

# WOMEN, LAND OWNERSHIP AND ACCESS TO CREDIT – SALIENT OBSERVATIONS FROM RURAL GHANA

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Ghana

**Keywords:** Women’s rights, land ownership, access to credit, collateral, security of tenure

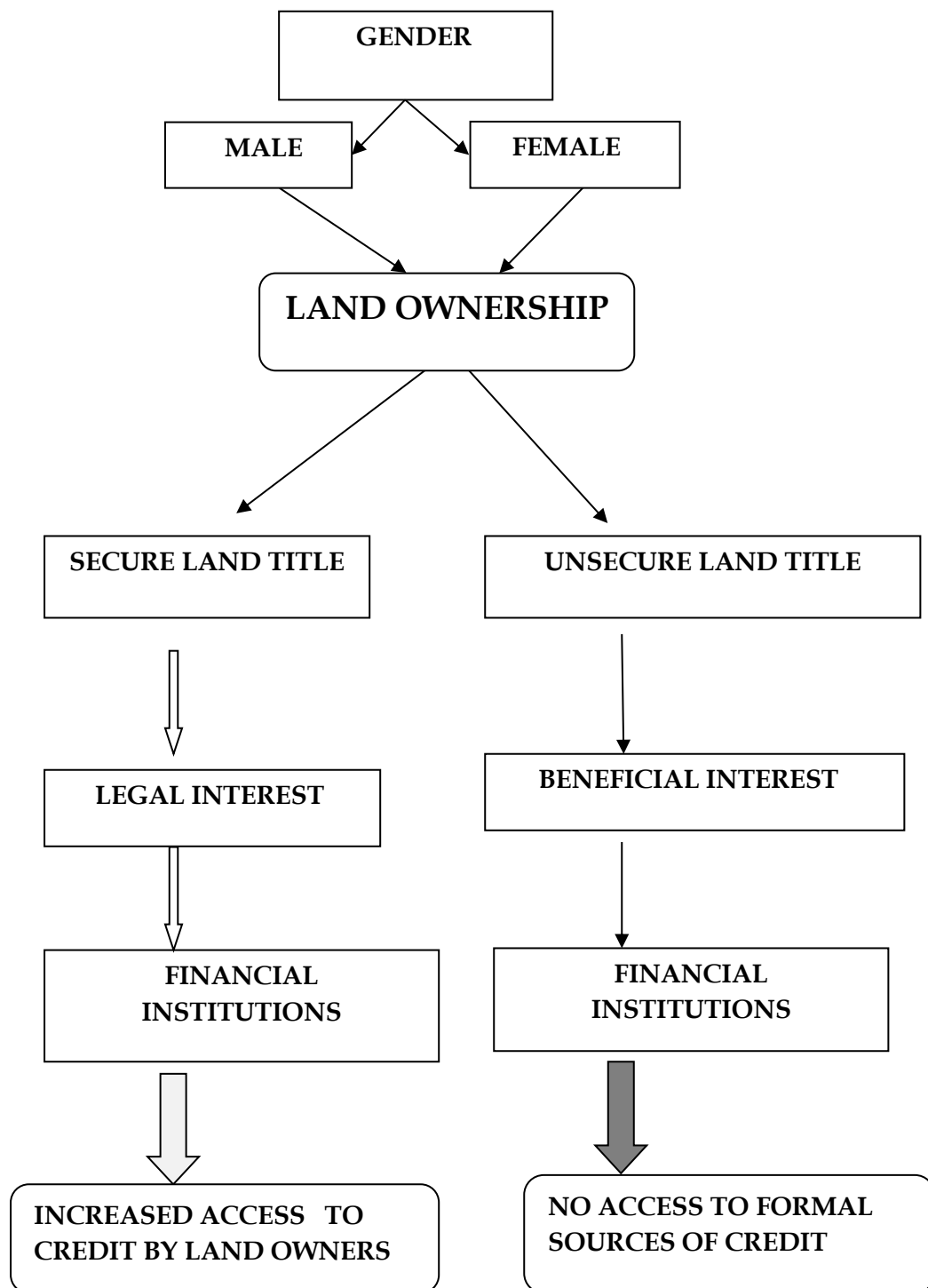
**Abstract:** The study seeks to provide understanding about the relationship between Land ownership and the use of land as collateral for credit purposes by different genders. The work also examined the relationship(s) that exists between secure landownership and access to credit. The work attempted to identify and explain the conditions for accessing credit from the financial institutions and finally determine whether land is still the best form of collateral / security in accessing credit in Ghana.

