

## ECONOMIC EMPOWERMENT OF RURAL WOMEN IN NORTHERN GHANA THROUGH INDIGENOUS RURAL ENTERPRISES

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### ABSTRACT

Women in Northern Ghana are engaged in unpaid family labor which makes them financially handicapped yet they remain a major force behind the upkeep of their households as their husbands do little about the development of the households. This study sought to identify the most lucrative indigenous rural enterprises that can financially empower women in Northern Ghana to promote development of their households. Twelve communities in the Nadowli District were purposively sampled. Ten households in each of the selected communities were randomly selected for the study. The study revealed that most of the women were illiterates and as a result were not absorbed into formal employment. They earned incomes from indigenous rural enterprises which were far lower than their expenditures. The indigenous rural enterprises identified were dawadawa processing (fermented dried seeds of the African locust bean *Parkia biglobosa*, usually pressed into balls to prepare condiment very rich in protein and used as a natural sauce for preparing stews, soups, barbecue etc.), shea butter extraction, charcoal burning, pito brewing, and groundnut production. A combination of dawadawa processing and groundnut production was found to be the most lucrative venture followed by a combination of dawadawa processing, groundnut production and charcoal burning, then dawadawa processing and sheabutter extraction. The single most lucrative indigenous rural enterprise was dawadawa processing followed by pito brewing. Very few women, however, were found to be engaged in these lucrative enterprises. It could be concluded that the women could not raise enough revenue from their economic activities due to their inability to identify the most lucrative combination of indigenous rural enterprises.

**Keywords:** Northern Rural Ghana; Indigenous Rural Enterprises; Benefit-Cost; Sensitivity Analyses; Dawadawa

### INTRODUCTION

Women in Africa represent 52 percent of total population, contributing approximately 75 percent of the agricultural work, and produce 60 to 80 percent of total food. Yet they earn only 10 percent of African incomes and own just 1 percent of the continent's assets. These numbers indicate the tremendous challenges women face on their road to gender equality (Negash, 2006).

Traditionally, married women in rural Ghana are customarily required to give helping hands to their husband's in farms. The proceeds however belong to the men who have control over the farm income. Men in Northern rural Ghana do not consider the development of the household as a priority. Women are, however, a major force behind the upkeep of the household. This

mounts undue financial pressure on the women who have less or no financial strength to provide the need of the household. They use several means to provide clothing, health care, and education to the household. These financial challenges often compel women and sometimes their female children to migrate to urban centers to seek greener pastures. This exposes them to several vices that ruin their lives. These people then become liabilities to their communities.

Women are the primary source of Agricultural labor throughout Africa. They till the land and grow crops that are necessary to feed their families, but women rarely own land outright. Their right to use land is tied to their status as wives. This separation of unpaid labor and ownership makes women extremely vulnerable economically (Brown & Kuenyehia, 2003). As a result most women in Northern Ghana who are mostly the bread winners of their households are not financially empowered. According to Davidson and Burke (2004), a considerable part of women were unpaid assistants in the family business. This type of employment is particularly unfavorable because it makes women dependent on family members, usually men. The study has then been designed to find out what rural enterprises are lucrative to empower women in Northern Ghana to enable them to overcome their household financial challenges.

### **Women's Role in Developing Rural Households**

Empowerment has several meanings, according to Caribbean Community (CARICOM, 2009) empowerment is the enactment of legislation which guarantees equal access to opportunities and resources and equal protection under the law. It added that empowerment ensures women's access to education, knowledge, and skills which are critical to improving the ability of women to achieve potential for themselves, their families, and communities. Kabeer (2007) describes women's empowerment as the process by which those who have been denied the ability to make strategic life choices and acquire such ability. Empowerment defined by these actions implies improving the status of women through the expansion of personal choice and creation of conditions which promotes the achievement of economic independence. This economic independence is a core objective of empowerment and a critical element in the fight against poverty and social disintegration. Although poverty is not peculiar to women, the burden is undeniably heavier. As the main providers in an increasing number of households, women have to carry the financial burden of their household in addition to providing emotional and psychological support, a double burden which makes it difficult for women to free themselves from the despondency of poverty.

