“SAVINGS HABITS OF AFRICAN WOMEN, THE CASE OF GHANAIAN MARKET WOMEN”

By

George Ekegey Ekeha (ACE, MBA (Finance), MBA, Bcom)
Senior Lecturer, Regent University College of Science & Technology, Ghana

Email: ekegey24ge@yahoo.co.uk

August 2011

THIS IS AN ACADEMIC RESEARCH CONDUCTED TO IMPROVE THE SKILLS OF BANKING AND FINANCE STUDENTS IN AFRICA, SPECIFICALLY STUDENTS OF REGENT UNIVERSITY COLLEGE OF SCIENCE & TECHNOLOGY, GHANA. IT MUST NOT BE USED IN ANY FORM, APART FROM RESEARCH PURPOSES, WITHOUT OFFICIAL APPROVAL BY THE AUTHOR
# Table of Contents

CHAPTER ONE: THE BACKGROUND OF THE STUDY .............................................................................. 1

1.1 Introduction .......................................................................................................................... 1

1.2 Problem Statement ............................................................................................................. 4

1.3 Research Questions ............................................................................................................ 5

1.4 Significance of the Study ................................................................................................. 5

1.5 Scope of the Study .............................................................................................................. 6

1.6 Objectives of the Study ................................................................................................... 6

1.7 Limitation of the Study ................................................................................................... 8

1.8 Organization of the Study ............................................................................................... 9

CHAPTER TWO: LITERATURE REVIEW ................................................................................... 10

2.1 Introduction ....................................................................................................................... 10

2.2 The Concept of Savings Practices ................................................................................... 10

2.3 The History of Banking in Ghana .................................................................................... 13

2.4 Banking Activities in Ghana ........................................................................................... 16

2.5 Banks Influence on Savings Habit .................................................................................. 18

2.6 Types of Bank Accounts Available to Market Women .................................................. 20

2.7 The Practice of Banking and Customer Service ............................................................ 21

2.8 The Importance of Market Women Activities to Economic Development .................. 28

2.9 Finances Available for Market Women’s Activities ....................................................... 29

2.10 Looking At Savings as Borrowing in Reverse ................................................................. 30

2.11 Fraud Signals Associated With Savings Deposit ............................................................ 30

2.12 Avoiding Fraud Associated With Savings Deposit ......................................................... 31

2.13 Advantages and Disadvantages of Savings Deposits Account ...................................... 33

2.14 The Qualities/Skills Required of Bankers and their General Functions ................. 33
2.15 Record-Keeping of Transactions with the Banks .................................................. 35
2.16 Problems Inherent in the Practice of Banking ..................................................... 36

CHAPTER THREE: THE RESEARCH METHODOLOGY .................................................. 38
3.1 Introduction ........................................................................................................... 38
3.2. The Research Design ......................................................................................... 38
3.3. The Population of the Study .............................................................................. 38
3.4 The Sample and Sampling Procedure ................................................................. 39
3.5 The Data Collection Techniques ......................................................................... 39
3.6 The Data Collection Procedure .......................................................................... 39
3.7 The Data analysis .................................................................................................. 40

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION ..... 41
4.1 The Introduction .................................................................................................... 41
4.2. The Educational Background of Market Women .............................................. 41
4.3. The Age of Respondents ..................................................................................... 43
4.4 The Age of Business ............................................................................................. 44
4.5 Bank Account Operation ....................................................................................... 45
4.6. Market Women who make Savings with Banks .............................................. 46
4.7 Types of Accounts Operated by the Respondents ............................................. 47
4.8 Reasons for Choosing Susu and Savings & Loans over the Banks ..................... 49
4.9 How Regular do Market Women make Savings ................................................. 50
4.10 Problems Hampering Savings Efforts of Market Women ................................. 51
4.11. Mechanisms used by Market Women for keeping their Funds ....................... 53
4.12 Reasons for Choosing the Selected means instead of Banks ............................ 56
4.13. Respondents who have Closed an Account or Dormant Accounts ................ 58

RESPONSES FROM BANKS .......................................................................................... 59

© 2011: Mr. George E. Ekeha
CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSION ............ 62

5.1 Introduction ........................................................................................................... 62

5.2 Summary of Findings .......................................................................................... 62

5.3 Recommendations ................................................................................................ 66

5.4 Conclusion ............................................................................................................. 68

BIBLIOGRAPHY ........................................................................................................... 70

APPENDIX A: INTERVIEW GUIDE ........................................................................... 72

APPENDIX B: RESEARCH QUESTIONNAIRES FOR BANKS IN GHANA ............... 74

APPENDIX C: STATISTICAL TABLES ........................................................................ 76

APPENDIX D: SPECIMEN PICTURES OF PASSBOOK AND MARKET SEEN ........ 77

**Figures and Tables**

- Figure 4.2. Educational Background ...................................................................... 42
- Figure 4.3 Age Distribution of the Market Women ................................................. 43
- Figure 4.4 Age of Business ..................................................................................... 45
- Figure 4.6 Market Women who make Savings with Banks .................................. 46
- Figure 4.7 Which Type of Account Do The Market Women Operate? .................. 48
- Figure 4.9: Periodic Deposits adopted by Market Women ..................................... 50
- Figure 4.11: The Mechanisms Used by the Market Woman to Keep Earnings .... 54
ABSTRACT
A very noble African scholar from Ghana, Dr Aggrey, once said “If you educate a man you educate an individual but if you educate a woman you educate a whole nation.” This assertion is still relevant in African communities today since the African Woman continue to be the piece of good fortune to several African children’s development.

