

UNIVERSITY OF CAPE COAST

ASSESSMENT OF THE MANAGEMENT PRACTICES OF MICRO FINANCE
FOR WOMEN'S GROUPS

BY

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature:

Date:

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Supervisor's Declaration

I hereby declare that the preparation and presentation of this dissertation were supervised in accordance with the guidelines on supervision of dissertations laid down by the University of Cape Coast.

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ABSTRACT

Over the years, NGOs have emerged as a key player in the field of microcredit. They have played the role of intermediary in starting and participating in micro-credit programmes by creating awareness of the importance of microcredit within the community. They have also created opportunities to learn about the principles and practices of microcredit. One of such NGOs is Plan Ghana, which has since 2005 been promoting access to credit among women's groups in the Sissala West District through village savings and loan associations. The study assessed the management practices of micro finance to women's groups. A sample size of 20 was used and data were collected through structured interviews and questionnaires.

The study revealed that members had knowledge on the leadership responsibilities and participation in decision making was high. Furthermore, the perceptions of people about the management practices revealed that village savings and loans can motivate, support and empower women. Therefore, Government agencies, District Assemblies and other NGOs that aim at reducing the incidence of poverty among women should support village savings loans Associations in the communities. Lastly, Sustainability of the Associations depends on performance of the Executives and members. Therefore, learning by experience, group discussions, "role model" and evaluation of activities at the end of every cycle or share-out are necessary for the Associations.

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DEDICATION

To my parents Mr. and Mrs. Amoyaw and the Baalaboore Family.

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LIST OF ACRONYMS

CEDEP	Centre for the Development of People
DFID	Department for International Development
GPRS	Ghana Poverty Reduction Strategy
GSS	Ghana Statistical Survey
IFAD	International Fund for Agricultural Development
MASLOC	Micro and Small Loans Centre
MDGs	Millennium Development Goals
NBSSI	National Board for Small Scale Industries
NCWD	National Council on Women Development
NEPAD	New Partnership for Africa's Development
NGOs	Non-Governmental Organisations
PNDC	Provisional National Defense Council Law
ROCA	Rotating Savings and Credit Association
SAP	Structural Adjustment Programme
SOFIDEP	Sombo-Fian Development Project
UNDP	United Nations Development Project
VSLA	Village Savings and Loans Association

CHAPTER ONE

INTRODUCTION

Background to the study

“We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are, currently subjected (Gauci, Fosu & Amoako, 2005).” Poverty is an international problem, but it is more pronounced in the developing countries like Ghana where people find it difficult to feed their families. Poverty implies some insufficiency in the material wellbeing of an individual or group. Critics argue that poverty is more likely to occur in a society which accepts extreme inequality. The intensity of poverty in developing countries is such that about 25,000 people die every day of hunger or hunger-related causes (Newsletter on Food Security, 2005). This is one person every three and half seconds. Unfortunately, it is women and children who die most. Apart from this death toll on people, about 840 million people in the world are malnourished (Newsletter on Food Security, 2006). Out of this figure, 800 million are in the developing countries with 170 million of them being children under 5 years (which is one out of three in this age category). If efforts are not scaled up, it is estimated that by 2015, there will be 582 million people still living in hunger (Newsletter on Food Security, 2005 and 2006).

Poverty levels in Ghana are high, despite moderate economic gains in recent years with the proportion of the population defined as poor increasing in some localities. The Ghana Living Standard Survey (1991/92) estimated that about 50.8% of Ghanaians lived in poverty with women forming the greater proportion. Poverty in Ghana has many dimensions. Poor communities are characterized by low income, malnutrition, ill health, illiteracy and insecurity. There is also a sense of powerlessness and isolation. From a human rights perspective, poverty is now seen more and more as the deprivation of capabilities rather than merely as lowness of incomes (UN General Assembly, 2002). These different aspects interact and combine to keep households and at times whole communities, in persistent poverty.

