

IS MICROFINANCE FOR WOMEN'S EMPOWERMENT A ZERO SUM GAME?

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Abstract

Microfinance interventions are often hailed to have significant positive consequences for women empowerment. However, in the last decade, the significance of microfinance has been contested due to unintended consequences that undermine women's wellbeing. This paper sets out to examine whether microfinance empowers women or is it a zero-sum game. The paper deploys a participatory mixed-method approach including household questionnaire surveys, focus group discussions and key informant interviews to investigate the dynamics of microfinance effects on women in communities of different vulnerability status in Ghana. The results of hierarchical regression, triadic closure and thematic analyses demonstrate that

the economic benefits of microfinance for women is also directly associated with conflicts amongst spouses, girl child labour, polygyny and the neglect of perceived female-domestic responsibilities due to women's devotion to their enterprises. In the light of limited empirical evidence on potentially negative impacts of women empowerment interventions in Africa, this paper fills a critical gap in knowledge that will enable NGOs, MFI's, policy makers and other stakeholders to design and implement more effective interventions that mitigate undesirable consequences.

Keywords – *Microfinance; Women Empowerment; Unintended Consequences; Ghana.*

1. Introduction

Microfinance has proven to be an effective tool for poverty reduction. Like some development tools, it has sufficiently

penetrated the poorer strata of poor countries (Ijaiya et al., 2016). Therefore, while there is no question that development tools are intended to address problems, it is

as intuitive that they can end up aggravating existing ones. For example, whilst publicly funded transfer programmes with ‘consumption smoothing’ can alleviate livelihood shocks, they may also constitute residual welfarist intervention that promotes dependency. Similarly, interventions aimed at improving the lives of slum dwellers are sometimes used to justify state-sponsored evictions of slum dwellers and their settlements (Meth, 2013). Within this framework some practitioners have express concern that, if not well designed and carefully implemented, development interventions can be a zero sum game where what is gained in one area is lost, in equal or greater measure, in other areas.

One of the areas of growing concerns, especially in sub-Saharan African contexts, is women economic empowerment schemes. Within the past decade, there is increasing awareness that interventions aimed at improving poor women’s financial conditions can have negative, undesirable consequences on women's wellbeing. For example, while women economic empowerment can contribute to household welfare due to increased financial power of women, it can also alter power relations within the household and thus lead to increased risk of domestic violence from men trying to re-assert control (Aísa, 2014).

The risk of domestic violence is especially high in sociocultural contexts where gender roles are rigidly defined and women economic empowerment disrupts existing gender norms by facilitating new models of behaviour (Hughes et al., 2015). Given the prevalence of gendered poverty in sub-Saharan Africa (Blackden et al., 2006) and the growing interest in women empowerment schemes to mitigate gendered poverty, there is a critical need for practitioners to engage carefully with the challenge of unintended consequences in their design of women empowerment interventions. Sadly, there is little empirical data illuminating these unintended consequences.

This paper examines existing knowledge of microfinance and the evidence of its contribution to gender empowerment. Our concern in assembling the evidence is to illustrate that qualitative and quantitative analyses of microfinance effects unearth externalities and addresses key questions relating to the drivers of gender role distribution and family cohesion. We also summarise new evidence that show microfinance female empowerment success masks contentious issues: effects on girls, household dynamics and gender disparities. We conclude by presenting some key facts on role of economic gains in the rural family economy and discuss policy

implications.