The ability to save part of your earnings today would go a long way to increase the investment drive of the various African nations. It is important that the practice of encouraging savings habits therefore starts with the African Market Woman. Many of these women control huge parts of moneys in circulation in their various countries. Many African markets, where various goods from staple food, groceries, clothing, cosmetics, healthcare products, electrical gadgets and many more are traded, are dominated by women.

There are thousands and even millions of dollars worth of goods changing hands in those markets on daily basis. The ability for banks and other financial institutions of the African countries to mobilize funds from these market women for savings and subsequently loaning to corporations which invest into profitable economic ventures would help in reducing the poverty in the sub-regions and also free these nations from the self colonialism – economic dependency on the Western and Asian developed Countries and other International Institutions for aids, grants and loans.

This research studied the savings habits of African Market Women by collecting data from two major markets in the capital city of Ghana, one of the African Countries with
the fastest growing economies. The researcher interviewed six hundred and twenty-four (624) market women from Makola and Kaneshie Markets in the capital Accra. The researcher also sent structured questionnaire to all the twenty-six (26) registered banks (as at 2009) operating in the country, but unfortunately none of the banks responded to the research after waiting for three (3) months with four reminders.

It must also be noted that many banks in Ghana have been locating branches around some of these major markets in the various cities with the aim of wooing the average market woman to keep her money with them. One of the objectives of this research is to find out from the individual traders whether those strategies by the banks have any influence on their decision to deal with the banks. It also intended to find out whether market women in Ghana, for that matter in Africa, have the drive to make savings in order to increase their trading ventures in the future and whether those desires are necessarily geared towards the formal banks in the country.

The results of the research show that all the respondents have some form of savings and also believed that savings would enable them increase their trading activities in the future. The market women, however, rely on the Susu Companies and Savings & Loans Companies than the formal banks because they believed they could get easy access to credit facilities from these companies than the formal banks.

It was clear from the research results that, most market women do not save with the formal banks due to some reasons such as low interest rates on savings, frustration in the form of queues trying to access their own funds and low earnings from their trading
activities. The results also show clearly that market women do not have a complete trust in the banks for being the place for safe keeping of their funds due to various problems as evidence by the statistical analysis and therefore resort to keeping moneys with themselves or relatives. Though the market women responded in the negative, analysis of the results show that the proximity of the banks have an influence on the market women’s choice of financial institution for savings.
CHAPTER ONE: THE BACKGROUND OF THE STUDY

1.1 Introduction

Recent economic developments in Africa have led to increased educational opportunities and new jobs for the millions of people living in the continent. Specifically, the development changes have had a significant impact on the female population in the member countries as more and more women continue to gain access to training and education and obtain the skills and qualifications needed to enter into the workforce. Due to these recent developments, women in Africa have been able to gain more control over their own finances. As a result, women entrepreneurs in most African countries have become increasingly important drivers of growth by engaging in various economic activities like trading in various markets around the continent.

Due to their newly acquired financial responsibility, women are seeking banks that can cater to their specific needs. Banks located throughout Africa can tap into this growing market by providing personalized bank products and services to women throughout this continent. As women continue to manage their financial responsibility and independence in Southeast Asia, the need for new and specific banking products and services for this market has also emerged. Modern African women will benefit from financial institutions that provide private, personal and comfortable banking environments and offer enhanced, targeted, financially compelling, and more personalized services than the traditional banking experience.

The banking industry in Ghana today is becoming competitively keener and keener. It is interesting to see the staff of banks move from one office to another soliciting for accounts to be opened with their respective banks. The Ghanaian banks are now prepared to give information about their services and products to potential clients than previously. This improvement in banking services could be as the result of the inflow of some foreign banks into the Ghanaian banking system. Banks that closed down the accounts of their clients because they couldn’t meet the minimum balances are now chasing these same people to have a cashless account opened. No wonder banking hours have been extended with majority of them having Saturday banking services to
their customers. Some banks do Sunday banking as well by going round to accept deposit from the churches.

It is however evidence over the years that many banks in Ghana have really taken their customers for granted. There are still unwarranted long queues in some banks; some banks still make deductions without explaining to their customers the reasons of those deductions. Banks in Ghana still increase charges without detailing or informing their clients or customers. The banks have continuously defended their high borrowing rates whiles paying very little on savings made by the customers.

This, in my opinion, has led to the disappointment of potential customers to deposit their funds with the banks. Many industry watchers, financial analyst, researchers, and the business communities have complained about the high rates but the banks always tried to justify their high rates and the huge spread thereof. Savings is however of fundamental importance to economic development (Adams 1978, McKinnon 1973, -Shaw 1973). Banks are considered to be the most effective intermediaries in mobilizing savings for economic development (Galbis 1977; Porter 1964; von Pischke 1983). It is therefore not surprising that the Ghanaian Parliament recently referred the issue of high interest rates in the country to the Finance Committee to deliberate and advice the House.