In societies, women are generally both producers and care givers. They service the household with food, cleanliness, clothing, and in many cases water and fuel (Vickers, 1991). These jobs done by women are not assigned any economic value and their expansion is, therefore, taken for granted in times of economic adjustment. According to Connell (1994), in low income households, women earned income and their ability to stretch this and other resources is vital to the survival of many households. Thus whilst access to and control of cash is an issue of acute power struggle between men and women when income is scarce and the welfare of household members is at stake. When cash is short the stress of coping falls disproportionately on women who are likely to deny their own needs in the interest of others.

Kuenyehia (1998) stated that women might own crops, however, any assistance from the husband or children would however make these crops her husband's. She also added that by customary law it is the domestic responsibility of a man's wife and children to assist him in carrying out of the duties of his work of life. For example, farming or business proceeds of joint effort from man, wife, or children and any property which the man acquires with proceeds are, customarily of the individual property of the man.

Women's care-giving obligations at home in conjunction with the obligation of the work place reinforce poverty in two ways. First, they leave women exhausted without time for self-development activities which would be important in improving income-earning capacity and secondly, the obligations of care-giving also forces women to elect employment which is poorly paid but offers conditions compatible with child care and household obligations. In other words, women choose low paying jobs which allow them more time to take care of their families. However, by choosing these jobs, their scope for improving their lives and that of their families is reduced.

The structure of society itself is standing in the way of the economic transformation which is critical to the social progress we seek. The barriers which stand in the way of women making improvement in their lives are in fact barriers to social and economic progress of the society as a whole. The benefit of improving the status of women is felt throughout the society as women continue in their role as care-givers to families. Increased income controlled by women, gives them self confidence which help them obtain a voice and vote in household decisions such as domestic well-being decisions. For instance women tend to use income for more equitable decisions about sons, daughters diet, education, and health. When women have economic power they gain more equality and control over their own lives while contributing directly to their children's development and thereby indirectly to their household and nation's income growth (Negash, 2006). Women provide their household with clothing, water, and place to rest after the day's work. When they produce their food crops, almost all are consumed within the family (Brown & Kuenyehia, 2003).

### **Financial Empowerment of Rural Women**

Bovinic, Morrison, Ofose-Amoah and Joblom (2008) commented on the access to resources and opportunities domain, which refers primarily to equality in opportunities to use or apply basic capabilities through access to economic assets and resources as well as political opportunity. Without access to resources and opportunities both political and economic women will be unable to employ their capabilities for their well-being and that of their families, communities, and societies.

The heavy involvement of women in the informal sector is considered a matter of necessity rather than a choice, given the educational levels, resources, constraints, and domestic responsibilities. With the increasing need for women to earn income to enhance family earnings, women involvement in income generating activities has become more urgent. Women are empowered by providing women farmers with easy access to credit, adequate training and instilling in them the importance of saving. Also leadership workshops should be organized for women and should encourage them to take up leadership roles in the community. Female economic power enhances the wealth and well-being of nations. Women who control their own income tend to have fewer children and fertility rates shown to be inversely related to national income growth. Women are

also more able and generally more willing than male counterparts to send their daughters as well as sons to school even when they earn less than men. Women’s economic empowerment could ease corruption and violence, promote greater environmental sustainability, and through education contraception and lower fertility rates, help lower HIV/AIDS rates. Unless women’s economic security is strengthened, we will not be able to eliminate poverty, achieve gender equality, or realize any genuine progress on the UN’s stated Millennium Development Goals (Negash, 2006).

**METHODOLOGY**

**Sampling Method**

Nadowli District was purposefully used for the study since, according to Ghana Statistical Service (GSS, 2000) it is one of the poverty stricken districts in Northern Ghana. Purposive sampling was used to select twelve communities in the district to make sure that at least every corner of the district was fairly represented in the study. Probability sampling technique was then employed to select ten (10) households from each of the twelve communities for enumeration. The twelve communities selected are Serekpere, Goli, Goriyiri, Kaabogu, Nator, Papu, Owlo, Fian, Bussie, Moyiri, Dakpaa, and Touri. A comprehensive questionnaire that has been pre-tested was used to collect data at household levels targeting women who are responsible for supporting the upkeep and development of their households.

