

The Relationship Between Microfinance Institutions Poverty Alleviations And Unemployment In Ghana

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Abstract: *Microfinance institution in Ghana is a very great instrument in poverty alleviation, reduction in unemployment, and the institution help greatly to the economic development of the country. Through microfinance institutions, the clients are provided with both financial and non-financial services and they are offered with credit which helps them to do a variety of businesses. This paper discussed the relationship between Microfinance institutions, poverty alleviation and unemployment in Ghana. The study used a questionnaire and one hundred (100) clients and management of the institution were interviewed on the subject matter. The data were analyzed using SPSS with the support of descriptive statistical tools like tables, numbers, frequency, percentages, histogram, pie chart, and many more. The result of the study reveals a strong positive relationship between microfinance institutions, poverty alleviation and unemployment in Ghana. Again, the study indicated that Microfinance institutions in Ghana via the credit/loans issued to their customers help the clients to engage in income-generating activities, get profit and this help reduce their poverty levels and increase their living standards. The study recommends that the clients should repay their loans for the sustainability of the institutions and other customers to also benefit from the scheme. Finally, it was concluded that, for microfinance institutions to exist for a long period and served its purpose, the government, policymakers and all stakeholders must support the institutions.*

Keywords— Microfinance Institutions, Poverty Alleviations, Unemployment, SPSS, Ghana.

1. INTRODUCTION

Ghana has pursued numerous programs/agendas to help accelerate economic growth of the country. In 1995, the government of Ghana presented a vision for the country called “Vision 2020” in 1995 which is a 25-year plan aimed at making Ghana a Middle-Income Country. The focus of the Vision 2020 is on economic growth, human development, rural development, infrastructure development, urban development and an enabling environment. The vision was followed by the Ghana Poverty Reduction Strategy I and II. Poverty and unemployment are among the main challenges/problems of economic growth and development. Recently the discoveries of oil & gas in the country has helped create tremendous opportunities and prospects for stimulating national growth and development. Though microfinance institution in Ghana has a lot of challenges, yet still the importance of the institutions are overwhelming. This is because MFI plays a key role in the financial intermediation process and in the lives of the poor individuals who comprise a majority of the Ghanaian population (PHC 2010). Microfinance also helps to alleviate poverty among low-income individuals. The stakeholders of the institution thus Governments, donors’ agencies, financial regulators, Policymakers, researchers, management and customers all agreed to the fact that microfinance contributes to poverty and unemployment reduction but as to how the poverty will be reduced by the institution is still a matter of concern to all hence the need for this article to investigate how poverty is reduced through MFIs. Okoampah Ayeh said one of the key challenges facing the microfinance sector in Ghana is lack of adequate funding for investing in infrastructure and granting of quality loans. In the Ghanaian context, most microfinance institutions are established with the aims and objectives of targeting the productive poor through socio-economic empowerment, creation of employment, mobilization of internal resources, awareness creation, income-generating activities and the generation of self-employment targeting the rural poor. Microfinance is one of the few effective instruments for reducing unemployment and poverty over the years in Ghana. According to the deputy head of financial stability department at the Bank of Ghana that, as at the year 2000 Ghana made only eight (8) saving and loans companies but by December 2010, the number increased to nineteen (19). In the past over five hundred (500) microfinance institutions existed in the country. But currently, only One Hundred and Thirty-Seven (137) Microfinance Institutions is surviving. This was due to most of the institution's Licenses revocation by Bank of Ghana and other insolvent institutions that were closed down by the financial regulators. This, therefore, shows that Ghana will soon achieve the objective of microfinance which include increasing the outreach, impact and sustainability. So, therefore, stakeholders must help the institution to achieve these objectives. Again, for unemployment to be reduced, the active poor needs a productive job which will lead to high incomes. Three major things through employment to alleviate poverty must be undertaken which are: generating employment, increase employability and the labour market very effective and efficient. Ghana Government has given due attention for the micro-finance sector, by understanding that micro-finance institutions are important avenues to address local economic development, poverty reduction, support to small and

medium enterprises, employment creation and increasing the standard of living of the Ghanaians. Hence the need for microfinance proper regulations and supervision to have long term sustainability and profitability and to be able to create more employments for all working-age which will intend to reduce the poverty levels in the country. Microfinance in Ghana is not a new concept. The people of Ghana started their savings since time immemorial by taken smaller loans from individuals and groups in a form of helping businesses, petty trading, farming, food processing, service provision, street vending and other ventures within the country. In 1955 the Canadian Catholic Missionaries who came and settled in Northern Ghana established the first Credit Union there and that was the first Credit Union to be established in Africa according to available evidence. In the 1990s Susu which is also one of the widespread methods of microfinance currently is also said to have originated from Nigeria to Ghana. According to Ussif and Ertugrul (2020), microfinance in Ghana has gone through four stages like any other microfinance across the world. The stages include: Firstly in the 1950s, the government provides subsidized credits starting from the 1950s, the government of Ghana provides clients with credit at a subsidized price, when it was assumed that lack of money is a serious problem and a reason why most people are poor in Ghana. So to eliminate poverty in Ghana, subsidized credit was provided by the government to interested customers and individuals. Secondly, in the 1960s and 1970s, the provision of microcredit through the Non-Governmental Organization (NGOs). Microcredit was provided to the poor through the Non-Governmental Organizations in the 60s and 70s. This was done to encourage self-sufficiency and sustainability of microfinance institutions because; during those periods' sustainability and financial self-sufficiency were not in any way seen to be very important. Thirdly, in the 1990s, Formalization of microfinance institutions began. This formalization of the microfinance institution leads to the introductions of more institutions. The final stage was in the mid-1990s were microfinance institutions were commercialized. The commercialization of these institutions then began to gain importance with the mainstream microfinance and its institutions moving into the financial system (Ussif and Ertugrul 2020). The institutions need to be sustainable for a longer period with the support of financial regulators and policymakers. Various studies reveal that microfinance plays three (3) broad roles in the growth and development of an economy: It helps the active poor people meet their basic needs and wants and protects against risks. The institution is helping increase individual or peoples living standards or their economic well-being. Empowerment of women by supporting them with participation in economic activities and promoting gender fairness.

1.1 Research Problem

Over 70 percent of adults in Ghana are lacking access to financial services and do not have a basic bank account (GLSS 5 Report). Again, low-income individuals and poor people also need employment to be working and gain income to increase their living standards, support their families and not always remain in poverty.

- ❖ There is a high unemployment rate in Ghana
- ❖ Poverty rate keeps alarming in the Country
- ❖ The poor people becoming poorer and the rich people becoming richer
- ❖ The tremendous role of microfinance institutions cannot be left out
- ❖ Lack of much researches on the above topic.

This research is carried out based on the above background and the major objective of this article is to determine the relationship between microfinance institutions, poverty alleviation and unemployment in Ghana.

1.2 Research Objectives

- ❖ To examine the relationship between microfinance institution and poverty alleviation
- ❖ To investigate the relationship between microfinance institutions and unemployment reduction
- ❖ To discuss the benefits customers of microfinance institution derived from the institutions

1.3 Research Questions

- ❖ What is the relationship between Microfinance institution and Poverty alleviation in Ghana?
- ❖ What is the relationship between Microfinance institutions and Unemployment Reduction?
- ❖ What benefits do customers of microfinance institutions derived from the Institution?