The study found no significant difference between types of land used as collateral and access to credit and that, collaterals accepted by banks are not restricted to land but also fixed deposit, cash, shares and stocks. The study found that cash is the preferred and best form of collateral accepted by the banks compared to land because of the problems associated with dealing with land including the land registration bottlenecks, the lack of land data and information and others such as legal requirements for perfecting mortgage documents.

**Introduction:** In many African countries, gender plays a very important role in deciding land rights and land relationships and Ghana is no exception. Predominantly, land tends to be held by men or kingship groups controlled by men. Women have access to land through a male relation usually the father. Women’s access to land and land use rights can also be decided by marriage arrangement of a particular community. For example, by marrying a man of a particular clan, a woman may have some limited access to that clan’s land. However if the marriage is severed so is the ownership right. Financial institutions, generally, tend to give credit to clients who have the ability to prove proper ownership and security of title to their properties, especially when such properties are being used as collateral for credit. Such collateral, mitigate the risk of the credit, especially when the amount involved is substantial. The more liquid and accessible the collateral is, the more it is convenient to the financial institutions to accept as collateral. This will make it easier for the financial institutions to initiate procedures for possession and subsequent sale of the property to recover the loan. In view of the fact that land is immobile and cannot be easily destroyed, land with secure title, is more preferred. Titled property creates capital, since landholders can use their assets as collateral for loans. Land titling programs can also aid economic growth among the poor who lack formal ownership over their assets.

**Conceptual Framework on which this work evolves:** The study looks at the relationship that exists between gender, land ownership and access to credit as depicted in the conceptual framework. The conceptual framework will help examine the types of land ownership, gender in relation to land ownership, conditions for credit accessibility, gender in relation to access

to credit from the financial institutions and the interrelationship between secured title and access to credit.



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Source: Author's construct – The conceptual framework.

The above framework shows the relationship that exists between gender, land ownership and access to credit. The following links are deduced from the conceptual framework shown above:

- Land can be owned by any of the genders male and female
- Land ownership rights can be in the form of secure title and unsecure title.
- Where the land has been registered with the appropriate institutions without encumbrances it implies that there is secure title to the property.
- If the land has not been registered with the appropriate institutions then there is unsecure title and by implication there is only beneficial interest held.
- Financial institutions granting loans are more interested in the legal interest not the beneficial interest.
- A person (Male or Female) with legal interest in secured land ownership therefore has increased access to credit from financial institutions than the beneficial interest holders.

The study seeks to provide a clearer understanding about the relationship between Land ownership and the use of land as collateral for credit purposes by different genders. The work also examined the relationship(s) that exists between secure landownership and access to credit. The work attempted to identify and explain the conditions for accessing credit from the financial institutions and finally determine whether land is still the best form of collateral / security in accessing credit in Ghana.

**Data and methodology:** A sample size of eighty six (86) land owners and six (6) financial institutions were engaged in the Eastern Region of Ghana. Both qualitative and quantitative data analysis was used to analyze the data collected from the study area. Simple statistical tools like bar and pie charts have been used to interpret the data and the relationship that exist between gender, land ownership and access to credit.

**Land Ownership Types and how they have been used to access credit:** To identify and compare types of landownership in the study area, respondents were asked how they acquired their lands. It was observed that lands were acquired from government, stool/family and private persons. Most (73.8%) respondents indicated that they acquired their lands from stool/family. This is followed by 16.3% of respondents who acquired land from private persons and 10% from the government as lease.

In order to find out how landownership types have been used to access credit, respondents were asked whether they have ever used their land as collateral to access credit. Number of respondents that used their land to access credit were fourteen (14). Among them nine (9) acquired their lands from stool/family, four (4) acquired the land from private source while one (1) acquired the land from government. It was observed that most of the respondents who acquired stool/family lands were in the majority of those who used their land as collateral to

access credit, followed by private lands and government. It shows that many landowners used more of stool/family lands to access credit than any other type of land. The details as follows:

**Gender and use of land as collateral to access credit:** Forty-one (41) out of the 80 landowners interviewed were males and 39 were females. Fourteen (14) use their land as collateral to access credit. Of those who use their land as collateral, 12 were men and only 2 were women. It shows that many men use their land as collateral to access credit compared to women.