2. Literature Review

2.1 Economic empowerment and changing dynamics of gendered roles and family relationships

Historically, rural families in African societies have had defined gender roles. According to Dunham, *et al* (2015) both implicit and explicit gender roles emerge early in the life of a family. Embedded in this social construction is evidence that suggest men have traditionally held the role of breadwinner whilst the women are caregivers in the family (Boyar, *et al.*, 2016). However, an argument that merit wide attention is women undertake the majority of domestic labour and this produce occupational segregations that are detrimental to female status and achievement. Besides, a significant aspect of scholarship on gender related issues showcases the discursive process through which a woman`s full-time employment is often associated with shame or aligned with a man`s inability to be the sole financial provider. As such, the notion of women`s work and their mobility outside the home is restricted by their perceived subordinate form of difference with men (Murry, *et al.* 2013). Despite these important insights, in Africa, perspectives that frame traditional gender roles as intertwined with how

people make money to support the family may be inconclusive. Whilst some narratives have argued in favour of a weak relationship between economic gains and improved women`s status especially in families where patriarchal institutions still persist (Karshenas *et al.*, 2016), others contend that women`s responsibility domains change with attainment of economic independence through an enterprise or full-time employment route (Chant, 2016). Moreover, drawing from a review of theoretical and methodological literature, a positive relationship exists between contribution to household income and role distribution in the family. For example, in some parts of the US, family responsibility domains are directly tied to how much money each of the partners make and bring into the marriage economy (Whyte, 2015). Similarly, Summerfield (2013) explored relationships between women`s roles and social change in Britain and found evidence of role reshuffling where women`s economic gains have increased. Therefore, by deconstructing the multiple barriers upon which gender roles were premised in the 1940s, rural families in America and Britain have experienced a positive gender role negotiation process among rural families where women`s economic gains relative to men`s have altered. As a result, Bahramitash and

Esfahani (2016) reasoned that expanding women's economic gains through an enterprise route challenges the dominant notions of subordinate roles for women and exposes within the rural family inequalities and marginalisations.

2.2 Contested views about microfinance for women's empowerment

Gender empowerment is situated in a construct of social interaction (Stromquist, 2015). Recent discussions have highlighted how men and women "do gender" and how this influence gender identities through a process of reciprocal positioning that impacts upon poverty (Darlington and Mulvaney, 2014). According to Klugman et al. (2014) the process of shared growth eliminates extreme poverty. This perspective points to the nexus between gender empowerment and poverty which has implications for conceptualizing women's empowerment. The nature and form of poverty is situated in levels of inequalities (García-Rodríguez, 2012). Accordingly, powerlessness, lack of representation and lack of freedom is a suitable starting point for describing poverty (Lang, 2011).

Micro finance institutions (MFIs) can be effective in improving women's gender reciprocal positioning by helping them to

overcome the finance gap. MFIs has the potential to accelerate the growth of women-owned enterprises (Blattman et al., 2013). However, negative outcomes affecting family and social cohesion undermines female achievements, for example through the experience of domestic violence. Thus, this paper seeks to test the hypothesis:

H₁: There is a significantly positive relationship between the success of MFI's services for women's empowerment and poor family cohesion.

Family cohesion entails paternal and maternal warmth (Jaggers et al., 2015) and it is considered an essential attribute for healthy family functioning (Jin, 2015). Friggeri et al. (2011) suggests that cohesion theory builds upon a notion of triadic closure. A property which states that given three nodes Y , X and Φ ; if there is a strong tie between $Y - X$ and $Y - \Phi$ it is likely there will be a strong or weak tie between $X - \Phi$ (Opsahl, 2013). To simplify these relationships and to put it in the context of this study, we argue that for example, Y = negative trust; X = microfinance related conflict and Φ = poor family cohesion. Based on this we can predict that if Negative Trust (**NT**) shares a tie with both Microfinance Related Conflict (**MRC**) and

Poor Family Cohesion (**COH**), then, we can anticipate a tie between microfinance related conflict and poor family cohesion; be it weak or strong.

family cohesion through occurrences such as spousal disputes, polygyny practices and the neglect of perceived female domestic responsibilities.

