

**PROCEEDINGS OF THE
STAKEHOLDERS' WORKSHOP ON
GENDER POVERTY AND ECONOMIC
GROWTH**

**COMPILED BY THE GENDER POVERTY AND ECONOMIC
GROWTH PROJECT DIRECTOR OF THE CENTRE FOR
POLICY ANALYSIS**

PROFESSOR CLARA FAYORSEY

OCTOBER 2005

STAKEHOLDERS' WORKSHOP

“GENDER, POVERTY AND ECONOMIC GROWTH IN GHANA”

PROGRAMME

- 9.00am Registration Of Invited Guests
9.25am Opening Prayer by Rev. Dr. J.O.Y Mante
9.30am Welcome Address & Introduction Of Chairperson
 Dr. Joe Abbey
9:40 am Opening Remarks – Prof. Miranda Greenstreet
9.45pm Support From Development Partners
10.05am Keynote Address –Deputy Minister For Women And
 Children’s Affairs: Hon. J. B. Danquah-Adu
10.25am Cocoa/Tea/ And Coffee Break
10.40am Overview by Project Director - Prof. Clara Fayorsey
11.00am Dr. Princess Awoonor Williams -Credit
11.20am Dr. William Ahadzie - Manpower, Employment & skills
11.40am Dr. Rose Mensah Kuntin - Political Participation
12.00noon...Dr. Nii Arday Cudjoe - Water and Sanitation
12.20pm Dr. Kwaku Yeboah - Maternal and Child Health
12.40pm Review of Policies that affect women
1.20 pm.... Closing Remarks by Prof. Miranda Greenstreet
1.30pmClosing Prayer
1.35pm Lunch

M-PLAZA HOTEL

4TH OCTOBER 2005

**Centre for Policy Analysis In Collaboration with
The Ministry of Women and Children’s Affairs and
The Nation Development Planning Commission
Sponsors: Ghana Research and Advocacy Programme (GRAP) &
African Capacity Building Foundation**

**WELCOME ADDRESS THE EXECUTIVE DIRECTOR OF THE CENTRE FOR
POLICY ANALYSIS : DR. JOE ABBEY
AT STAKEHOLDERS WORKSHOP ON GENDER, POVERTY AND ECONOMIC
GROWTH IN GHANA (4TH OCTOBER 2005 MPLAZA HOTEL).**

Madam Chairperson, Honourable Ministers of State, Development Partners and sponsors, distinguished Participants, Research fellows, distinguished Ladies and Gentlemen, it gives me great pleasure to welcome you to this mornings deliberations on important and critical issues on Gender, Poverty and Economic Growth.

- Poverty reduction strategies (PRS) as promoted by the Breton Woods institutions are designed to be country -owned processes that address poverty in developing countries,
- PRS should be informed by a clarification of the concept and in-depth analysis of poverty, and a better understanding of the poor, the underlying causes, manifestations, and constraints of escaping from poverty.
- The analysis should raise some pertinent questions. For example, given the peculiarities of Ghanaian society and economies what should be the appropriate measure of poverty?
- What are the determinants, experiences and manifestations of poverty among different individuals and groups of population?
- What are the constraints to poverty reduction and to what extent do these vary by socio-cultural, economic, political and demographic variables such as age, gender, class and location?
- To what extent do gender-based differences determine experiences of poverty? Answers to these questions require the analysis of empirical data and facts to deepen our understanding of poverty and to develop an appropriate analytical framework for poverty reduction,

I believe you will contribute to this process your full participation in Today's deliberations. The Centre for policy analysis in collaboration with the Ministry of Women and Children's affairs and the National Development Planning Commission welcomes you to the MPLaza Hotel.

GENDER POVERTY AND ECONOMIC GROWTH IN GHANA

OPENING REMARKS by Prof. Miranda Greenstreet.

All protocol observed. Thank you Dr. Abbey for your kind words. I will at this stage limit my opening remarks to a few words. That is to reiterate the link between gender and poverty reduction, at least at the rhetoric level. The World Bank states:

“men and women experience poverty differently. As a result of their different constraints, options incentives, and needs, women and men frequently have different priorities and are affected differently by many kinds of development interventions. For these reasons, a full understanding of the gender dimensions of poverty will significantly improve both the equity and efficiency of Poverty Reduction efforts.” and lead to economic growth.

We shall continue by calling onsee programme

KEYNOTES ADDRESS BY THE HONOURABLE DEPUTY MINISTER FOR WOMEN AND CHILDREN'S AFFAIRS AT STAKEHOLDERS WORKSHOP ON GENDER, POVERTY AND ECONOMIC GROWTH IN GHANA (4TH OCTOBER 2005 MPLAZA HOTEL).

Madam Chairperson, Honourable Ministers of State, Development partners, distinguished members of the arms of Government and the Sector Ministries, distinguished Participants, Research fellows, distinguished Ladies and Gentlemen, it gives me great pleasure to be called upon to give the keynote address for this stake holders' meeting which is expected to deliberate on important and critical issues on Gender, Poverty and Economic Growth.

Let me first of all extend the best regards from my Honourable Minister for the Women and Children's Affairs, who could not be with us this morning due to other pressing government commitment elsewhere. Our Ministry is glad to collaborate with the Centre for Policy Analysis (CEPA) and the National Planning Development Commission (NDPC) on this very important project which will be identifying the social, cultural and economic constraints to women's fuller participation in the economy, men's under production and the inherent constraints in our financial systems especially micro-credit and finance. These constraints contribute significantly to the levels of poverty currently being experienced by Ghanaians.

Let me reassure all of us that the current economic hardship and poverty are part of a global phenomenon that is plaguing most third world countries. We in the NPP government are, however, committed to solving the poverty related issues and reducing abject poverty by the year 2015. We are committed to the goals of the international community and recognise the 'dehumanising conditions of extreme poverty' and are committed to fight them. We, therefore, in collaboration of CEPA and NDPC reaffirm our commitment to the Millennium Development Goals. We believe that extreme poverty is a violation of basic human rights and are, therefore, committed to eradicate it, reduce overall poverty substantially by promoting the effective

enjoyment by all people of civil, cultural, economic, political and social rights, as well as providing access to social protection and public services.

The Ghana Poverty Reduction Strategy aims at eradicating extreme poverty and hunger by half by 2015. Our Government is currently engendering the Ghana poverty Reduction Strategy to this end. Meeting the poverty goal will require a multi-dimensional approach because many aspects of gender inequality influence the different dimensions of poverty. For example, raising the productivity of labor and improving the efficiency of labour allocation, gender equality has a direct impact on economic growth and the reduction of income poverty. It also increases the women's economic opportunities and empowers them thus enhancing the human resource development.

Human resource development is central to the GPRSs' objective of wealth creation and poverty reduction. There is the need for equity in the creation and consumption of the nations' wealth and capital. Men and women have to contribute their full quota to the development process through full participation. There are, however, significant gender inequalities in human capital development and in access to productive resources such as land, labour, capital, entrepreneurship and education. There are also inequalities in access to basic human needs such as health, sanitation, water and housing.

The overarching goal of the Human Development Thematic Area of the GPRS is therefore to ensure that all Ghanaians have access to basic social services such as education and training, health care, safe drinking water and sanitation and decent housing that impact positively on their quality of life. In working towards the achievement of this goal, the GPRS duly recognizes the significant gaps that exist in access to and utilization of these services by the poor

The Status of Women and Gender Equality in Ghana

Although Ghana has made some progress in the last few decades, significant gender inequalities continue to be prevalent and limit women's capabilities and constrain their ability to participate fully in and contribute to the economy. A wide range of gender gaps makes women more

vulnerable to poverty than males. It is important to examine the context within which these inequalities prevail.

- Ghana's population includes over 90 different ethnic groups (GSS, 2000), characterized by a variety of kinship systems with different implications for access to resources and decision making power by gender. Women's access to resources is affected by land tenure and land use arrangements and inheritance systems often resulting in women having limited access to and control over resources compared to men. Kinship systems are undergoing transformation in response to economic and social pressures, and often undermining women's traditional forms of security, without giving rise to reliable alternative mechanisms guaranteeing security. Divergence of experiences has been further widened by regionally distorted historical development and biased development policies.
- The traditional household structure in Ghana is based on male headed units of extended families, with a clear division of economic responsibilities of ensuring the welfare of all household members based mainly on age and sex. Men are regarded as household heads and breadwinners and charged with the responsibility of the welfare of all household members. Women were primarily responsible for all social reproductive activities including all child care, cooking, collecting water and fuelwood. However with increasing social change, women's traditional responsibility for reproduction and productive tasks have remained, while new gender roles have been added, thus increasing women's workloads
- There is extreme diversity and complexity of household forms as well as of the organisation of the household economy. Pooling of resources and joint decision making between men and women in households is generally not the norm, with men and women tending to have separate income and expenditure streams. There is considerable scope for intra-household gender inequality, an issue which has been neglected in recent statistical surveys.

- Women's labour participation rates are generally high throughout Ghana. There is some regional diversity and variation in socio-economic opportunities for women from different backgrounds. The most striking feature, however, is that about 90% per cent of women are self-employed or work as unpaid labour in agriculture, agro-based enterprises and commerce or small scale manufacturing in the informal sector, in activities with low productivity which on average yield low incomes. The division of labour in Ghana is highly sex-segregated in both the traditional and modern wage sectors. Only a very small number of women have broken through into modern sector occupations and even fewer into managerial positions.
- There are gender inequalities in sharing of power and decision making. Women's participation in politics, public service and decision making is limited
- In the agricultural sector, the majority of women are food producers. 70 per cent of women have food production as their main activity, compared to 50 per cent of male farmers (GSS, 2000). The nature of women's involvement in food production also differs from men's in terms of divisions of labour and end use of production, with men producing more for the market
- Relative to men, women generally have limited access to formal credit. Moreover, extension services in Ghana have been biased towards larger, commercial farmers. Those that have been targeted towards women have been gender biased in content, until recently focusing mainly on nutrition and health related activities.
- Fertility rates in Ghana are high, but appear to be on the decline (GSS, 2004). High fertility rates in Ghana are linked to demographic factors such as early age at first marriage and childbirth. However, economic, social and cultural factors clearly underlie these patterns, particularly women's relative lack of education and economic opportunities. Unequal gender relations manifest themselves in decision making patterns relating to fertility, which tend to reflect male rather than female preferences.

- Women form the majority of HIV/AIDS cases in Ghana. Women are extremely vulnerable to HIV/AIDS and other STIs, because of limits on their control of their sexuality within and outside marriage. Women's control of their sexuality is limited by socio-cultural expectations, but underlying this are economic imperatives which push some women into sexual exchange for survival, and make women dependent on men for long-term security

Government's Efforts at Addressing Gender Inequalities

Despite these, some progress has been made towards addressing areas of concern on gender inequalities in Ghana. International, Government and Non-Governmental Organisations have supported various programmes to improve women's situation in Ghana. In Ghana, the National Council on Women and Development (NCWD) was set up in 1975, as the national machinery to advise government on policy issues relating to the enhancement of the status of women. A change in government resulted in the establishment of a Ministry for Women and Children's Affairs (MOWAC) in 2001, with the mandate to formulate and oversee policies to promote women and children's rights and well being.

Events have taken place both at the local, national and international scenes providing frameworks for promoting gender equality. Among these are the Fourth World Conference on women in Beijing, the Beijing+5 reviews UN Millennium Development Goals (MDGs) and the New Partnership for Africa's Development (NEPAD) which has some specific objectives targeted at women's advancement. The country has also developed a Ghana Poverty Reduction Strategy Development (GPRS) document, which is aimed at addressing poverty in a holistic way. Aside all these, emerging issues such as the HIV/AIDS pandemic, pose a threat not only to development efforts, but also make women more vulnerable to its infection.

In line with these several international and national mandates, the Government of Ghana has made several strides in achieving tenets of the international mandates in the advancement of the status of Women in Ghana. Specifically on Women's rights, Ghana has ratified CEDAW and signed several other conventions. Notable achievements in the area of women's status and advancement are:

- The development of the Affirmative Action Policy and its 40% requirements
- Creation of gender desks officers in all MDAs to ensure gender mainstreaming
- Efforts at compilation of data on qualified women by NCWD
- Efforts at increasing women's participation in politics and inclusion of some women's concerns in political party manifestos
- Cabinet approval of 50% women representation in appointed District Assembly members
- Advocacy in increasing political awareness of women
- Establishment of a Girls' Education Unit within the Ministry of Education to promote and enhance girls' equal opportunity in education
- Drafting of legislation to address lapses in the criminal code in relation to harmful traditional practices and violence against women.
- Strengthening of institutional mechanisms with the creation of Ministry for Women and Children's Affairs, Women and Juvenile Unit of Ghana Police Service, CHRAJ etc.
- Formation of many NGOs with focus on gender issues.

It is my hope that the Project Director, and her research fellows will be able to successfully carry out this project as part of their contribution to National development through poverty reduction and economic growth. I believe also that at the end of their study the development partners here present and the NGOs represented will take up the recommendation for appropriate intervention programmes that will enhance socio-economic growth and alleviate poverty.

Finally, Madam Chairperson, I look forward to the publications and policy briefs on the Gender, Poverty and Economic Growth Project. We are anxious to base our planning and efforts at eradicating poverty on facts. You have the assurances of my highest regard and support in this direction

Thank you.

OVERVIEW OF PROJECT ON GENDER POVERTY AND ECONOMIC GROWTH IN GHANA

By Prof. Clara Fayorsey –Sociology Department University Of Ghana And The Centre For Policy Analysis

(4TH OCTOBER 2005 MPLAZA HOTEL).

Madam Chairperson, Honourable Minister of State, distinguished Participants all protocol observed. I wish to thank you all very much for accepting our invitation at such short notice. I believe that your presence here indicates how very important you consider gender and poverty issues and your commitment to find solutions to the teething problems associated with poverty, gender inequalities and especially the feminization of poverty on the Africa continent.

FEMINIZATION OF POVERTY: GENDER INEQUALITIES

The Human Development Report states “poverty has a woman’s face - of the 1.3 billion people in poverty, 70 per cent are women” (HDR 1995) The causes of feminization of poverty in most Third World countries are linked to “the tragic consequences of women’s unequal access to economic opportunities.” Gender, therefore, constitutes one of the determinants of how poverty is experienced (Bridge, 1998). Rights and entitlements of men and women to opportunities, resources and decision-making spaces are based on socio-cultural norms rather than on human rights or the respective development capabilities of men and women. Gender analysis of poverty allows a better understanding of how men and women experience poverty differently. For instance, gender differentials in access to development opportunities and capabilities lead to differentials in such quality of life indicators as literacy, basic education, health status, life expectancy as well as labour use patterns and income. Other multi-dimensional facets of poverty that manifest differently by gender are time poverty, energy, technological poverty, lack of voice (low political participation) and social exclusion. It is often said that in most African countries, gender relations are biased against women and increases inequality and feminized poverty. To what extent this is currently pervasive has to be learned and supported by current empirical facts.

Feminized poverty as a concept describes the phenomenon of higher incidence, greater severity and worsening dimensions of poverty over time for women, above that of men (Adepoju, 2003, Kabeer, 2003) and has economic, political, environmental and security dimensions. Economic

dimensions include inequality in access to and control over productive resources, labour-use patterns, technological capacity, time burden, income, productivity, production systems (marketable versus non-marketable), unfair macroeconomic and trade policies, and employment domains. Social dimensions refers inter alia to inequality in education and health (including reproductive, sexual health & HIV and AIDS), low marketable skills and harmful traditional practices. Security issues include gender-based violence, discriminatory law, access to civic education, unequal impacts and coping mechanism in situations of conflicts and food security. Political dimension encompasses inadequacy of accountability to women, low women's representation in governance, gender power relations (household and community), and access to leadership positions. The combined impacts of these disadvantages, overtime, may contribute to feminization of poverty and also increases the probability of intergenerational transfer, and severity of poverty.

Objectives of the Project

The main aim of this project therefore is to determine the gender dimensions of Poverty and Economic Growth in Ghana. We at CEPA have found it very necessary to collaborate with the Ministry of Women and Children's affairs and the National Development Planning commission to undertake a nationwide survey on Gender Poverty and Economic Growth focusing on the socio-cultural and economic constraints using the five main ecological belts as lines of demarcation and differentiation.

The process will begin with the Southern Zone of Ghana, using sector analysis of specific social indicators supported by primary household data. Gender inequalities refer to socially-determined unequal status, power, rights and access and control over social, economic and political opportunities. Gender issues are cross-cutting and arise in all sectors of the economy as well as in the social political and legal domains. The project will aim at providing updated primary and secondary information on the Production and Gainful Employment and the Human resource Development and Basic Services component of the Ghana Poverty Reduction Strategy (GPRS). The project will focus and produce quarterly reports on each of the outlined interrelated socio-economic factors which are pertinent to Gender Poverty and Growth:

1. Education
2. Health
3. Credit
4. Access to other Productive Resources(Land, labour and Extension services
5. Manpower development; including skills and entrepreneurship development
6. Political participation
7. Population Management and Reproductive Health including HIV/AIDS
8. Safe water and Environmental sanitation

The specific objectives

1. Evaluate the status of women in defined socio-economic sector in the southern zone of Ghana
2. Develop Gender Status indices for each indicator within the Southern zone of Ghana
3. Assess the impact of gender and poverty on a specific sector within the Southern Zone of Ghana
4. Identify major stakeholders and their programmes and strategies in the specific sector and how they help in reducing poverty and sustaining growth in the sector
5. Make specific policy recommendations to ameliorate poverty and improve socio-economic growth in the Southern zone of Ghana.

3. Methodology

The study will be based on secondary and primary sources derived from both qualitative and quantitative data sources. The secondary data will be mainly from an analysis of the year 2000 census, national household and surveillance data covering the period 2000-2004. Individual sector reports will be of utmost importance.