Poverty in Ghana is substantially higher in rural areas than in urban areas making it disproportionately a rural phenomenon. In both urban and rural areas, poverty is disproportionately concentrated in the savannah. There is extreme poverty in Ghana seen as those whose standard of living is insufficient to meet their basic nutritional requirements even if they devoted their entire consumption budget to food. There are geographic variations in the pattern of poverty in Ghana with more than half of those in the Rural Savanna classified as extremely poor (Twum-Baah, 2000). Poverty is lowest by far in Greater Accra with 5 percent, Western with 27 percent, Ashanti 28 percent and Brong Ahafo 36 percent poverty incidence and highest in the north of the country (notably the Northern, Upper East and Upper West regions with 69 percent, 88 percent and 84 percent poverty

incidence respectively), although regions like Central and Volta are also poor with 48 percent and 44 percent poverty incidence respectively (Twum-Baah, 2000).

Poverty is highest also among food crop farmers. Indeed, at the national level around 58 percent of those identified as poor are from households for whom food crop cultivation is the main activity. Nonetheless, the incidence of poverty is still quite high among export farmers, private informal sector wage employees and non-farm self-employed (Ghana Living Standard Survey, 1998/99).

Among the causes of rural poverty, according the Ghana Government's Poverty Reduction Strategy Paper Two, are low productivity and poorly functioning markets for agricultural produce. Small-scale farmers rely on rudimentary methods and technology and they lack the skills and inputs such as fertilizer and improved seeds that would increase yields due to the fact that the soil loses its fertility through erosion and shorter fallow periods, posing a long-term threat to farmers' livelihoods and income. Land ownership and land security are also regulated by complex systems. Despite women's vital contribution in society, the traditional and cultural inclinations particularly in the rural settings, limit their access to some resources and inability to undertake economic ventures to enhance meaningful standard of living. This further impoverishes women to the extent that, in some communities their roles as home managers and supporters of children are seriously jeopardized.

The 1995 Human Development Report stated that "poverty has a woman's face" (UNDP, 1995 and United Nations, 1996). Women, especially in developing countries, bear an unequal share of the burden of poverty; an often repeated

statement in this respect is that 70 percent of the world's poor are women (UNDP, 1995 and United Nations, 1996). The persistence of inequalities in gender relations, access to economic and social opportunities as well as exposure to risks without adequate safety nets have contributed significantly to the feminization of poverty (Bridget, 1998).

Although Ghana has made some progress in the last decades, significant gender inequalities continue to be prevalent and limit women's capabilities and constrain their ability to participate fully in and contribute to the economy. A wide range of gender gaps make women more vulnerable to poverty than males (Ghana Living Standard Survey, 2000). This is more pronounced in Northern Ghana where women are to provide some labour on the farm, fetch water and firewood, take care of the children, cook, sweep and attend to social issues in the family and the community (IFAD, 1998).

In the 2000 Ghana Population and Housing Census and the 2003 Ghana Demographic and Health Survey, the Upper East and Upper West Regions (which include the Sissala West District) are the most deprived in the country with high levels of poverty among people, especially women. The poverty level of women in the district is 75.4 percent (SAVE Ghana, 2006) This is due to the fact that most of the people are engaged in food crop farming with its attended low crop yields due to the pattern of rainfall creating chronic food shortages that lead to poor earnings. Although some of the people rear animals like goats, sheep, cattle, fowls and guinea fowls, these are also at the subsistence level.

The Sissala West District has limited access to basic social services such as safe water, all-weather roads, electricity and telephone services. In this district, about two-thirds of the communities have access to portable water and this reflects an increased use of water from bore holes (SAVE Ghana, 2006). Most women are almost entirely dependent on their husbands and generally do not inherit any part of the husband`s property. The death of the breadwinner therefore creates an economic vacuum in the lives of younger children. The proportion of females in agriculture in the Sissala West District is 82 percent and the proportion with vocational and commercial education is 4.2 percent pegging the poverty level of women in the district at 75.4 percent (SAVE Ghana, 2006).

Those living in poverty and lacking access to essential health services, suffering hunger or even starvation, may experience physical health problems which make it harder for them to improve their situation. As a result, the vicious cycle of poverty is affecting the proper growth and development of children. In spite of the efforts of government and non-governmental organisations, data for the Sissala West District show a high rate of wasting and stunting among children less than 5 years as seen in Table 1. Assessment of the extent, severity and the causes of nutritional situation in the Sissala West District for 2006 with the aim of discovering facts and guiding actions to improve nutrition and health of children. Out of 4,967 children aged between 0-5 years weighed in the Fielmua Zone, 1,588 were underweight which represents 32% of the population weighed. Out of the 9,409 children weighed in the Gwollu Zone, 24% of the children were underweight. The Jeffisi Zone had 2,956 of the children weighed and 22% were

underweight and the Zini Zone had 2,616 children weighed with 22.4% underweight. There is a 25.6% underweight children in the Sissala West District creating a high risk of malnutrition among children in the district.