At the close of the Financial Literacy Week organised by the Ministry of Finance in September October 2009, the issues regarding the bankers’ attitude and low interest payment on deposit took a centre stage. The Ghana News Agency (GNA) reported that “the need for banks to pay appreciable interest on deposits they take from customers took centre stage at a public forum held on Friday, October 2 2009 to draw more people to the habit of savings. Members of the public were not enthused about the negligible interest banks pay on savings of customers, arguing that the trend had become a disincentive to potential clients” (Daily Graphic 3rd October 2009).
According to the reporter, the well-attended public forum had experts from the Finance Ministry, the Bank of Ghana, the country’s Securities and Exchange Commission and the Ghana Insurers Association as well as the Securities Industry on hand to answer questions. It was reported that one of the public participants, Mr Joe Addo, a 45-year old mechanic, said he could not appreciate the practice whereby savings lodged in banks are used by others to enhance the businesses but no or little were being paid on it. He said while the banks were quick to take their commissions and interest on loans, they on the other hand were not interested in extending same to customers who deposited monies with them.

This, he said, explains why most people, especially operators in the informal sector preferred keeping their monies at home despite the knowledge of the risks in doing so. Another participant, Ms. Helen Amoako, a hairdresser, said the attitude of some workers in the banks also did not help matters. She said "They lack the patience and time to explain things to you and this makes some of us who could not read and write to believe that only the educated must have and operate bank accounts," (ibid).

It is a common knowledge in Ghana that chunk of monies pass through the hands of market women, comparatively than business entities, because they are the people who sell consumable products, and since there is no day which passes without people consuming disposable products such as staple food items, electrical gadgets, clothing, groceries and many other consumable products. It makes people’s aggregate disposable income gets into the hands of these market women, than corporate entities.

These market women also use the monies received to retail some of the products and resell to consumers, whiles they save and spend proportions of it to earn a living. Indeed, it has become clear that, despite many banks in Makola and Kaneshie market areas, the banks’ focuses in recent times have been on making out loans since loans are the most prudent ways of making profit, rather than mobilizing saving deposit, since some of the savings deposits attract interest expense to the bank, rather than the huge interest income on loans.
The attitude of keeping money elsewhere beside the bank is due to several reasons, some of which could be linked to the banks or better still the regulations governing the banking industry in the country. In spite of the numerous banks across the country, many Ghanaians still find it prudent to safeguarding their monies outside the banking system, damning the consequences. Some of the reasons include the ease with which one could gain access to his own monies without any complex rules and regulations applied rigidly.

To the average Ghanaian, it makes no sense queuing in the banking hall to cash one’s own money after filling forms. More importantly is the fact that many of the banks’ customers are often disgusted about the rude behaviour of the bank officials at the banking hall in dealing with their concerns. It is therefore their desire to hold liquid cash as a hedge against unforeseen circumstances that’s the amount of money people are prepared to hold in order to meet recurrent expenses on items like food, clothing and shelter.

1.2 Problem Statement
There are always two schools of taught when it comes to expressing opinions about the influx of banks in market areas, and their impact on Savings habit among market women in major parts of the country. One school of taught indicates that, over the past two decades, banks were uncommon in the markets and it led to low savings among market women. The second school of taught, holds the view that, whether or not there were many banks, saving pattern would remain unchanged among market women since it has been perceived as typical Ghanaian habit.

However, looking at the above mentioned schools of taught, each has a point, but this write up intends to investigate the proliferation of banks in market areas, and their impact on saving habits among market women specifically at Makola and Kaneshie markets, which the findings could be used to justify any of the above stipulations.
Indeed, in today’s competitive financial market and economic downturns, saving deposits cannot be ignored for the continuing existence and development of both the financial institutions and the private individuals. There is no doubt that, saving deposit is effective tool to the development of the national economy, therefore failing to cultivate saving habit is probable to hold back the effectiveness of businesses and the national economic development as a whole. The inability of market women to make savings deposit as perceived as typical Ghanaian habit is a subject of national worry and progressively getting supremacy in a wider pool of business enterprises.

The long run opposing effect of inability to have access to cash or to save monies with the banks have led to the collapse of many small businesses. This is due to the fact that, banks are not able to access these small deposits in order to give big loans to deficit savings units to expand their businesses. The inability of banks to effectively collect saving deposits and the incapability of market women to save their monies with the banks due to numerous reasons is correspondingly leading to slow business growth, low access to credit in the economy and thereby yelling for earnest and prudent measures and attention. By this reason, this study intends to inquire into the saving habit among market women in Makola and Kaneshie markets with respect to banks located near their markets.

1.3 Research Questions

In order to work within the confinement of this research, the following questions have been anticipated for the survey, to getting solutions to the research problem:

- Do market women hold bank accounts?
- Do market women save monies with their banks, if they do have the accounts?
- What type of bank account do these market women operate?
- What are the advantages or benefits the market women enjoy in saving their monies with the banks?
- What problem do the market women face when saving their monies with the banks?
- Which type of bank do the market women do business with?
- Which method do deposit acceptors use to accept funds from customers?
1.4 Significance of the Study
The study of savings habit among market women intend to provide information to enrich market women’s knowledge concerning the importance of savings with a bank. It is also expected to enable banks to come on course with the ways and customs of which the market women want to do business with them, especially when it comes to savings of monies.