1.4 Microfinance and Poverty Reduction in Ghana

Ghana's Growth and Poverty Reduction Strategy (GPRS II) main goal is to ensure "sustainable equitable growth, faster poverty alleviation, and protecting the vulnerable/disabled, and those excluded within a regionalized or decentralized, democratic environment". The purpose of the strategy is to eliminate the widespread of poverty and the growing income inequality, among the active poor who mostly constitute the mainstream of the working population in the country. The 2000 Population and Housing Census (PHC) indicated that 80 percent of the population working are found mostly in the Private Informal Sector. The group are categorized by not having access to credit, which constrains or limits the growth and development of the sector of the economy. Having financial services access is imperative for the informal sector development and also it helps to mop up all the excess liquidity via savings which can be made available as investment capital for the national growth and development. Despite the vital roles microfinance institutions are playing in the Ghanaian economy especially, over the past twenty years, there is still a lack of data on their operations. It is very well known that the loans offered by microfinance institutions are usually used for purposes like petty trade, business expansion, farming, fishing, small businesses, and as a "startup" loans for farmers for them to buy their inputs

for farming fishing and other agricultural instruments. In some instances, the credit is given in groups to borrowers for collective enterprises or to do business with it to reduce the default rate of the customers.

Microfinance is seen as a key development instrument not only in reducing poverty but also for financial inclusion in most of the world. Though microfinance started in Ghana in the early 1950s, in the form of Susu in the Northern Region part of Ghana through the activities of the Canadian missionaries, in the 1970s, Mohammed Yunus formally founded the Grameen Bank which is the first microfinance bank to be established. In the 1990s microfinance popularly gain global attention which led to the organization of a summit in 1997 with thousands of delegates and hundreds of countries attended the summit. Quaraishi, (2007) at the summit said; hundred million of the poorest people will be reached with financial services that they lack such as credit and savings for self-employment and other financial services was agreed by the delegates by 2005. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector. Together, we can and must build inclusive financial sectors that help people improve their lives” (Ussif, 2018). The Ghana poverty reduction strategies is a policy in five (5) priority sectors for poverty alleviation, macroeconomy, production and gainful employment, human resource development and basic services, special programs for the vulnerable and excluded and governance.

2. LITERATURE REVIEW

2.1 Theoretical Review

Poverty

Poverty is well-defined as income low level, lack of good medical care, very poor sanitation, lack of good drinking water, lack of education, not able to contribute or partake effectively in any decisions making that affect humans or an individual's life directly or indirectly, and the absences of protection and security from all crimes. Simply, when people or households have income below a certain level regardless of their well-being and living standards is referred to as poverty. Similarly, Townsend (2010, p. 99) describe poverty as people not having adequate resources of which more seriously fall short of the resources that are commanded by the poor or average individual, household or family in a particular community within which they are living in whether or not that community is a local, national or international setting”.

Microcredit

Micro-credit is the offering or provision of loans, in cash or in-kind in smaller amounts to micro, small entrepreneurs, small and medium enterprises or, individual and households engaged in business activities to improve the operations of their businesses with it.

Microfinance/ Microfinance Institution

Microfinance involves the primary provision of financial services that includes, small savings, micro-credit, micro-insurance, group lending, micro leasing remittances, and transfers in relatively small businesses that is designed to be accessible to the micro-enterprises and the active poor people and the low-income households. Microfinance also involves other services provisions such as non-financial services, particularly training their customers on the use of loans, building their capacity, improving the ability of the clients to utilize the facilities effectively and efficiently. Microfinance is financial institutions with the main aim of providing financial services that are micro to its customers such as microcredit, micro-savings, micro-insurance, remittances to poor or low-income individuals (Asian Development Bank, 2000).

Unemployment in Ghana

The term unemployment is said to be a phenomenon of seeking-job as a result of lack of job or redundancy. It is simply the state of an individual not having employment but having the desire and willingness to work. There are four main types of unemployment depending state of the economy or the economic trend. The causes include Classical unemployment, structural unemployment, cyclical unemployment, and frictional unemployment.

3.2 Empirical Reviews

In the impact assessment of microfinance institutions interventions in Ghana and South Africa, Afrane (2002) found that microfinance programmes resulted in significant improvements in terms of increased business incomes, improved access to life-enhancing facilities and the empowerment of people, particularly women. However, the impact of microfinance on poverty alleviation in Nigeria was examined by While James at ell (2011); An Empirical Investigation. Chi-square test, F-test and T-test were employed. Their findings revealed that those who use the microfinance program have a significant difference and better off to those who do not use the program. There is a bigger effect of microfinance institutions in poverty reduction by increasing the incomes and changing economic standards of those who use the program. Their study argues that microfinance is a strategy for poverty reduction and a great instrument for providing loans to poor clients. Again, Provident & Zacharia (2008), investigated the role of microfinance Banks in poverty reduction in Tanzania, in the study questionnaires, semi-structured interviews, observations and documentary reviews was used. Their findings showed that majority of the poor people do not access microfinance services credit due to not having assets, businesses, guarantors, salaried employment, savings account in banks, ability to make a pre-loan weekly deposit on Special Savings Account which are required as collaterals. Again, a study was carried out by Morduch (2002) on microfinance and poverty reduction using independent variables like assets, education, microcredit, family size and income of household as the dependent variable. Poverty assessment tools of the Consultative Group to Assist the Poor (CGAP) was used in the study. Their findings revealed that there is a positive impact of microfinance on poverty reduction. The aim of micro-financing

according to Otero (1999) is not just about providing capital to the poor to combat poverty on an individual level, it also has a role at an institutional level. It seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector. Littlefield and Rosenberg (2004) argue that the poor are generally excluded from the financial services sector of the economy so microfinance institution has emerged to address this market failure.

3 RESEARCH METHODOLOGY

The methodology of this study on the relationship between microfinance institution, poverty alleviation and unemployment in Ghana is descriptive research. The data for the study was obtained from the primary source by conducting interviews. Secondary data was also used as a source of information and were collected from articles, microfinance books, official documents, journals, published and unpublished dissertations and the internet. Currently, there are one hundred and thirty-seven (137) licensed microfinance institutions in Ghana. Out of this total population of institutions, only one hundred (100) respondents were selected as the sample size for this study out of about 20 institutions. Quantitative analytical tools were used to assess the relationship between microfinance institutions, poverty alleviation and unemployment in the country. The data were analyzed quantitatively using SPSS with the support of descriptive statistical tools like tables, numbers, frequency, percentages, histogram, pie chart, and many more.