Table 1: Growth monitoring and promotion in the Sissala West District

Zone	Number of children Weighed (0-5yrs)	Number of children underweight	Percentage of children underweight
Fielmua	4,967	1,588	31.9%
Gwollu	9,409	2,264	24.1%
Jeffisi	2,956	672	22.1%
Zini	2,616	585	22.4%
Total	19,948	5,109	25.6%

Source: Sissala West District Health Survey (2006)

Over the years, government and many civil society organisations particularly NGOs have recognized the difficulty in women`s credit facility to improve their productivity. For example, the Women`s Development Fund that is currently being administered by the Ministry of Women and Children Affairs, the Micro and Small Loans Centre (MASLOC) and the National Board for Small Scale Industries (NBSSI) do not have enough resources to meet the demand of women, therefore, a critical constraint for women (World Bank Survey, 2007). The government and civil societies have been trying to address the problem of feminization of poverty by setting up credit schemes and training centres, all in an attempt to reduce poverty levels among women. According to IFAD (1995),

evidence shows that where rural women increase their income, their status in the household improves: the women`s relationships with other family members, and particularly with their husbands, often change for the better.

In view of the above, Plan Ghana (a humanitarian, child-centred community development organisation) has introduced a microfinance model as Village Savings and Loan Associations for women in the Sissala West District in the Tumu Programme Area. In this project, self-selected women form associations to mobilize funds through share purchase towards a loan fund for members to engage themselves in businesses to generate income for their families with an interest rate agreed on by members within a period of three months. Currently, the population of women in this project is 1,714 with 80 associations in 15 communities in the Sissala West District. So far, the women have been able to mobilize GH¢ 44,441.00 out of which GH¢32, 940.00 has been given out as loans to 1,301 women in the associations. This is the savings for the third cycle only because previous savings have been shared out to members.

Statement of the problem

For groups to function effectively, group dynamics must prevail for management to deliver better services because human beings exhibit some characteristic behaviour patterns in groups. As a result, the nature and pattern of such group risks, group games for interrelationships, group mix, norms and social support to effectively facilitate personal, group growth and development are of much importance. These relate to, forming, storming, norming and performing

model of group development (Tuckman, 1965). The organisation of groups, leadership selection and the kind of behaviour people in leadership exhibit, how they coordinate their activities in service delivery with monitoring and evaluation of their activities, are relevant. There is also the need to identify women`s perception about management practices of the Village Savings and Loan Associations. These issues have not been researched with respect to microfinance associations in the Sissala West District.

Objectives of the study

The general objective of the study was to assess the management practices of microfinance women`s groups in the Tumu Programme Area of Plan Ghana.

The specific objectives were to:

- examine the dynamics of group formation in Village Savings and Loan Associations.
- appraise the policies governing the operations of the Village Savings and Associations.
- Tease out the effects of monitoring and evaluation on Village Savings activities.
- assess women`s perception about management practices of Village Savings Associations, and
- make recommendations towards improving management practices of the Village Savings and Loan Associations.

Research questions

- How are the women`s groups formed for accessing Village Savings and Loans?
- What policies exist to guide the operations of the women associations in microfinance?
- How do the activities of women`s groups affect monitoring and evaluation?
- What are the women`s groups perceptions about the management practices of the Village Savings and Loan Associations?

Justification for the study

This research in the first place, is to come out with findings that would give Plan Ghana a first hand insight the management practices of the Village Savings and Loan Associations in the Sissala West District for informed decision. Secondly, it will reveal policies and actions that can be used to further strengthen the women`s activities for better service delivery in the communities. Lastly, it will serve as the basis for valuable background data on a new microfinance scheme for women`s groups from which planners and policy makers will construct their own assumptions of the prevailing situations

Scope of the study

The study focused on the management practices of the Village Savings and Loan Associations in the Tumu Programme Area in the Upper West Region.