The study of saving habit among market women could also become a source of data to analyze the type of institution which is doing well in mobilizing savings deposit from market women. It could also be an archive for policy makers to help solve some of the problems which discourages savings habit among market women. Base on the problems of savings deposits, bankers could solve the problem by developing the best tailored services to meet customers’ need.

1.5 Scope of the Study
This study covers the problems of market women in relations with their savings with the banks. This study is to determine whether market women are saving their monies with the banks and whether this decision is sometimes influenced by the proximity of the banks to their markets. If they do not save with the banks, what are the reasons and other mechanisms use to save their moneys and the effect on the general economic development of Ghana. Finally, the study looks at other important aspects and benefits of market women savings their monies with a bank or any financial institution.

It is very important to note that Accra metropolis attract a lot of market women from various parts of the country on daily basis. Most traders, from various regions of the country, troupe to Accra to purchase their wares to be sold in their various towns. The Makola and Kaneshie markets have over the years been the destination for most of these traders from other parts of the country. This study area therefore concentrated in the Accra metropolis, specifically, Makola and Kaneshie markets in the Greater Accra Region.
1.6 Objectives of the Study

The Banking sector is a very critical sector in the financial set up of every economy. For a developing economy like Ghana, the entire financial intermediation process revolves around the Banking system. The introduction of the Universal Banking License (UBL) has allowed all banks that have acquired it to operate any kind of banking services in the economy so long as such an operation is legal. It has allowed banks that were traditionally doing Merchant and Development Banking to now go into proper Commercial Banking. Also, the introduction of the UBL has resulted in the increase of the foreign banks’ entry into the country. The number of banks has increased from 18 to 26 between the year 2000 and 2009. Traditionally, generic Banking Deposits products have been Current Accounts and Savings Accounts. Today, we have a whole lot of hybrid of these two as well as other vanilla product kinds under these two categories of depository products. Indeed today, we have a lot customized deposits and loans (Advances) products in the Banking Sector.

Channel Diversification is also one area in Banking which has witnessed a lot of significant improvements and innovations in the past two decades. The traditional system of banking only in the Banking halls has improved so significantly to encapsulate Automated Teller Machines (ATMs), Telephone Banking, Mobile Phone Banking (SMS Banking), Internet Banking, Web Banking and so on. Indeed customer indemnity systems have enabled the usage of telephone and fax banking facilities in certain banks. The relationship banking concepts that almost all the banks implement, allows customization of services so much that certain category of customers can even bank from their homes. The quality and speed of service delivery in the Banking system in Ghana today is very commendable.

A lot of factors such as high customer sophistication, enhanced technological advancements, conducive financial sector policy initiatives, increased competition, high professionalism in the sector, to mention but few are the reasons for such an improved and developmental oriented changes witnessed in the Banking sector in Ghana. It must
also be acknowledged that such innovations have facilitated the financial intermediation process and benefited the final consumers of banking services immensely. These notwithstanding, however, majority of Ghanaian traders and market women continue to ignore the advantages available to them from the banks. Realizing the importance of these traders, coupled with modern technological advancement, many banks have found it important and convenience to locate near the banks to ensure the traders of quick services.

The main objective of this study is to investigate into the savings habit among market women at Makola and Kaneshie markets in Accra and to establish whether the proximity of the banks to their market places influence the decision and choice of banking services.

The research will tackle these specific objectives questions.

- To determine whether the market women hold bank account to help facilitate their trading activities.
- To determine whether the women save money with the banks in order to generate capital for future expansion of their trades.
- To determine whether market women ignore their bank accounts as a result of default payment of loans taken from the banks.
- To determine the various mechanisms utilised by market women to safe keep their earnings from the market trading activities.
- To evaluate the challenges that hinders market women from cultivating good saving habit with banks and other financial institutions.
- To find out the extent of market women’s knowledge on savings and its positive impacts on their trading activities.
- To find out the opportunities which exist among the financial institutions for market women to help them improve their savings habits to help grow their trade.

1.7 Limitation of the Study

Research of this type has weakness or constraints of which some are uncontrollable and consequently influence the result. The size of these two markets is very large that
an individual like this researcher could not cover the whole market extensively. A sizable percentage of traders at makola and kaneshie markets could have been investigated, but resources needed to carry out this type of extensive research were not available, since this researcher only uses personal resources from lecturing activities to conduct the research. As a result random samples were used to represent the whole trading population of the two markets, which is thought to be fairly representative of the general market women.

In addition, most market women were not ready to disseminate relevant information concerning their savings. Many of them taught that, information gathered would be used for taxation purposes, with this, how to convince them for rightful information was a severe headache for the study. There was therefore no specific sample size or target for the study. The researcher and his team utilized a walk about in the market and tried to convince the traders for an interactive interview and conversation. Unfortunately, the response from the bank was not very encouraging in this research. After waiting for about two months and three reminders, none of the 26 banks in the country, which the researcher sent the questionnaire did not answer.