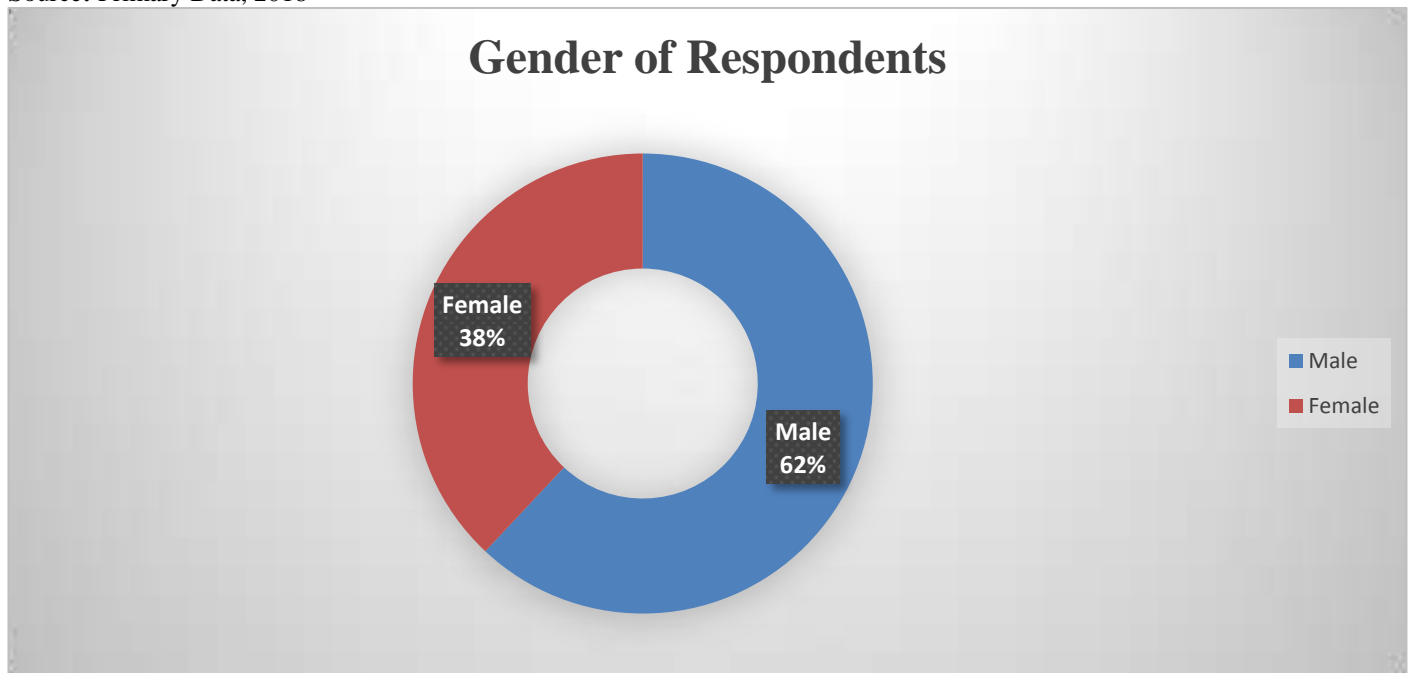
4.0 DATA ANALYSIS

Table 1: Respondents Gender

The researcher considers the sex of the research participants thus, both the management and the customers. The table below indicates the statistics of the interviewees.

Gender	Frequency	Percentage
Male	62	62
Female	38	38
Total	100	100

Source: Primary Data, 2018



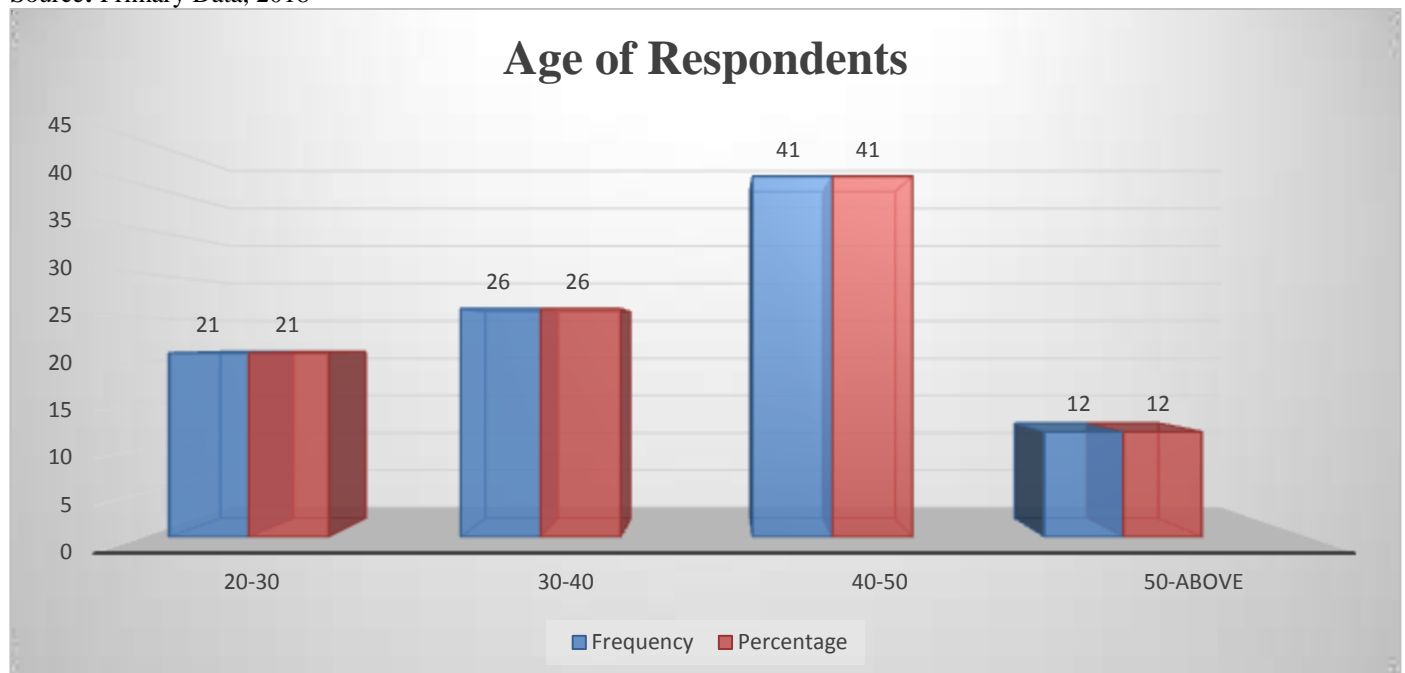
From the respondents’ responses, out of the total 100 participants’, the frequency of the male respondent is 62 which constitute 62 percent while the female respondents’ has 38 representing 38 percent of the total person interviewed. This indicates that the number of male management and customers in the microfinance institution exceeds the female number.

Table 2: Age of Respondents

The ages were categorized into four classes or groups. The respondents from the findings were made of more youth and less aged. Most of the respondents’ were under age 45.

Class	Frequency	Percentage
20-30	21	21
30-40	26	26
40-50	41	41
50-Above	12	12
Total	100	100

Source: Primary Data, 2018



From the field data collected, the respondents' age group 20-30 are 21 percent while 30-40 participants are 26 percent. 41 percent of the interviewees are between the ages 40-50 and only 12 percent respondents are 50 and above.

Table 3: Level of Education

The educational background of respondents was asked to know the literacy level of the respondents. It also helps to know the skills level of the respondents. It is believed that the higher the level of education, the higher the knowledge and understanding of the concepts of microfinance and hence better result and the lower the level of education, the lower the understanding and knowledge. All things being equal. The table below indicated the educational qualification of the respondents from the data collected.

