Financial Literacy Awareness Among Female Rural Farmers as a Panacea for Reducing Economic Inequality and Women Empowerment in Ghana

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Introduction

Women are crucial in agricultural production and rural development, accounting for 70% of food production in sub-Saharan Africa, especially in Ghana (Kidane, Maetz & Dardel, 2006). However, they face systemic barriers like limited access to financial services and inadequate financial literacy, leading to persistent economic inequality between rural women and their urban or male counterparts (Adjei & Arun, 2021; Akudugu, 2020).

Globally, financial literacy is identified as crucial for economic empowerment, enabling informed decisions about saving, borrowing, and investing (Akudugu, 2020; Demirgüç-Kunt, Klapper, Singer & Ansar, 2022; Johnson & Shonhe, 2022; Kyeyune & Ntayi, 2025). It enhances resilience against economic shocks and long-term planning. Studies (see Ankrah Twumasi, Jiang, Adikhari, Adu Gyamfi & Asare, 2022; Atkinson & Messy, 2012) posit that rural female farmers need these skills for food security, education, and healthcare access. However, socio-cultural, infrastructural, and educational barriers often prevent women in rural Ghana from accessing this knowledge.

Financial literacy is recognised as a key factor in development, leading to national strategies like Ghana's National Financial Inclusion Development Strategy (NFIDS) (Alhassan & Akudugu, 2020). However, its implementation in rural communities, particularly among women in agriculture, is limited. Gosh et al (2018) and Sandhu et al (2012) contend that many women are unaware of available resources and lack the necessary skills to engage with formal financial institutions. This structural disconnect between national policy and grassroots realities calls for further investigation into financial literacy among rural female farmers.

Additionally, economic inequality in Ghana, particularly in rural areas, is a significant developmental concern. Rural women are disproportionately affected by gendered norms around land ownership, education, and employment (McKay & Osei-Assibey, 2017). Without intentional interventions targeting financial education and empowerment, rural women may remain trapped in poverty cycles, hindering Ghana's socio-economic growth and contradicting the global Sustainable Development Goals, particularly Goals 5 and 8.

The study, therefore, examines the financial literacy awareness of female rural farmers in the Atebubu area of Ghana, focusing on their ability to participate meaningfully in economic development due to low penetration of formal financial services and agrarian livelihoods. The study suggests that improving financial literacy among rural female farmers can empower individuals, reduce economic inequality, and promote inclusive national development. It will use qualitative inquiry to understand how financial education can bridge national strategies and community realities.

Objectives of the Study

- Assess financial literacy awareness among female rural farmers in the Atebubu-Amantin Municipality.
- Identify barriers limiting rural women's access to financial services and information.
- Explore the impact of financial literacy on women's empowerment and economic participation.
- Examine how financial literacy can contribute to reducing economic inequality in rural agricultural settings.
- Provide policy and practice recommendations for enhancing financial literacy and inclusion for rural female farmers.

Literature Review

Financial literacy broadly refers to understanding and applying financial knowledge to manage resources effectively, enabling sound decision-making (Artavanis, Karra, 2021; Cude, 2021; Remund, 2010). It involves knowledge, skills, attitudes, and behaviors such as budgeting, saving, and investing, shaped by behavioral tendencies like risk aversion (Lyons, KassHanna, 2021; Ouachani et al., 2021; Garcia, 2013; Lusardi, Mitchell, 2014). In agricultural contexts, especially for female farmers, financial literacy is vital for managing irregular incomes, credit access, and vulnerability to shocks (Adegbite, Machette, 2020; Ibnouf, 2011). Studies in Sub-Saharan Africa demonstrate that financial literacy improves resource allocation, adoption of modern agricultural inputs, and resilience (Abubakar, 2024; Steinert, 2018). Women's empowerment involves expanding capabilities to make strategic life choices economically, socially, and politically (Sen, 1999). Financial literacy enhances women's confidence, economic participation, and decision-making authority, contributing to improved household welfare and community development (United Nations, 2015; Kyeyune, Ntayi, 2025). Economic inequality in rural Ghana arises from limited access to land, education, credit, and discriminatory norms (McKay, Osei-Assibey, 2017). Financial literacy combined with tailored financial products and enabling institutions can reduce these disparities, though implementation challenges remain in rural areas (Akudugu, 2020; Alhassan, Akudugu, 2020; Ghosh et al., 2018).The study employs Human Capital Theory, Financial Capability Framework, and Empowerment Theory to highlight how financial literacy, coupled with access to financial products, empowers rural female farmers to improve productivity and economic agency (Klapper et al., 2015; United Nations Development Program, 2021).Global studies show knowledge alone does not change behavior significantly without practical access to financial products and institutional support (Demirg-Kunt et al., 2022). In Sub-Saharan Africa and Ghana, financial literacy interventions improve women's entrepreneurship, savings, credit use, and resilience but require sustained support to maintain gains (Johnson, Shonhe, 2022; Wachira et al., 2020; Ghana Statistical Service, 2019). The literature highlights a gap in understanding the relationship between financial literacy and women's empowerment, particularly in rural female farmers' socio-economic realities. This study aims to explore financial literacy awareness among these farmers in Ghana's Bono East Region, aiming to reduce economic inequality and promote empowerment.