The primary data will be mainly also qualitative and quantitative, and will include in-depth interviews, case studies, sample surveys of selected households from defined and stratified communities within the four regions that span the southern zone of Ghana namely the Western,

Central Greater Accra and Southern Volta. Over one hundred and twenty-six rural, peri-urban and urban communities have been selected for the study.

Initially the study will attempt to estimate Gender status indices for specific socio-economic sectors and relate these to poverty levels within the identified communities in the southern zone or Coastal scrub and grassland. Later the study will be extended to cover the other ecological belts namely the Forest Belts, the transitional belts and the Sahel and Guinea Savanah belt

Sampling and Data Sources

A multistage sampling methodology will be adopted. The sampling frame will include purposeful selection of rural, urban peri-urban communities classified according to the main economic activities in the Southern zone namely fishing, farming and others including mining, sand weaning and trading from the four regions that span the Southern zone of Ghana. Based on the population sizes of the 126 communities selected, individual households will identified. Characteristics of all household members will be listed and all women and men within given households aged 15 years and above will be interviewed with the composite survey questionnaire.

The household survey questionnaire includes key household data and poverty indicators. There will be specific sections on Education, Political Participation, Health, Employment, Credit, Productive resources, HIV/AIDS and Maternal and Child health..

Data Collection and Processing Procedures

Rapport will initially be established between key stakeholders in the communities selected for investigation. These key stakeholders will include the District chief executive officer, the members of the district assembly, chiefs and chief priests, officials of the decentralized Government agencies and departments. Teachers within the identified communities will be used as enumerators. Where there are no teachers in the identified communities, enumerators will be brought over from Accra to assist any other local literate persons.

Identified enumerators will undergo a two day training on the use of the instruments before the field work in each region.

A pilot survey will be conducted in each of the nine strata to test the survey instruments before the actual fieldwork. Whilst data is being collected, field editing of questionnaire will be carried out.

The collected data will be processed by use of SPSS and other statistical package relevant to the specific sector.

4. EXPECTED OUTPUTS

The main outputs for this project include quarterly reports and policy briefs on each of the identified issues.

GENDERED POVERTY AND GROWTH REPORTS 2006-2008

Publication of eight quarterly reports and Policy briefs spanning a period of two years from 2006 - 2008 will be produced sequentially as follows:

1. Gender Equality and Education – The Impact of Poverty and Policy Implications for Growth in the Southern Zone of Ghana (February 2006 – April 2006)
2. Gender Equality and Household Responses to Poverty and Vulnerability – Implications for Poverty Reduction and Growth in Southern Zone of Ghana.(May 2006 - July 2006)
3. Gender Equality and Manpower, Employment and Skills Development – The Impact of Poverty and Policy Implications for Growth in the Southern Zone of Ghana. (September 2006 - November 2006)
4. Gender Equality and Access to Productive Resources and Extension Services- The Impact of Poverty and Policy Implications for Growth in the Southern Zone of Ghana (January 2007 – March 2007)

5. Gender Equality and Political Participation – The Impact of Poverty and Policy Implications for Growth in the Southern Zone of Ghana. (April 2007–June)
6. Maternal and Infant/Child Mortality - The Impact of Poverty and Policy Implications for Growth in the Southern Zone of Ghana. Gender Equality and Reproductive Health/HIV/AIDS – The Impact of Poverty and Policy Implications for Growth in the Southern Zone of Ghana (August 2007 –October 2007)
7. Gender Equality Safe Water and Environmental Sanitation The Impact of Poverty and Policy Implications for Growth in the Southern Zone of Ghana (December 2007 to February 2008)
8. Gender Credit and Economic Growth in Ghana

DISSEMINATION WORKSHOPS

Each draft report will be discussed at a stakeholder’s workshop from which comments will be incorporated into the final draft for publication. Each report will also be edited by an identified publisher before final publication. An eight page Policy brief on each report will also be published for dissemination to Policy makers.

LAUNCHING OF THE REPORTS

Each published report will be launched at a half day sensitization seminar. Invited guests will include representatives from identified Government Ministries, Departments and Agencies, Civil society organisations (CSOs)/Community Based Organizations (CBOs), Non-Governmental organizations (NGOs) and International donors.

GENDER, CREDIT AND ECONOMIC GROWTH

(By Princess Awoonor-William, CEPA)

Abstract

In Ghana, private sector access to credit is a major constraint for business start ups and for businesses seeking to expand. And for women, who proportionally participate more in the private informal sector than men, their access to formal credit is minimal and even then, most of this access to credit is through the informal system which is limited in its lending ability. Given that lenders are profit driven and will always seek to minimize risk of default, and will supply credit based on their ability to assess a potential applicant's creditworthiness, it cannot be assumed that women's limited access to credit is a sign that discrimination is occurring. To make a better assessment, it is necessary to investigate the evidence behind the formal banking sector's lending patterns by studying the application rates, application outcomes and default rates. This study aims to break new ground by collecting disaggregated data on lending and default rates by sex of the applicant and size of business by studying in-house loan files. It is expected that the findings of this study, as part of a national gender mainstreaming policy objective, will lead to a change in the regulatory compliance requirements to require banks to report this data in addition to the aggregate sectoral lending reports. Data on women's participation in the economy sector show them to be a strong force in the informal sector and if their limited access is not corroborated by the evidence this would indicate a suboptimal allocation of scarce economic resources. Additionally, this study expects to push for the development of a uniform transparent credit rating criterion with an algorithm that recognizes the peculiarities of the private informal sector.

Definitions of Terms Used in the Paper

The following terms are repeatedly used in this paper and the definitions are provided to ensure uniformity and understanding of all readers.

| | |
|-----------------------|--|
| Borrower | This is the term used to describe an individual or entity who uses an institution or someone else's money or funds to purchase a good or service. The term is used interchangeably with applicant or debtor. |
| Capacity | Another term for income and important to the creditor because it reflects the borrower's ability to repay the loan and it also provides the means to repay the loan. |
| Capital | Refers to the cash reserves (savings), investments and assets owned by the borrower. |
| Collateral | In the value of property owned by the borrower and in the event of failure to repay a loan can be liquidated to meet the obligation. |
| Credit | This is the concept of using future money to pay for current expenses and includes a promise to repay the debt in the future. |
| Credit Bureau | These are companies that gather information on consumers who use credit and can provide information on borrowers' credit riskiness. |
| Credit History | This is the applicant's record of credit use. It captures the borrower's past debts and indicates whether these were paid back "as agreed" and in a timely manner. It speaks to the character of the borrower. |
| Creditor | This is the term used for the individual or entity providing credit or a loan to a borrower with specific terms and conditions. The term is used interchangeably with lender. |
| Credit Risk | This is the term used to refer to the level of risk or likelihood of the individual borrower's future or potential default. |
| Credit Score | This is a numerical value determined by a statistical model based upon past credit behavior and predicts the likelihood of future loan default. |
| Default | This is the failure to meet a debt obligation or to repay a loan. In this study the terms of default will be bank specific. |

| | |
|-----------------------------|---|
| Debt-to-income ratio | Is the fraction of an applicant's debt obligations to his/her total income. A high ratio indicates an overburdened applicant and may affect repayment. |
| Institutional Policy | In this study is bank related and indicates the bank's position on lending to certain groups and sectors. The policy can be supported through programmes, personnel composition and location of branches and the provision of certain support services. |
| National Policy | In this study indicates the national administration's position on lending to certain groups and sectors. The policy can be supported through programmes, regulatory requirements, education and outreach services. |
| Public Record | This is publicly available information that can be used to assess an applicant's credit risk. These include bankruptcies, tax liens, court injunctions, land and home ownership and tax liens. |

I.

Introduction

In both of Ghana's poverty reduction strategy papers, the private sector, particularly the SME sector has been singled out as the best way to achieve the government's vision of growing the economy to a middle income country and within this context the issue of access to credit has been identified as one of the major constraints facing the informal private sector. The issue of growth is so central to the administration's policies that the updated Ghana Poverty Reduction Strategy Paper (GPRS) has now been re-titled to the Growth and Poverty Reduction Strategy. Additionally, within the same poverty reduction strategy, the issue of gender disparities and the management of gender issues and its effects on society's ability to solve the twin problems of poverty reduction and economic growth has been highlighted as a necessary corollary. Gender and credit issues, particularly as they pertain to women, are identified as problems in the GPRS:

Both gender categories are well represented in services, agriculture,...another constraint to improvements in women's activities is lack of access to credit facilities... in relation to the informal sector that women, who again dominate, are most disadvantaged... the strategy in the GPRS is to target women's activities with support programmes including credit...¹

The Ministry of Food and Agriculture within its Gender and Agricultural Strategy 2000, also noted that women face greater difficulties in accessing formal financial services (credit and savings), than men because "of their lower status in communities, lack of acceptable collateral, inability to present their ventures as bankable projects and lack of familiarity with the administrative processes due to illiteracy and lack of information." Women farmers usually end up having to rely on informal sources of finance such as moneylenders, relatives and friends and these outlets may be unreliable, expensive or predatory.²

In the majority of countries, developed and developing, small and medium enterprises (SMEs) form the backbone of the economy. They hire the majority of workers in the labor market, and are a source of innovation and entrepreneurial skills. SMEs face a number of difficulties however, not least of them is the difficulty accessing credit particularly during the startup phase. In Ghana, the story is no different and the challenges attendant to being a small business are further exaggerated by the prevalence of the informal sector which often times do not have any links with the banking system, formally or informally.

Ghanaian women who participate more in their numbers the private informal sector than men, their access to formal credit is minimal and even then, most of their access is to credit is through the informal system which is limited in its lending ability. Given that lenders are profit driven will always seek to minimize risk of default and will supply credit based on their ability to assess a potential applicant's creditworthiness, it cannot be assumed that women's limited access to

¹ In Ghana Poverty Reduction Strategy 2003-2005: An Agenda for Growth and Prosperity (2003, p75), published by the National Development Planning Commission, Accra.

² Ministry of Food and Agriculture, Gender and Agricultural Strategy, 2000.

credit is a sign that discrimination is occurring. Yet evidence from the microfinance/informal credit sector (susu schemes, ROSCAs, cooperatives etc.), the enclave of women show them to have high repayment rates. To make a better assessment of this disconnect it is necessary to investigate the evidence behind the formal banking sector’s lending patterns by studying the application rates, application outcomes and default rates. This project aims to break new ground by collecting disaggregated data on lending rates by sex of the applicant and size of business by studying in-house loan files. It is expected that the findings of this study, as part of a national gender mainstreaming policy objective, will lead to a change in the regulatory compliance requirements to require banks to report this disaggregated data in addition to the aggregate sectoral lending reports. Data on women’s participation in the economy sector show them to be a strong force in the informal sector (see table 1) and their marginalization in accessing credit indicates a suboptimal allocation of scarce economic resources if based on notions and not quantitative evidence.

Table 1

Proportion of Male and Female Participation in the Formal/Informal Sectors

| Sector | Female Proportions (%) | Male Proportions (%) |
|--------------------------------------|------------------------|----------------------|
| Formal | 3.8% | 9.6% |
| Informal | 91.4% | 79.3% |
| Other sector activities ¹ | 4.8% | 11.1% |

Source: CWIQ 2003

¹These other sector activities include the public, semi-public/parastatal and NGOs/International Organization sectors.

1.1 Highlight of Selected Major Developments in the Private and Credit Sectors

In keeping with Ghana’s development agenda, the parliament, the central bank and even the domestic money banks (formerly commercial banks) have been promoting the private sector in various ways. Some selected developments are highlighted next:

- The implementation of the Rural Financial Services Project (RFSP)³, with the aim to reduce poverty by broadening and deepening financial services to the rural poor, especially women. Additionally within this project, the GENFUND has provided a grant fund for the study on, “Developing a Methodology for Capacity Building in Financial Literacy for Rural Women to Increase their Access to Financial Services”.

³ The Rural Financial Services Project is a Ghana Government project supported by the World Bank, IFAD, African Development Bank and German GTZ.

- 2005 has been declared by the U.N. as the year of micro-credit in recognition of the fact that a large percentage of the world's population has been excluded from participating in existing financial systems. This theme has been fully embraced by the Ghana Government.
- Government in 2004 established the Micro Finance and Small Loan Centre (MASLOC) in 2004. MASLOC is the government sponsored entity responsible for the administration, coordination and monitoring of micro and small loan programs. This body works in tandem with MDAs and lending institutions.
- The establishment of a Ministry of Private Sector Development;
- The passage or introduction of a number of laws and bills including the Venture Capital Fund Bill;
- The reduction of the secondary reserve requirements from 35% to 15%, all aimed at encouraging the private sector.
- The government's policy of holding down domestic borrowing to only 10% of previous years GDP. This policy is to prevent crowding out of the private sector's access to credit.
- The commercial banking sector also appears to be actively targeting the SME sector by extending or opening in-house SME units.

And in the recent 2006 Ghana Budget⁴, there were indications of government's focus on the developments in the private sector. Some of the mentions are included next:

- Private Investment as a share of GDP from 13.8% in 2001 to 17.1% in 2004.
- Credit to the private sector increased to 73% of lending by deposit money banks and mostly to the commercial sector.
- The Ministry of Women and Children is to continue its micro finance credit extension outreach to reach 2 million women but its programmes will now incorporate support services including training on business management, expansion **and loan repayment**.

Despite all these attempts to facilitate credit to the private sector with some intended to have far reaching micro impacts, none of these explicitly either through statement or design target

⁴ In **The 2006 Ghana Budget: Investing in People, Investing in Jobs** (November 2005) published by the Ministry of Finance and Economic Planning, Accra.

women, the perennial credit disadvantaged group in terms of access. And even though the private sector has increased mostly to the commercial sector there is no data on what percentage of the lending went to women owned businesses. In the past similar efforts have ended up either boosting lending to large businesses which are not in dire need and do not employ the majority of the labor force, or have trickled down to micro enterprises in the form of micro loans which cannot help propel the small businesses into scalable projects.

Although Ghana has a long history with micro financing projects, most of these have been ad hoc, piecemeal, more rural than urban and not fully integrated in the formal banking system where entrepreneurs can have access to substantial loans to facilitate business expansion (Steel and Andah, 2003). Complicating these efforts is the lack of a comprehensive micro sex disaggregated database that captures the lending patterns to the SME sector. Most of the available data on the banks are in the aggregate and sectoral, and currently cannot be used to track the progress of the formal banking sector in executing the agenda set forth in the GPRS.

1.3 The Structure of the Ghanaian Private Sector

Using the NBSSI classification, a business is a Small enterprise if it employs less than 9 workers and has annual turnovers less than 250,000,000 million cedis; and a business is classified as a Medium enterprise if it employs between 9 and 35 people and has annual sales greater than 250,000 million cedis. Given these classifications it falls to reason that most of the SMEs in Ghana tend to be of the micro enterprise variety due to the ease of entry at that end of the market and by extension proportionally more women can be found here than men. Micro enterprises are usually characterized by poor record keeping and poor managerial and accounting skills, all indicators of a high credit risk, further exacerbating their already limited access to credit. The need for this study is underscored by the evidence that women are vital economic agents as they participate more in the agriculture, service, and commercial market and any disparities in their access to credit can limit production potentials.

Table 2

Proportion of Male and Female Participation in the Formal/Informal Sectors

| Business Size | Female Owned (%) | Male Owned (%) |
|--|-------------------------|-----------------------|
| Self-Employed With Employees | 2.7% | 4.8% |
| Self Employed without Employees | 72.2% | 58.5% |
| Other types of employment ¹ | 25.1% | 36.7% |

Source: CWIQ 2003

¹ Other types of employment include regular employment, casual work, domestic work, student/apprenticeship and unpaid work

Table 1 supports statistical reports that majority of Ghanaians, both male and female work mostly in the informal sector. The estimates are as high as 80% in both agriculture and non-

agricultural activities. However as table 2 shows businesses in the informal sectors are mostly sole-proprietorships with no employees and could indicate minimal expansion potentials owing to their limited credit access. And since proportionally more women work in the informal sector and mostly as sole-proprietorships they have a higher incidence of credit disparity.

Access to credit is such an essential tool for economic mobility that any disparity in its dispensation by creditors and lenders can have severe economic impact on those adversely affected. Women, because of their low levels of education, lower income and wealth levels, and interruptions in their labor force participation rates often find their access to formal credit limited or non-existent. For women entrepreneurs these limitations can pose even heavier burdens when they have to use non-traditional means to finance their businesses. The high incidence of women financing their own businesses with personal and family credit is troubling because the depletion of their resources could eliminate their financial cushioning and result in economic distress for the family and the economy. In fact, women's contribution to the economy make them an important new engine of growth and lack of access to credit for this group equates to a cost on society's overall production possibilities.

Discrimination against women apart from causing personal injury to the victim's welfare can also have adverse economic impact because women as consumers and business owners are a vital part of the economy. Data from the 2003 CWIQ survey show women participating at higher rates in the agriculture and trading sectors at 39.2% and 36.2% respectively, yet still form a significant proportion of the two lower income quintiles within these sectors. Although the contributions of women entrepreneurs are significant, their prevalence in the micro enterprise area has constrained their maximization of their production potential. The CWIQ survey indicates that the majority of the self-employed, both women and men do not employ other workers. Given the benefits that accrue to women personally, as well as the economy once women acquire credit, gender discrimination cannot be justified on economic grounds, hence the need for further research on their credit application outcomes.

The issue of equal access to credit is such a universal problem that the United Nations has formally included the elimination of credit barriers as part of its goal. The United Nations' International Convention on Civil and Political Rights was adopted by the UN General Assembly in December 1979 (resolution 34/180) and entered into force in September 1981. Article 13 of the convention states in part:

State Parties shall take all appropriate measures to eliminate discrimination against women in other areas of economic and social life in order to ensure, on a basis of equality of men and women, the same rights, in particular:

- (a) The right to family benefits;
- (b) The right to bank loans, mortgages and other forms of financial credit.

