobby with banks to improve the incentives and skills of bank staff in dealing with small clients and to make the credit line available. Substantial widening of access to credit by small enterprises is most likely to come from new banks that are tailoring their operations to develop new, smaller clients

**Winning entries present a strong plan for how they will achieve and track growth. Identify your six-month milestone for growing your impact**

Identify three major tasks you will have to complete to reach your six-month milestone

**Task 1**

Needs Assessment stage

**Task 2**

Its development/Implementation

**Task 3**

Monitoring & Evaluation

**Now think bigger! Identify your 12-month impact milestone**

Identify three major tasks you will have to complete to reach your 12-month milestone

**Task 1**

Conducting a Needs Assessment/Survey

**Task 2**

Intervention Area #2: Deepen Outreach to Rural Areas for rural women

**Task 3**

Information campaigns, monitoring & Evaluation and Reporting to be done

Sustainability

**Tell us about your partnerships**

1. Workshop for women entrepreneurs with turnovers \$500,000 to \$1 million at the Guest House Maggi, Western Region and trained them in Business Management.
2. Organisational Building, Sensitization and Mobilisation of SMEs on association usefulness, Creation of Sector Associations of ASSI, Establishment of Business Advisory Service, Capacity Building

**Are you currently targeting other specific populations, locations, or markets for your innovation? If so, where and why?**

RURAL SETTING AND MICRO FEMALE ENTREPRENEURS IN GHANA

**What type of operating environment and internal organizational factors make your innovation successful?**

Overall Goal

To substantially enhance performance of the microfinance in the western region of Ghana sector by establishing a growing, vibrant and sustainable market of microfinance product/ service users, providers, and suppliers of capacity building support for rural women micro entrepreneurs.

1.2. Objectives and outputs

The strategies are recommended with the key objectives of:

- (i) Increasing outreach (depth and breadth)
- (ii) Increasing product development/ innovation
- (iii) Building the internal capacities of MFIs to grow sustainably
- (iv) Enhancing the business and financial awareness of the population
- (v) Enhancing beneficial industry cohesion/ collaboration.
- (vi) Securing coordinated financial support for the industry.

**Please elaborate on any needs or offers you have mentioned above and/or suggest categories of support that aren't specified within the list**

Unless micro-finance has a strategic vision for poverty elimination it risks being merely a means of shifting the costs of development onto poor people, particularly women.

**Source URL:** <https://www.changemakers.com/financialinclusion/entries/women-entrepreneurs-informal-sector-and-interest-formal#comment-0>