Research Methodology

The study is based on the interpretivist paradigm, which focuses on understanding social reality from the perspectives of those experiencing it, making it ideal for uncovering the nuanced and context-specific realities of rural women in agricultural communities.

Research Design

This study uses a qualitative case study design to investigate financial literacy among rural female farmers in the Atebubu area of Ghana, focusing on its role in reducing economic inequality and enhancing women's empowerment.

The design examines the relationship between financial literacy, access to financial resources, empowerment, and economic inequality in rural Ghana, focusing on women's agricultural livelihoods. The case study approach uses multiple data sources, including semi-structured interviews and policy documents, to provide a comprehensive understanding of the research problem, ensuring insights reflect individual experiences and broader institutional contexts.

Study Area

The study was conducted in Atebubu, the capital of the Atebubu-Amantin Municipality in Ghana, which is situated in the forest-savannah transition zone.

It is a key study area in Ghana's rural agricultural economy, and was chosen due to its significant female farmer population and structural barriers to financial inclusion, making it an ideal location to explore how financial literacy can empower women.

Sampling Technique

The study used purposive sampling aiming to engage 10-15 participants, a non-probability sampling method, to gain insights into the experiences and perspectives of rural female farmers, who are directly affected by financial literacy awareness and access to financial resources in agricultural livelihoods.

Research Methods

The study utilized both primary and secondary data sources, including semi-structured interviews and documentary reviews, to provide comprehensive and contextually grounded insights. The study used semi-structured interviews to explore financial literacy awareness, access to financial services, decision-making processes, empowerment experiences, and barriers to inclusion. The guide's flexibility allowed for adaptability and consistency across interviews.

The study used interviews and secondary data from policy documents, reports, and existing studies, including Ghana's National Financial Inclusion and Development Strategy, Ghana Statistical Service reports, and international organizations like FAO and World Bank, to provide institutional and policy-level perspectives on rural female farmers' experiences. Semi-structured interviews and documentary review were used in tandem to guarantee methodological triangulation, which increased the data's reliability and trustworthiness.

The study drew on participants' real-world experiences and situated them within broader theories and policies through thematic analysis, guided interviews, and secondary sources.

Trustworthiness

- Credibility is achieved through member checking, prolonged field engagement, and triangulation, which validates findings across multiple data sources.
- Transferability is assessed through a thick description of the study setting, participants, and socio-cultural environment.

Ethical Considerations

Participants were informed about the purpose, objectives, and procedures, and their right to withdraw at any stage. Confidentiality and anonymity were ensured by assigning pseudonyms and excluding personal identifiers from transcripts and reports. Data were securely stored in password-protected digital files accessible only to the researcher. Voluntary participation was a guiding principle, and participants could withdraw at any point without repercussions.

Limitations

The study on financial literacy awareness among female rural farmers in the Atebubu-Amantin Municipality used a qualitative case study design, which may not be applicable to all female farmers in Ghana or Sub-Saharan Africa. The study's findings are transferable only to contexts with similar socio-economic and cultural characteristics. Purposive sampling introduced subjectivity in participant selection, potentially excluding less confident or less exposed voices. Social desirability bias may have influenced responses, and language and translation issues may have posed challenges. The study was limited by time and resource constraints, with participants between 10 and 15. Despite these limitations, the methodological approach was appropriate for addressing research objectives, and strategies like triangulation, member checking, and thick description helped minimize their impact on the credibility and trustworthiness of the findings.

Key Findings

Awareness of Financial Policies

The data shows that female rural farmers in Atebubu-Amantin Municipality have limited awareness of government-led financial policies. Despite some general knowledge of these initiatives, their understanding is limited due to challenges in policy communication and socio-cultural constraints. While some participants heard about government programs like the Planting for Food and Jobs program, they expressed uncertainty about eligibility requirements, benefits access procedures, and the roles of financial institutions in their implementation.