Specifically, formation of women's groups, selection of the Management Committee, constitution or guiding principles, coordination of the groups, share purchase, loan disbursement and repayment in selected associations would be assessed. Women's perception about the management practices would also be examined. Finally, questions on how to sustain the associations would be examined to identify the skills, knowledge and attitudes that can improve the project in the communities.

The study organisation

The study is presented in five chapters with Chapter One as the introductory chapter. Chapter Two dealt with the literature review on the feminization of poverty, management practices of microfinance, approaches to improve the economic conditions of women and the contributions of NGOs towards the needs of the poor. Chapter Three was devoted to the research design or methodology. While Chapter four focused on data processing and analysis from the field and the last chapter dealt with the summary of main findings, conclusions and recommendations for policy makers.

Ethical consideration

The research was systematically and objectively conducted using as many controls that were feasible as possible. Selected associations and people were notified of the aims, methods, anticipated benefits and potential hazards of the research. The right to abstain from participation, or terminate at any time and the

confidential nature of replies and individuals involved were stated. Then all subjects of the research provided a freely given consent that he/she agrees to participate.

CHAPTER TWO

REVIEW OF LITERATURE

Introduction

To gain a better understanding of the research on the management practices of the Village Savings and Loan Associations, there is the need to read other people`s work on related information through a systematic examination of the research studies, data and theories that have been developed over the years by individuals and organisations with the objective of identifying the root causes of poverty and how to reduce and improve the quality of life in the rural areas.

Poverty is not merely income deprivation. It is a multi-dimensional phenomenon, which encompasses economic, political and social needs that are necessary for meaningful existence. The world`s population of the poor is commonly estimated at 1,300 million persons (Asiama and Osei, 2007). Women, especially in the developing countries, bear an unequal share of the burden of poverty; an often repeated statement in this respect is that 70 percent of the world`s poor are women (Gellen, 1993).

In Ghana, 40 percent of the population lives below the poverty line; some 27 percent experience hard-core poverty and majority of these are women and children. The persistence of gender inequalities in access to economic and social opportunities have contributed significantly to higher incidence and severity of

poverty among women creating feminization of poverty in Ghana (Ghana Living Standard Survey, 2004). Feminized poverty is defined as greater severity and worsening dimensions of poverty over time for women over and above that of men. In spite of the advances made in conceptualizing poverty as multi-dimensional phenomenon, failure to adequately mainstream gender into the Ghana Poverty Reduction Strategy Papers one and two resulted in the lack of a systematic strategy to deal with feminized poverty.

Causes of feminized poverty

Women constitute one of Africa's hidden growth reserves providing most of the regions' labour, but their productivity is hampered by widespread inequality in education and access (Daily Graphic, 2008). Gender, constitutes one of the determinants of how poverty is experienced (Mugare and Macharia, 2003). Rights and entitlements of men and women to opportunities, resources and decision-making processes are based on socio-cultural norms rather than on human rights or the respective development capabilities of men and women. There are gender inequalities in sharing of power and decision making. Women's participation in politics, public service and decision making is limited. Although women's participation has increased world wide, women in Ghana still lag far behind in the area of power-sharing and decision making. Gender equality is not merely a desirable by-product of human development but is a core goal in its own right and that any form of gender discrimination is a denial of human rights and an obstacle to human development (Mugare & Macharia, 2003).

Ghana's population includes over 90 different ethnic groups characterized by a variety of kinship systems with different implications for access to resources and decision-making power by gender. Women's access to resources is affected by land tenure, land use arrangements and inheritance systems often resulting in women having limited access to and control over resources compared to men (Ghana Statistical Survey, 2000).

The traditional household structure in Ghana is based on male headed units of extended families, with a clear division of economic responsibilities of ensuring the welfare of all household members based on age and sex. Women's labour participation rates are generally high through out Ghana. There is some regional diversity and variations in socio-economic opportunities for women from different backgrounds. The most striking feature, however, is that about 90 percent of women are self-employed or work as unpaid labourers in agriculture, agro-based enterprises and commerce or small scale manufacturing in the informal sector, in activities with low productivity which on average yield low income. The division of labour in Ghana is highly sex-segregated in both the traditional and modern wage sectors. Only a very few number of women have broken into modern sector occupations and even fewer into managerial positions (Ghana Statistical Survey, 2000).