It is worth noting that the researcher is and individual and a lecturer of finance who is doing a fact finding research to help enhance the literature of banking services in the country. The initiative is personal without any corporate support for the study.

1.8 Organization of the Study
The entire research work is organised into five (5) main sections or chapters. Chapter one reveals general introduction of availability of banks and their impact on savings habit of market women, problem statement, research questions, significance of the study, scope of the study, objectives of the study, limitations of the study and how the study is organized. Chapter two also reviews previous topics about savings habit of market women and related literature. Chapter three gives out the methodology of the study. This refers to the method and techniques used in gathering and analyzing the research. Chapter four brings about the data presentation and analysis and finally, chapter five summarizes the findings, conclusion and recommendations of the study.
CHAPTER THREE: THE RESEARCH METHODOLOGY

3.1 Introduction
This very chapter brings into a streamline of the research methods employed for collecting the project data of the study. The chapter covers the research design, the study population, sample and sampling procedure, data collection technique, data collection procedure, administration of the survey instrument and data analysis.

3.2. The Research Design
The research uses a primary survey to grab evidence for the analysis of the study. It helps to get opinions, attitudes and description. Data was collected by regular visit to the markets and interviewed number of market women on daily basis. The study also spread its wings to interview some few banks in the area of study on the subject matter. However the concentration was on market women.

3.3. The Population of the Study.
The study population was made up of market women in makola and kaneshie markets and some few banks regardless of the nature and size of their business. The population size of the two markets was estimated to be about 10,000 and above traders. It was also estimated that about 75% (7,500) of the total population of the markets are women. This is averagely in line with other researchers like Gracia Clark, in her research entitled “Onion is My Husband: Survival and Accumulation of West African Market Women” who estimated that about 70% of the traders in the Kejetia market in Kumasi are women. The researcher therefore wanted to interview 10% (750) of the estimated population. However, due to the financial constrain and difficulties of getting more women to talk to the interviewers due to the reasons stated above, the survey only captured 624 market women representing about 8% of the estimated population. Structured questionnaires of about 10 questions, comprising of both close and open ended, were sent to all the twenty-six banks operating in the country at the time. The questionnaires were sent through an email address acquired from the list of banks as of 2009 published on the Bank of Ghana website.
3.4 The Sample and Sampling Procedure
This approach helped to sample units drawn directly from the total population, which is designed to meet the essential criterion of randomness. Also a specific target of all banks was chosen for the study. This is a safeguard that all categories of market women had the chance of being selected as respondent. It was used to ensure faire representation, to avoiding any significant bias of the study. A sample of six hundred twenty-four market women was interviewed and all the twenty-six banks were requested to respond to a structured questionnaire. This was thought to be enough representation in forming an opinion on the savings habits among market women.

3.5 The Data Collection Techniques
The instrument engaged in the data collection was questionnaires and interviews. The questionnaires contained both closed and open ended questions which were sent to the banks. This enabled the respondent to provide complete information of how banks in the country try to cover all aspects of business activities in the country for the study.

Interviews were also conducted with market women to gather information about their relationship with the banks and other financial institutions for the study. Both structured and unstructured interviews were conducted to get reliable information. The interview was first conducted on selected sectors in the makola and kaneshie markets and later concentrated on the general floors of the market.

The questionnaires and interviews centred on the following areas, selected characteristics of respondents, types of savings made, importance of savings, inherent problems of saving with a bank and what can be done to enhance those problems among market women and also the general mechanisms used by the market women to keep their income from the trading activities.

3.6 The Data Collection Procedure
The field workers comprising of three Banking and Finance students and this researcher went to the markets with the interview guides over a period of thirty days between January and March 2011. Within this period the interviews were conducted
simultaneously at both markets to eliminate any influence from either market’s results affecting each other. The market women were assisted to answer the questionnaires, since some could neither read nor write and also to enhance the ability of the interviewers to gather more information than just the structured questionnaires. The one-on-one dialogue interview conducted enabled the researcher to gather more information for the study. Indeed some few selected savings and loan companies around makola and kaneshie markets were interviewed on savings habit among market women.

3.7 The data analysis
In analyzing the data collected from the field, the study made use of tables, frequencies percentages and charts. The responses of the various market women were first revised and sum up using frequencies. The values corresponding to some items were further converted in percentages to facilitate comparison between the items. Excel spreadsheet program was used to formalize the statistical figures. The first part of the analysis focused on the responses from the market women and the other part was on the responses from the banks and other financial institutions.
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 The Introduction
This chapter looks at the critical analysis of the market women who agreed to be interviewed for the purpose of this study. As stated earlier on many of the targeted group of traders in the selected markets were very reluctant to be interviewed. While some of them were misconstruing the interviewers to be working for the government for tax purposes, others were just not ready to be interviewed by any nicely dressed person. Others also claimed they were just too busy and cannot be disturbed since they would have to be attending to their customers. The interview period was between January and March 2011 where three students of Banking and Finance, together with the researcher attended the markets randomly to interact with the market women.

4.2. The Educational Background of Market Women
It is a general believe in the Ghanaian communities that market women are made up of women with very low level of education. Most of the educated Ghanaian, if not all, would prefer a white colour job in very cosy office environment rather than working in the markets. Many people also believe that the ability to save has a link with one’s level of education.