Interestingly, many women in the study area are unaware of the National Financial Inclusion and Development Strategy or financial literacy campaigns for rural communities. They often rely on informal sources of financial information, such as family and local savings groups, rather than official policy documents or trained officers. Generational and educational differences in awareness are also evident, with younger and more literate women having slightly better knowledge of available financial policies. Older women and those with limited literacy feel excluded from policy-related discussions.

The evidence indicates that financial policies in Ghana are superficially understood but not effectively implemented, particularly for women in rural agricultural communities. This lack of understanding hinders their ability to effectively utilize these initiatives for empowerment and poverty reduction, highlighting the need for more culturally and linguistically sensitive interventions.

Financial Information Availability

The data shows that financial information for female rural farmers in Atebubu-Amantin Municipality is limited, with most sources being informal channels like radio broadcasts and community meetings. These sources are often incomplete, inconsistent, and not tailored to rural realities, highlighting the gap between information availability and accessibility. Some women rely on informal financial institutions like susu collectors and village savings groups for financial knowledge and guidance.

Informal financial structures offer a valuable entry point for women, but they lack comprehensive financial literacy skills, particularly for long-term planning and risk management. Formal institutions like rural banks and credit unions are seen as potential sources, but many women feel unwelcome due to bureaucracy and communication issues.

The study highlights the growing use of mobile phones and digital platforms for financial information, especially among younger individuals. However, the accessibility, clarity, and trustworthiness of this information remain barriers to effective financial literacy. Informal sources dominate knowledge flow, while formal structures are underutilized due to cultural, linguistic, and structural barriers. This aligns with studies in Sub-Saharan Africa, where women farmers face significant challenges in accessing reliable financial information.

Access to Financial Support

The study reveals persistent barriers to financial support for female rural farmers in Atebubu-Amantin Municipality, particularly from formal institutions. Many women rely on informal support systems for financing agricultural and household activities, with the difficulty of accessing loans and the need for collateral being recurring issues. Participants expressed frustration with accessing loans from banks, rural banks, or microfinance institutions, particularly for women who lack collateral due to insecure land tenure and limited asset ownership. This reflects structural inequalities that disadvantage women in financial systems built around asset-based collateral.

Many women, therefore, utilize informal financial support mechanisms like susu schemes, Rotating Savings and Credit Associations (ROSCAs), such as those provided by VisionFund Ghana, and family loans due to their accessibility, flexibility, and trustworthiness. However, limited funds often hinder their use. While microfinance institutions and NGOs offer potential support, initial access can be easier, but repayment conditions can be harsh.

These findings demonstrate that female rural farmers in the Atebubu-Amantin Municipality face significant financial constraints due to exclusionary formal institutions, complex procedures, and cultural barriers, while informal systems provide limited financial capacity. This systemic disadvantage further entrenches economic inequality, as evidenced by broader empirical evidence.

Impact of Financial Support

The study explores the impact of financial support on female rural farmers in Atebubu-Amantin Municipality. The data analysis reveals that financial support significantly boosts the productivity and welfare of female rural farmers in Atebubu-Amantin Municipality. This aids in investing in agricultural inputs, increasing farm yields and improving food security. Financial support also contributes to socio-economic outcomes like children's education, healthcare access, and income diversification. However, the impact was uneven due to size, repayment pressures, and external shocks.

Additionally, financial support significantly enhances women's empowerment by enabling them to make independent decisions about farming and household management. This shift strengthens their bargaining power, reduces dependence on male counterparts, and boosts self-confidence in economic and social spaces. This aligns with existing literature on the empowerment potential of financial access for rural women in Atebubu-Amantin Municipality.

However, the study found that financial support for women often leads to financial stress due to rigid repayment conditions, especially in the face of agricultural risks like erratic rainfall, pest infestations, and fluctuating market prices. This vulnerability, echoed by previous studies, undermines the effectiveness of financial interventions for smallholder farmers.

Moreover, the financial assistance for rural women is often insufficient, with small loan sizes and microfinance institutions often failing to create transformative change in livelihoods. This suggests that the current financial ecosystem may be more palliative than transformative.

The findings highlight the potential of financial support to reduce economic inequality and empower women, but its effectiveness depends on the adequacy, accessibility, and design of financial interventions, necessitating sustainable, context-sensitive support systems.

Discussion

The findings highlight the importance of financial literacy in rural Ghana, particularly for women's empowerment and reducing economic inequality. It reveals the opportunities and structural barriers that shape the financial lives of female farmers in Atebubu-Amantin Municipality.

