

Microfinance Lending and Women Livelihood in Alebtong District

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ABSTRACT

The purpose of this study was to examine the effect of Microfinance lending on the livelihood of women group in Alebtong district. The study looked at the effect of credit amount; credit terms and credit literacy on the livelihood of women group in Alebtong district. Primary data was collected from the respondents using a 5-Likert type scale questionnaire. Demographics data was analysed by descriptive statistics while the effect of Microfinance Lending on the livelihood of women group was analysed using regression model. There were significant effects of some of the credit amount dimension constructs on livelihood of women group. The construct of credit amount was insignificant. However, some of the items used to assess credit amount had a significant effect. The constructs of credit terms and credit literacy had a positive significant effect on the livelihood of women group in Alebtong district. The study concluded that approving loan amount to clients based on their saving capacity and the cycle help to service the loan well thereby improving their livelihood. The study also concluded that provision of appropriate credit terms to clients help to improve their livelihood. Finally, the study concluded that provision of financial literacy to group before giving is important in using the loan. The study therefore recommended that management of Microfinance institution should ensure loan given to group members are approved based on the saving capacity and the cycle of a particular member. The study also recommended that management should come out with appropriate credit terms for their loan products. This will help minimise the issue of loan default. Finally, the study recommended that all the groups should undergo training before getting the loan.

Keywords: *Microfinance, Lending, Women, Livelihood, Alebtong District*