Several years ago women in Ghana, like any other African women, believed that it is the responsibility of the man to make some savings towards the family’s future. As more women engaged in formal education and attaining very high level like their male counterparts, the situation did not change much until recently when various women groups have started enlightening women on their rights and responsibilities. After the Beijing Conference in the early 1990’s groups such as the 31\textsuperscript{st} December Women Movement, led by the then First Lady of the nation (Mrs Konadu Agyeman Rwalings), many women started having the believe that they could do what their male counterparts could also do. Most people, however, believed that these abilities are somehow tied with the level of education.
This question was therefore supposed to find out whether the accession that many of these market women are mostly not very educated to a higher level holds water. This analysis would also help the research to identify any link that might be between the level of education and the habits towards savings for the future.

**Figure. 4.2. Educational Background**

![Level of Education](image)

The level of education employed in this study represents the assorted levels of education that existed in Ghana. The answers provided by the respondents indicated that 228 (36.5%) of the respondents had had some primary, middle and JHS education, 143 (23%) had ordinary level certificate while 45 (7%) had advanced level certificate and only 22 (3.5%) of the respondents had a higher education at Degree or Higher National Diploma level. About 186 (31.0%) of the market women in the two markets had no education at all. This suggests that majority of the respondents had some level of education no matter how small (about 70%).

It can be observed from the above chart that majority of respondants, representing about 66%, had very low level of education. If there were any correlation between level of education and savings habits, this would suggests that this huge percentage of the market women will have little knowledge on savings as compare to those who had
O’level, A’level and some kind of tertiary education. This really might affect the objective of determining the market women’s knowledge in savings, as this project spells out in chapter two.

4.3. The Age of Respondents

The age would help to determine whether or not most of the respondents were within the labour force. And to tell whether most of the respondents are the youth who have extreme passion for fashion which slows down their savings habit.

Figure 4.3 Age Distribution of the Market Women

From the above chart, it could be seen that 96 respondent, representing 15.4% fell within the ages of 21-30 years, 154 respondents, representing 24.7% also fell in the ages of 31-40 years, 141 respondents, representing about 22.6%) are also in the ages of 41-50 years. Finally 104 respondents, representing about 17% are also within the ages of 51-60 years and 129 of the responding market women, representing 19.7% are above 60 years.

This statistic shows that about 40% of market women are of very youthful age between 20 and 40 years old. This age group could affect savings habit due to youthful exuberance in expending on luxuries now, rather than saving for the future. It also indicates that about 20% of the market women in Ghana are of old ages above 60.
years, which implies that many Ghanaian women work for a longer period even after they become very old and needed to rest.

4.4 The Age of Business

It is believed in many business practices that many years in the business would give the respondents at least have a fair idea of fraud and other similar problem issues associated with savings. The age in business is also expected to enable them understand the trend of savings mobilization processes by the savings agencies and thus give some information on their (in)ability to save with the banks, and the benefits that come with good savings habit.

This would also help to determine market women’s experience in savings and give practical information on the subject matter of the project. It was also expected that their age in the market would help the researcher to gather very good experiences regarding savings and its associated problems and benefits within the country.

Insert Table 4.4

The table 4.4 above, unfolds the duration in which interviewees have been in business. It reveals that 166 of the respondents, representing about 27% have been in trading business between 1-5 years and about 110 of the market women, representing about 18% of the respondents have also been in business between 6-10 years. This implies that about 43% of the market women – more than a third of them – have been in the market trading activities for the past 10 years.

The statistic also shows that 95 of the market women, representing about 15% of the respondents have also been in business for between 11-15 years; 114 market women, representing about 18% are also in market trading for between 16-20 years and as much as 139 market women, representing about 22% have been in business for over 21 years. This indicates that many of our market women have been trading for more than 10 years now and as much as over 20% of them have been in the trading activities for more than 20 years.
This analysis of respondents’ experience was expected to help the researcher evaluate the challenges that hinder market women from cultivating good saving habit such as frustration in accessing their own credit and immobile banking. The respondents level of experience also helped to find out the extent of market women’s knowledge on savings deposits and other banking opportunities such as getting credit facility encourages them to save with the banks. This is due to the fact that most of the banks have moved branches to these market areas within the last 10 years.
CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction
This chapter concluded the study on the topic stated above. The chapter outlined specific findings of the study and made some recommendations for possible further studies in the subject areas. In this chapter, summary of findings of the study is presented from which logical conclusions are drawn and recommendations made, from the researcher’s perspective to help improve market women savings habit.

5.2 Summary of Findings
In discussing the findings the project took into consideration the results of the interview results and questionnaires as discussed above. Despite many developments in the banking industry over the years, the savings habit of market women and other numerous Ghanaians still remains low and many still wonder what could be wrong. The following were the findings from the research work conducted between November 2010 and August 2011 at the Makola and Kaneshie markets in Accra, Ghana:

- First of all, the research found that a greater number of the respondents had only primary/middle education (about 37%) with only a small percentage of the respondents, about 4%, had tertiary education (University/Polytechnic). The research also found that a greater number of the market women – 30% – did not attend school at all.