Level of Education	Frequency	Percentage
JHS or No Education	35	35
Senior High School	29	29
HND or Diploma	21	21
Bachelor's Degree	12	12
Master's Degree	3	3
Total	130	100

Source: Primary Data, 2018

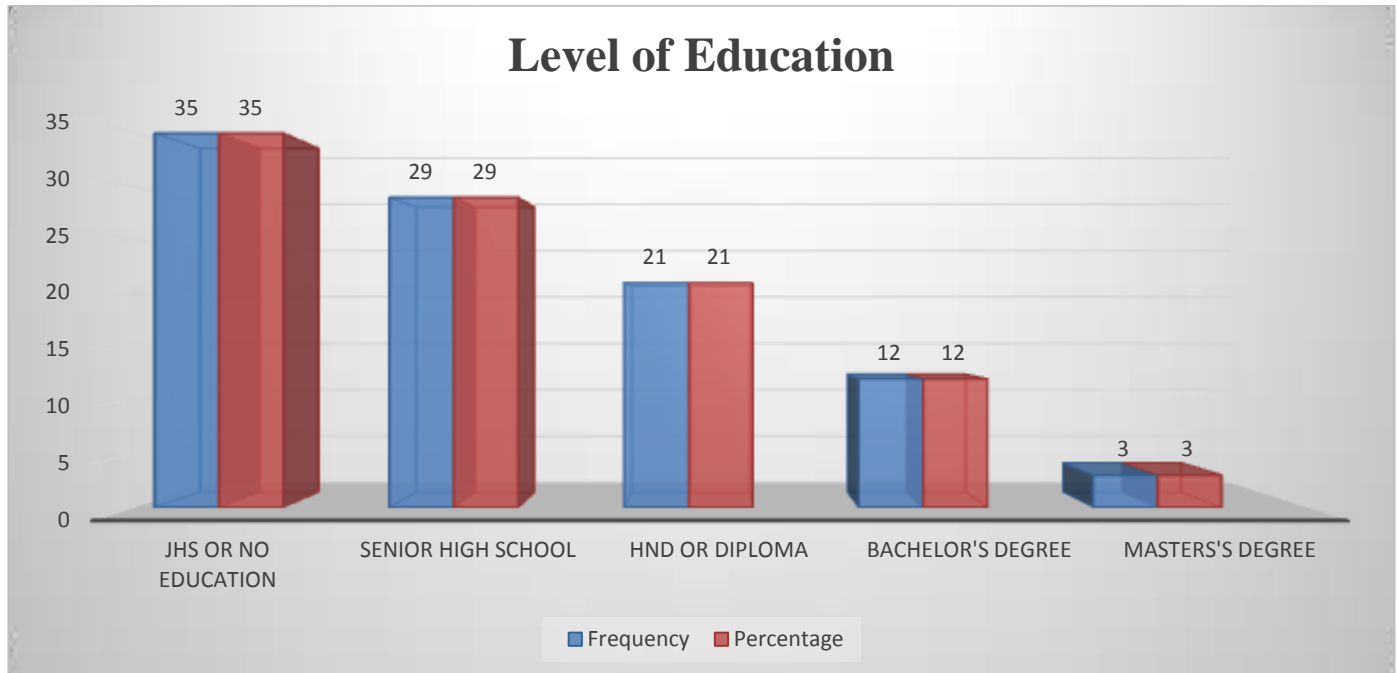
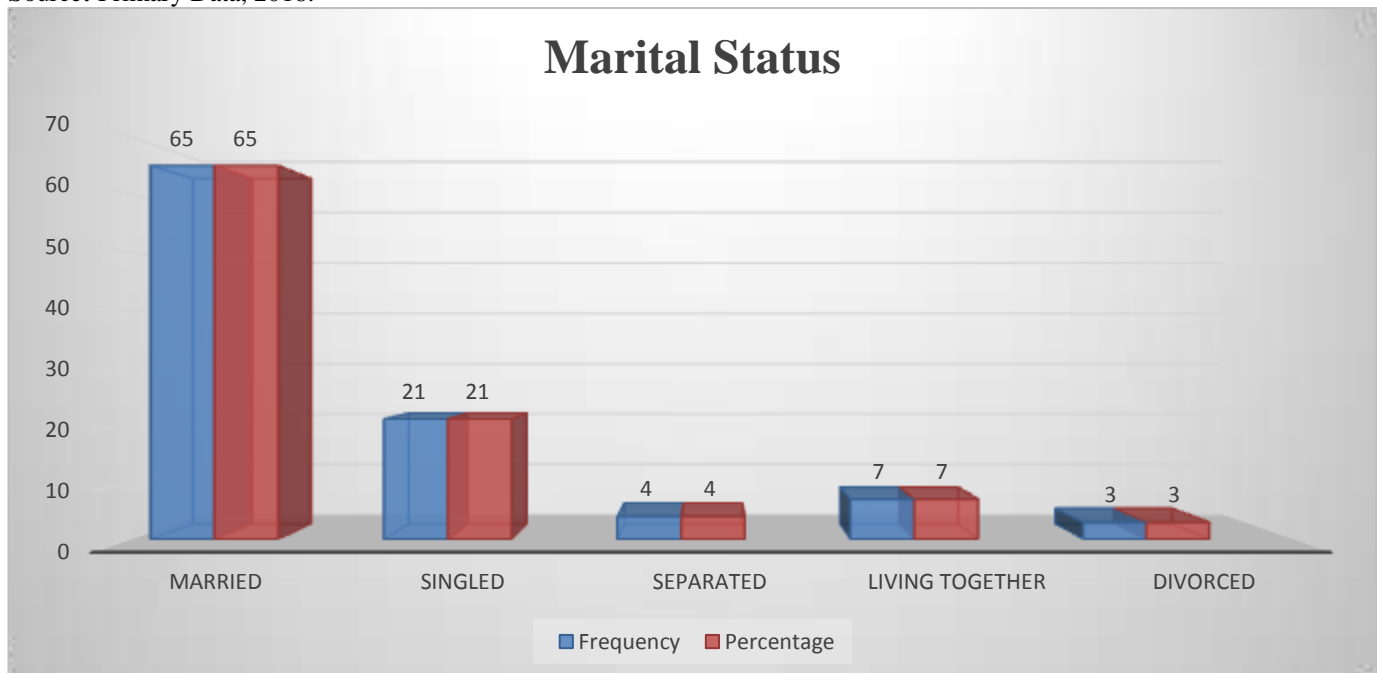


Table 4: Marital Status

Respondents Marital Status	Frequency	Percentage
Married	65	65
Singled	21	21
Separated	4	4
Living Together	7	7
Divorced	3	3
Total	100	100

Source: Primary Data, 2018.



From the responses 65 percent of the participants are married and 21 percent of the interviewed population said they are singled. 4 percent have separated while 7 percent are living together under the same roof but they are not formally married. 3

percent of the respondent said they have divorced. We observed that the number of married managers and customers in the institution is the highest of all.

Table 5: Workers Experience

The table 5 below shows the number of years interviewees have been working with the institutions. It is said that, the more the years one has been working with an institution, the more the persons experience that is been acquired and the vice versa all things being equal.

Number of Years	Frequency	Percentage
One year	11	11
Two years	23	23
Three years	18	18
Four years	26	26
Five years	22	22
Total	100	100

Source: Field Data, 2018.