Family and social cohesion is a construct of an active participatory process connecting a group of people through a notion of trust, shared commitment and reciprocity (Peterson and Hughey, 2004). It is an embodiment of healthy relationships that buffer against ill-being (see Falb et al., 2014; Fuligni and Tsai, 2015). Family and community support help to build social capital, resilience cohesion that impact positively on female empowerment (Baiyegunhi, 2014; Bernier and Meinzen-Dick, 2014; Milanov et al., 2015). However, existing research has not given adequate attention to the complexities of power relations within the family and the impact of role reversals arising from women improved financial position (Mayoux, 2001). While recent studies have raised concerns that microfinance for women can deepen conflict and further isolate women (Silverberg, 2014; Stam and Meier zu Selhausen, 2014) and also have negative impact on the welfare and education of girl children due to increased demand for child labour (Augsburg et al., 2012; Beaman et al., 2012), the empirical data on this subject is scant, particularly in African contexts. Thus, the paper examines

Figure 1.0 Description of relationships based on notion of triadic closure analysis: If Y , X and Φ are such that Y share a strong tie with both X and Φ , then X and Φ must share a tie (this maybe a weak or strong tie).

Consistent with the conceptualisation of the unintended consequences of microfinance on female empowerment from the literature reviewed, this study is guided by the framework given in **figure (1.0)** above to examine how microfinance fosters unintended consequences and creates poor

the hypothesis:

H₂: Microfinance initiatives contribute to the demand for child-labour and impact negatively on school attendance for girls.

However, some studies have also suggested that women with better education are able to achieve better outcomes from micro-finance interventions, and overcome or mitigate potential negative consequences (Augsburg et al., 2012; Leatherman et al., 2011). Thus, this paper seeks to test if education levels of women can reduce unintended poor family cohesion arising from access to micro-finance. This is captured in the following hypothesis:

H₃: The level of recipient education reduces the negative effects of microfinance successes on family cohesion.

2.3 Case Profile

Although Ghana is largely a matrilineal society, much of the power is still appropriated by men, both at home and in society. For example, in ancient Asante Kingdom, the only political office open to women is the queen mother. Aside from this, women past the age of menopause are allowed to occupy some spiritual leadership roles (Akyeampong and Obeng, 1995).

Some have argued that Ghanaian women actually fared better in pre-colonial times, and that the marginalization of women in the distribution of power was worsened by the advent of colonialism as colonial administrators disregarded existing political arrangements and assigned more political power to native males (Bawa and Sanyare, 2013). This trend has continued to postcolonial times, where women are left on the periphery of political and economic power. The most visible- and arguably the most significant- manifestation of women's disadvantaged position in Ghana is economic disempowerment. Women, particularly those in rural areas, often spend most of their times attending to domestic duties at home, and have little or no opportunities for profitable commercial activities. Their vulnerability to poverty is associated with, and usually worsened by, unequal gender relations (Awumbila, 2006). It is in recognition of this problem that the United Nations declared, in the sustainable development goals (SDGs) that "...the achievement of full human potential and of sustainable development is not possible if one half of humanity continues to be denied its full human rights and opportunities", and that it "will work for a significant increase in investments to close the gender gap and strengthen support for institutions in relation to gender equality and the empowerment of women at the

global, regional and national levels” (United Nations, 2015).

We studied clients of Opportunity International Savings and Loans Limited (OI); the single largest provider of microfinance to women in Ghana. OI provides loans using individual and group lending. We focused on group lending due to the unique nature of the approach and our aim to incorporate the benefits of social capital which are often associated with group lending. Using a peer screening mechanism, the women select members into groups to receive loans without providing any collateral. The group members undertake to enforce loan

3. Methodology

This study adopts the approach of (Carullo et al., 2015) to match perception with facts, by tabulating qualitative and quantitative information to determine both the intended and unintended consequences of implementing microfinance projects. Carullo et al. (2015) suggested that often, data manipulated on the background of a notion of triadic closure has the potential to unearth relationships that reflect three dimensions of cohesion and how it may impact microfinance beneficiaries; namely the presence of conflict in a family is an indicator of lack of trust. Secondly, trust

contracts. Therefore, anytime a group member defaults in repayments the group is obliged to pay the loan to avoid losing access to future credit from OI. The loan size for the women entrepreneurs investigated is between GHs. 250 and GHs. 5,000.