**Data Analysis**

The study employed both descriptive and inferential statistics in analyzing the data obtained from the field.

***Benefit–Cost and Sensitivity Analysis***

Benefit-cost analysis was used to assess the economic viability of the various indigenous rural enterprises. Benefit-cost analysis can be thought of as providing a framework for efficiency. It applies to a situation in which resources such as land, labor, and capital are deployed in their highest value uses in terms of goods and services they create (Boardman, Greenbery, Vining, and Weinmer, 2006). The benefit-cost ratio (B/C) was obtained by dividing the present worth of benefit (PWB) by the present worth of the cost stream (PWC).

$$B/C = \sum_{i=1}^{10} \left( \frac{PWB}{PWC} \right) \dots\dots\dots 1$$

The present worth of benefit was obtained as the product of the quantity (Q) of the commodity sold and the selling price (P) of the commodity.

$$PWB = \sum_{i=1}^{10} QP \dots\dots\dots 2$$

Since the analysis was done over a period of one year, the present worth of cost stream was obtained as the sum of total variable cost (TVC) and annual depreciation of fixed assets (AD).

$$PWC = \sum_{i=1}^{10} (TVC + AD) \dots\dots\dots 3$$

Sensitivity analysis was used to determine how much the ratio would change in response to changes in prices of outputs and cost of input. Knowledge of the sensitivity of the net present value to changes or errors in variables, according to Gittinger (1982) places entrepreneurs in a better position to decide whether the enterprise is risky or not. If the ratio is at least one (1)

after the sensitivity analysis then the enterprise is considered viable. The higher the ratio the more viable the enterprise is. The sensitivity analysis was done at 5% to determine the effect of changes in prices and costs on the economic viability of rural enterprises. This percentage change was chosen based on seasonal price fluctuations in primary products in Northern Ghana.

## RESULTS AND DISCUSSION

### Personal Characteristics of Women

Majority of women in the Nadowli District received no formal education therefore resulting in very few of them having formal employment.

**Table 1: Educational background of women**

<b>Educational Level</b>	<b>Frequency</b>	<b>Percentage</b>
Basic	39	32.5
Secondary	19	15.8
Tertiary	9	7.5
No Formal Education	53	44.2
<b>Total</b>	<b>120</b>	<b>100</b>

Source: Survey data, 2010 (Author)

Table 1 shows that majority (44.2%) of women did not obtain any formal education, 32.5% of them obtained education up to the basic level, 15.8% at the secondary level with 7.5% having education up to the tertiary level.

**Table 2: Employment status of women**

<b>Formal Employment</b>	<b>Frequency</b>	<b>Percentage</b>
Formal Employed	14	11.7
Traditional Employment	106	88.3
<b>Total</b>	<b>120</b>	<b>100</b>

Source: Survey data, 2010 (Author)

As a result of low educational background more than three-quarters, as indicated in Table 2, were not employed by the formal sector. They were rather engaged in indigenous rural enterprises with low working capital as indicated in Table 3.

**Table 3: Working Capital of Women**

<b>Parameter</b>	<b>Statistics</b>			
	Mean GH¢	Maximum GH¢	Minimum GH¢	Standard deviation
Working Capital	40.5	70	20	16

Source: Computed survey data, 2010 (Author)

From Table 3 the working capital of the women was low, ranging from GH¢20 to GH¢70.0. The mean working capital was GH¢40.5. With a low working capital base, women needed to engage in rural enterprises that are lucrative enough to make them turn over their working capital several times in a year in order to make them financially empowered.

### **Indigenous Rural Enterprise**

In trying to become financially empowered, women in the Northern rural Ghana engaged themselves in several enterprises including pito brewing, dawadawa processing, Shea butter extraction, groundnut production, charcoal burning, and various combination of these enterprises. Table 4 depicts the various combinations of these enterprises. From the table indigenous rural enterprises that employ women in the District were pito brewing, shea butter extraction, dawadawa processing, charcoal burning, and their various combinations. These women enter into these rural enterprises to generate income to support their households in terms of education, health, nutrition, clothing, and other supports because their husbands barely carry out their responsibilities.