Table 6: Loans Received from MFIs

The below table illustrates the number of customers from a microfinance institution who have benefited from the credit offered to them in Ghana. Out of 100 percent customers, 73 said they benefitted from the institutions' loan while the remaining 27 said they do not beneficiaries. The credit/loans are used for different purposes by the customers and the income that is generated from it is been used for different purposes.

Loans Received	Yes	No	Total
Frequency	73	27	100
Total	73	27	100

Source: Own Research, 2018

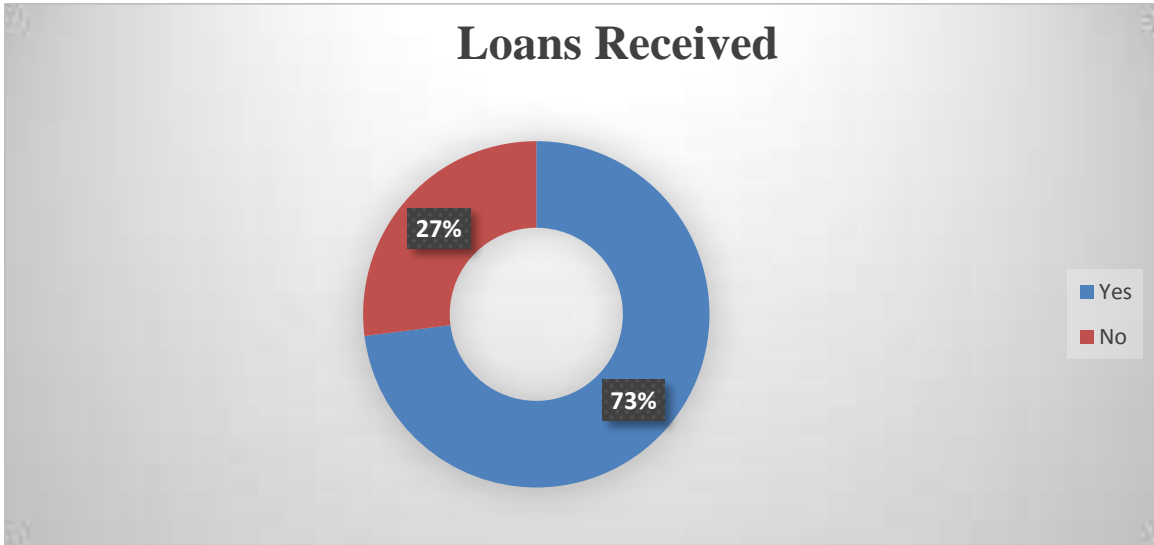
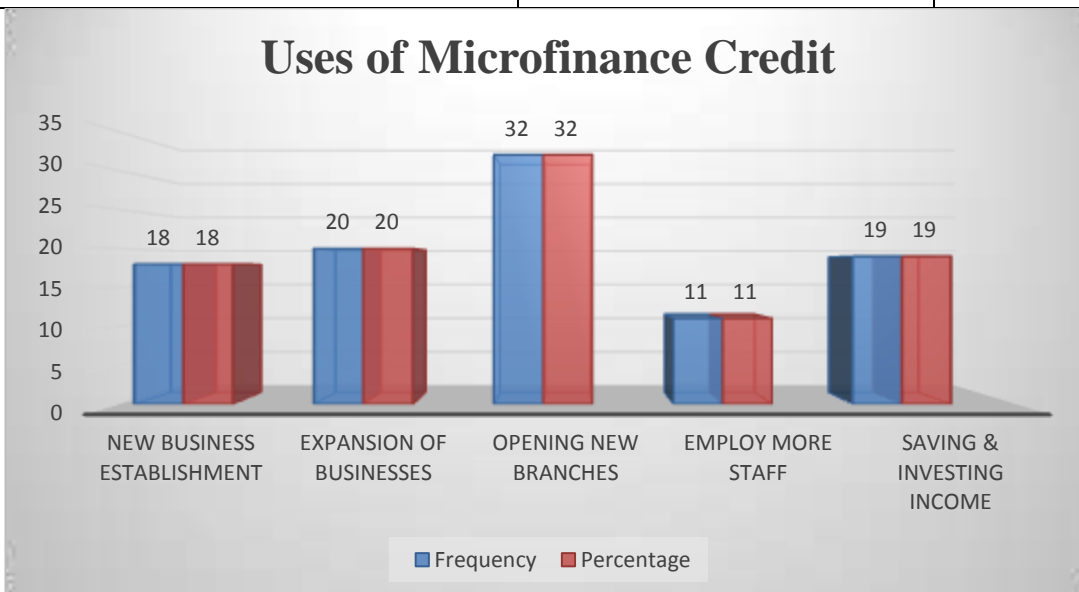


Table 7. Uses of Microfinance Credit by Customers

The loans that were received from the microfinance by the 73 respondents was used appropriately by the majority of the respondents. From the interviewed, some of the customers attested to the fact that they use the loans to start a new business altogether. They said without the loans from the microfinance institution they would not be able to start anything new on their own. Microfinance helps their customers to establish a new business and also employ few workers to help in the running of the businesses said the loan beneficiaries. Aside from new business starting by some of the clients, some of the loan beneficiaries also use the credit for their businesses expansion. Others also open new branches and some of them increase their products & services. According to them, credit help increases their income and standards of living.

Uses of Microfinance Credit	Frequency	Percentage
New business Establishment	18	18
Expansion of Businesses	20	20
Opening new Branches	32	32
Employ more staff	11	11
Saving & investing income	19	19



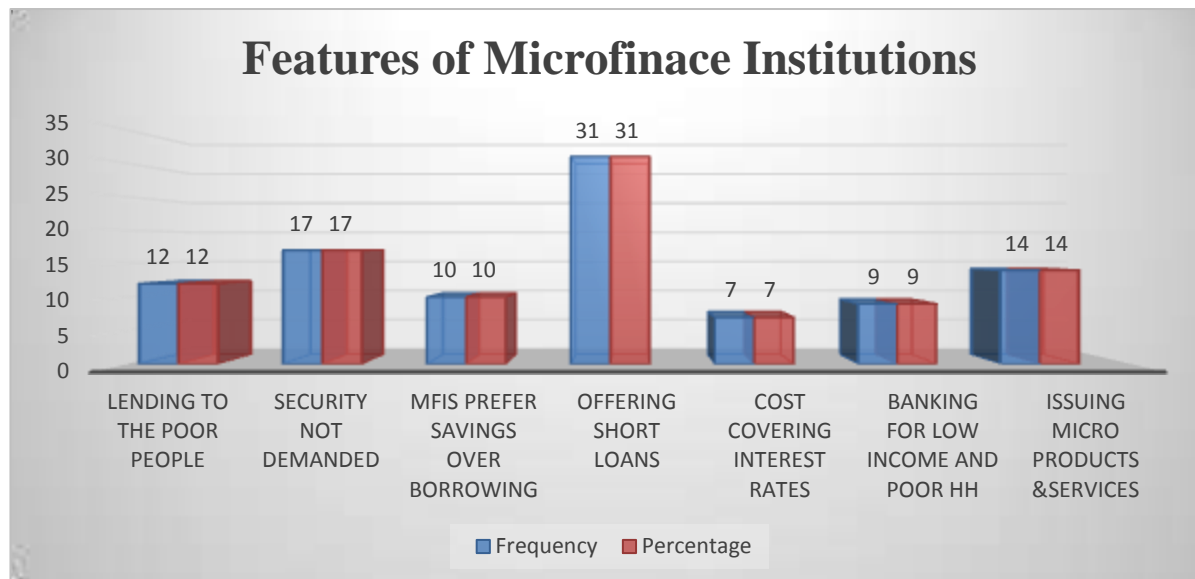
According to the customers during the interview, 18 percent use the credit for new business establishment while 20 percent use the credit for their Businesses expansion. 32 percent indicated that, the credit was used to in opening new Branches and 11 percent mentioned Employment of new more staff, and only 19 percent mentioned saving & investing the income gained from using the credit.