This brief overview of the socioeconomic and political organization of rural families in Ghana provides a window through which we can examine the nature and function of microfinance for female empowerment. It also provides a context for understanding the relationship between men and women in terms of roles, status and power in Ghanaian societies.

and social cohesion, are a construct of an active participatory process connecting a group of people through a notion of trust (Peterson and Hughey, 2004). Lastly, trust underpins the concepts of conflict and social cohesion in families and societies (Misztal, 1996). We use these three narratives to understand how negative trust, conflict and poor social cohesion in family relationships emerge as by-products of microfinance programs in Ghana.

Therefore, a mixed method approach was used to investigate the impact of microfinance on family cohesion in beneficiary communities in Ghana. The main study instruments (face-to-face

interview guide and questionnaire) were developed based on preliminary focus group discussions and pilot questionnaires. 30 microenterprises owned by women operating in Ghana were studied using semi-structured interviews. To gain a deeper appreciation of emerging issues from the qualitative evidence, a cross sectional quantitative data survey analysis on a sample of 1200 selected microenterprises owned by women operating in Ghana was conducted using a questionnaire. The final questionnaire comprised of three sections: (1) personal

and family information, (2) quantifiable information using the Likert scale and semi-structured questions. In section 3, the sample consisted of women who took loans 2, 3 and 4 years earlier and served as the respondents for this study because of their experience as beneficiaries of a loan. In total, 260 valid responses were obtained from a sample of 1200 microenterprises approached, a response rate of 22 per cent that compares favourably when benchmarked with similar studies (see for example; Alabi et al., 2007).

3.1 Variables

In order to test the hypotheses, a set of variables relating to the nature of the links between family cohesion, dependent variable and independent variables are summarised in Table 1. Evidence from Table 1 shows the Cronbach alpha values and their respective factor loadings.

Table 1: Summary of predictor measures

Variable	No. Items	Scale format	Cronbach's alpha	AVE	CR
MFS	4	1 to 5 Likert	0.78	0.72	0.69

		scale			
COH	3	1 to 5 Likert scale	0.77	0.80	0.81

This table shows the Cronbach alpha values and their respective factor loadings. Composition reliability is estimated as the sum of the square roots of the item-squared multiplied by correlation squared and divided by the same quantity plus the sum of the error variance. All variables are defined in Table 2.

The main dependent variable is family cohesion (COH). COH is measured in terms of spousal disputes, polygyny practice and perceived neglect of female domestic responsibilities. The Cronbach alpha score of 0.77 was obtained as the reliability score, which is also within the threshold reliability level (Hair et al., 2006). We also adopt MFS provision as the main independent variable. Four items on a

five point Likert scale measure MFS. Each respondent was asked their individual response on the benefits of the use of each of these services with a 5 point Likert scale of (1) strongly disagree and (5) strongly agree. The Cronbach alpha of 0.78 indicates a high reliability score (Adomako et al., 2016). Also, separate individual dummies were created for each of the four (4) MFS provided as separate independent variables. Following previous studies by Karlan and Valdivia (2011) and (Usman, 2015), we control for education, location, age and firm size; as these factors have been reported to have intra relationship (Karlan and Valdivia, 2011; Usman, 2015) and their inclusion accounts for any exigencies that may affect the model. Detailed definitions of all the variables included in the model are presented in Table 2 below

in each of the three measured outcome variables for poor family cohesion. We anchored each of these responses on a five-point Likert scales of “1” strongly disagree and “5” strongly agree in accordance with the guidelines by Raaijmakers et al. (2009).

Independent Variable

MFS = Microfinance Services is measured by the four main services provided by Microfinance institutions (training, social capital, savings and credit). This was measured on a five -point scale with anchors ranging from strongly disagrees to strongly agree.