The nature of women's involvement in food production also differs from men's in terms of division of labour and the end use of production, with men producing more for the market. Relative to men, women generally have limited access to formal credit. Moreover, extension services have been biased towards

larger commercial farmers. Those that have been targeted towards women have been gender biased in content (Mugare & Macharia, 2003).

Fertility rates in Ghana are high, but appear to be on the decline (GSS, 2004). The high fertility rates in Ghana are linked to demographic factors such as early age at first marriage and child birth which have resulted in limited control of their sexuality and high rates of HIV/AIDS. The total number of people in Ghana living with HIV was 350,000 in the year 2000. People in the ages of 15 to 49 were 3.1 percent of the population with HIV in 2003 but the number increased to 4.7 percent in 2004. In 2007 the total number of people with HIV positive reduced to 260,000 but the number of people in ages 15 to 49 increased to 6.9 percent in 2009 (MOH/DUC, 2009). Women are extremely vulnerable to HIV/AIDS and other STDS because of poverty and limited control of their sexuality by socio-cultural expectations within and outside marriage. In some societies it is considered a masculine ideal for men to have sex with multiple partners and much younger partners (Machel, 2008).

Poverty reduction has always been the concern of all governments in Ghana, therefore a cornerstone of their social policies. There was the National Council on Women Development (NCWD) in 1975 which became a fully fledged Ministry in 2001, with the mandate to formulate and oversee policies to promote women and children`s rights and well being. The Fourth World Conference on Women, the Millennium Development Goals (MDGs) and the New Partnership for Africa`s Development (NEPAD) are aimed at promoting gender equality and women`s advancement. The country has also developed a Ghana Poverty

Reduction Strategy Development (GPRS) document, which is aimed at addressing poverty in a holistic way.

Poverty alleviation

The urgent need to address poverty around the world and the opportunity provided in the year 2000 by the Millennium Development Goals (MDGs) have made a diverse range of players across the globe to agree on a common platform of priorities for addressing the many faces of extreme poverty, hunger, joblessness, diseases, lack of shelter, gender inequality and environmental decline. The Millennium Development Goals were set in 2000 with the aim of reducing extreme poverty and hunger by half according to the head count poverty index by the year 2015. Although, this statement was made in 2000, it is still important for our growth and development due to the fact that poverty has still got a firm grip on Ghanaians. The MDGs are measurable targets attached to a timeframe for making a difference in the lives of billions of people. Governments in developing and developed countries have jointly committed themselves to provide the resources and the policies to implement the goals (Gauci, Amoako & Fosu, 2005).

The Millennium Development Goals are eight to be achieved by 2015 to respond to the world's main development challenges. The MDGs are drawn from the actions and targets contained in the Millennium Declaration that was adopted by the 189 nations and signed by 147 heads of state and governments during the

UN Millennium Summit in September 2000 (Human Development Report, 2007/2008).

The Millennium Development Goals are:

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and women`s empowerment
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria and other diseases
- Ensure environmental sustainability and
- Develop a global partnership

For women advocates, the MDGs are minimal goals that are necessary, but not sufficient, for human development. They neither represent the full vision of gender equality and women`s empowerment or poverty eradication and structural transformation envisaged in UN conferences and human rights instruments. Nor do they reflect the broad, universal reach of these commitments but only the basic requirements of the Least Developed Countries (Pearl, 2003). Nonetheless, the time-bound targets offer an avenue of engagement of women advocates monitoring the implementation of the Beijing Platform for Action and other key international agreements of the 1990s (Ministry of Women and children`s Affairs, 2006). The MDGs with their high level of international consensus, also offer the possibility of tackling multiple issues at once and in an integrated manner. The goals provide a framework for the entire UN system to

work coherently together towards a common end. For example, reducing poverty by half (goal 1) or improving access to water and sanitation (goal 7) cannot be achieved without an understanding of women`s distinct roles and needs (Human Development Report, 2008).