Table 8: Features of Microfinance Institutions

Microfinance have several features or characteristics. Among the features of the institutions mentioned by the respondents are those indicated in the table below.

No	Microfinance Features	Frequency	Percentage
1	Lending to the poor people	12	12
2	Security not Demanded	17	17
3	MFIs prefer savings over borrowing	10	10
4	Offering short term loans	31	31
5	Cost covering Interest rates	7	7
6	Banking for low income and poor Household	9	9
7	Issuing micro products & services	14	14

Source: Own Research, 2018



Microfinance institutions have a lot of characteristics as indicated by the participants. Some of them mentioned Lending to the poor people as a feature of microfinance with 12 percent, security not demanded with 17percent, MFIs prefer savings over borrowing 10 percent, offering short term loans 31 percent, cost-covering interest rates 7 percent, banking for low income and poor household 9 percent, and issuing micro products & services 14 percent.

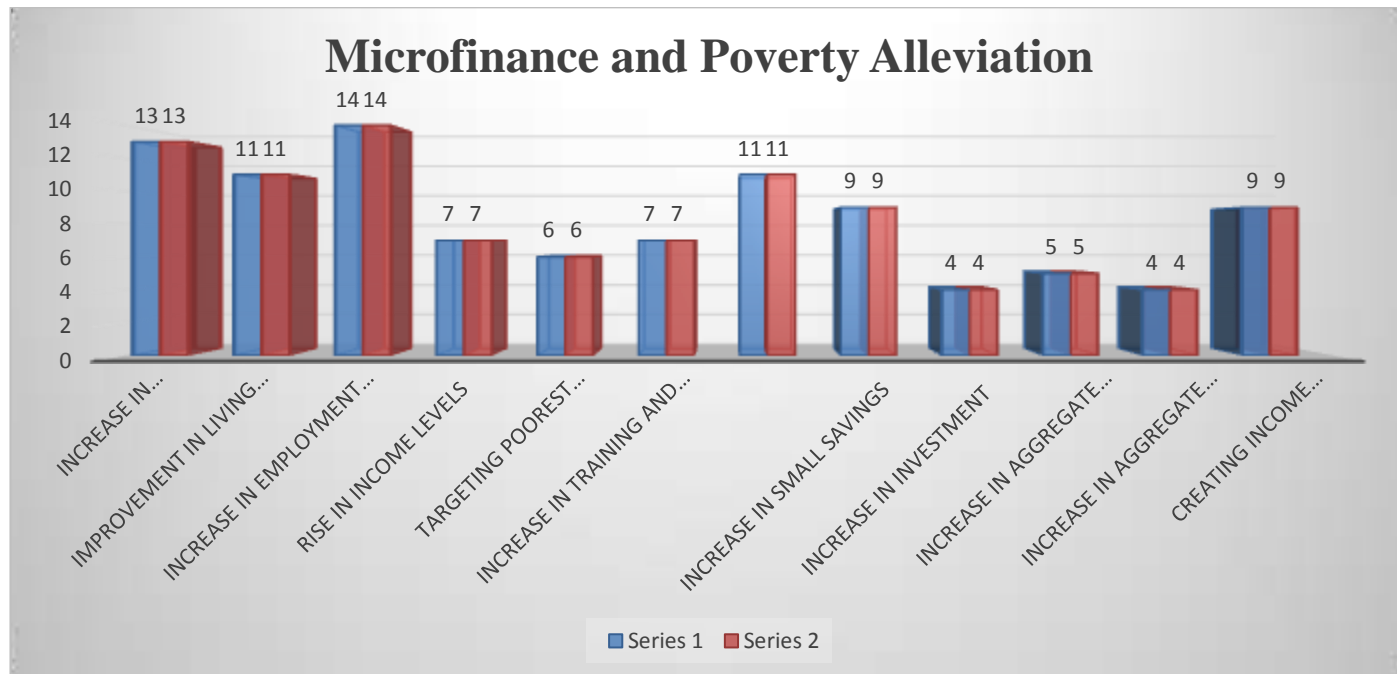
Table 9: Microfinance Institution Role in Poverty Alleviation

The role of Microfinance institution towards poverty alleviation in Ghana cannot be downplayed. According to the respondents, microfinance institution helps them a lot by attending to their needs, giving them banking opportunities, accepting their smaller deposit, giving them loans without collateral and training them on how to use the loans and payback without any default. The management and customers all mentioned that microfinance has a significant role in the economic development of the country. Below are the findings from their responses.

No	Microfinance Role in Poverty Alleviation	Frequency	Percentage
1	Increase in consumptions of Goods and services	13	13
2	Improvement in Living Standards	11	11
3	Increase in Employment opportunities	14	14
4	The rise in Income levels	7	7
5	Targeting the poorest segment of society	6	6
6	Increase in training and education	7	7

7	Economic growth and decline in poverty	11	11
8	Increase in small savings	9	9
9	Increase in investment	4	4
10	Increase in aggregate demand	5	5
11	Increase in aggregate supply	4	4
12	Creating income-generating activities	9	9