Control Variable

AGE = Age of female entrepreneurs We measured firm age as the number of years the firm has been in operation Firm age was log transformed to normalise its distribution and then standardised before inclusion in the research model

EDU= Education Level of entrepreneurs We captured education as any female microenterprise owner who has received at least up to Junior High School training. We capture this as “1” Yes if female micro-entrepreneurs have at least a Junior High School training and “0” No otherwise.

LOC = Location Firms were selected only from suburbs of Accra (Dome,

Table 2: Variables and measurement

Variable	Measurement
COH= Poor Family Cohesion	Poor Family Cohesion is measured by three items (3): (a) spousal disputes, (b) polygyny practice and (c) perceived neglect of female domestic responsibilities. In the questionnaire, respondents were asked to tick whether they agree or disagree that access to and use of MFI services for women`s empowerment result

Ordokor and Circle). Location information was used to test whether it affects relationships between microfinance services and family cohesion. We capture this as “1” Yes if female micro-entrepreneurs

have their businesses operating in each of these locations and “0” No otherwise.

Firmsize = We measured firm size as the natural logarithm of the number of employees of the firm.

3.2 Empirical Approach

Following existing experiments of entrepreneurial analysis (Adomako et al., 2016; Adomako and Danso, 2014), the study moderated hierarchical regression analysis to estimate the relationship between microfinance success for women's enterprise (empowerment) and poor family cohesion in beneficiary communities. We adopted the approaches of these previous entrepreneurial studies and similar other ones (Cadogan et al., 2006) to develop an interactive model used to estimate the models.

$$COH = \beta_0 + \beta_1 X + \beta_2 Z + \varepsilon \quad (1)$$

$$COH = \beta_0 + \beta_1 X + \beta_2 Z + \beta_3 XN + \varepsilon \quad (2)$$

Where:

COH is the main dependent variable and X

moderating impact of education on the success of MFI services for women's empowerment and family cohesion. To test the robustness of the model the data was tested for multicollinearity, heteroscedasticity, and serial correlation. The correlation matrix for all the continuous variables suggested that none of the variables had coefficients greater than the threshold of 0.87 or 0.97, consistent with the results reported by Field (2005). Using the robust standard error, the models (1) and (2) were checked for the presence of heteroscedasticity and serial. The

denotes the independent variable MFS. Where MFS is for specification (1) and (2). Z represents control variables (Firm Size, Education, Location and Age) that may influence family cohesion (COH). XN represents the interaction between access to MFS and education (EDU). ε represents the idiosyncratic shocks. β_1 and β_2 are vectors of the parameters to be estimated. These variables are defined in Table 2.

4. Results

4.1 Perceptions of empowerment and unintended consequences

Table 3 presents results of summary statistics of face-to-face interviews with thirty married women respondents. The

average age of the male category interviewed was 46 years. Respondents were married for an average of 18 years and had 6 children. However, in the second category, the average female respondent was about 38 years, married for an average of 16 years and with an average of 5 children

Table 3: Summary Statistics and Univariate Analysis of Face to Face Interview respondent

Male Category						Female Category						
Variables	Obs	Mean	Sd	Median	Perc	Perc	Obs	Median	Sd	Median	Perc	Perc
					10	90					10	90
Years of marriage	15	18	9	14	10	29	15	16	13	11	3	39
No. of children	15	6	3	6	3	8	15	5	2	6	2	8
Age	15	46	10	44	34	58	15	38	14	34	23	58

The table presents results of the face to face interview response on the relationship between poor family cohesion (COH) and the successful use of microfinance services (MFS) by women across Ghanaian microfinance institutions.

4.2 Tipping the power balance

Economic activity and income generation through self-employment enable women to contribute towards household income and decision-making processes. Respondents acknowledged that the microfinance loan enabled them to engage in micro-enterprise that raised their income, status and respectability. Women entrepreneurs intentionally use enterprise activity supported by micro finance to improve their position in society through gaining purchasing power and independence. The women reported that asset deepening and enterprise size confer power. One of the respondents said that:

“Since acquiring additional sewing machines, protective clothes and employing additional workers, now I am taken seriously by family, friends and microfinance institutions” Respondent A

Respondent A, when quizzed, reported to have gained confidence when negotiating with men within family and externally. This has helped her in attracting “good quality” employees that improved the quality of garments, a reduction in absenteeism and improved productivity.