Though a personal achievement, business ownership has long been a major public

policy goal and has been encouraged through various tax holidays, rebates, and credits at the national level and more recently has been made the linchpin of the government's economic vision. In Ghana, where the informal sector of private economy is so large, overlooking this sector means discounting a majority of the work performed in the economy. For women, the discount can be even larger since they form the bulk of those in the informal sector. By extension therefore, data on women's contribution to the economy may be severely under-estimated and not properly valued when it comes to national resource allocation.

Disaggregating data by sex is the key to any subsequent analysis on poverty, productivity and economic growth. Sex-disaggregated data will help researchers understand why women continue to form the bulk of the poor in this country. Sex disaggregated data can also help policy makers determine the different interventions needed to move the persistent poor be they women or men out of poverty and into middle income status.

The Centre for Policy Analysis (CEPA) recognizes the importance of understanding the workings of the formal credit sector if the goal of private sector development, economic growth and poverty reduction is to be achieved. Information gathered from this study will help policymakers design and tailor specific policies to increase the likelihood of SMEs gaining access to formal banking credit. Also, the study will collect data useful in determining how to increase private sector development, wealth creation, and ultimately economic growth along gender lines.

1.5 Anticipated Challenges and the Need for Regulatory and Institutional Support

This study aims to break new ground by collecting disaggregated data on lending and default rates by sex of the applicant and size of business by studying in-house loan files. However the study is complicated by two major factors – the lack of an existing database with sex disaggregated data on lending from the credit sector and legal issues surrounding loan file requests. Owing to the proprietary nature of the information contained in the loan files, this project needs significant institutional support and will require the banks using their in-house staff to supply the data in a **non-identifying format**.

The research team anticipates some resistance from the banking sector but believes these can be overcome with regulatory support from Ministry of Finance, Ministry of Private Sector Development, Ministry of Women and Children, Bank of Ghana and the Apex organizations of the rural and commercial banks. Also it is expected the banks' reticence can be overcome by the assurance that the project is not intended to single out one bank but rather focuses on the general trends in the overall banking sector with the aim of making recommendations that will complement their intermediation goals.

2. The Economics of Credit Supply and Demand

Who applies for credit, who supplies credit, who gets credit, and how much credit is granted are all influenced by supply and demand issues in the credit market. However challenges in accessing information on the two sets of participants (demanders and suppliers) in the market have affected research in this area. The inability to adequately account for both the supply and demand side of the credit market makes for one-sided static analyses and often complicate and limit the research findings policy implications.

The typical approval/denial estimation probability model usually takes the form:

$$\text{Prob}(R=1) = \beta'X + \gamma z + \varepsilon \quad (1)$$

Where $R = 1$ if the loan application is rejected (denied) and $R = 0$ if the loan application is approved, X is a vector of underwriting variables (i.e. borrower, property and neighborhood characteristics) and z is an indicator variable for the presence of the attribute against which lenders may discriminate and in this study $z = 1$ if applicant is female and $z = 0$ if applicant is male. The variable ε represents an additional unobserved random error term. The parameter of interest, then, is “ γ ,” and a positive value significantly different from zero is taken as a measure of discriminatory lender behaviour.

The rejection (denial) model is based on a study of the mortgage loan market supply and demand by Maddala and Trost (1982):

$$\text{Loan Demand:} \quad L_D = \beta_1 X_1 + \delta_1 R + \gamma_1 z + \varepsilon_1 \quad (2)$$

$$\text{Loan Supply:} \quad L_S = \beta_2 X_2 + \delta_2 R + \gamma_2 z + \varepsilon_2 \quad (3)$$

Where R is an exogenously determined set of interest rate, and X_1 and X_2 are vectors of the independent factors of demand (e.g. the demand for homes and income) and supply (e.g. credit and debt burden) and z is an indicator variable for the presence of the attribute against which lenders may discriminate and in this study, is $z = 1$ if applicant is female and $z = 0$ if applicant is male; β , δ , and γ are parameter estimates which measure the influence of the independent variables on supply and demand. Loans will be granted when supply exceeds demand, $L_S > L_D$; and otherwise they are denied.

The variable ε_1 and ε_2 represent additional unobserved random error terms. The parameter of interest, then, is “ γ_2 ” and a positive value significantly different from zero would indicate that being female does result in reduced supply of credit.

Supply Side Issues

The theoretical model for the supply of credit incorporates only return and risk factors which reflect the expected cost to the lender of making the loan and the returns to anticipate when the loan is repaid. To minimize the risk of default, the lender has to set a risk threshold beyond which no loan would be granted. Each applicant has to meet this established standard and the

terms of his or her loan is determined thus. Bias again bias can enter in to the application of this risk threshold and the study will flesh out this phenomenon if it is occurring.

To reduce default risk, creditors typically employ some credit scoring criteria or standard developed from statistical analysis of key indicators of an applicant's creditworthiness. To help mitigate the lenders potential for loss, the criteria is supposed to determine the applicant's ability to repay the loan, financial capacity, character, collateral, as well as current and future economic conditions. These factors are assigned different weights depending on the circumstance of the individual borrower. Owing to the absence of a credit rating bureau and difficulties assessing borrowers' past credit history, local banks rely more heavily on collateral than credit history. Not clear is how much weight is applied to each underwriting criteria in Ghana. This study aims to collect this information as well.

An applicant for a loan must satisfy minimum criteria that signal to the lender that he or she can and is willing to meet the obligation to pay back the loan. These signals are socio-economic and demographic in nature and measure the applicant's financial capability – these include the applicant's income, employment status and occupation, the number of earners in the household, the applicant's net worth, present debt level, credit history, marital status, and type of loan. The profitability of a loan is therefore a function of the loan quality and is an expression of credit suppliers' response to the demand for credit.

A search of the literature shows that a great majority of the writings on credit and gender discrimination involve the experiences of women in developing countries and their access to microcredit (typically known as the Grameen bank program favored by the World Bank and the IMF) and not much on their experiences in the formal sector. In a study by Baydas, Meyer and Aguilera-Alfred,⁵ on women's access to formal credit markets in Ecuador, the researchers found that females were more likely to apply for external finance. They also found no evidence of gender bias leading to more female applicants being rejected for loans but rather women business owners were subject to more rationing in terms of loan-size. They argued that the idea that women experience discrimination in credit markets was “simply rhetorical and superficial” and incomplete because it analyzed only the supply-side.

In Ghana however, the research on the supply side of the credit market has been limited by the dearth of data on the credit granting decision and the lack of a comprehensive sex disaggregated database showing the lending patterns to men and women. The literature on credit has mostly focused on the microfinance sector and the majority of their findings indicate that more women are served by these microfinance schemes owing to their informal set up and owing to their community based emphasis usually report higher repayment rates. The literature on microfinance however notes that the limited lending capacities of the microfinance sector and urge their integration into the formal lending sector (Aryeetey and Steel, 1998; Steel and Andah, 2003; Basu, Blavy, and Yulek, 2004; and Gallardo, Steel et al, 2005). This study will therefore significantly contribute to the scant prevailing research on the credit sector.

Demand Issues

⁵ Baydas, M.; Meyer, R.L.; Aguilera-Alfred, N. “Discrimination Against Women in Formal Credit Markets: Reality or Rhetoric?” *World Development* (1994), 22(7): 1073-1082.

On the demand side of the credit market, borrowers' application for credit can be impacted by a number of factors including self-selection, availability of information (search costs, diffusion of banks), educational attainment of applicant, and the cost of borrowing.

Rachlis and Yezer (1993) and Yezer, Phillips and Trost (1994) have argued that the usual single-equation models that are used to test for discrimination in the mortgage lending process oversimplify a complex process. They noted that to achieve a level of unbiasedness in testing for discrimination, empiricists must recognize that the rejection function is one of several relationships that occurs simultaneously and must be simulated using multiple equation models. They argued that, since rational borrowers choose lenders so as to maximize their chances of loan approval and lenders screen borrowers for the same reason, the "final sample of approved applicants is selected in a fashion that is certainly not random" (Yezer, Phillips, and Trost, 1994, p. 197). Secondly, borrowers, knowledgeable about their credit histories, take this into account in assessing their probability of default when selecting loan terms. This assessment is, of course, unobservable to the creditor and researcher, yet theoretically should enter into equations describing borrowers' choice of loan terms and lenders' accept or reject decision. To fully account for these simultaneous relationships, Yezer et al argue that a minimum sufficient model of the mortgage lending process must include at least three equations, which will take into account: borrowers' choice of loan terms, lender's decision to accept or reject the loan, and borrowers' default decision. They also noted that timing is an implicit assumption and the lender's rejection function must be known, in some sense, prior to the borrower's application; otherwise, of course, rejection probability could not conceivably affect loan terms.

Research done on Ghana's credit market by Gockel and Akoena (2002) refute the pervasive belief that Ghanaian suppliers of credit do not meet the demands of industry. Rather they argue that businesses "demand" for credit is spurious and cannot be construed to be effective demand because businesses only meet the "willingness" aspect of demand but do not satisfy the "ability" aspect of effective demand. That is borrowers often do not meet the capacity, character, and collateral requirements to access credit. Gockel and Akoena argue that businesses misidentify their business need which often is not a credit need but a management need and misuse the loans when granted. They however do concede that when the credit need is properly identified the length of time between application and approval is sometimes so long that the loan becomes irrelevant or sometimes the approved amount is less than the needed amount limiting expansion.

This assertion is also supported by earlier research done by Aryeetey (1998) on the challenges that lenders face in administering credit found that poor record keeping of the borrowers and difficulties in assessing applicant's credit worthiness were two of the major constraints facing lenders.

The research on lending views discrimination as a cost and assumes that for a lender to practice discrimination without statistical evidence to support such a practice will be an exhibition of "taste-based" preferences. Gary Becker and Kenneth Arrow⁶ argue that any such preferences will

⁶Kenneth J. Arrow's article "Some Mathematical Models of Race Discrimination in the Labor

be eliminated by eliminated by increased competition and so do not support the empiricists assertion that discrimination occurs. Economic theorists view credit discrimination as a market phenomenon which is not independent of other market occurrences (i.e. income, education, and creditworthiness and may have socio-cultural and gender implications) because of that are cautious about any inferences that can be made from empirical data.

Discrimination distorts the market by imposing higher costs on those who are affected adversely. And in general, discrimination lowers the potential welfare benefits of society through higher search costs, a reduction in consumer surplus for the individual who is impacted, as well as limits potential investment for a swath of the population or of an area. It is important to note however that creditors because they are in the business of reducing the risk of default in the pursuit of maximizing profits will by their very nature "discriminate" between good and bad credit risks. Peterson (1981)⁷ has noted that in economic terms some discrimination between good and bad credit risks is essential for a lender to avoid excessive default. For him, then, this type of discrimination is not "unjust" or "uneconomic" unless it systematically causes the expected present value of loans made to members of one group to exceed the expected present value of equivalent loans made to other groups. It is conceivable that credit "discrimination" would affect one gender group more if that group was more adversely situated in the job market, showed a poorer financial credit history or lacked collateral generally. In the context of a lending model, such "discrimination" could be "rational" and non-prejudicial.

Additionally there are other factors that can affect the credit market and these are institutional policies and capacity and national regulatory policy and advocacy. Given all these challenges even in situations where data is more forthcoming, the state of Ghana's research thrust in this area can only be enhanced with the completion of this project.

2.1 Objectives of the Project

For any significant evaluation to be made the following objectives form the basis of the research:

1. Evaluate the break down of lending to small, medium and large-scale enterprises over the period of GPRS 1 (2001 -2004).
2. Evaluate the break down of lending to small, medium and large-scale enterprises in the aggregate (the period 2001-2004).

Market" is found in Racial Discrimination in Economic Life edited by Anthony H. Pascal.

Lexington, Massachusetts: Lexington Books, 1972, 187-203; and in Gary Becker's The Economics of Discrimination. Chicago: University of Chicago Press, 1957.

⁷ Peter, R.L. "An Investigation of Sex Discrimination in Commercial Banks Direct Consumer Lending." *Bell Journal of Economics* 12 (Autumn 1981), 547-561.

3. Evaluate was the break down by of lending by facility, sex and sector of the borrower in the aggregate.
4. Evaluate the pattern of personal lending by loan facility and the sex of the borrower between 2001 and 2004.
5. Evaluate the pattern of business lending by loan facility and the sex and sector of the borrower between 2001 and 2004.
6. Evaluate the distribution of default/problem loans with respect to personal loans by loan facility and sex of the borrower?
7. Evaluate the distribution of default/problem loans with respect to small and medium sized firms by loan facility, gender and sector of the owner of the enterprise?
8. To investigate the reasons underlying any lending disparities.
9. To identify the lending criteria used by the banks.
10. To assess the level of institutionalization of small and medium term lending across the formal lending sector.
11. To assess the level of institutionalization of small and medium term lending across the formal lending sector.

3. Methodology

Within the empirical literature, researchers have employed different methodologies to determine if discrimination is occurring. In the housing and mortgage and small business loans studies, the methodologies include: the use of *rejection rate* comparisons (Dedman, 1989); another has been *fair share* analysis of the disparity in the granting of loans between two groups but these have been challenged by Bentson (1981) and Bentson and Hosrky (1992) who assert that the analyses fail to sufficiently control for loan applicant characteristics, and another method has been the *analysis of branch locations and closings* (Blossom, Everett, and Gallagher, 1988; Caskey 1992). Of all the methodologies, *regression analysis* using HMDA data, real estate transfer data, and actual loan application data has been the most used (e.g. Peterson, 1979 and 1981; Schaeffer and Ladd, 1981; Shlay, 1987; Elliehausen and Lawrence, 1990; Munnell et al, 1992; and Cavalluzzo, Cavalluzzo, and Wolken, 2002).

Because the most of work on discrimination and credit has been done in the housing and mortgage area of the United States, this research will be informed by the findings therein. In most of credit research the challenges plaguing investigators has been the lack of comprehensive data and the database most used is the publicly collected Home Mortgage Disclosure Act (HMDA) database. However HMDA, has presented researchers with a number of difficulties because the data does not contain some of the critical objective information that influence underwriters' decisions such as the applicant's credit history (including any information on bankruptcies, judgments, etc) or net worth (assets minus liabilities). The omission of these

variables in the HMDA database has led to criticism of any empirical analysis of discrimination using the HMDA database.

In the housing discrimination research, the seminal work addressing disparities was the Munnell Boston Fed Study released in 1992⁸. Some researchers such as the Munnell Boston Group attempted to circumvent the inherent limitations of the HMDA data by using actual loan files collected from various Boston Banks. Although this study is the seminal work in this area, its statistical analysis has generated much debate. Some critics (Calem and Longhofer, 2000) argue that the use of files of loan applicants from different banks affected the consistency of the underwriting guidelines. And even when the Boston study analyzed files within the same banks there were still irregularities because of the different loan programs or markets that were involved. Till date however, the Munnell study remains the benchmark because of the access to loan file information.

3.1 Evaluating the Aggregate Pattern of Lending

This study will explore the relative access rates of women and men in the formal banking loan system between 2001 and 2004. The research design will include primary data collected from the formal banking sector through questionnaires submitted to bank management on bank visits. The data will be analyzed using descriptive and inferential statistics. The descriptive statistics are primarily used to summarize the data using graphs, tables, percentages, and rates. Thus, the descriptive statistics provide an overall view of the formal banking population and the access to loans (see box below). The inferential statistics are used to draw conclusions about the relative access rates to formal loan programs between women and men small and medium business owners and to analyze disparities in the terms of the loan, size of the loan, and number of “defaulted loans” broken down by gender and type of business.

1. The first level of analysis will be the calculation of the participation rates of women relative to men in applying for loans. The participation rates can explain why more or less women experience greater disparities in accessing loans.
2. The second level will be to construct a disparity index. This is calculated in the aggregate as: the proportion of females (males)/proportion of males (females). Depending on the indicator under review, approved or denied, the parity reference group (that is the group that fares better) may be male or female. The parity reference group will be 1 and the comparison group will have an index less than or greater than 1.
3. Next, will be a statistical test using the t-test of independent sample means. Here due to the binary and qualitative nature of the main dependent variable (approved or denied) proportions will be used instead of a quantitative mean. For the other quantitative data such as the terms and the size of the loans, the quantitative means will be used. Pearson correlations and cross tabs between gender and the different indicators will be included.

⁸ Alicia H. Munnell, Geoffrey B. Tootell, Lynn E. Browne, and James McEneaney (March, 1996). “Mortgage Lending in Boston: Interpreting HMDA Data,” *American Economic Review*.

3.2 Evaluating Lending Patterns to SMEs and by Sex

In both personal and business lending, banks will always seek to reduce the probability of default. To this end, they have to judge borrowers on some observable characteristics e.g. income, past credit history, debt obligation, education, type and amount of loan, and type of employment of the applicant. The application of identified group risk characteristics to an individual is deemed economically justifiable because it reduces the lender's risk of default and foreclosure in the typical cases of asymmetry and moral hazard. This type of statistical-based discrimination is typically the result of imperfect information- a situation applicable to the Ghanaian economy. Difficulty in assessing borrower's creditworthiness means fewer loans or higher interest rates. The incidence of this type of disparate treatment can be determined through the analysis of the terms of the loan, size of the loan, and number of "defaulted loans" broken down by gender and type of business.