Source: Primary data, 2018

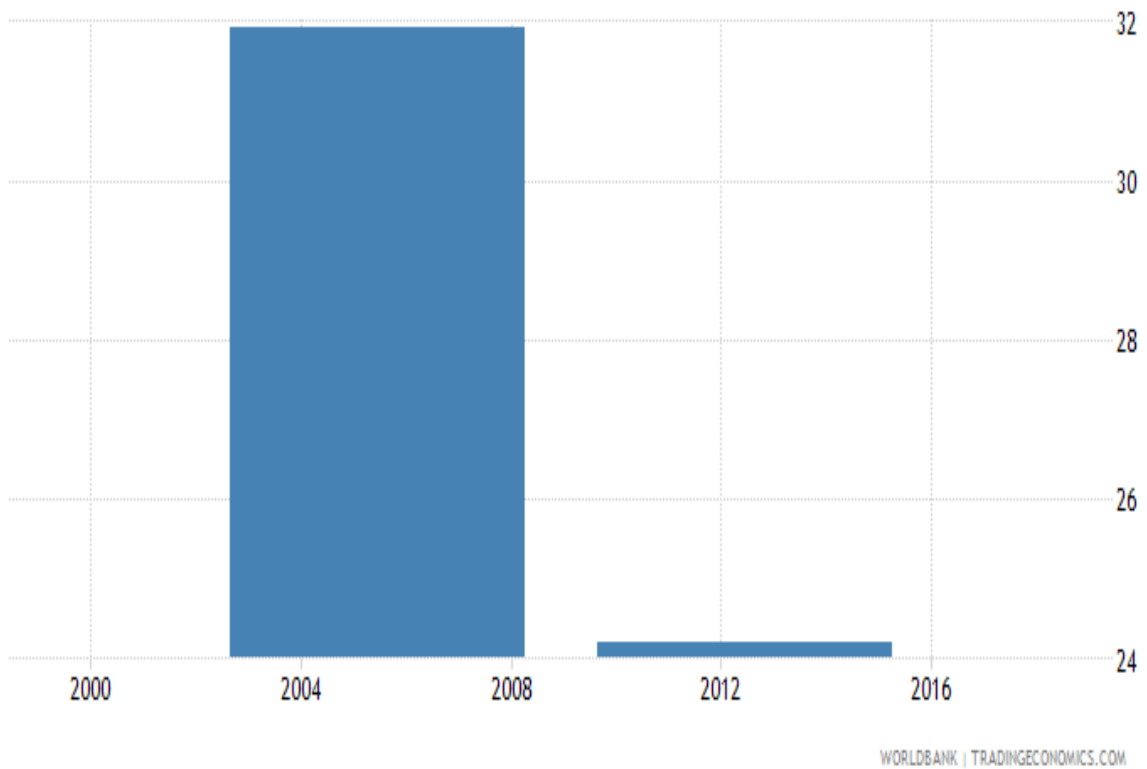


The participant interviewed during the field data collection mentioned that, Microfinance institutions have a strong relationship with Poverty Alleviation. The below-mentioned factors are the reasons that made them conclude that: Increase in consumptions of goods and service 13 percent, Improvement in Living Standards 11percent, Increase in Employment opportunities 14 percent, Rise in Income levels 7 percent, Targeting the poorest segment of society 6 percent, Increase in training and education 7 percent, Economic growth and decline in poverty 11percent, Increase in small savings 9 percent, Increase in investment 4 percent, Increase in aggregate demand 5 percent, Increase in aggregate supply 4 percent, while Creating income-generating activities 9 percent.

The Poverty Rate In Ghana

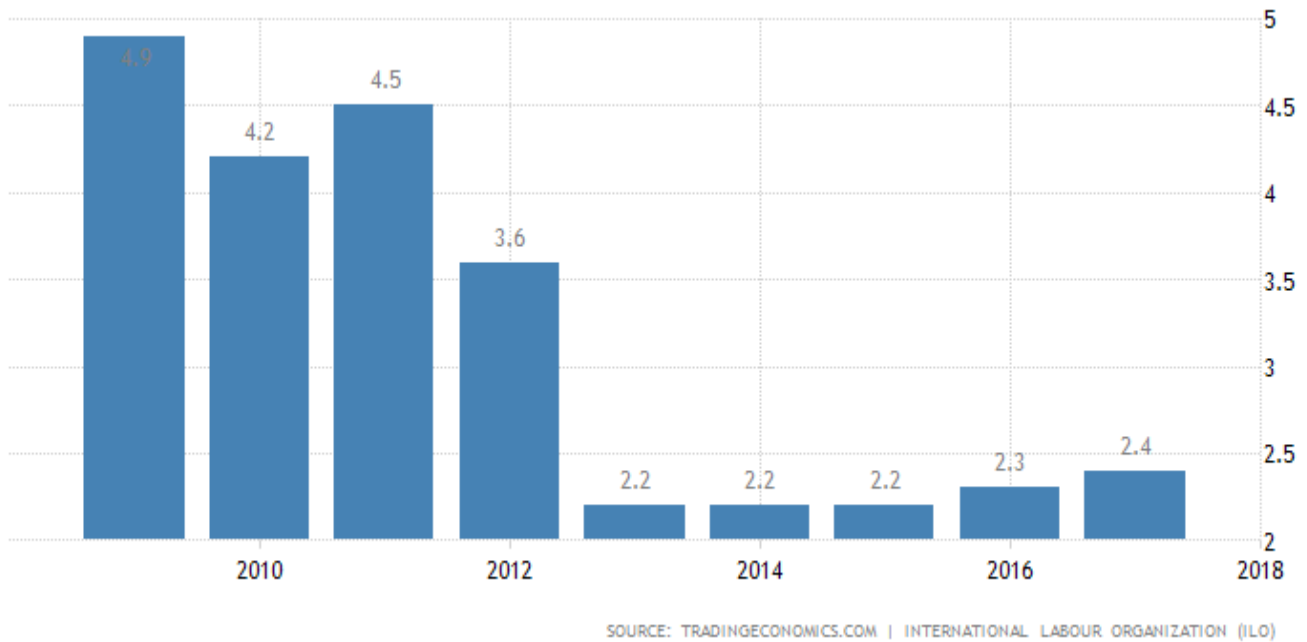
The poverty headcount ratio of Ghana at the national poverty line (percentage of population) was reported in 2012 at 24.2% according to the report of World Bank collection of development indicators that were compiled from officially recognized sources. The national poverty rate is defined as the percentage of a population who are living below the national poverty line. The estimates in the nation are based population-weighted of the sub-group estimates from the survey of household in the country (household survey).

[Historical Data API](#)



The Unemployment Rate In Ghana

The rate of unemployment in Ghana from 2.30 % in 2016 has increased to 2.40% in 2017. The unemployment rate in the country was averaged 5.41% since 1991-2017, reaching the highest level of 10.40% in 2000 and a lower record of 2.20% in 2013.



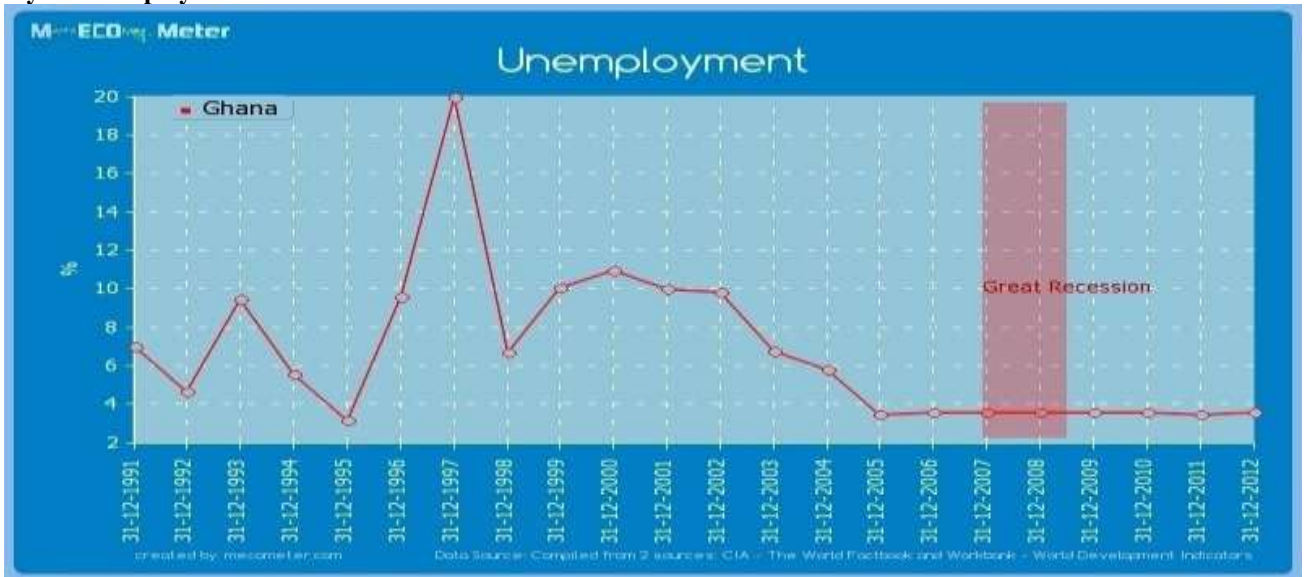
Ghana Labour	Last	Previous	Highest	Lowest	Unit	
<u>Unemployment Rate</u>	2.40	2.30	10.40	2.20	Percent	[+]