Invariably, the newly improved status of women implies that they would be more forceful in asserting their rights in society, and would encourage them to be more

active in civic and political activities, especially those directly affecting them. In short, economic power confers enhanced social capital and political influence in a mutually reinforcing dynamic. For example, economically empowered women are better able to mobilise linking social capital with political authorities to further their business interests. And the better their businesses improves, the more they are able to maintain and benefit from those vertical relationships.

Furthermore, on the role of social capital, the women in the sample drew from and built on bridging social capital to expand and grow their enterprises. They recognised the role of trade associations in providing an enabling environment and to support microenterprises in accessing resources for their growth. Trade associations provide microenterprises the opportunity to participate in trade fairs to market their produce and establish business contacts that assist growth. One of the interviewees reported:

“I have participated in three trade fairs organised by my trade association. I have also been invited to trade fairs organised by other trade associations as a guest.” Respondent B

4.3 Backlash and unintended consequences

The interviews corroborate the findings that formal education improved women's access to microfinance and productive use of the loan. Generally, those micro-entrepreneurs reported that their lack of primary and secondary level education was a barrier to their success in starting and developing a microenterprise. However, women with university level education said that their husbands felt threatened and disempowered, giving rise to domestic disputes. Some of the female respondents demonstrated limited skills and understanding of dispute resolution. This was more pronounced for microfinance recipients without formal education and living in poor areas. However, women who had received formal education were reported to be more successful in accessing microfinance and positioned to identify opportunities and to resolve conflicts that had the potential to engender negative family cohesion. This is reflected in the comments of two respondents below:

“...my ability to address some of these family problems is influenced by my level of education. I ensure my daughter is educated and not stay in the market to help sell provisions.” Respondent D

“.... my ability to address some family

problems is influenced by my education and I am actively supporting my girls to get education.” Respondent F

Respondents reported that access to microfinance fostered economic and social benefits for women. Participation in employment and support from MFIs inspires women to be empowered. However, further exploration through interviews revealed profound weaknesses in microfinance programs that impact negatively on female general wellbeing. All thirty women respondents in the survey reported that their school age girls assisted them with their businesses. Furthermore, they delegated household responsibilities to the girls thus, affecting their education. These findings confirm our hypothesis (H_3). In cases where the women did not use the services of their daughters, they brought in young girls from other poor families to support the business and family responsibilities. Furthermore, fourteen of the respondents reported that the use of housemaids led to domestic disputes. Nine respondents reported that these disputes were normally associated with husbands suspected of having relationships with house maids. Seven women in the sample reported their husbands getting married to maids that led to spousal disputes and family breakdown. As one respondent observed,

“My husband is always fighting me because of my continuous stay in the shop. I leave the house for the shop by 6:00 am and come back home after 7:00 pm. To make matters worse my husband has married my housemaid as a second wife because he thinks I am no longer able to satisfy his physical or domestic needs.”

Respondent E

The analysis suggests that domestic violence and polygyny are two of the consequences of women entering enterprises. Five of the respondents reported they prefer to stay overnight at the market running their business than to go home to abusive husbands or rivals.

The analysis of the women's responses suggests that the success of micro enterprises displaces established cultural practices and norms. Success in women's enterprise had implications for girl child labour. This is similar to the findings of Klugman et al. (2014) and those described by (Basnet, 2015; Beaman et al., 2012) about a general decline in girl-child education due to women owned enterprises.