**Relationship between secure landownership and access to credit:** Landownership with title (registered land) has a very strong correlation with land security and the use of land to access credit. In view of this, the respondents were asked whether they have registered their land documents. The results revealed that 56.3% had registered their land document while 43.8% indicated not registering their land documents. The respondents gave different reasons for not registering their land documents. The reasons range from 1. Loss of land documents to 2. Dispute on land to land made it impossible for their land documents to be completed for registration to be done. Some land owners did not know the procedures for registering land. Others had never thought of registering their land. On access to credit, respondents were also asked whether they had ever applied for credit. In all 42.5% responded positively as against 57.5%. When respondents were further asked the reasons for accessing credit, half of the respondents (50%) applied for credit to start or expand their businesses. The same number of respondents representing 13.2% applied for credit either for household consumption, social activities or to pay school fees. Some 10.5% took credit for building construction work.

**Secure land ownership and use of land as collateral:** When respondents were asked whether they had registered their land documents and ever used such documents as collateral, and also whether they had access to credit facility, about 14 people within those who had registered their title and used it as collateral had access to the credit facility, while 18 people who had not registered their land document but decided to use it to apply for credit facility were not successful because their unregistered land documents were not accepted implying that there exist a positive relationship between secure landownership and access to credit , since 100% of all those who had secured land and applied for credit had access to credit. Using secure land to apply for credit therefore increases a person's chance of having access to credit.

**Land Registration and usage of land as collateral to access credit:** It can be deduced that majority (31.1%) of respondents who use their lands as collateral for credit facility have registered their lands. Nonetheless there is a significant (68.8%) of the respondents who have never used their lands as collateral for credit facility even though those lands are formally registered. **Conditions for accessing credit from financial institutions:** When Banks were asked about the requirements for accessing credit, 16.7% respondents that, the customer must either fill a form or present a letter of request. 83.3% stated that the customer must have a satisfactory bank account history, and 66.7% showed that the customer must possess a proven ability to service debts. A notable aspect of the findings was that, all the banks (100.0%) cited that the customer must provide some form of collateral.

**Land and other collateral securities in accessing credit:** The financial institutions were asked to give some of the collaterals that clients mostly use to access credit – provided in table below. When asked further if clients who use landed property as collateral have access to credit, 100% responded in the affirmative. In answer to a question why they accept land as collateral, all the banks said that it provides the ability to hold on to the documents on the land and also transfer such properties

**Summary of findings and recommendations:**

- Stool and family lands formed the highest proportion of lands identified in the study area, followed by private lands and government lands.
- Majority of the land types have also not been used to access credit irrespective of whether the land is stool and family, private or government.
- The highest number of people who used their land as collateral to apply for loans are the owners of stool and family lands, followed by private and government lands. However it was observed further that there was no significant difference between types of land used as collateral and access to credit.
- The study found that few respondents less than 30% had registered their land documents.
- There is no relationship between land registration and usage of land as collateral, since high percentage of those who have registered their lands have never used it as collateral to access credit. This shows that, there is no relationship that exists between land ownership type and usage of land as collateral. The implication is that, a land registered and secure does not mean it will be used as collateral to access credit.
- It was found that, all landowners who have secured title and used their land as collateral had access to credit and all landowners who do not have secured title but used the land as collateral did not have access to credit. It can therefore be said that, there is a link between secure title in land and its use as collateral.
- It was observed that many people who own land in the study area are men as compared with women. Many of the women who own properties had them through marriage (on the demise of the husband).
- Few women also use land as collateral to access credit as compared to.
- The study revealed that collaterals accepted by banks aside of land are fixed deposit, cash, shares and stocks and the fact that cash is the preferred and best form of collateral for banks.

**Recommendations:** The study hereby provides some recommendations.

- Considering the fact that, a large number of land owners have not registered their lands, it is recommended that, the public land management institutions should intensify education among land owners on the need to register lands. There is also need to improve upon land administration and reduce the cumbersome processes and delays in land registration to motivate land owners to formally register their lands.

Contact

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