Ghana Labour	Last	Previous	Highest	Lowest	Unit	
<u>Population</u>	29.77	29.12	29.77	6.64	Million	[+]
<u>Living Wage Family</u>	1720.00	1600.00	1720.00	1600.00	GHS/Month	[+]
<u>Living Wage Individual</u>	900.00	860.00	900.00	860.00	GHS/Month	[+]
<u>Wages High Skilled</u>	2030.00	2110.00	2110.00	1440.00	GHS/Month	[+]
<u>Wages Low Skilled</u>	870.00	698.00	870.00	472.00	GHS/Month	[+]

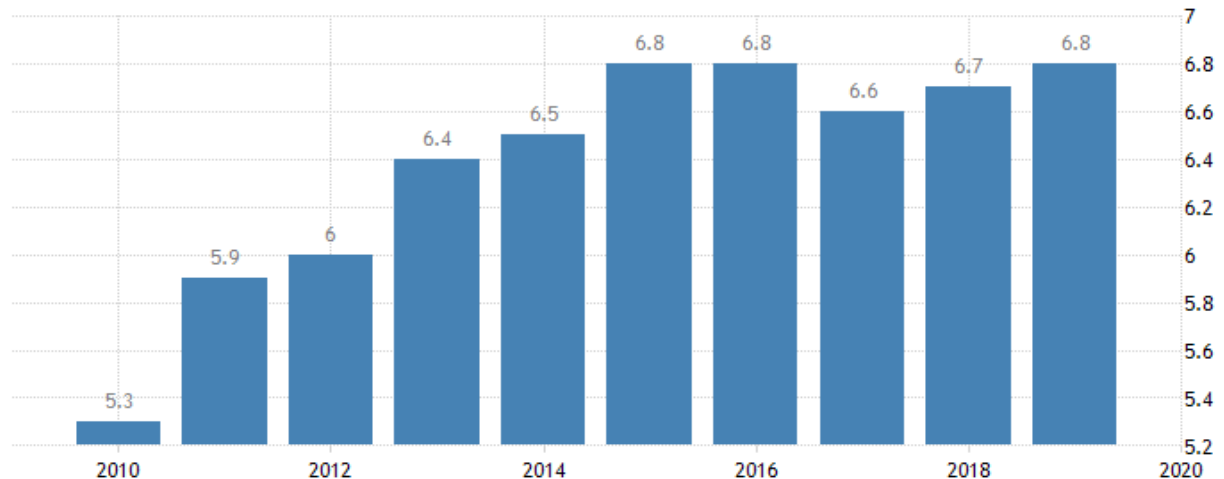
The Ghana unemployment rate is the rate that measures the individuals looking for a job actively as a percentage of the labour force in the country. The above indicates the Ghana unemployment rate, historical data, and actual values, data forecast, chart, the statistics, and the economic calendar. The last update was on September 2019.

Actual Previous Highest Lowest Dates Unit Frequency
 2.40 2.30 10.40 2.20 1991 - 2017 Percent Yearly

The History of Unemployment Rate in Ghana



The Trend of Unemployment 0in Ghana



SOURCE: TRADINGECONOMICS.COM | INTERNATIONAL LABOUR ORGANIZATION (ILO)

5 FINDINGS

From the findings, the respondents indicated the uses of Microfinance Credit to include: New business Establishment, Expansion of Businesses, Opening new Branches, Employment of more staff, saving & investing income. While the Features of Microfinance institutions as Lending to the poor people, Security not Demanded, MFIs prefer savings over-borrowing, offering short term loans, cost-covering Interest rates banking for low income and poor Household and the Issuing micro products & services. Furthermore, the participants during the interview also Microfinance Role in Poverty Alleviation as Increase in consumptions of Goods and services, Improvement in Living Standards, Increase in Employment Opportunities, Rise in Income levels, targeting the poorest segment of society, Increase in training and education Economic growth and decline in poverty, Increase in small savings, Increase in investment, increase in aggregate demand, Increase in aggregate supply, creating income-generating activities. It is no doubt that Microfinance institution plays a crucial role in the economic development of the country through unemployment reduction and poverty alleviation. Also, this research found out that, the microfinance institution program helps to reduce unemployment by offering credit / loans to the customers of the institutions who qualify to be given. Besides the above, if the policymakers, the government, the management and all interested stakeholders of the institution should support MFIs, the objective, mission and the vision of the microfinance institutions will be achieved in Ghana. For a strong relationship between the institution, unemployment reduction, and poverty alleviation in the country. The last but not the least is that there exists a strong relationship between microfinance institutions, poverty alleviation, and Unemployment in Ghana.

5.1 The Role of the Ghana Government

The government of Ghana has a key role in the operations and survival of Microfinance Institutions in the country. He has to ensure that favourable policies are formulated, a good regulatory framework and best monitoring and supervision style is adopted to help sustain the microfinance Institutions within the country. Rhynne and Otero 2006:19 indicated that; most microfinance institutions have flourished and sustained where the government keeps itself separate from policies, allow interest rates to be determined by the market, credit allocation independent from other issues and the lending also independent from the government. Through the Ghana poverty reduction Strategies 1 and 11 implemented by the Government in the country (GPRS I and GPRS II), it is obvious that Microfinance in the Country is considered by the government to reduce and fight poverty in Ghana and to help create employment for the poor. The government should, therefore, review its laws, rules and regulations towards the microfinance sector to implement favourable policies to motivate and encourage microfinance institutions in the country.

6 RECOMMENDATIONS

Below are some recommendations which if the government implement would help microfinance to be sustained in the country and could help accelerate self-employment, self-independent and alleviate poverty from the country.

Firstly, the Government should encourage technical education where students can learn different practical things to help them be on their own after school and not rely on the government for a job.

Secondly, the government should reduce the minimum capital requirement by microfinance so that more institution will be established and also the existing ones sustained since the institutions help create jobs for the masses and give credits to most of their customers.

Also, the Government should give support to collapsing microfinance to sustain them and the high-Interest rates should be reduced to encourage more investors and depositors into the institution.

Again, there should also be independent regulations and government should be autonomous from the policies and operations of the microfinance institution. Furthermore, there should be proper supervision, monitoring and evaluation of the institutions by the government regulators.

When the above recommendations are properly implemented, the researchers believe that microfinance in the country will stand on its feet and serve the purpose for which it was established.

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