3.3 Evaluating the Institutionalization of SME Lending

The formal banking sector in Ghana, until recent times, did not have a history of aggressively meeting the credit needs of the SMEs. The rarity of loan officers who actively court and nurture loan applications; the multi-tiered bureaucracy that govern lending decisions; and the length between applications and decisions may all contribute to the limited access to credit. The lending literature points to a phenomenon, the cultural affinity hypothesis first introduced by Calomiris, Kahn, and Longhofer (1994) and extended by Hunter and Walker (1995)⁹. The cultural affinity hypothesis asserts that discrimination in access to credit occurs to a particular gender or race group because there is no affinity between the gender and race of the loan officers and that of the borrower. The hypothesis states that discriminating loan officers will tend to judge marginal minority loan applicants on more quantitative factors that can be obtained at a lower cost than use compensating factors which require additional expenditure of time and money. Therefore, loan applicants who are of the same gender or race as the loan officers will enjoy the benefit of the acquisition of additional information and/or coaching which will ultimately lead to their loan approval. This study will attempt to extend this hypothesis by linking the approval/denial rates of men and women to the sex of the few loan officers in the field. The existence and longevity of an SME unit, the proportion of men and women in decision making positions within these units, and the location of the loan approval committees are all indicators of how institutionalized and gender sensitive SME lending is in a particular or core group of banks.

3.4 Administering the Survey Instrument

Contacts with the managers or research departments of the individual banks and lending agencies will be established prior to the field visits to banks by the researcher. This is to ensure that the banks will have collected and can provide the material needed for the survey. Interviews with

⁹ Hunter, William C. and Mary Beth Walker, "The Cultural Affinity Hypothesis and Mortgage Lending Decisions," *Journal of Financial Services Research*, 11, 1-2 (April, 1997), 43-68.

bank officials are necessary to afford the researcher opportunity to solicit additional information which may have been missed on the questionnaire and/or discover some insight not earlier envisaged. The visits will also ensure that bank personnel fully understand and answer the questions accurately. The survey instrument design will be influenced by the sample loan application forms picked up from some banks in Accra and from Apex (the regulatory body for rural banks). The

Support from the Ministries of Women and Children and Private Sector Development will be solicited. The first ministry has the promotion of women's economic activities as its mandate and has been supporting micro lending projects; and the latter is to promote business ownership in the country more aggressively. An Initial Pilot Survey will be conducted using one urban and one rural bank will be conducted before actual inception of the national census. This will help identify problems with the survey instrument and allow for changes to be done prior to actual field work begins.

4. Data Sources

The reports will be broken down by each major grouping (i.e. commercial banks, merchant banks, rural banks, development banks, savings and loans associations, and by target group i.e. farmers, fishermen, etc). The research design will include primary data collected from the formal banking sector through questionnaires submitted to bank management on bank visits.

The data will be supplemented with information collected from another ongoing CEPA Human Development Report which includes a credit module that captures the experiences and perceptions of respondents from four districts. The data will be supplemented with information collected from another ongoing CEPA Human Development Report which includes a credit module that captures the experiences and perceptions of respondents from districts along the coastal belt of Ghana.

Additional data on already existing credit programs supported by the Ministries of Women and Children, Trade of Industry, and Private Sector Development will be incorporated. Trend data from Bank of Ghana on lending to the private sector is another source of background material.

4.1 The Sample

Recognizing the spatial differences in access to the formal banking system, the data collection to a great extent will be on a national basis. Questionnaires will be submitted to all the 121 licensed and registered rural banks in the country; community banks, savings and loans; and to the headquarters of all 18 commercial, merchant, and development banks in Accra¹⁰. Also special formal lending agencies including Unique Financial Services and NBSSI will be consulted. The nation wide investigation is important because lending and participation rates are expected to be correlated with the type of economic activity pursued in that locality e.g. fishing, cocoa farming, crop farming, etc.

¹⁰ It is assumed that these banks will follow a uniform lending policy

Rural banks are especially important because of their history of working in the microfinance sector; their strategic location (largely in rural areas) and their national coverage of 121 rural banks with 380 branches

4.2 The Questionnaire

The question blocks will be on the breakdown of the banks' clients by gender and type of business; the terms of the loan, size of the loan, and number of "defaulted loans" broken down by gender and type of business. Institutional factors such as the proportion of men and women in managerial positions, the existence and gender of the loan officers in the SME units; the decentralization of loan decisions will be collected.

A Review of the Typical Credit Access Impacting Variables

To help mitigate the lender's potential for loss, the model is supposed to determine the applicant's ability to repay the loan, financial capacity, character, collateral, as well as current and future economic conditions. These factors are assigned different weights depending on the circumstance of the individual borrower. In Ghana owing to the paucity of identifying data on the average Ghanaian assessing borrower's risk of default can be problematic. To get around this problem, lenders resort to require collateral such as house, land or business and by so doing displace a large swath of the population, particularly those micro businesses and women who traditionally have had limited access and ownership to physical property. Table 3 highlights the usual variables included in the credit decision model and evaluates their availability and applicability to the Ghanaian situation.

Table 3

Summary of Typical Variables Incorporated in Credit Discrimination Models

| Dependent Variables | Explanation/Assumptions | Availability of Similar Data in Ghana |
|-----------------------------------|---|---|
| <i>Credit Experience</i> | Applicant is either approved or denied loan | Published by sectoral aggregates: not by sex of applicant and business size |
| <i>Applicant Characteristics</i> | | |
| Sex of Borrower ¹ | Borrower is Male/ Female and it is assumed that females have lower probabilities of approval | Currently not published but can be determined from loan files. |
| Race of Borrower | Borrower is a Minority/White and it is assumed that Minorities have lower probabilities of approval | Not relevant in the country context |
| Educational Attainment | Borrower highest educational level and it is assumed that higher levels correlate with higher incomes | Can be determined from loan files. |
| Marital Status | Borrower is married/single/divorce and it is assumed divorce correlates with financial hardship | Can be determined from loan files. |
| <i>Indicators of Default Risk</i> | | |
| Employment Status | Borrower is employee/self-employed/not employed and it is assumed that self-employment indicates income instability | Can be determined from loan files. |
| Income Bracket | Borrower is High/Low Income and it is assumed that Low Income have higher debt burdens | No publicly determined brackets but some idea can be determined from loan files. |
| Credit Bureau Record | High/Low Credit Score and it is assumed that a low credit score indicates a higher credit risk. | No centralized system exists now but 3 new companies have entered the market. |
| Public Records | Bankruptcy/Liens and it is assumed the presence of public records indicates a higher credit risk | Currently not published but can be determined from Court/Lands Department records. |
| Debt-to-Income Ratio (DTI) | High/Low DTI and it is assumed that a high DTI (30% or more) indicates higher burdens and lower repayment capacity | Currently not publicly determined but can but can be determined from loan files and bank in-house requirements. |
| Home Ownership | Own home/rent that homeowners have a higher probability of approval. | Should be the same here. Homes indicate collateral security. |
| <i>Compensating Variables</i> | | |
| Credit Education | Educated/Not Educated on Credit. An educated borrower can manage some of the indicators to increase approval probabilities. | Credit Education is not a widespread phenomenon. |
| Explanatory Notes in File | Borrower can explain reasons for poor default risk variables. | Bank determines this criteria |

¹ In evaluating the business lending patterns in this study, the sex of the borrower will be determined by the signatory on the loan or the dominant partner. Where the signatories are male and female each, the designation will be listed as neutral. The size of the business (small, medium etc.) will be determined by the bank.

The **credit experience** indicates whether the applicant was approved for or denied the loan. This study assumes that women proportionally are denied more than men. Disparities can enter the lending process anywhere - through the application stages if certain groups do not have easy access to the forms, information on the filing process or literacy issues; the terms or conditions of loan; the application of weights and the algorithm supporting the credit assessment criterion; and also through the institutional process in terms of the institution's limited capacity to equitably service all clients or prospective ones and some other variable are discussed next.

The **applicant's income** is significant to the creditor because it reflects the borrower's ability to repay the loan and it also provides the means to repay the loan. An applicant with a high level of income signals to the lender a lower default risk, since the loan can be repaid out of current stream of income (Williams, Bernack and Kenkel, 1974). Herszog and Early noted in their 1970 study that on the average, higher income households spend a smaller percentage of their income on housing expenses and have more savings from which to pay back their loans. Higher income households also tend to have more wealth and assets which bode well for any lender and can be liquidated in the event of default.

An applicant's **employment status** is critical in any credit lending model because it influences the borrower's income which in turn affects his or her ability to repay the loan. In the event of unemployment in an applicant's life and in times of high national unemployment, there is a high incidence of dissaving which means that there are little reserves for loan repayment. Creditors deem an unemployed applicant as an unworthy risk and will therefore not lend to him or her.

In the tradition of the Permanent Income Hypothesis, lenders also determine the trajectory of an applicant's lifetime earnings by considering the **type of income and occupation of the individual**. Wages and salaries weigh more than transfer payments, and in some cases the earnings of the self-employed are also discounted. These signalling characteristics are usually quantitative since inherent qualities such as discrimination on the basis of sex is protected by legislations. Information on the borrower and its interpretation and application by the lender thus becomes very critical in the approval or rejection decision, because it is correlated with creditworthiness. Gender inequalities in returns to different forms of human capital and capabilities, reflecting gender discrimination in access to market opportunities constrains their lifetime earnings and if these disadvantages are not taken into account, a seemingly neutral lending policy may still penalize women unfairly.

The literature has also pointed out **sex of the applicant** as a variable that may affect an applicant's ability to qualify for a loan. Peterson (1981) has noted that in economic terms some discrimination between good and bad credit risks is essential for a lender to avoid excessive default. For him, then, this type of discrimination is not "unjust" or "uneconomic" unless it systematically causes the expected present value of loans made to members of one group to exceed the expected present value of equivalent loans made to other groups.

In the credit modelling literature, other personal characteristics that have been included in past research are **education and marital status**. Historically women are often penalized relative to men because changes in their marital status often induce changes in creditor policies because of the difference in their names. Men, on the other hand, are not affected thus because they maintain their name regardless of their marital status. Sometimes women had to face more embarrassing scrutiny such as questions regarding their childbearing intents. Creditors may view married applicants as more responsible and some studies have included them (Williams, Bernack and Kenkel, 1974). In any case, marital status has not been found to be statistically significant but due to the history could be a possible indicator variable. Although, marital status as a key factor is not generally supported by the evidence it is has been considered by a few researchers (Peterson, 1981; Elliehausen and Durkin, 1989; Tootell et al, 1995; Schaeffer, 1998). The presence of a spouse or as a co-applicant could signal to the lender a lower default risk and so is considered here.

The credit model incorporates variables that help a lender judge the repayment capacity of an applicant and point to the borrower's default risk. These include income, credit history, public records history, and a high debt-to-income ratio. The **ratio of debt-to-income** is included because past research has shown that low income households are associated with higher monthly debt-to-income ratios which in turn lead to higher defaults (Calem, 1989). Bester (1985), Chan and Kanatas (1985), and Milde and Riley (1988) have noted that borrower's income is a key indicator of default risk. A high DTI is expected to have a positive relationship with the denial experience. A low DTI (using standard underwriting criteria for debt without mortgage payments) is a ratio less than or equal to 0.30. In Ghana, there is no outset criteria and in this study is assumed to be determined by each bank

Owning a home is an important determinant of default risk because it represents collateral to the lender and the history of making mortgage payments is a signal of the borrower's willingness to repay the loan. In this study, owning a home is expected to have a negative relationship with denial and in the event of a loss can be liquidated.

The **credit history** of an applicant is a key factor that is considered by creditors because it signals the character of the borrower. Borrowers who have filed for bankruptcy, being turned down for loans, being delinquent in repaying any loans can indicate for the lender the default risk attached to the applicant. The credit discrimination literature studies that have incorporated the credit variable has been limited because of the proprietary nature of obtaining actual credit scores (credit scores capture a better and more comprehensive picture of an applicant's character) and uses the incidence of public records as a proxy for this variable. In this regard, this study by incorporating the credit variable in studying women's experiences in the credit market is very important.

Other key explanatory factors that indicate default risk and have been identified in the literature are **public records and credit bureau scores** (Munnell et al, 1992; Carr and Megolugbe, 1993; and Schaeffer, 1998). They identify for the lender the past behavior of an applicant regarding his/obligations however, in Ghana there is no comprehensive database of credit bureaus with information on the majority of Ghanaians. More recently there have been three new companies set up to offer some services and this study will include their experiences. Also at this stage of the study there is no information on how public records available in courts and the Lands Departments are used by the banking system in making their loan decision.

5. Expected Output

The reports will be broken down by each major grouping (i.e. commercial banks, merchant banks, rural banks, development banks, savings and loans associations, and by target group i.e. farmers, fishermen, etc). Each of the reports will generally follow the following outline:

- I. Introduction
- II. Trends in the formal and informal banking sectors
- III. Characteristics of the different bank groupings
- IV. Analysis of the institutionalization of SME lending by bank grouping
- V. Analysis of the pattern of consumer lending by gender of borrower and by bank grouping
- VI. Analysis of the pattern of commercial lending by gender of borrower and by bank grouping
- VII. Conclusion and Policy Recommendations
- VIII. Appendix Tables
- IX. Technical Notes
- X. References

Owing to the large number of the rural banks in the sample, where necessary, additional analysis will be done on subgroups within this general rural bank grouping.

Expected Policy Implications

- Require collection, reporting, and decomposition of gender disaggregated data on a continuous basis.
- Support the development of a uniform transparent credit rating criterion with an algorithm that recognizes the peculiarities of the private informal sector. The caveat is that the algorithm should be clearly unbiased and not be influenced by pre-existing biased socioeconomic or cultural relations.
- Develop gender-sensitive intervention and approach to educating the public on criterion.
- Recognize that access to credit is not an end in itself rather part of a continuum including financial management, support services, education on the benefits and responsibilities of accessing credit.

The Launch of the Report

It is envisaged that the reports will be launched in five parts in half-day seminars in Accra/Volta (all the commercial banks operate within these two regions) and in Kumasi (the Ashanti Region has the highest number of rural banks), Brong Ahafo Region, the Northern/Upper Regions, and the Central/Western Regions. The invited guests will include executives from the banking sector, officials of Bank of Ghana, Apex/ARB, CUA, National Bureau of Small Scale Industries, business men and women, the Ministries of Women and Children, Finance and Economic Planning, and Private Sector Development. Other ministries, departments and agencies, international donors and NGOs will be invited.

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Gender Equality Safe Water and Environmental Sanitation in Ghana

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Situation Analysis

Introduction

Of all natural resources, water is the most essential. It is fundamental to all vital processes of value to humanity. It is vital for all living organisms and major ecosystems as well as for human health, food production, and economic development. As one South African poet puts it from water is born all peoples of the earth.

Water appears abundant at first sight, since almost 70% of the earth's surface is covered with water. Yet, according to a 2003 UNESCO report, as many as 2 billion people throughout the world lie in areas which experience almost continuous shortage of water. One out of every three people in the world do not have access to safe and reliable water supply for their daily needs and half of the population of developing countries live in water poverty. As a result, water-borne diseases account for an estimated 80% of all illness in developing countries.

Globally, 91 countries, representing the vast majority of the world's population, utilize more than 50% of their total annual freshwater extraction for agricultural purposes. Figures range from as high as 99% of total freshwater abstraction for agricultural purposes in both Nepal and Afghanistan to 0% in Finland and Switzerland. In sub-Saharan Africa where availability of water is crucial for food production the figure is low, around 9%. (World Bank, 2002).

There is a marked difference in water supply coverage in rural and urban environments. Eight countries, representing 60 million people, have less than 50% urban water supply coverage. There are 640 million people in 30 countries with less than 50% rural water supply coverage, with 8 of these countries, representing 120 million people, having less than 25% coverage. Domestic water use as a percentage of annual freshwater withdrawals, which can be as low as

1% in Afghanistan and as high as 72% in Gabon, is highly dependent on the structure of the economy, agricultural demand, total resource available, annual freshwater withdrawal and climatic conditions. (WHO/UNICEF, 2002)

Women and girls in developing countries fetch water and carry every litre of water that their families use for drinking, cooking, bathing and subsistence horticulture. Their work burden means that mothers have less time and energy for reproductive care or productive work and that daughters miss school and these perpetuate the low social status of women in society. It is estimated that each woman in Africa spends on the average 90 minutes daily on water fetching alone. Overall time allocation and labour utilization of water fetching is influenced by factors such as convenience, or the sources available to the household, family income levels, type of household occupation and age structure of the family.

As shown in Table 1, 39.9% of Ghanaian households had access to pipe-borne water, while 33% use a well or borehole in 2000. The remaining one-quarter of the households depended on unprotected water sources such as rainwater, river and pond. Only in the Greater Accra (80.9%) and Central (50.0%) regions did half or more than half of the households have access to treated pipe-borne water (GSS, 2002). The Northern (46.8%), Volta (41.6%) and Brong Ahafo (34.8%) regions had the highest number of households that utilize unprotected water sources for drinking.

Table 1: Percentage distribution of main source of drinking water in households by region, 2000.

| Region | Pipe-borne | Tanker | Well | Bore-hole | Unprotected (Spring/rain water, river, dugout etc) | Other sources |
|---------------|-------------------|---------------|-------------|------------------|---|----------------------|
| Western | 31.7 | 0.7 | 23.2 | 14.2 | 30.0 | 0.2 |
| Central | 50.0 | 4.9 | 11.5 | 17.3 | 16.1 | 0.2 |
| Greater Accra | 80.9 | 7.3 | 5.4 | 1.1 | 4.9 | 0.4 |
| Volta | 24.9 | 0.7 | 23.0 | 9.3 | 41.6 | 0.5 |
| Eastern | 28.2 | 0.6 | 22.9 | 16.4 | 31.7 | 0.2 |
| Ashanti | 40.0 | 0.7 | 17.5 | 22.5 | 19.1 | 0.2 |
| Brong Ahafo | 23.5 | 0.7 | 15.6 | 25.3 | 34.8 | 0.1 |
| Northern | 22.4 | 0.9 | 12.6 | 17.0 | 46.8 | 0.3 |
| Upper East | 13.2 | 0.5 | 31.6 | 36.7 | 17.7 | 0.3 |
| Upper West | 15.5 | 0.6 | 10.6 | 47.8 | 25.3 | 0.2 |
| Ghana | 39.9 | 2.2 | 16.6 | 16.4 | 24.6 | 0.3 |

Source: Computed from 2000 Population and Housing Census, Summary Report of Final Results.

Water scarcity also impacts on health in a gender-specific way. Each year, nearly two million children under five years die from diarrhea diseases. Eye infections are particularly common in drier areas and this is an important factor in blindness from trachoma. Blindness also threatens the children's mothers as they are most frequently in contact with infected children. That is one reason why 70% of the world's blind are women.

Sanitation means the safe management of human excreta (latrines, sewers and regulation, hygiene promotion) needed to reduce faecal-oral disease transmission. In 2002, about 40% of the global population did not have any form of hygienic sanitation. The target is to reduce by half the proportion of people without satisfactory sanitation services by the year 2015. At the turn of the century, according to WHO and UNICEF's Global Water Supply and Sanitation Assessment 2000 Report, some 2.4 billion people had no access to any form of sanitary means of excreta disposal. This is a major cause of the 4 billion cases of diarrhea reported each year between 1990 and 2000 and an annual toll of 2.2 million deaths.

Most of those deaths are infants and young children, which makes their prevention an important gender concern. As the traditional water bearers and custodians of family health, women shoulder a huge burden in coping with the lack of basic sanitation services. Their lack of facilities, their dirty hands, their poor hygiene behaviours all contribute to the poor health and indignities that they and their families suffer.

Provision of adequate sanitation services, safe water supply and hygiene education is an effective health intervention. It reduces the mortality caused by diarrhea diseases by an average of 65% and the related morbidity by 26%. The inadequacies of these results in more sickness and death, higher health costs, lower worker productivity and lower school enrollment and lower retention rates amongst girls. Pruss et al. (2002), estimated that 5.7% of the global burden of disease was attributable to water, sanitation and hygiene, which is similar to the estimate of 5.5% for the year 2000 (WHO, 2002). Better sanitary conditions provide real benefits to women, in the form of greater privacy, convenience, safety and dignity and safe hygiene practices in the family.

As shown in Table 2, about 8.5% of households in Ghana had access to a water closet, 22% use the pit latrine, 6.9% utilized the KVIP, 4% used bucket or pan latrines in 2000, a system that is currently banned by legislation. Furthermore, about 31.4% relied on public toilet facilities, while 20.2% used open defecation. With regard to regional differentials, only the three northern regions, namely, Northern (76.1%), Upper East (78.4%) and Upper West (69.6%), had the majority of the households using open defecation.

Table 2: Percentage distribution of toilet facility in households by region, 2000.

| Region | Water closet | Pit latrine | KVIP | Bucket/Pan | Toilet in other house | Public toilet | No facility (bush, beach) |
|---------------|---------------------|--------------------|-------------|-------------------|------------------------------|----------------------|----------------------------------|
| Western | 7.2 | 30.4 | 5.7 | 2.7 | 7.5 | 34.2 | 12.3 |
| Central | 4.9 | 25.1 | 7.0 | 2.8 | 4.4 | 37.6 | 18.2 |
| Greater Accra | 22.1 | 11.2 | 10.1 | 9.1 | 8.7 | 27.0 | 11.8 |
| Volta | 2.5 | 28.6 | 6.1 | 4.8 | 11.1 | 21.9 | 25.0 |
| Eastern | 4.0 | 37.5 | 7.0 | 5.5 | 10.7 | 29.8 | 5.5 |
| Ashanti | 11.6 | 20.5 | 7.7 | 2.8 | 5.5 | 46.2 | 5.7 |
| Brong Ahafo | 3.0 | 31.8 | 7.7 | 1.0 | 2.3 | 39.7 | 14.5 |
| Northern | 2.5 | 2.0 | 2.3 | 1.6 | 1.0 | 14.5 | 76.1 |
| Upper East | 2.5 | 1.5 | 1.6 | 1.4 | 8.3 | 6.3 | 78.4 |
| Upper West | 2.5 | 2.5 | 4.3 | 1.9 | 9.1 | 10.1 | 69.6 |
| Ghana | 8.5 | 22.0 | 6.9 | 4.0 | 6.9 | 31.4 | 20.2 |

Source: Computed from 2000 Population and Housing Census, Summary Report of Final Results.

Furthermore, while Table 3 shows that the majority (57.6%) of Ghanaian households used the public dump for solid waste disposal in 2000, Table 4 shows that most (39.0%) Ghanaian households disposed off their liquid waste on the street.

Table 3: Percentage distribution of solid waste disposal of households by region, 2000

| Region | Collected | Burned | Public dump | Dumped elsewhere | Buried | Other |
|---------------|------------------|---------------|--------------------|-------------------------|---------------|--------------|
| Western | 2.2 | 4.5 | 59.6 | 28.6 | 4.0 | 1.1 |
| Central | 0.8 | 6.5 | 69.3 | 19.9 | 2.6 | 0.9 |
| Greater Accra | 19.5 | 12.2 | 51.4 | 11.5 | 4.7 | 0.7 |
| Volta | 2.4 | 12.1 | 47.0 | 31.6 | 6.1 | 0.8 |
| Eastern | 2.2 | 10.0 | 56.5 | 25.2 | 5.2 | 0.9 |
| Ashanti | 1.3 | 3.3 | 78.9 | 13.4 | 2.6 | 0.5 |
| Brong Ahafo | 0.9 | 3.4 | 70.3 | 22.6 | 2.4 | 0.4 |
| Northern | 2.1 | 9.4 | 30.3 | 55.3 | 2.5 | 0.4 |
| Upper East | 3.3 | 16.4 | 13.2 | 55.2 | 5.7 | 6.2 |
| Upper West | 2.3 | 4.6 | 21.1 | 65.7 | 6.0 | 0.3 |
| Ghana | 4.8 | 7.9 | 57.6 | 25.0 | 3.9 | 0.9 |

Source: Computed from 2000 Population and Housing Census, Summary Report of Final Results.

Table 4: Percentage distribution of liquid waste disposal of households by region, 2000

| Region | Sewerage system | Street/Outside | Gutter | Compound | Other |
|---------------|------------------------|-----------------------|---------------|-----------------|--------------|
| Western | 3.2 | 34.6 | 23.7 | 36.6 | 1.9 |
| Central | 2.0 | 41.0 | 20.4 | 35.5 | 1.1 |
| Greater Accra | 14.4 | 19.3 | 38.9 | 26.7 | 0.7 |
| Volta | 1.3 | 41.4 | 9.6 | 46.7 | 1.0 |
| Eastern | 2.0 | 31.6 | 17.7 | 48.2 | 0.5 |
| Ashanti | 3.8 | 39.4 | 28.4 | 28.0 | 0.4 |
| Brong Ahafo | 1.3 | 54.6 | 7.3 | 36.5 | 0.3 |
| Northern | 2.0 | 62.7 | 8.5 | 26.3 | 0.5 |
| Upper East | 4.1 | 52.5 | 6.1 | 35.6 | 1.7 |
| Upper West | 2.3 | 67.4 | 4.8 | 25.0 | 0.5 |
| Ghana | 4.5 | 39.0 | 21.1 | 34.6 | 0.8 |

Source: Computed from 2000 Population and Housing Census, Summary Report of Final Results.

Urban sanitation has become a huge and growing challenge, due to the shift in urban/rural population balances. Over the next few decades almost all the world's population growth will be in urban areas in developing countries, leading to increased informal and unplanned settlements. In 2000, 47% of the world's population was urban dwellers, as opposed to 43.5% in 1990. The African urban population is expected to more than double over the next 25 years (WHO/UNICEF, 2002).

Rural sanitation coverage in developing countries lags far behind urban coverage and it is a big area of concern. The added urgency in the urban environment stems from the fact that the urban poor live in crowded slums and informal settlements where sanitation facilities are particularly important for public health and personal dignity.

In Ghana, a national environmental sanitation policy was formulated by the Ministry of Local Government in May 1999 (GOG, 1999). The policy is clearly targeted at the local government structures, to assist them to set up by-laws to regulate all aspects of environmental sanitation. However, it does not mention the issue of gender. The roles of men and women are not specified;

only the responsibilities of individual households, communities and community-based organizations are mentioned. The document indicates that sanitation is a public good, and is therefore the responsibility of all citizens, communities, private sector enterprises, NGOs and institutions of government.

Women are the primary stakeholders in domestic water management, providers of labour for agriculture and users of common water. They are also the ones directly tracking the day-to-day problems caused by the evacuation of household wastewater, keeping the toilets clean, ones to face the brunt of their neighbours' complaints and offensive remarks about wasted water flowing in the street and smelling bad etc. Despite all these, women have historically had only very minor roles in water resource planning and management. Furthermore, women and girls also fetch water for the use of their families and dispose off the household waste, and this means that they have less time and energy for productive work, which adds to their already low economic status in society.

Research questions are;

1. What are the sources of water and waste disposal sites in Ghanaian households?
2. How affordable is water and waste disposal for households?
3. How do women and men use water resources and for what purposes?
4. How are contributions (labour, time, payments and contributions in kind) to the provision of water resources and waste disposal divided between women and men?
5. Who makes the decision at various level (i.e., community and household)?
6. What are the coping strategies used in times of water stress and do women suffer the more?
7. What water-borne and other diseases (bilharzias, cholera, dysentery and guinea worm) affect members of the community and do they affect females more than males?
8. Do schools have separate toilet facilities for males and females? and
9. What are the hygienic practices at home and in school?.

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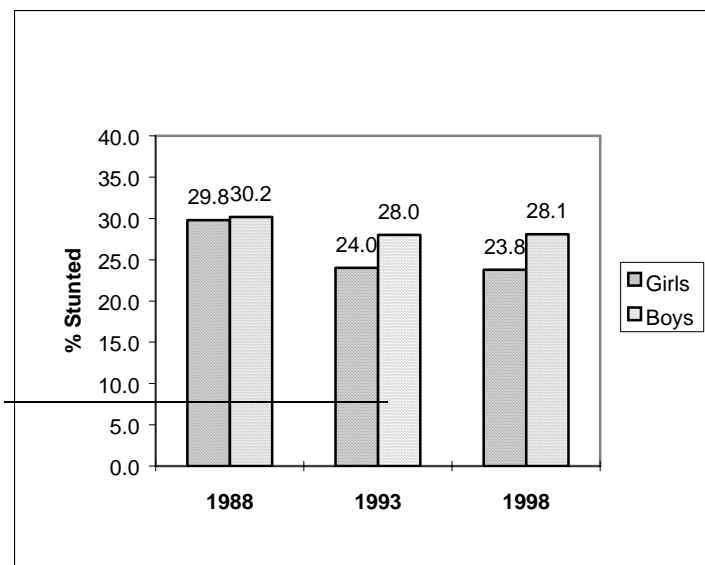
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GENDER AND HEALTH

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In recent times, the government of Ghana has tried to mainstream gender concerns into all aspects of national development. The issue of gender and health, for example, has received increasing attention particularly since Ghana's involvement in the Cairo International Conference on Population and Development (ICPD) in 1994. The adoption of the ICPD Programme of Action Cairo (POA), has led to the development of various policies and strategies to improve the health and well-being of individual women and men in the Ghanaian society. Within the context of ensuring access to quality health care for all groups, the Ministry of Health (MOH) has instituted certain mechanisms for promoting gender equity in health. These mechanisms are contained in a policy document prepared by the Health Research Unit of the Ghana Ministry of Health dubbed "Promoting Gender Equity in Health: A Framework for Action" (Health Research Unit, 1999). After almost a decade of gender awareness creation, status indicators on health suggest that even though there have been improvements over time, gender differentials still exist. The health indicators examined focus on the nutritional status of children below the age of three years, under five-mortality rate, expectation of life at birth, and prevalence of HIV/AIDS.

Figure 2.1: Percentage of children aged 3-36 months who are stunted (GDHS, 1988-1998)



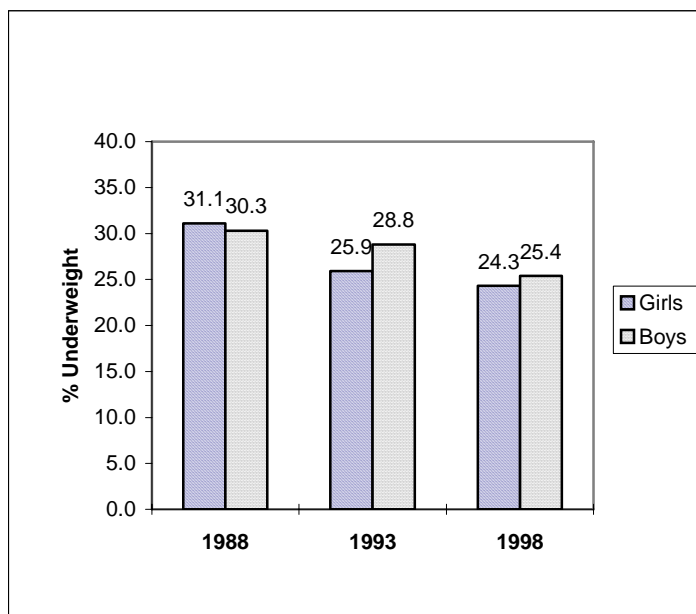
According to the 1998 Ghana Demographic and Health Survey, 28.1 percent of males aged 3-36 months were stunted¹¹ or short for their age compared to 23.8 percent of females in the same age group (Figure 2.1).

¹¹ Stunting is defined here as the percentage of children whose height-for-age is below minus 2 standard deviations from the median. The data for 1988 is based on children aged 1-35 months.

Chronic malnutrition is, therefore, much higher in boys than in girls. In a period of ten years (i.e. 1988 to 1998), the level of stunting among children in Ghana was observed to have declined only slightly, with girls recording much larger declines than for boys (see Table 2.1 at the end of the discussion on health). Whereas for girls there was a fall of 20 percent from a level of 29.8 percent to 23.8 percent, for boys the percentage stunted dropped from 30.2 percent to 28.1 percent, implying a decline of only 7 percent within the 10-year period. A critical examination of the data, however, shows that the level of stunting among both boys and girls remained relatively the same during the second half of the period (i.e. 1993-1998). This indicates slight declines of 6 percentage points in chronic malnutrition for girls and 2.1 percentage points for boys over the levels recorded in 1988.

Figure 2.2: Percentage of children aged 3-36 months who are underweight (GDHS, 1988-1998)

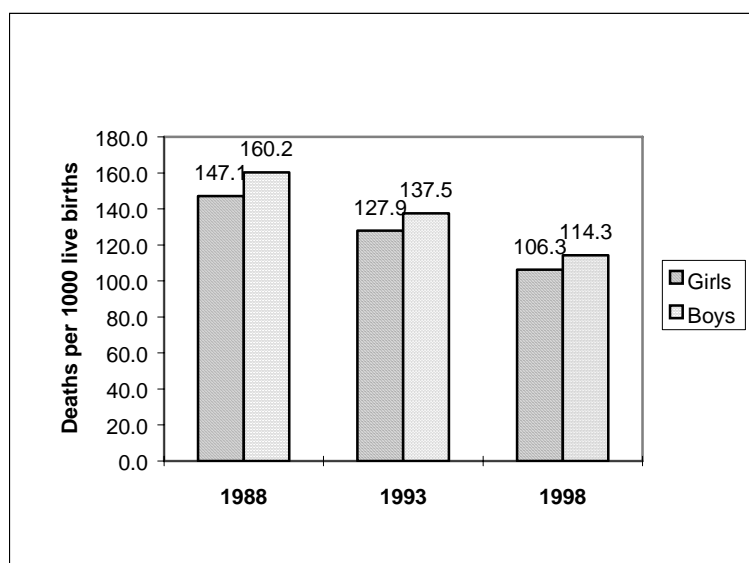
A similar trend is portrayed when the weight-for-age z- scores are examined by sex. As shown in Figure 2.2, the percentage of girls who were estimated to be underweight¹² among children aged 3-36 decreased from 31.1 percent in 1988 to 24.3 percent in 1998 while that for boys declined from 30.3 percent to 25.4 percent during the same period. These figures signify a reduction in undernourishment of approximately 22 percent for girls and 16 percent for boys.



¹² Underweight is defined as the percentage of children whose weight-for-age is below minus 2 standard deviations from the median. The data for 1988 is based on children aged 1-35 months.

With respect to under five mortality, the country has experienced significant reductions in both male and female deaths. Males, however, stand a much higher risk of dying than females. Figure 1.3 indicates that in 1988, for example, 160 male deaths were recorded for every 1000 male births compared to 147 female deaths per 1000 live births.

Figure 2. 3: Under-five mortality rate (GDHS, 1988-1998)



Under-five mortality was 8.9 percent higher among boys than among girls in 1988 but this gap only narrowed to 7.5 percent in 1998, with male under-five mortality rate estimated at 114 deaths per 1000 live births compared to 106 deaths per 1000 live births for girls. The sex disparities noted here conforms to the general observed pattern where

males exhibit higher mortality levels than females owing to differences in their biological constitution, physical activity and susceptibility to specific diseases. The decline in under-five mortality levels over the period 1988 and 1998 was, however, slightly lower for females (27.7%) than for males (28.6%).

**Table 2.2: Life expectancy at birth¹³
(Ghana, 1988-2000)**

| Year | Females | Males |
|------|---------|-------|
| 1988 | 54.5 | 51.0 |

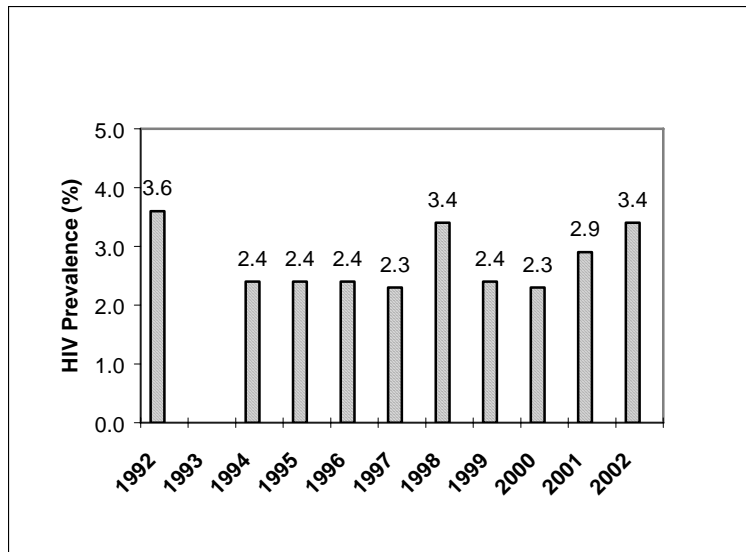
¹³Estimated indirectly from the following data sets: 1988 Ghana Demographic and Health Survey; 1992 Infant, Child and Maternal Mortality Study; 1993 Ghana Demographic and Health Survey; 1998 Ghana Demographic and Health Survey; 2000 Ghana Population and Housing Census. The Trussell variant of the Brass technique of mortality estimation and the North Family of the Coale and Demeny Model Life Tables have been used to arrive at these estimates.

There have also been systematic but gradual improvements in life expectancy. From 1988 to 2000, the expectation of life at birth increased by 5.8 years for females from 54.5 years to 60.3 years (Table 2.2).

| | | |
|------|------|------|
| 1992 | 57.0 | 53.4 |
| 1993 | 57.8 | 54.1 |
| 1998 | 59.8 | 56.1 |
| 2000 | 60.3 | 56.6 |

Males also recorded an increase of 5.6 years from a level of 51 years in 1988 to 56.6 years in 1998. As noted for under-five mortality, females generally have a higher life expectancy than males. According to the most recent estimates for Ghana, females expect to live 3.7 years longer than males.

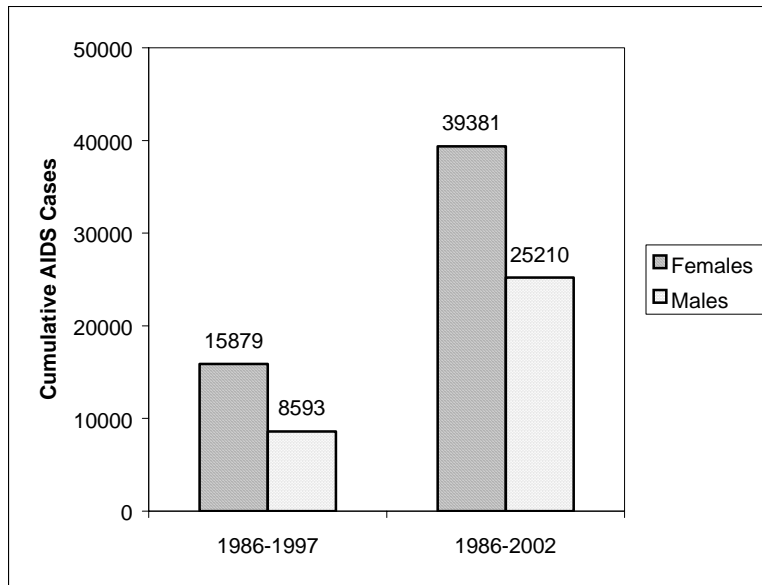
Figure 2.4: HIV prevalence among pregnant women¹⁴ attending antenatal clinics (Ghana, 1992-2002)



Data collected on pregnant women at sentinel clinics in Ghana since 1992 suggest that the prevalence of HIV among women was quite stable at around 2.4 percent until the year 2001 when it began to rise (Figure 2.4). The prevalence rates of more than 3 percent for 1992 and 1998 is quite difficult to explain but could be attributed to “noise” in the data.

¹⁴ Data on prevalence of HIV infection not available for males.

Figure 2. 5: Cumulative AIDS cases (Ghana, 1986-2002)



As far as sex differentials are concerned, females account for 61.0 percent of the 64,591 AIDS cases recorded in Ghana between 1986 and 2002 (Figure 2.5). Data for the period 1986-1997 also suggest that of the 24,472 AIDS cases that were reported, females made up 64.9 percent. Similarly, of the 10,476 AIDS cases reported in 2002, females constituted 59.4 percent. The

implication here is that females stand a much higher risk of dying from the disease. The gender gap, however, seems to be narrowing over time with females accounting for three out of every five AIDS cases reported in 1986-2002 compared to an average of two out of three during the period 1986-1997.

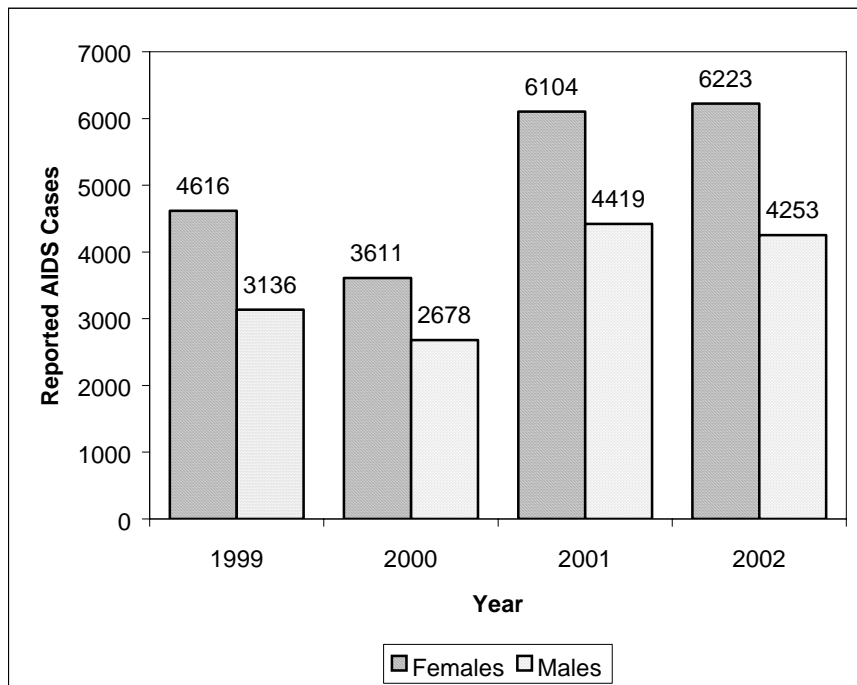


Figure 2. 6: Reported AIDS Cases (Ghana, 1999-2002)

The distribution of the reported AIDS cases for the period 1999 to 2002 suggests that for both

females and males, the number of AIDS cases slightly declined by 21.8 percent for females and 14.6 percent for males between 1999 and 2000 probably as a result of the intensive campaign launched but in 2002, the number of cases rose to 6223 for females and 4253 for males, registering an increase of 72.3 percent for females and 58.8 percent for males over the 2000 recorded cases (Fig 2.6).

Table 2.1: Indicators on Health for Computing the Gender Status Index for Ghana, 1988-2002

| HEALTH | 1988 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|-------|------|------|------|-------|------|------|------|------|-------|------|------|------|------|
| Nutritional indicators | | | | | | | | | | | | | | |
| Proportion of girls aged less than 3 years whose height is below minus 2 standard deviations from the median ¹ | 0.298 | | | | 0.240 | | | | | 0.238 | | | | |
| Proportion of boys aged less than 3 years whose height is below minus 2 standard deviations from the median ¹ | 0.302 | | | | 0.280 | | | | | 0.281 | | | | |
| Proportion of girls aged less than 3 years whose weight is below minus 2 standard deviations from the median ¹ | 0.311 | | | | 0.259 | | | | | 0.243 | | | | |
| Proportion of boys aged less than 3 years whose weight is below minus 2 standard deviations from the median ¹ | 0.303 | | | | 0.288 | | | | | 0.254 | | | | |
| Under 5 mortality | | | | | | | | | | | | | | |
| Under 5 mortality rate for girls ² | 147.1 | | | | 127.9 | | | | | 106.3 | | | | |
| Under 5 mortality rate for boys ² | 160.2 | | | | 137.5 | | | | | 114.3 | | | | |
| Life expectancy at birth | | | | | | | | | | | | | | |
| Life expectancy at birth for girls (population perspectives) ³ | 54.5 | | | 57.0 | 57.8 | | | | | 59.8 | | 60.3 | | |
| Life expectancy at birth for boys (population perspectives) ³ | 51.0 | | | 53.4 | 54.1 | | | | | 56.1 | | 56.6 | | |

| HIV Prevalence (%) | | | | | | | | | | | | | | |
|---------------------------------------|---------|--|--------|-----|--------|-----|----------|-----|-----|-----|-----|-----|-----|-----|
| HIV prevalence for women ⁴ | | | | 3.6 | | 2.4 | 2.4 | 2.4 | 2.3 | 3.4 | 2.4 | 2.3 | 2.9 | 3.4 |
| AIDS Cases | Females | | Male | | Total | | % Female | | | | | | | |
| 1986-1997 | 15,879 | | 8593 | | 24,472 | | 64.9 | | | | | | | |
| 1986-2002 | 39,381 | | 25,210 | | 64,591 | | 61.0 | | | | | | | |
| 1999 | 4,616 | | 3,139 | | 7,755 | | 59.5 | | | | | | | |
| 2000 | 3,611 | | 2,678 | | 6,257. | | 57.4 | | | | | | | |
| 2001 | 6,104 | | 4,419 | | 10,523 | | 58.0 | | | | | | | |
| 2002 | 6,223 | | 4,253 | | 10,476 | | 59.4 | | | | | | | |

Notes: ¹Based on children aged 1-35 months in 1993 and 3-36 months in 1988 and 1998;
. The data were compiled from the following reports: 1988 Ghana Demographic and Health Survey, GSS & Institute for Resource Development/Macro Systems, Inc. (IRD), 1989.
1993 Ghana Demographic and Health Survey, GSS & Macro International Inc. (MI), 1994; and the
1998 Ghana Demographic and Health Survey, GSS & Macro International Inc. (MI), 1999.

²Compiled from the 1988, 1993 and 1998 Ghana Demographic and Health Survey Reports. The estimates are based on children born 10 years prior to the survey.

³Computed from the following data sets using the Trussell technique of indirect mortality estimation:
1988 Ghana Demographic and Health Survey; 1992 Infant, Child and Maternal Mortality Study;
1993 Ghana Demographic and Health Survey; 1998 Ghana Demographic and Health Survey;
2000 Ghana Population and Housing Census

⁴These estimates are based on pregnant women attending antenatal clinics at sentinel sites operated by the Ghana Ministry of Health. No information was available for men and there was also no HIV incidence data for either males or females. (Source: National AIDS Control Programme, MOH)

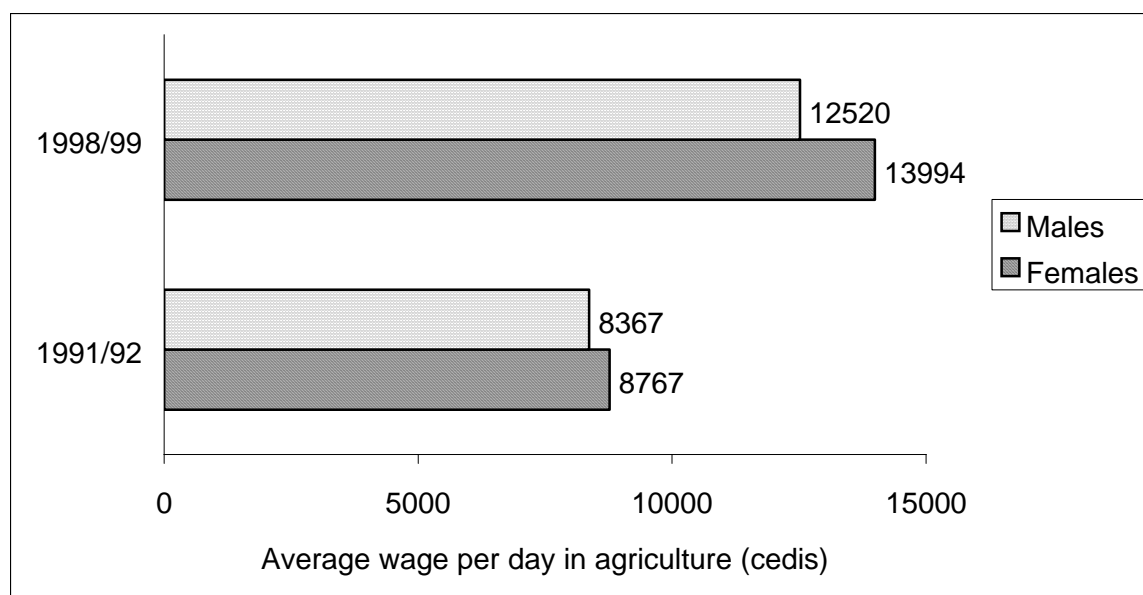
⁵The 64,591 reported AIDS cases for the period 1986-2002 comprised 39,381 females and 25,210 males.⁶In 2002, there were 102,523 reported AIDS cases in Ghana and of these, 6,104 were females and 4,419 were males.

ECONOMIC POWER (OPPORTUNITIES) INCOME AND WAGES

There is a very strong link between a population's socio-economic status and national development. Addressing issues that improves the quality of life of individuals will thus ultimately promote economic progress. Successes achieved in respect of this important societal goal are largely due to efforts made in enhancing individual rights. Such rights include equal access to resources by both men and women. In many settings, however, women represent a disproportionate share of the poor (PRB, 2001). This limits their autonomy and exposes them to cultural restrictions and health threats. Thus, a reduction in gender inequalities is expected to elevate women's status, reduce the gender gap in income levels and ultimately bring about greater economic prosperity through a reduction in poverty (PRB, 2001).

Household data obtained from the Ghana Living Standards Surveys conducted in 1991/92 and 1998/99 suggest that even though economic disparities exist among different sub groups of the Ghanaian population, the sex differentials are not very large. In 1991/92, the average daily wage in agriculture was just 4.8 percent higher for females compared to males. However, time trends suggest that this female advantage increased to 11.8 percent in 1998/99 (Figure 3.1. See also Table 3.1).

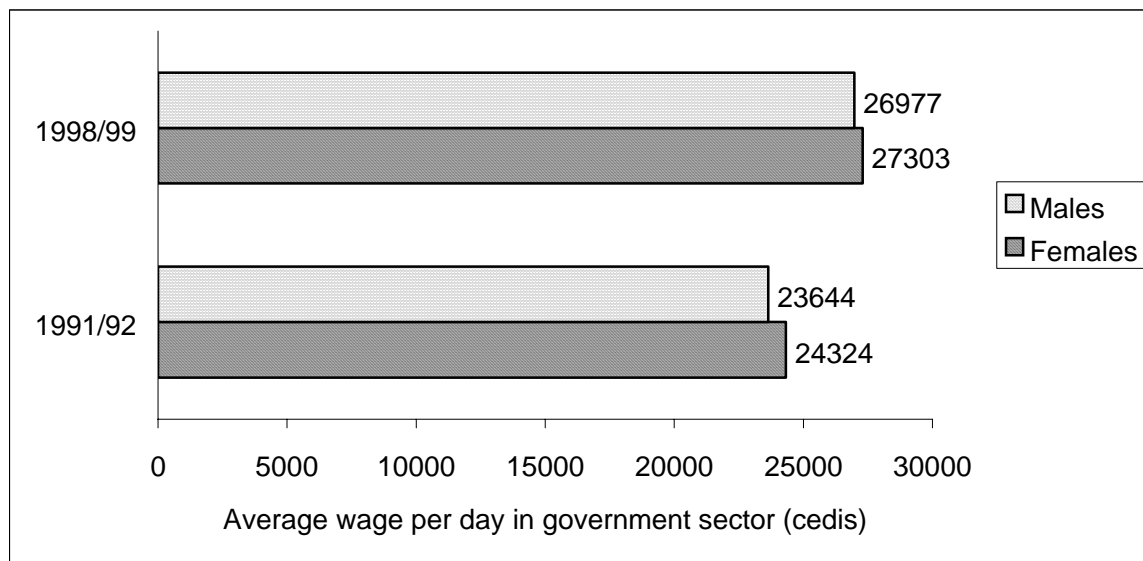
Figure 3.1: Average daily wage in agriculture by sex (GLSS, 1991/92-1998/99)



It must be pointed out that these wages are expressed in nominal terms and must therefore be adjusted to allow for the inflation that occurred between the two surveys. Although Figure 3.1 seems to suggest that women earn more than men in agriculture, it must be noted that the agricultural wage measure covers individuals involved in commercial, small scale and subsistence agriculture. Even though men tend to dominate in commercial, large scale agriculture, women dominate in small scale agriculture and tend to cultivate crops with high turnover rates and may consequently earn more income from their output than their male counterparts. It would have been more useful to separate earnings in large scale from small scale agriculture to examine gender differentials in wages. However this data is lacking.

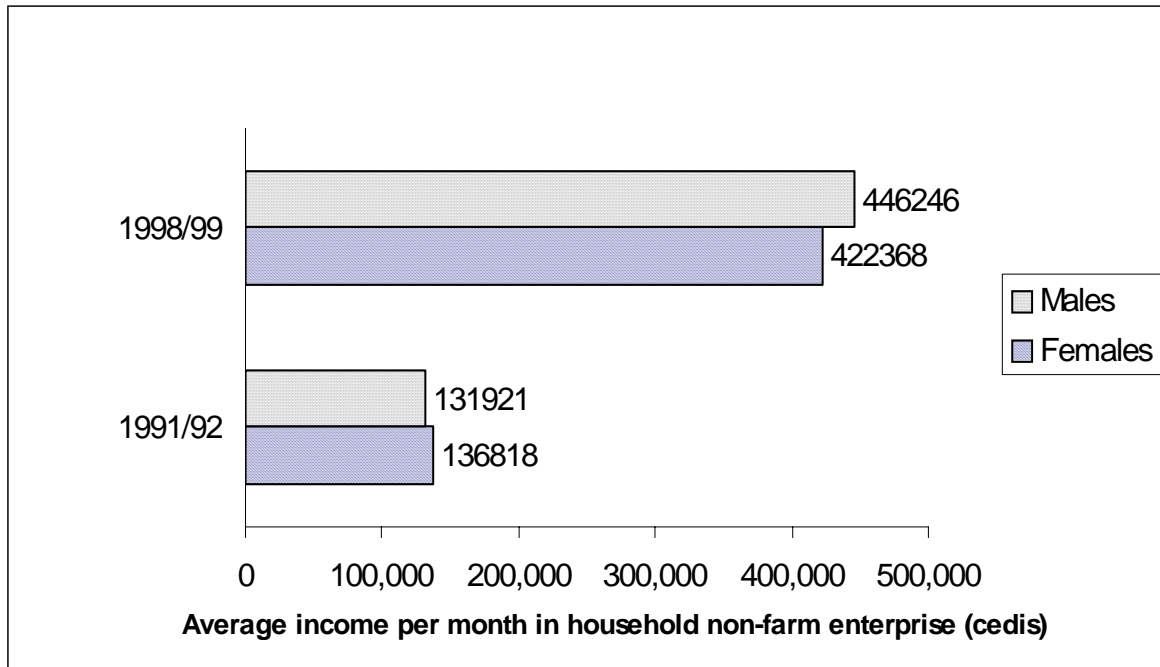
Similar to the pattern portrayed in Figure 3.1, females in the government sector also seem to be doing much better than males (Figure 3.2). However, the 2.9 percent difference in agricultural wages observed in 1991/92 between males and females seem to have reduced to 1.2 percent. A comparison between wages in agriculture and the government sector indicates that both women and men in government employment earn higher wages than those in agriculture. Data for the period 1998/99 indicate that the wages for males in the government sector are 2 times higher than that of males in agriculture. The same is true for females, where government employees earn two times the wages of females in agriculture. As stated for agriculture, it would have been more useful to separate the different government sector workers for a more useful gender analysis.

**Figure 3.2: Average daily wage in government sector by sex
(GLSS, 1991/92-1998/99)**



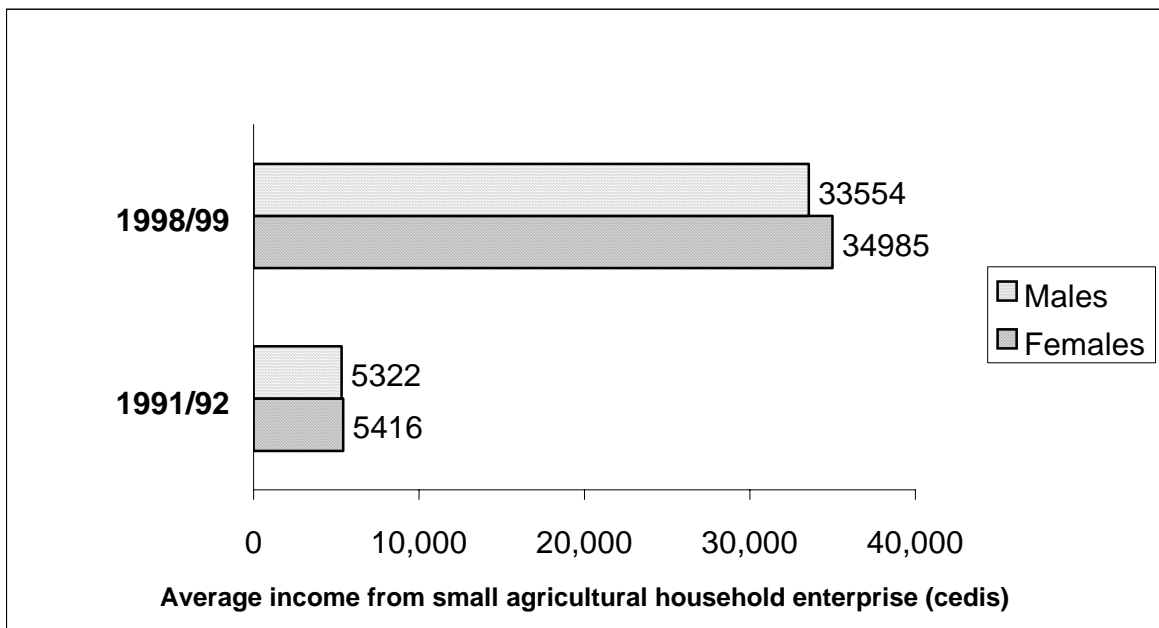
The average monthly incomes earned by individuals working in household non-farm enterprises are indicated in Figure 3.3. The figures show that average incomes from household non-farm enterprise have risen quite substantially between 1991/92 and 1998/99 and as observed for wages, the difference in these incomes for males and females in 1991/92 was 3.7 percent. However, the gap between the sexes seems to be widening, with females having a 5.7 percent higher income than males in 1998/99.

Figure 3.3: Average monthly income in household non-farm enterprise (GLSS, 1991/92-1998/99)



Income differences between males and females engaged in small agricultural household enterprises have also increased substantially from 1.8 percent in 1991/92 to 4.3 percent in 1998/99 in favour of females (Figure 3.4).

Figure 3.4: Average monthly income from small agricultural household enterprise (GLSS, 1991/92-1998/99)



When the average daily incomes from these enterprises are computed, it becomes very clear that both males and females working in small agricultural household enterprises earn much lower than those working in either agriculture or the government sector.

Incomes from remittances are much higher for female-headed households than for male-headed households. Whereas female-headed households received an average annual income of 42,343 cedis from remittances in 1991/92, male-headed households received only 12,813 cedis, indicating about 3.3 times higher transfers for female-headed households compared to male-headed households. This may be explained by the fact that female headed households tend to rely on children and other relatives for household survival. Over time, the difference in income transfers to households grew to 10.5 times in 1998/99 in favour of female-headed households (Figure 3.5).

Figure 3.5: Average annual income from remittances and inter-household transfers (GLSS, 1991/92-1998/99)

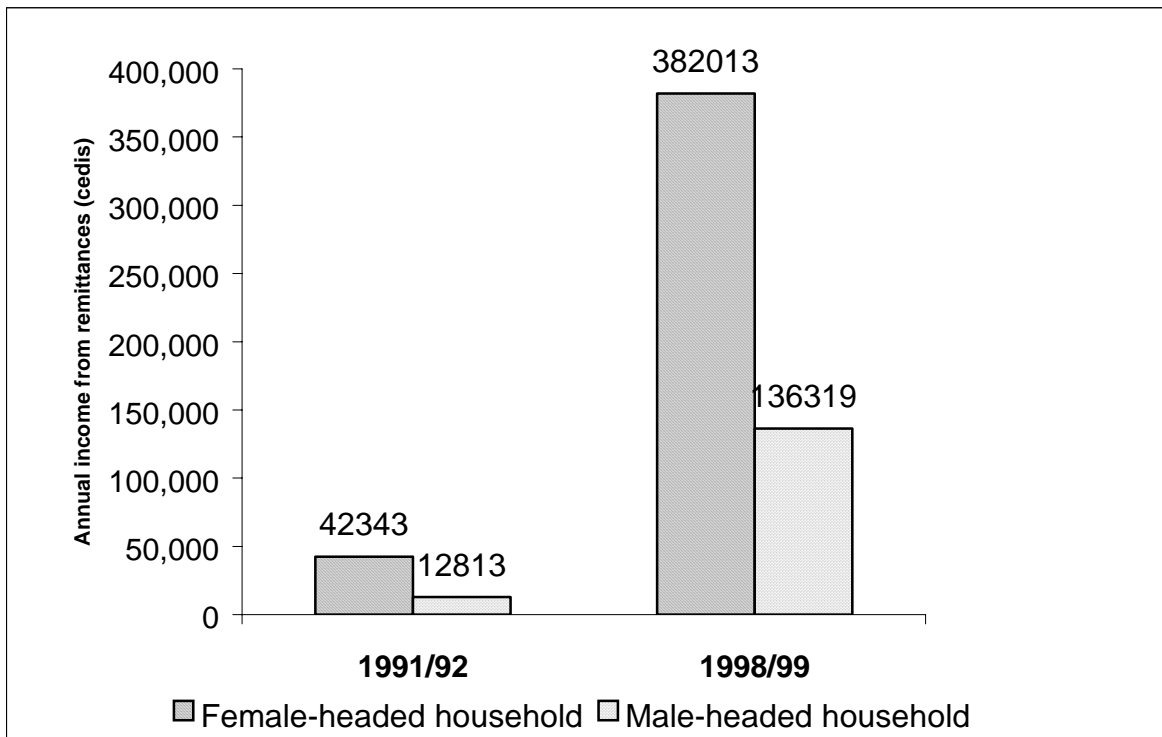


Table 3.1: Indicators on Income and Wages for Computing the Gender Status Index for Ghana, 1988-2002

| INCOME | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|---|------|------|--------|------|------|------|------|------|------|------|
| Wages in agriculture¹ | | | | | | | | | | |
| Women's average wage per day in agriculture (in cedis) | | | 8767 | | | | | | | |
| Men's average wage per day in agriculture (in cedis) | | | 8367 | | | | | | | |
| Wages in government sector¹ | | | | | | | | | | |
| Women's average wage per day in government sector (in cedis) ² | | | 24324 | | | | | | | |
| Men's average wage per day in government sector (in cedis) ² | | | 23644 | | | | | | | |
| Income from household enterprises¹ | | | | | | | | | | |
| Women's average income from household non-farm enterprise per month (in cedis) ³ | | | 136818 | | | | | | | |
| Men's average income from household non-farm enterprise per month (in cedis) ³ | | | 131921 | | | | | | | |
| Women's average income from small agricultural household enterprise (excluding wage) per month (in cedis) | | | 5416 | | | | | | | |
| Men's average income from small agricultural household enterprise (excluding wage) per month (in cedis) | | | 5322 | | | | | | | |

| | | | | | | | | | |
|--|--|--|-------|--|--|--|--|--|--|
| Income from remittances¹ | | | | | | | | | |
| Income per year from remittances in female-headed households | | | 42343 | | | | | | |
| Income per month from remittances in male-headed households | | | 12813 | | | | | | |

Notes: ¹Based on the 1991/92 and 1998/99 Ghana Living Standards Survey.

²This includes all individuals working in both public and civil service. The income data could not be classified by whether the individual was working in the formal or informal sector because that variable was not defined at the data collection stage.

³Includes income from land and animal rental.

THE GROWTH AND POVERTY REDUCTION STRATEGY (GPRS II): REVIEW OF POLICIES THAT ADDRESS THE NEEDS OF WOMEN

Chapter one of GPRS II examines generally the outline of

contents and policies of the document. In this regard it discusses the background of Ghana's progress towards achieving the Millennium Development Goals (MDGS) and the process of preparing GPRS II among others. These are discussed below.

Background

GPRS II observes that Ghana's Economy which largely agro-based experienced stagnation in both growth and incomes in the 1980s, resulting in deepening poverty. In 1990s, however, general poverty levels decreased. In spite of this improvement in the economy, certain areas of Ghana in the 1990s witnessed growing and deepening incidence of poverty, with evidence of an intensification of vulnerability and exclusive among certain social groups. This was particularly noticeable in the Savannah and transitional zones in Northern Ghana and in some Coastal areas in the Central and Greater Accra Regions. In the country in general, some large occupational groups such as small-scale food farmers, especially women, remained stuck below the poverty line and the life chances of too many children and youth remained precarious. It is against this backdrop of economic malaise that the GPRS I was formulated (GPRS II, pg 1).

Review of GPRS I

Under GPRS I, the Ghanaian economy achieved relative stability, with all the targeted macro economic indicators registering positive trends. GDP grew at an average rate of 5% during the period. Ghana's economic growth under GPRS I (2002 -2004) was led by the agricultural sector with 6% average growth rate, followed by industry and services respectively with 5% and 407%.

In the social field as a whole, there were increased expenditure outlays in support of the medium term priorities of GPRS I with regard to special programmed targeted at the vulnerable and excluded. These included among others the increased access of economical marginalized women to credit through the establishment of the government's micro-credit scheme and the Women's Development Fund supported by the government of Japan (GPRS II pg 2). Despite its achievements, GPRS I has its short comings. Among these included: insufficient progress in primary school enrolment as well as geographical and gender disparities in the educational sector; Gender disparities remain in all sectors including education, health, production, employment and access to and control over land; and insufficiency of gender focus

specification when addressing various poverty issues in the diagnostic, in the thematic areas, and in the policy matrices, as well as in the monitoring and evaluation framework.

GPRS II

The design and preparation of GPRS II (2006 – 2009) is thus informed by practical lessons and experiences drawn from the implementation of GPRS I (2003-5). The change in name from Ghana Poverty Reduction Strategy (GPRS I) to Growth and Poverty Reduction Strategy (GPRS II) reflects the new direction of government policy, which places more emphasis on growth. This document integrates the otherwise disparate development agenda and sectoral commitments that compete for inclusion in the annual budget into one comprehensive policy framework to serve the basic objective of guaranteeing to every Ghanaian and especially to the most vulnerable and deprived, which groups includes as disproportionate memberships of women, children and unemployed youth. Specifically it incorporates the relevant development strategies /policy documents of all the various sectors such as the National Gender and Children's policy.

GPRS II additionally seeks to operationalise various international Governments of relevance to the poverty reduction objectives and of which Ghana is signatory of basic importance among these are the MDGS, NEPAD and the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) the African and Beijing Platforms for Action.

Goal of GPRS II

The goal of GPRS II is to achieve acceleration and sustainable shared growth, poverty reduction, promotion of gender equity, protection and empowerment of the vulnerable and excluded within decentralised, democratic environment (GPRS II, pg 4).

Linkage of GPRS II to GPRS I

Having achieved relative macroeconomic stability under GPRS I, the direction of GPRS II is to accelerate economic growth and poverty reduction by assisting the private sector in every way possible to create wealth. GPRS is therefore achieved on the following:

- a. Continued Macro economic stability
- b. Accelerated Private Sector-led growth
- c. Vigorous human resource development
- d. Good governance and Civic responsibility.

GPRS II should make its greatest impact in the real economy of agricultural industrial production. Ghana is observed to have not made progress in agriculture, because the present woman who feeds the country is still using the same technology of cutlass and hoe which her grandmother used to feed a population one-fifth of the size of today's population (GPRS II, pg 6).

Ghana's Progress toward achieving the MDGs

The MDGs covers critical development issues such as education, health (especially child and maternal mortality), gender equality and women's empowerment among others. Thus they serve as a vital subsidiary framework for defining specific objectives in GPRS II.

Since the year 2000, Ghana has adopted the targets of the MDGs. Findings from the Monitoring of Progress towards achieving the MDGs from 2002, suggest that though some progress had been made, realising the goals of the MDGs by 2015 would require extra effort especially in the areas of reducing maternal mortality. Also the goal of eliminating gender disparity in primary and junior secondary education by this year (2005) is unlikely, however, there is a fair supportive environment to realise this. Furthermore, the goal of achieving equal access for boys and girls in 2005 is unlikely as the supporting environment is weak even though it is improving (GPRS II pgs 6&7).

The Process of Preparing GPRS II

Issues relating to Gender and the Vulnerable and Excluded were mainstreamed in each of the thematic areas in preparing GPRS II (GPRS II pg, 9). One of the strategies of doing this was a public Consultation process whereby women leaders/coalition of women's Groups and Women's organisations were targeted. Some of the activities held in this regard is as follows:

- In February 2005, a Gender Mainstreaming Stakeholders workshop was organised for Gender Focal persons in MDAd DIs, Groups, CSOs and NGOs.
- Between April- May, 2005, Gender Consultative Groups reviewed the Gender input into the thematic reports.
- In July 2005, there was review and validation of Gender mainstreaming into draft GPRS II by UNIFEM mission. (GPRS II, pg 11).

Chapter two of the GPRS II examines macro economic context and strategic direction. Thus the chapter sets the macro economic context and strategic direction for the execution of GPRS II based on a review of the performances in the recent past and finding out critical areas of intervention that would have optimum impact in terms of accelerated growth and poverty reduction.

A review of the performance of the Agricultural sector under GPRS shows that it remains the largest contributor to GDP. In the Agricultural sector, the Cocoa and Forestry sub sectors and Forestry sub sectors made significant gains in relative shares, while the crops sub sector marginally lost share. In spite of this progress, the agricultural sectors still faces challenges including wide gender inequalities in access to and control over land, agricultural inputs and extension services in some areas. Other challenges include stagnation of technologies and adverse environmental factors such as climate variability and land soil degradation (GPRS II, pg 14).

In the services sector, of the economy contributed to the modest gains in GDP growth. However, the financial services as a sub sector did not impact sufficiently on the agricultural and manufacturing sectors. Generally the financial institutions considered local manufacturing and agricultural enterprises as risky undertakings; this is of particular concern because of the adverse effects on small farmer, especially women, who constitute the majority of the rural poor (GPRS II, pg 16).

The bank of credit support to the potential growth points has led governments to establish special institutions such as the micro credit unit and the Women's Development Fund (WDF) to support financially marginalized financial services sector in not sufficiently available to most micro, small and medium scale enterprises in Ghana, particularly those that involve women and the rural population (GPRS II, pg 17).

One of the main strategies of GPRS II is to use agriculture as the basis for economic growth and structural transformation. The focus on agriculture-led growth is based on several grounds. Chief among these is the fact that the bulk of the poor, especially women, are engaged in agriculture – food crops, livestock and fisheries. Therefore, accelerated development in agriculture as the growth points will have a direct benefits on poverty reduction in the villages and help to slow down the rural urban drift (GPRS II, pg 22).

Consequently, in order to achieve accelerated overall growth Ghana's agriculture, a number of key interventions will be initiated to support agricultural productivity. One of these key interventions will be in the area of crop production. Among a host of measures that will be pursued in the field of crop production include:

- Ensure women's access to and control over land and agricultural inputs, including extension services.

- Enhance the productivity of small scale farmers by securing their access to extension, storage, price stability, credit, markets, and land. Women small holder producers of food crops will be given needed impetus to improve their livelihood and assisted to benefit from the potential positive effects of linkages between agriculture, industry and exports.
- Strengthen farmer-based organisations, with full participation of women farmers, to enhance access to credit and other services. The emasculation of the Ghana Cooperative Movement which had previously attained a pre-eminent position in Cocoa marketing and the national savings (GPRD II, pg 25). Also, for completeness of strategy, attention will be paid to cross-cutting issues such as gender, human resource development and capacity building to complement and reinforce production and increased productivity for accelerated growth (GPRS II, pg 25).

Chapter three of GPRS II, focuses on priorities for private sector development. Some of these priorities include: improving the business and investment environment for agriculture-led growth; support services developing additional and improvement and expansion of safety nets among others.

An overview of the private sector under GPRS I (2002 -2004) revealed that there was an increase in access to long term finance at affordable rates in the private sector. Also entrepreneurship was promoted as well as a reduction of both necks in private sector development. In spite of these achievements, critical areas still remain in the private sector that require urgent attention, primary among these include: lack of access to finance, especially for women; insecurity and vulnerability in the informal sector where women and the youth predominate, and lack of social protection for men and women in the informal sector (GPRS II, pg 29). GPRS II thus seeks to address these constraints in the private sector.

Improving the business and investment environment for agriculture-led growth

An overview of the Agriculture sector under GPRS I revealed that some progress was achieved. Areas of noticeable progress were farmer access of mechanised tillage, access to processing equipment, fish farming, construction of a number of hatcheries and reduction in post harvest losses (GPRS II, pg 30). In spite of this, the sector still faces numerous challenges among which includes lack of access to credit, especially of small-scale women farmers.

Achievement of the overall goal of GPRS II requires agriculture to continue to grow at the rate of 6% over the next four years. The means to realise this goal is through the modernization of agriculture. Thus broad areas earmarked for priority interventions include among others: reform to land acquisition and property rights; access to credit and inputs for agriculture; agricultural mechanisation and access to extension services. The strategies for these interventions are elaborated below:

Reform to land acquisition and property rights: The Administration project will be reviewed to recognise the importance of property rights of MSMEs and the Title Registration Law of 1985 will be enforced as means of ensuring security of tenure of small land holders, especially women and the youth (GPRS II, pg 31)

Access to Credit and Inputs for agriculture: Acknowledging the reluctance of the formal sector of lending to risky sector such as agriculture, special interventions will be initiated to improve access to affordable credit by farmers with a special emphasis on increasing the proportion women that can gain access to credit (GPRS II, pg 31).

Agriculture Mechanisation: Whilst promoting increased mechanisation in large scale agriculture, emphasis will also be given to the development and use of small scale technologies that target small holder farmers, especially women, in the areas of tillage, storage and processing such as bullock ploughs (GPRS II, 32).

Access to extension services: In seeking to expand the coverage and effectiveness of extension services in general, special attention will be given to commodities targeted to lead to accelerated growth in the sector. This will increase the proportion of both men and women farmers that are reached particularly in the transition and Savannah zones (GPRS II, pg 32).

Support services: Strategic sectors that would be developed to facilitate improved productivity in agriculture and agro-industry include: Transportation, energy and science and Technology.

Energy: To support a growing agro-industrial and services sector, as well as the needs of households, the policy aims to ensure a reliable supply of high quality energy services. The broad policy interventions mapped out to achieve this overall goal include ensuring increased access to modern forms of energy to the poor and vulnerable. This intervention does not however, specify who the poor and vulnerable are and whether it includes women (pg 35).

Science and Technology: The science and technology policy objective among others aim to promote the adoption of appropriate technologies, both local and foreign with the capacity to improve productivity and efficiency in the agricultural, industrial and services sectors especially for micro, small

and medium rural enterprises. This policy fails to indicate whether women in micro, small and medium rural enterprises will be given special attention (GPRS II, pg. 36).

Developing Addition Sectors to Support Growth

In addition to the focus on developing the agro-industrial and support sectors, other sectors will be targeted for development especially in respect of their employment creation and income generation capabilities. These include among others: information and Communication Technology (ICT) and Tourism. These are elaborated below.

Developing Information and Communication Technology (ICT): The implementation of an ICT strategy or ‘connectivity Agenda’ will be another priority in diversification of the economy. It will be a pivotal tool to improve governance, accountability and transparency, generate employment (especially for women and youth), develop human resource potential and strengthen national unity (GPRS II, pg 36).

Developing the Tourism Sector for Revenue and Employment Generation: One of the key policy interventions and strategies expected to be pursued by GPRS II in the Tourism sector is the promotion of the sector as a major source of domestic revenue. In this regard: Ghana will be marketed as a competitive tourist destination; programmes will be designed to reduce the credit constraint of operators in the tourist sector with particular focus on women entrepreneurs, and among others enhance the human resource capacity of skilled and unskilled personnel in the hospitality industry (GPRS II, pg 38).

Employment Generation and Improvement and Expansion of Safety Nets

In order to ensure that employment expands along with production and that the benefits of growth is widely shared through better job opportunities and thus poverty reduction, the broad employment sector objective will be to ensure an adequate, well regulated stable labour market to support accelerated growth (GPRS II, pg 39).

To realise this, the strategy among others will include: adopt a national policy for enhancing productivity and income wages; with equal opportunities for men and women in all sectors of the economy; and ensure the existence and implementation of a coherent employment policy on the youth and the vulnerable and excluded (GPRS II, pg 39).

Despite these strategies, sections of the population for reasons of Gender, age, disability or illness, will not be able to fully participate in economic activities. As a result of this and in line with the Gender and Children’s Policy, the Draft National Youth Policy, National Disability Policy, Draft National Ageing Policy, a Comprehensive social development framework will be developed which will seek to: institute

conditional and unconditional cash transfer systems and other support to pregnant and lactating women; target subsidies to the elderly, pensioners, small holder farmers and people with disabilities among others. Also the Social Protection Strategy will focus on the expansion of the coverage of the school feeding program, as well as facilitate access to micro-credit for small scale informal sector operators.

Chapter four of GPRS II discusses Human Resource Development. The development of the human resource asset of the country is one of the four key pillars underpinning GPRS II. The main goal is to ensure the development of a knowledgeable, well trained and disciplined labour force with the capacity to drive and sustain private sector led growth. An equally important component of the human resource development strategy is to ensure the protection of the rights of the vulnerable members of society, especially children, women, people with disabilities, the elderly and rural communities (GPRS II, pg 41).

Topics discussed are: review of human resources development under GPRS I. Education, skills, manpower and sports development for accelerated growth; access to health care, malaria control and prevention of HIV/AIDS, Population management, safe water and environmental sanitation; urban development, housing and slum upgrading/urban regeneration, and social policy framework for mainstreaming the vulnerable and excluded in human resource development. These are elaborated below:

Review of Human Resource Development under GPRS I

Among a number of measures put in place in the medium term under GPRS I was to reduce gender disparities in education. Considerable progress was achieved by this measure due to the fact that the Gender Parity Index (GPI) and Survival and Completion rates all improved at the national level (GPRS II, pg, 41).

Challenges which remain are lack of provision of adequate sewerage and sanitation facilities in many Ghanaian Communities (GPRS II, pg 41).

Education, Skill, Manpower and Sports Development for Accelerated Growth

The GPRS II identify the education sector as key in the production of the requisite human capital necessary for attaining a middle income country with a minimum per capita of US\$ 1000 by 2015. Thus the policy issues/gaps that need to be addressed in the formal education sub-sector include among others persistent geographical and gender disparities in access to education (GPRS II, pg 42).

Thus the priority for policy interventions in GPRS II, include: increase access to and participation in education and training to all levels; bridge gender gaps in access to education in all districts; promote

science and technology education at all levels with particular attention to increased participation of girls, and improve quality of teaching and learning among others. These policy interventions are expanded below.

Increase access to and participation in education and training: At the basic, policy measures include among others shifting the burden of payment for education services away from poorer families of children at the lower levels (especially the girl-child). At the senior secondary school level, strategies will focus among others on taking steps to ensure the equitable access to facilities and opportunities for both boys and girls in co-educational institutions (GPRS II, pg 43). It is important to note that issues with regards to women's increased participation in technical and vocation education as well as tertiary education are not addressed. (GPRS II, pg 43).

Bridge Gender Gaps in access to education: Strategies to achieve gender parity in access to education and which meet the objectives of (MDG) will include providing incentives/scholarships schemes to increase girls' enrolment, retention and Completion, particularly in the deprived areas. Sensitising parents and communities on the importance of girls' education (GPRS II, pg 44).

Improve quality of teaching and learning: To improve quality basic education, one of the strategies will be the provision of incentive schemes for teachers especially female teachers who serve as role models, in deprived areas (GPRS II, pg 44).

Skills Development: In GPRS II, skills and entrepreneurial development will be guided by priorities such as the provision of skills and entrepreneurial training in gender responsive and equitable manner (GPRS II, pg 44). However, how this is to be achieved is not outlined under the measure "provide skill and entrepreneurial training (GPRS II, pg 45).

Sports Development: Under sports development in GPRS II, issues pertaining to women are not addressed (GPRS II, pgs 45-46).

Access to health care, Malaria Control and Prevention of HIV/AIDS.

The main constraining factors affecting access to health care include geographical barriers, financial barriers, service delivery constraints and broad socio-cultural barriers including gender.

In order to accelerate access to quality health services, the health sector will continue to deepen efforts on broad policy objectives such as bridging the equity gap in access to quality health and nutrition

services. Some of the policy measures to be implemented under this policy objective include: develop and implement high impact yielding strategies for USM and MM and malnutrition; and improve essential obstetric care to reduce maternal mortality (GPRS II, pg 47-48).

Malaria Control

Poor access to health services is also compounded by the high burden of preventable communicable diseases such as malaria which increase the care burdens of families, especially women. In Ghana, malaria remains the leading cause of mortality, accounting for about 40% of out-patients attendance. It is also the leading cause of deaths, especially among children under five years old and pregnant women (GPRS II, pg 50).

The Ministry of Health produced a Roll Back Malaria (RBM) strategic plan in 2000, the RBM is in line with the objectives of MDGs. Priority interventions in the RBM plan will be promoted and strengthened in GPRS II. Among these priority interventions include enhancing multiple prevention. Preventive strategies under this intervention include promoting use of insecticide treated nets, especially by children and pregnant women and promoting chemoprophylaxis for pregnant women among others (GPRS II, pg 49).

HIV/AIDS Prevention

At the prevalence rate of 3.4%, the HIV/AIDS pandemic has negative impact on productivity, loss of productive assets, high treatment costs and the break in the transfer of valuable livelihood knowledge from one generation to the next.

To effectively address this issue, GPRS II intends to prevent the spread of HIV/AIDS by keeping the prevalence rate below 5%. Among the strategies to achieve this include the reduction of new HIV/STI transmission. One of the measures taken under this strategy is, to address gender based vulnerability including violence. Coercion and marginalisation (GPRS II, pg 49).

Population Management

Population Management in GPRS II will be based on a host of priorities such as: promote access to and utilisation of family planning services, promote sexual health, delayed marriage and child bearing; and promote compulsory education for children especially the girl-child up to secondary. These are expanded below.

Promote access to and utilisation of family planning Services

The strategies which will be implemented under this policy objective include strengthening the family planning component of maternal health delivery; and promote the sale of contraceptives through community agents, including maternity homes and field agents.

Promote the integration of HIV/AIDS into Sexual and Reproduction Health Programmes, delayed Marriage and Child bearing

Strategies under this policy objective include promoting formal education of girls as well as adult education and functional literacy with bias toward the maintenance of family values and research into socio-cultural practices that promote early marriage, betrothal, early sexual behaviour and take social and legal action (GPRS II, pg 51).

Promoting Compulsory education for Children especially the girl-child up to Secondary level: The strategies to promote Compulsory education for children especially the girl-child to Secondary level include: institute programs that encourage girls to continue schooling to at least Secondary School and promote programs to improve school enrolment rate and reduce the high drop-out rate (GPRS II, pg 51).

Safe Water and Environmental Sanitation

Improving access to potable water and sanitation is critical to achieving favourable health out-comes, which in turn facilitate economic growth and poverty reduction.

Improvement in access to safe water in particular enhances school attendance, reduces women's work load and free them to participate effectively in economic empowerment and governance activities (GPRS II, pg 51)

Thus the priorities that will guide the delivery of safe water and sanitation in the next four years include: accelerate provision of safe water in rural and urban areas, accelerate the provision of adequate sanitation; and improve environmental sanitation.

Urban Development, Housing and Slum Upgrading/Urban regeneration.

This section of the GPRS II does not address the special needs of women (GPRS II, pgs 53-54).

Social Policy Framework for Mainstreaming the Vulnerable and Excluded in Human Resource Development.

A significant proportion of Ghanaians including children, unemployed youth, women, persons with disabilities and the elderly do not reach their full human potential or cannot contribute effectively to economic growth and sustainable social development due to vulnerability and exclusion. Critical policy

issues of vulnerability and exclusion to be addressed in GPRS II besides education and health includes: integrated child development; strengthening of the family, database on vulnerable and excluded groups; and institutional linkages and coordination among others (GPRS II, pg 54). These are elaborated below.

Integrated child development: Under this policy objective, attention will be given among others of commercial sex exploitation of children and streetism (GPRS II, pg 55).

Strengthening of the family: Trends in increasing single parent and female headed households indicate stresses on the family members especially children. One of the policy measures to alleviate this situation include a multifaceted support to build family capacity to provide for and care for its members according to their particular needs as girls, boys, women men and the elderly taking into consideration peculiar social norms and practices (GPRS II, pg 55).

Database on the Vulnerable and Excluded groups: A simple but efficient data management system will be put in place for the vulnerable and excluded ensuring that data collected are disaggregated by age, gender and geographical location. The database will facilitate and sharpen programme design, targeting, mainstreaming and monitoring and evaluation of vulnerability and exclusion in the country (GPRS II, pg 56).

Institutional Strengthening, Linkages and Coordination

Under this policy objective, measures will be taken among others to strengthen the technical capacity of key agencies such as the Department of Social Welfare, Department of Community Development, WAJU and CHRAJ; and the provision of adequate human and financial resources to these and other agencies to effectively meet the needs of the vulnerable and excluded.

Chapter five of GPRS II looks at Good Governance and Civic Responsibility. The broad objective of good governance and civic responsibility is to empower state and non-state entities to participate in the development process and to collaborate in promoting peace and stability. Deepening the practice of good governance and promoting civic responsibility is one of the three areas of priority under GPRS II as this provides an efficient public sector which in turn enhances private sector competitiveness.

Topics of discussion in this chapter include among others: review of governance under GPRS I; challenges to governance; political governance; and promoting an evidence-based decision making. These are elaborated below.

Review of Governance under GPRS I

One of the priority areas for GPRS I included security and rule of law. In these respect considerable resources was released for the empowerment of all law enforcement agencies. To promote safety and security of women and children, the Women and Juvenile Unit (WAJU) of the police service is expanding its presence beyond the regional capitals (GPRS II, pg 58).

Challenges to governance

Challenges to good governance that need to be addressed in GPRS II, among others include the need for evidence-based decision making and the need to ensure gender equity.

With regards to evidence-based decision making and public dialogue GPRS II aims to enhance the capacity of the statistical system, encompassing all data generating MDAs and Civil Society to promote evidence-based governance in the public and private sectors so as to strengthen the government's ability to prescribe appropriate policies and assess policy effectiveness in critical areas, including macro-economic policy, population management, gender equality etc. to accelerate growth and poverty reduction (GPRS II, pg 59).

On ensuring gender equity, GPRS II aims to ensure that existing constitutional guarantees of fundamental rights and freedom as well as the legal backing for the protection of the rights of all citizens including women and children are practiced (GPRS II, pg 60).

Political Governance

One of the key governance priority areas of GPRS II is empowering women. Among the interventions to address disparities between men and women at all levels of the economic, political, social and cultural structures include: the removal of out-moded customs that violate women's rights which would require the active participation of traditional authorities; mainstreaming gender into policy formulation and budgeting processes, supported with proper documentation and analysis of the patterns and magnitude of sex differentials in key indicators; closing existing gaps in the legal framework that limit the opportunities of women to participate in public decision-making on an equitable basis, and the systematic compilation, analysis and dissemination of gender disaggregated statistics on all aspects of life – social, economic, and political which is essential for effective targeting in programme interventions (GPRS II, pg 64).

Chapter six of GPRS II discusses monitoring and evaluation. The primary goal of the M & E system under GPRS II is to facilitate the tracking of progress and effectiveness as well as to identify bottle necks associated with the implementation of the strategy.

Among the specific objectives of the M & E system is evolving an efficient system for evidence-based monitoring and evaluation. In this direction, indicators will be disaggregated to a level of appropriate for proper tracking of differential impact of poverty with respect to districts, gender and ecological zones.