**Table 4: Indigenous Rural Enterprises in Northern Ghana**

<b>Indigenous Rural Enterprises</b>	<b>Frequency</b>	<b>Percentage</b>
Pito Brewing only	21	17.5
Dawadawa processing only	9	7.5
Shea butter extraction only	4	3.3
Charcoal burning only	5	4.2
Groundnut production only	11	9.2
Pito brewing and sheabutter extraction	2	1.7
Pito brewing and groundnut production	8	6.7
Sheabutter extraction and groundnut production	4	3.3
Sheabutter extraction and charcoal burning	7	5.8
Dawadawa processing and charcoal burning	5	4.2
Dawadawa processing and groundnut production	1	0.8
Dawadawa processing and sheabutter extraction	1	0.8
Groundnut production and charcoal burning	5	4.2
Groundnut production and soap making	1	0.8
Pito brewing, dawadawa processing and groundnut production	2	1.7
Ptio brewing, groundnut production and charcoal burning	9	7.5
Pito brewing, sheabutter extraction and charcoal burning	1	0.8
Dawadawa processing, sheabutter extraction and charcoal burning	1	0.8
Dawadawa processing, groundnut production and charcoal burning	1	0.8
Pito brewing and charcoal burning	22	18.3
<b>Total</b>	<b>120</b>	<b>100</b>

Source: Survey data, 2010 (Author)

From Table 4 majority of the women(17.5%) were engaged in pito brewing followed by the dawadawa processing then the groundnut production, sheabutter extraction, and charcoal burning in that order as a single enterprise. Some of the women also engaged themselves in the various combinations of these enterprises. Prominent among them is the combination of pito brewing and charcoal burning which occupied 18% of the women followed by the combination of pito brewing, groundnut production, and charcoal burning representing 7.5% of the women. Pito brewing and groundnut production also employed 6.7% of the women, shea butter extraction and charcoal burning employed 5.8%. Dawadawa processes plus charcoal burning and groundnut production plus charcoal burning equally employed 4.2% of the women each.

### Annual Household Revenue and Expenditure

Women’s care-giving makes them spend a lot of money on their households, and to be able to meet these expenditures, they have to generate income. Table 5 indicates household revenue and expenditure made by the women.

**Table 5: Annual Household Revenue and Expenditure (GH¢)**

Parameter	Statistics			
	Mean	Maximum	Minimum	Std. deviation
Annual household income	288.8	600	0	57
Annual household expenditure	722.9	1,900	450	191

Source: Computed from survey data, 2010 (Author)

From Table 5, the mean household income and expenditure were GH¢ 288.8 and GH¢722.9 respectively. The maximum household income was GH¢600.00 with a minimum of GH¢0.00, the maximum and minimum household expenditure were GH¢1900.00 and GH¢450.00 respectively. It could be established that household expenditure was higher than household income. Though the women were engaged in rural enterprises outlined in Table 4 income obtained from these enterprises was not enough to meet their household financial needs.

To meet the financial needs of the household, some of the women (21%), as is shown in Table 6, received financial support from their husbands. Women who were not given that support relied on other sources of income to supplement household revenue. They did so by sending their female children to southern Ghana to engage in ‘kayayoo’ (name given to the thousands of women and girls from Ghana's barren north who travel south to find work as porters in city markets. They make the journey to escape a place where meager subsistence farming is the primary occupation)

**Table 6: Financial Support from Husbands**

Financial Support by Husbands	Frequency	Percentage
Support	25	20.8
No Support	95	79.2
<b>Total</b>	<b>120</b>	<b>100</b>

Source: survey data, 2010 (Author)

The support husbands gave to 21% of the women was in the form of providing education, feeding, clothing, and health needs of their household.

### **Economic Viability of Indigenous Rural Enterprises in Northern Ghana**

The study has identified several indigenous rural enterprises. This section looks at the economic viability of these enterprises and how they can be combined to improve the incomes of women in Northern Ghana.