- The results also indicated that a greater number of market women, thus about 25%, fall between the ages of 31-40 years. Only about 15% of the respondents were in the younger age of above 21-30 years which is an indication that younger women are not involved in trading activities in the markets like their older counterparts. It was also quite discouraging that older people falling within the ages of 60 years and above are also actively involved in market trading activities and constitute about 21% of the market women in the country. These categories of women are, however, expected to be doing very little jobs while trying to take care of their grand children.
• The research results show from the responses that a lot of the market women, about 27%, have been in the business for short time between the years of 1-5 years. This indicates that huge number of the women moved into trading activities at the markets within the past five years. If a period of ten years could be classified as a long period of experience, then majority of these market women have some important experience in their trades. About 56% of the women have been in the market trading activities for the past ten years and even a sizable number of them – about 22% – have been in these trading activities for over twenty years.

• With the question relating to the operation of bank accounts, about 55% of the market women indicated that they do not operate bank account. This response was in contrast with the responses to whether the market women make some savings which was about 54% indicating that they make some savings. The researcher observed that many of the respondent trying to differentiate their relationship with the formal banking sector and non-formal banking institutions and were then confused in responding to these questions. It was however obvious that all the market women are involved one way or the other in banking services and therefore make some form of savings. In fact, responding to the question on their frequency of making regular savings either with the formal banks or the non-formal financial institutions, all the respondents indicated a periodic savings.

• This research also found out that, greater number of market women (about 61%) prefer the Susu Companies to save their earnings from the trading activities than any other financial institution deposits. This was followed by the savings accounts operated by about 40% of the market women with demand deposit forming lower percentage of about 20% of the market women. Fix deposit account is however the least account which market women operate. The majority of the women who chose to save with Susu Companies and Savings & Loans companies stated that their choices are due to factors such as the ability to mobilise funds to increase their trading activities in the future; their ability to make regular and small deposit with these operators; they also have easy access to
loan facilities from these operators; and also the availability of mobile bankers
who collect their moneys from them instead of them going to the banking halls of
the banks. Interesting, however, only few of the market women (about 42%) save
their moneys with the expectation of making some interest earnings. This implies
that the market women believe they could turn around their investment quickly
than do the banks and financial institutions.

- The research results also show that, greater number of market women face
various problems which hamper their efforts to save moneys with the banks. Top
on the list of problems are the frustrations encountered at the banking halls lack
of time for the market women to move from their stalls and go doing banking
business. This indicates that the availability of the banking services at the door of
market women influence their ability to save with the banks. The other important
issues hampering the market women’s savings with the banks are the fact that
their earnings from trading is not much for savings with the banks; the interest
earned on their savings is very low and not encouraging and also the high bank
charges are some discouraging factor that hampers the efforts of these market
women to make savings with the banks.

- This research results also found that market women do not have complete trust
in the financial institutions operating in the country. This came to light when the
researcher found that all the respondents affirmed that the keep some of their
earning from the trading activities with themselves and some with their relatives.
This question was a bit twisted by removing the word “save” and replacing it with
“keep” to refer to the total amount realised from daily trading activities. While
majority still indicated the Susu Companies and Savings & Loans Companies as
in previous questions, all of them trust themselves to be better keepers of their
moneys than the financial institutions. The major reasons given by the market
women as influencing this decision are their dissatisfaction with the banking
operations and lack of easy access to their funds when they need it for business
transactions. The results also indicated that only few (about 27%) of the market
women think that the proximity of the banks to their business centres have any
influence on their decision to keep their earnings with the banks.
• It was also found that, many market women have closed their accounts with banks due to frustration encountered in accessing credit, high bank charges, the remoteness of the bank and restricted withdrawal from bank account. It was also found out that, majority of market women holds two or more accounts in different banks due to dissatisfaction with the banking services. Some of the market women also have dormant accounts as a result of inability to pay loans taken from the banks and other frustrations encountered with the banking operations.

• The research results also found that whiles most of the Savings and Loans Companies target their services towards the market women and other SMEs, their highest categories borrowers are the market women. Also there have been some innovations within the financial institutions to improve the mobilisation of funds from the markets where there have been high level of cash transaction activities in the Ghanaian business activities over the years. Whiles most of these institutions are making use of mobile bankers, who move from among the market women to collect their moneys for safe keeping, other are making use of the information technologies to help ease the difficulties face in cash mobilisation from the market women.

• Finally, the researcher found that the major banks operating in the country are not interested in empirical researches among the business communities that would help improve their banking activities. The inability to get necessary information for research, especially from the banking and other financial institutions, by the ordinary persons from the academia would go a long way to hamper the delivering of effective and affordable services for the Ghanaian business community, which is important for speedy economic growth.

5.3 Recommendations
As an academic instructor and dealing with banking and finance student, most of whom are already working with various banks and other financial institutions in the country, I discussed most of the results with the students during lectures. While some of them stated the result were not surprising, others thought it is very important for such
researches to be conducted and both the academic institutions and corporations and even the government should take serious interest in such researches.

In view of this, the researcher deems it quiet expedient to give the following recommendations which if implemented could assist to improve the savings habit among market women and any other person engaged in income generating activities.