Micro-credit and poverty reduction

This section examines micro-credit and poverty reduction among people. According to Simanowitz and Brody (2004: 1), micro-credit is a key strategy in reaching the MDGs and in building global financial systems that meet the needs of the poorest people. Microfinance creates access to productive capital for the poor, which together with human capital, addressed through education and training, and social capital, achieved through local organisation building, enables people to move out of poverty. By providing material capital to poor people, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society (Gellen, 1993).

However, some schools of thought remain skeptical about the role of micro-credit in development. For example, while acknowledging the role micro-credit can play in helping to reduce poverty, Hulme and Mosley (1996, p. 134) concluded from their research on micro-credit that ‘most contemporary schemes are less effective than they might be.’ This notwithstanding, microfinance has emerged globally as a leading and effective strategy for poverty reduction with the potential for far- reaching impact in transforming the lives of poor people.

What is microfinance?

This section examines what microfinance is and how it started. To most, microfinance means providing very poor families with very small loans (microcredit) to help them engage in productive activities or grow their tiny businesses. Over time, microfinance has come to include a broader range of services (credit, savings, insurance, etc) as we have come to realize that the poor and the very poor that lack access to financial institutions but require a variety of financial products. Microcredit came to prominence in the 1980s, although early experiments date back more than 30 years in Bangladesh, Brazil and a few other countries. The important difference of microcredit was that it avoided the pitfalls of an earlier generation of targeted development lending, by insisting on repayment, by charging interest rates that could cover the costs of credit delivery, and by focusing on client groups whose alternative source of credit was the informal sector. Emphasis shifted from rapid disbursement of subsidized loans. Traditionally, microfinance was focused on providing a very standardized credit product (Asiamah & Osei, 2007). The poor, just like anyone else, need a diverse range of financial instruments to be able to build assets, stabilize consumption and protect themselves against risks. Thus, we see a broadening of the concept of microfinance-our current challenge is to find efficient and reliable ways of providing a richer menu of microfinance.

Models of microfinance

This section examines some models of microfinance instituted with the view to finding best practices so as to draw lessons for microfinance group formation and action. The models are next examined:

The group model

This model is where women with like objectives form groups with their rules and regulations to acquire micro-credit to start or improve on their businesses. The Group Model's basic philosophy lies in the fact that shortcomings and weaknesses at the individual level are overcome by the collective responsibility and security afforded by the formation of a group of such individuals. The collective coming together of individual members is used for a number of purposes: educating and awareness building and collective bargaining power.

Group dynamics refers to the nature of groups, the laws of group development, and the interrelations of groups with individuals, other groups and the larger society (Davis, 19998). In other words, group dynamics is concerned with how individuals influence the behaviour of others in a group and how the group in turn influences their behaviour. This is based on learning and adaptations. Informal learning is the most common which is learning by experience, group discussions and “role model”. The women appoint leaders, set standards, build morale, team spirit and maintain discipline.

Examples of group model

The Grameen model emerged from the poor-focused grassroots institution. Grameen Bank was started in 1976 by Prof. Mohammed Yunus in Bangladesh. This Bank came into operation with the objectives of extending banking facilities to poor women and men, eliminating the exploitation of the poor and creating opportunities for self-employment for the multitude of unemployed people. It essentially adopts the following methodology where a bank unit is set up with a Field Manager and a number of bank workers, covering about 15 to 22 villages. The manager and workers start by visiting villages to familiarize themselves with the local milieu in which they will be operating and identify prospective clientele, as well as explain the purpose, functions, and mode of operation of the bank to the local population. Groups of five prospective borrowers are formed; in the first stage, only two of them are eligible for, and receive, a loan. The group is observed for a month to see if the members are conforming to rules of the bank. Only if the first two borrowers repay the principal plus interest over a period of fifty weeks do other members of the group become eligible themselves for a loan.

Rotating Savings and Credit Associations

Rotating Savings and Credit Associations (ROSCAs) are essentially groups of individuals who come together and make regular cyclical contributions to a common fund, which is then given as a lump sum to one member in each cycle. For example, a group of 12 persons may contribute GH¢31.68 per month

for 12 months and the GH¢ 1,152.00 collected each month is given to one member (Asiama & Osei, 2007). Thus, a member will 'lend' money to other members through her regular monthly contributions. After having received the lump sum amount when it is her turn (i.e. 'borrow' from the group), she then pays back the amount in regular/further monthly contributions. