

Gender

Building wealth for women: The case for a Women's Development Bank

By Joyce Bawah Mogtari



THE statistics speak for themselves! They constitute over 50 per cent of the population, yet their potential is untapped.

With grit and determination, and against all odds, they have been able to conceive, plant and nurture about 44 per cent of businesses within the Micro, Small and Medium Enterprises (MSMEs) category – a sector which constitutes about 92 per cent of businesses in Ghana.

Equally significant is that the Global Entrepreneurship Monitor estimates that they constitute 46 per cent of the total entrepreneurial workforce of Ghana. Sadly, successive Global Findex Reports paint a gloomy picture of a widening gender gap in financial inclusion.

Clarion call

This situation is a clarion call for a transformational action towards gender equality. Intrinsicly linked are the objectives of gender equality and women empowerment. However, they could be mutually reinforcing only within a supportive policy environment. It is only within an enabling policy environment that the virtues of fairness, equity and social justice could find concrete expression in economic and development outcomes.

Behind these impressive statistics of women's economic contribution and their challenges are real life stories of heroines and women of valour, of which that of Dr Mrs Esther Ocloo is worth noting.

In contemporary times, many young Ghanaian women have ventured into entrepreneurship and are doing well. Some of the women-owned businesses include Ghanaian business giants such as First Choice, Reroy Cables Ltd, FC Beauty College, L'aine Services Limited, Hair Senta, Wear Ghana, Brand E, FuguPlus, and LT Clothing. Names such as Grace Amey-Obeng (of the Forever Claire Group), Israel Kafui Mansu (MGL Naturals), Theresa Oppong-Beeko (Manet

Group) and Kate Quartey-Papafio of Reroy Cables have been trailblazers in their fields of endeavour. These are a few examples of the many women-owned businesses that are making tremendous impact across all sectors of the economy. From Agriculture value chain, technology, housing and construction and Fintech through to trading in the marketplaces, women have played a greater role in realising the dreams and aspirations of millions of Ghanaians across the country.

Funding gap

Unfortunately, women-owned businesses in sub-Saharan Africa tend to receive less funding compared to their male counterparts. Therefore, there exists a funding gap of about US\$42 billion for female entrepreneurs. In Ghana, women's limited access to capital limits the economic potential of a sizeable portion of the population and restrain the growth prospects of the economy.

If the potential of the Ghanaian economy is to be unleashed, women's access to capital would have to be prioritised with pragmatic policies and programmes that meet their peculiar needs. It is against this background that I am of the firm reasoned opinion that the concept of a women's development bank should be explored in line with the vision of the National Democratic

Congress (NDC).

Access to critical funding for women-owned businesses could increase Ghana's GDP by up to five billion dollars in the next 10 years. I agree with the assertion of Kosi Yankey-Ayeh of the Ghana Enterprises Agency that investing in women-owned businesses is not only a moral imperative but also a strategic necessity to catapult Ghana's sustainable development.

This is why the announcement by the National Democratic Congress' (NDC) 2024 Running Mate, Prof. Naana Jane Opoku-Agyemang, that the next NDC administration from 2025, God willing, will establish a Women Development Bank, is seen as the boldest decision by any political party aimed at giving practical interpretation to the empowerment of women. The promise to establish a dedicated financial institution coupled with a deliberate financial and economic policy around the growth of women-owned and women-led businesses could not have come at a better time.

Gender lens approach

There are several reasons to establish a women's development financial institution. Women-owned businesses constitute a unique market segment that requires tailored financing solutions. A financial institution with a focus on women is suited to satisfying the distinctive financing needs of women with

customised products and services. Further, a financial institution with a gender lens approach to dealing with women's financial needs could effectively address women leadership challenges and improve governance in women-owned businesses. Besides, experience garnered by a women development financial institution could provide valuable inputs into the design of women financial inclusive policies and further stimulate their contribution to economic development.

It is comforting to note that the women financing business is a minimal risk one. Research globally indicates that women are more dependable in credit repayment than men. Women consistently demonstrate better repayment performance,

whether under joint liability or dynamic incentive schemes. In a study using global data set of 350 microfinance institutions across 70 countries, it was confirmed that a higher percentage of women is associated with lower portfolio risk, enhanced repayments and fewer write-offs

and provisions. Here in Ghana, the African Guarantee Fund concludes that women who received support from the Fund were less likely to default. The Non-Performing Loan (NPL) ratio among women stood at between one and 1.5 per cent compared to four and six per cent for men.

Additionally, it has been proven that women typically plough back up to 90 per cent of revenues generated from their businesses into areas such as education, health and the upkeep of the family and community. In the case of men, only 40 per cent of revenues are channelled into such areas. Hence financing the business of one more woman presents a 90 per cent chance of an additional family or community member having an education or proper health care.

There are nearly half a million more women than men in Ghana according to the 2021 Population and Housing Census. Beyond this, the Registrar-General's Department maintains that about 44 per cent of registered Micro, Small and Medium Enterprises (MSMEs) are owned by women as earlier

stated. This number is too significant to be ignored. The decision by the NDC to establish a Women's Development Bank coupled with a deliberate economic policy towards supporting women entrepreneurs from the market squares in Madina and Mallam Atta to the medium and local corporates in Jirapa and Dixcove can therefore be seen as the boldest step so far towards tackling Ghana's poverty conundrum from the root cause.

The African Development Bank estimates that closing the gender funding gap in Ghana could increase GDP by a staggering 12 per cent. The impact of women entrepreneurs however extends beyond just these numbers. Women entrepreneurs often 'serve as conduits for social change,

The Non-Performing Loan ratio among women stood at between one and 1.5 per cent compared to four and six per cent for men.

aligning closely with the United Nations' Sustainable Development Goals. For example, the World Bank estimates that in Ghana, about 35 per cent of women-led MSMEs are directly involved in initiatives which immensely

contribute to community development, environmental sustainability and social responsibility. These initiatives range from educational programmes to waste management solutions, thereby creating a holistic impact that transcends the traditional boundaries of business.

So, what will the Women Development Bank offer? It will create not less than a hundred thousand jobs annually within the formal and informal sectors dominated by women. This will lead to economic and social empowerment. A women's bank will directly feed the family and the community. Bridging the gender financing gap will lead to achieving the Sustainable Development Goals of poverty reduction, reducing hunger and food security, good health and well-being, quality education and promoting gender equality. Women empowerment has multiplier effect and benefits everyone in society. Women too deserve to be millionaires. Join the NDC to make this a reality.

The writer is the Special Aide to Former President John Mahama



• Dr Mrs Esther Ocloo, one of Ghana's pioneer entrepreneurs