The first theme – Awareness of Financial Policies – reveals a lack of awareness about financial policies among rural women, highlighting a communication gap that hinders their effective engagement with national financial initiatives. It emphasizes the need for policy translation into practical, locally accessible information channels that reflect women's socio-cultural contexts.

Financial Information Availability, the second theme, highlights that financial information availability is limited, with informal channels like radio, peers, and savings groups providing incomplete or ambiguous guidance. Formal institutions are underutilized due to elitism, language barriers, and bureaucratic distance. Access to information is crucial for relevance and delivery, and financial literacy requires accessibility, clarity, and trustworthiness of information.

The third theme, Access to Financial Support, indicates that structural inequalities hinder women from using financial support effectively. Barriers such as collateral requirements and complicated procedures prevent women from reaching formal financial systems, forcing them to depend on informal mechanisms. These informal systems lack the financial capacity for large-scale investments or livelihood changes.

The fourth theme, Impact of Financial Support, underscores the impact of financial support on empowerment and reducing inequality. Accessible financial support can improve agricultural productivity, household welfare, and decision-making autonomy for women. However, its effectiveness depends on resource inadequacy, repayment pressures, and vulnerability to external shocks, making it a crucial component of rural interventions.

The study's findings highlight a cycle of limited policy awareness, inaccessible information, and restricted access to formal financial support. However, when these barriers are removed, financial literacy becomes a vital pathway for women's empowerment and reducing gendered economic inequality. Financial literacy is not just about knowledge or skills but a continuum that includes awareness, access, and the effective utilization of opportunities. Addressing institutional, cultural, and structural barriers is crucial for financial literacy to operate effectively in rural Ghana.

Conclusion

The study investigates the impact of financial literacy on female rural farmers in the Atebubu-Amantin Municipality of Ghana, highlighting its role in reducing economic inequality and empowering women, emphasizing the importance of financial awareness, information access, and financial support.

The study reveals that female rural farmers' awareness of financial policies is superficial, mainly through mass media and informal networks, and they have a limited understanding of their relevance and accessibility, hindering their ability to benefit from national financial inclusion initiatives.

The study found that financial information is available but not accessible and clear. Informal channels like peers, community groups, and local radio often provide incomplete or inconsistent information. Formal institutions are perceived as intimidating and bureaucratic, limiting their effectiveness in reaching and empowering women.

The study reveals persistent systemic barriers to financial support, particularly for women, including collateral requirements, complex loan procedures, and exclusion from male-dominated institutional structures, leading them to rely heavily on informal mechanisms for livelihood transformation.

The study reveals that financial support positively impacts women's farming activities, household welfare, and empowerment, improving productivity, enabling family responsibilities, and enhancing decision-making autonomy. However, benefits are limited by small loan sizes, repayment pressures, and external shocks.

The study indicates that financial literacy is a multidimensional process involving awareness, access to information, financial support opportunities, and translating these into livelihood outcomes. Currently, financial literacy interventions in rural Ghana are fragmented and insufficiently tailored to women farmers' socio-cultural and structural realities.

The study, therefore, emphasizes the need for context-sensitive financial literacy strategies to bridge policy-practice gaps, clarify financial information, and increase equitable financial support, potentially empowering women and addressing economic inequality in rural Ghana.

Recommendations

The study recommends enhancing financial literacy, enhancing women's empowerment, and reducing economic inequality among female rural farmers in Ghana.

For policy purposes, the Ministry of Food and Agriculture and the Bank of Ghana should translate financial policies into simplified formats and local languages to increase grassroots awareness. Additionally, gender-sensitive financial frameworks should be established to address women's barriers, such as collateral requirements and cultural exclusion. Moreover, social protection and credit guarantee schemes should be expanded to reduce women's dependence on asset-based collateral, easing their access to formal financial support.

The study further recommends NGOs, cooperatives, and farmer-based organizations to develop financial literacy programs for rural women, focusing on behavioral change and decision-making in resource-constrained contexts. It also suggests leveraging technology for financial inclusion through mobile money platforms and digital tools, and strengthening informal support systems like women's savings groups through linkages with formal financial institutions.

Future research should expand geographically beyond Atebubu-Amantin Municipality to provide a comprehensive national picture of financial literacy among rural women. Longitudinal studies should assess the impact of sustained access to financial literacy on women's empowerment and household welfare. Additionally, intersectional barriers should be explored to understand how age, education, marital status, and technology intersect.

In conclusion, the study suggests that a comprehensive approach involving inclusive policy design, local-specific interventions, and ongoing research can enhance financial literacy among female rural farmers, thereby promoting economic empowerment and gender equality.

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