Table 7 indicates that some of the enterprises were more lucrative than others. The analysis has revealed that dawadawa processing combined with groundnut production was the most lucrative venture. Groundnut production alone breaks even while dawadawa processing only has a benefit-cost ratio of 1.4. A combination of the two enterprises gives the highest benefit-cost ratio of 1.7. The next lucrative combinations of enterprise were dawadawa processing plus charcoal burning, and dawadawa processing plus shea butter extraction. Each of these combinations revealed a benefit-cost ratio of 1.5. These enterprise combinations prove robust after subjecting them to sensitivity analysis. Pito brewing alone, although viable, was less lucrative than the enterprise combinations described above. It, however, engaged majority (18%) of the women as it is evident in Table 4. The enterprise combination identified as most lucrative engaging less than 1% of the women. Dawadawa processing was found to be the most lucrative single enterprise with benefit-cost ratio of 1.4. It, however, engaged only 8% of the women. It could be concluded that the women could not raise enough revenue from their economic activities due to their inability to locate the most lucrative rural enterprise combination.

**Table 7: Benefit -Cost and Sensitivity Analyses**

Indigenous Enterprises	Actual Benefit-Cost Analysis			Sensitivity Analysis (If Prices Decrease by 5% and Cost Increases by 5%)		
	PWC	PWB	<u>PWB</u>	PWC	PWB	<u>PWB</u>
	(GH¢)	(GH¢)	PWC	(GH¢)	(GH¢)	PWC
Pito Brewing only	1255	1,633	1.3	1318	1551	1.2
Dawadawa processing only	902	1,303	1.4	947	1238	1.3
Shea butter extraction only	592	675	1.1	622	641	1.03
Charcoal burning only	211.7	211.7	1.0	222	201	0.9
Groundnut production only	292	292	1.0	307	277	0.9
Pito brewing and charcoal burning	1263	1,670	1.3	1326	1587	1.2
Pito brewing and shea butter extraction	1434	1,960	1.4	1506	1862	1.2
Pito brewing and groundnut production	1333	1,759	1.3	1400	1671	1.2
Shea butter extraction and groundnut production	432	463	1.1	444	440	0.9
Shea butter extraction and charcoal burning	422	470	1.1	443	447	1.0



Dawadawa processing and charcoal burning	749	1162	1.5	786	1103	1.4
Dawadawa processing and groundnut production	855	1,455	1.7	98	1382	1.5
Dawadawa processing and shea butter extraction	1,060	1,645	1.5	113	1563	1.4
Groundnut production and charcoal burning	259	281	1.1	272	267	0.9
Groundnut production and soap making	340	340	1.0	357	323	0.9
Pito brewing, dawadawa processing & groundnut production	1,526	1,809	1.2	1602	1719	1.1
Ptio brewing, groundnut production and charcoal burning	208	1,440	1.2	128	1368	1.1
Pito brewing, shea butter extraction and charcoal burning	1,316	1,836	1.4	1382	1744	1.3
Dawadawa processing, shea butter extraction & charcoal burning	571	583	1.5	600	810	1.4
Dawadawa processing, groundnut production & charcoal burning	866	1,393	1.6	909	1323	1.5

Source: Computed Survey data, 2010 (Author)

$PWC = \text{Present worth of Cost stream}$      $PWB = \text{Present worth of Benefit}$

### Conclusion and Recommendation

The study revealed that most of the women had no formal education and as a result were not absorbed in formal employment. They earned incomes from indigenous rural enterprises which were far lower than their expenditures because these enterprises were less lucrative. The indigenous rural enterprises identified were dawadawa processing, shear butter extraction, charcoal burning, pito brewing, and groundnut production. A combination of dawadawa processing and groundnut production was found to be the most lucrative venture followed by a combination of dawadawa processing, groundnut production, and charcoal burning, then a combination of dawadawa processing and shear butter extraction. The single most lucrative enterprises was dawadawa processing followed by pito brewing. It could be concluded that the women could not raise enough revenue from their economic activities due to their inability to locate the most lucrative rural enterprise combination. To generate income that will march household expenditure, women in Northern Ghana that are employed in indigenous enterprises should engage in any of the following ventures:

- The most lucrative venture that could empower women the combination of dawadawa processing and groundnut production
- The next most lucrative venture for income generation is dawadawa processing, groundnut cultivation, and charcoal burning or dawadawa processing plus shea butter extraction
- The most lucrative single enterprise that can economically empower women is dawadawa processing

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