4.4 Supporting evidence from cross-sectional data

In order to further enhance the robustness of our results, we undertook a cross-sectional survey of 260 women

beneficiaries. Table 4 presents the descriptive statistics of all the variables adopted for the quantitative study. The average mean score for poor family cohesion is 4, suggesting that the success of microfinance for women's enterprise development could result in poor family cohesion. We also find an average score of 4, for access to MFI services, suggesting that majority of the respondents have been able to access at least one of the four services offered by the MFIs. We find the average age of entrepreneurs and firm size to be 38 years and 8 employees respectively. Our results also reveal that about 70 per cent have received some form of formal education. Furthermore, 70 per cent of the micro businesses are located in the capital city of Ghana, Accra.

The regression results in Table 5 present the results of estimation of the relationship between poor family cohesion (COH) and the successful use of microfinance services (MFS) by women. The table also shows evidence of the moderating impact of education upon the relationships between microfinance services and poor family cohesion. The results of Model 1 show a positive and significant (35.54, $p < 0.01$) relationship between MFS on COH indicating that the outcomes of female access and use of MFI services could result in poor family cohesion (COH). This result

confirms our hypothesis (H_1) and is consistent with existing literature on the

development and growth of women entrepreneurs (Chimthanawala et al., 2015)

Table 4: Descriptive Statistics

VARIABLE	OBS	MEAN	SD	Collinearity statistics	
				VIF	TOLERANCE
COH	260	4.22	1.06	0.87	1,135
MFS	260	3.83	0.03	0.88	1.140
LOCATION	260	70.07	0.50	0.95	1,104
EDU	260	69.61	0.46	0.91	1,104
AGE	260	39	12.6	0.83	1,204
FIRMSIZE	260	7.8	4.38	0.92	1,080

The table provides the sample characteristics across the 260 microfinance. The table also presents the results of collinearity test after the residual centring approach. The results from the VIF indicate that there is no issue of multicollinearity among the variables. All variables are defined in Table 2.

Table 5: Regression Analysis for Microfinance Relationship with Poor Family Cohesion

VARIABLES	(1)	(2)
	COH	COH
MFS	35.54*** (7.90)	23.41*** (6.44)
AGE	0.0354 (0.98)	0.0238 (0.74)
MFS * EDU		0.812*** (4.71)
EDU	-0.694*** (-9.35)	-2.895*** (-5.94)

LOCATION	1.076 (1.26)	1.815*** (2.61)
FIRMSIZ	-0.701*** (-7.19)	-0.793*** (-9.43)
CONSTANT	-47.48*** (-4.70)	-15.95* (-1.85)
OBSERVATIONS	260	260
R-SQUARED	0.689	0.791

*This table reports the results of estimation of the relationship between poor family cohesion (COH) and the successful use of microfinance services (MFS) by women across 260 Ghanaian microfinance institutions. All variables are defined in Table 2. ***, ** and * represent coefficients significant at the 1%, 5% and 10% levels correspondingly (two-tailed tests). T-statistics are in parentheses*

In terms of the control variables, the study finds a significantly (-0.694, $p < 0.01$) negative relationship between the level of education of women and poor family cohesion. The results suggest that more educated females are able to minimise the factors of poor family cohesion thus confirming our hypothesis (H_2) and in line with findings reported by (Samarakoon and Parinduri, 2015) that level of education impacts positively on female entrepreneurial traits in middle-income countries. We also find FIRMSIZE to be significant and negatively (-0.701, $p < 0.01$) related to COH. This is consistent with findings of Bonomo et al. (2015 and Nyakuma et al. (2016) Damijan *et al* (2015) that since large business have a large pool of resource base, they utilise these resources to reduce poor family cohesion instigators. However, the study did not find any significant relationship

between age (AGE), location (LOC) and COH.

However, in the second section of Table 5 (**Model 2**), we estimate the moderating impact of education on the relationship between poor family cohesion (COH) and microfinance services (MFS). Our argument is that entrepreneurship education enables women to maximise the services of MFT's and relationships between highly educated women and positive family cohesion is more pronounced. Consistent with our hypothesis (H_2), we find education to be significant and positively (0.812, $p < 0.01$) moderate the relations between poor family cohesion (COH) and microfinance services (MFS) for women's empowerment. We also find the direct relationship between poor family cohesion (COH) and microfinance services (MFS) to be significantly positive (23.41, $p < 0.01$)

which is consistent with evidence of **Model 1**. In terms of the control variables, education and firm size remain negatively significant (-2.895, $p < 0.01$; -0.793, $p < 0.01$) respectively. We also find location to

5. Discussion

This study found that microfinance promotes female entrepreneurship in Ghana. Female empowerment is generally suggested as a key driver for MFIs reaching out to women clients. However, the findings of this study in comparison with the existing literature (Mazumder and Wencong, 2015; Siwale and Ritchie, 2012) suggest there is an insurgence of polygyny practice due to availability of microfinance. Also, women's success with microfinance destabilises the family power structure and creates conflict due to perceived neglect of domestic responsibilities. This is attributed to women spending more time on their business instead of their domestic responsibilities. The male spouses feel threatened by female independent decision making, and this gives rise to family conflicts. Besides, the traditional role of men is challenged, and to regain that authority they find alternative solutions through a second marriage or divorce. These outcomes are similar to Silverberg, (2014) and Stam and Meier zu Selhausen (2014) who found that whilst microfinance empowers women to be more independent,

be significantly positive (1.815, $p < 0.05$) in **Model 2**. However, the study did not find any significant relationship between AGE and COH.

it can encourage intimate partner violence and theft in patriarchal societies. Moreover, these results are consistent with the arguments set out by (Islam and Pakrashi, 2014 and Olowu, 2011) that MFIs that focus on microfinance loans, mentoring and training to empower women tends to overlook broader family dynamics and associated negative outcomes. The microfinance lending approach and the accompanying pressure have led to power struggles within families and amongst clans (Ali, 2014; Ashta et al., 2015; Mahoney, 2014). The findings of this study suggest that in most cases, employing children in microenterprise activities increased child-labour and reduced school enrolment. However, the adverse effects are more pronounced for girls than boys.

Consistent with evidence from the microfinance literature, the results of this study demonstrate that level of education, firm size and family cohesion are interlinked. Also, there is a strong relationship between level of education and benefits of the loan for recipients in Ghana. Karlan and Valdivia (2011) reported that education improves the managerial

preparedness of micro entrepreneurs and impacts positively on family cohesion. Meanwhile, the study shows female microfinance clients in Ghana with a lower level of education are susceptible to severe incidences of poor

6. Conclusion

This study has examined the impact of microfinance on the success of enterprises, women empowerment and family wellbeing in Ghana. This research represents a significant step in designing more effective empowerment interventions through microfinance for women without disrupting family cohesion. The study challenges established conclusions about microfinance and concludes that there are some negative outcomes such as spousal disputes, polygyny practice and the neglect of perceived female responsibilities within the household, and these need to be considered in evaluations. Theoretically, microfinance helps women to exit poverty and gain better economic opportunities. However, the study suggests that women economic empowerment often precipitates or aggravates incidences of polygyny, family

family cohesion. Those with a higher level of education are relatively resilient. Evidence from Bonomo et al. (2015 and Damijan et al. (2015) has shown that larger microenterprises are able to leverage their greater resource advantage to reduce cases relating to poor family cohesion.

conflicts and adverse impacts on young girls' education and wellbeing. These effectually neutralise the benefits of microfinance. Thus, a major implication of this study is that future research should broaden the scope of microfinance inquiry to include a cross-country and cultural context that capture the unintended consequences of microfinance interventions targeted at women. The family as a whole should be mentored to take on collective ownership and joint decision-making in the business before the credit facility is approved. This research challenges scholars, NGOs, lending managers, policy makers and stakeholders in the development sector to carry out more comprehensive evaluations of the impact that microfinance has on the wellbeing of women in order to achieve desired outcomes.

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