- Saving habit must be recognised as one important factor responsible for transforming our economy into a developed one. It must be noted that good saving habit leads to investment, which is not just opposite consumption but rather letting your money work for you. In other words it is putting your savings in a vehicle or instrument with the hope of earning some returns on it. Many people think of money only in terms of spending and many procrastinate in taking action to secure their financial independence through investing. The mobilization of funds in terms of increase savings habit and its subsequent increase in investment leads to high productivity and increase in trading activities. It is therefore important for the banks and other financial institutions to adopt strategies that would encourage the citizens to develop high level of savings habit.

- Groups, clubs, unions on savings habit must be well encouraged in the first and second circle institutions, to instil savings habit among students so that when they become fully fledged workers they would have good understanding of the benefits hence increasing their enthusiasm to save.

- Appropriate government institutions such Investment Promotion Council, Social Security and National Insurance Trust (SSNIT), Ghana Free Zone Boad, Association of Ghana Industries and Chamber of Commerce, Non-governmental agencies and the media should unveil all-embracing education campaign programs about savings in all the languages in Ghana with prime focus on market women and other traders. This must be done to build the habit of savings into the ordinary Ghanaian to help take control of our own economic activities in the future.
• Banks should eliminate excessive queues in the banking halls and around ATMs. There is the need for the banks to invest efficient and effective technologies that would enhance their service delivery quickly and on timely basis. They should also develop some easy ways of depositing and withdrawing cash for those customers who cannot read and write.

• Banks and their supervisors should reduce the huge gap between lending rate and borrowing rate. This would give hope to the market women and other traders and business people that they stand the chance to make some gains on their savings with the banks. The reduction in the banks' lending rates would also encourage the ordinary trader and market woman to increase their trading activities through borrowing with no or less defaults. Banks must also ensure to explain deductions made on an account to their customers since this would help them win the trust of the business person as well as the ordinary customer.

• Banks should embark on more education to instil the culture and habit of saving in the youth. This they could do by collaborating with the academic institutions and other professional bodies in the country to help explain the importance of banking activities in the economy. This initiative would help mollify the misconception among many Ghanaians that the banks are just interested to siphon their hard earned moneys.

• The government should encourage and support young Professional Financial Advisor who could offer free financial advice to some of these market women and traders. This could be done by organizing seminars, training workshops etc at strategic locations that would attract high number of audience and also visiting markets and business centres to offer free lectures either on one-on-one or small group basis.

5.4 Conclusion
Many Ghanaians have been accusing the banking and other financial institution as being rippers rather than facilitators for their business development. Whiles many have the view that the banks charge too much interest on loans taken for business activities, especially by the SMEs, but pay very little on deposits, others believe that the banking
environment is not friendly to the ordinary Ghanaian to be trusted for savings. In recent times, many banks and other financial institutions have been locating branches close to markets, business centres and densely populated communities as a strategy to woo many Ghanaians to deal with the banks for cash depository services and also providing funds quickly for business development within such communities.

The purpose of this research was to find out from the individual traders whether those strategies by the banks have any influence on their decision to deal with the banks. It also intended to find out whether market women in Ghana have the drive to make savings in order to increase their trading venture in the future and whether those desires are necessarily geared towards the formal banks in the country.

The results of the research show that all the respondents have some form of savings and also believed that savings would enable them increase their trading activities in the future. The market women, however, rely on the Susu Companies and Savings & Loans Companies than the formal banks because they believed they could get easy access to credit facilities from these companies than the formal banks.

It was clear from the research results that, most market women do not save with the formal banks due to some reasons such as low interest rates on savings, frustration in form of queues trying to access their own funds and low earnings from their trading activities. The results also show clearly that market women do not have a complete trust in the banks for being the place for safe keeping of their funds due to various problems as stated above and therefore resort to keeping moneys with themselves or with relatives.

While many of the market women did not think the proximity to the banks influence their choice of where to save their funds, it was rather clear from subsequent probing questions that the proximity does matters but not in the form of locating the banks close to them but the availability of mobile bankers. Locating banks close the Ghanaian market would not necessarily influence the average market woman to visit the banking
hall for banking services. While the market woman is willing to save some part of their earning with the financial institutions they rather prefer banking services to be conducted by highly trusted bank officials at their shops and stalls. Banks and other financial institutions operating in the country must therefore institute some research to be carried with those who matter to their banking products to enable them tailor their marketing strategies to meet responding needs of these traders to encourage high patronisation of their financial services.

Finally the huge volume of cash transaction in the country is hindering the development of banking and other financial services in the country as more people rely on holding onto cash rather than plastics for effective business transactions. The development and wide use of plastics and other electronic means of doing business would help encourage Ghanaians to save money with the banks and other financial institutions and therefore enhance business development activities in the country which would eventually boost economic growth in the near future.
BIBLIOGRAPHY


2. Bill of Exchange Act, of Ghana, Act 1961,


4. Daily Graphic, October 2 2009, Graphic Communication Group, Accra


10. Ghana Financial Market Department Report (First quarter, 2001)

11. Ghana Statistical Service (GSS) www.statsgov.gh


13. International federations of accountants www.ifac.org assessed on April, 2010 and April 2011
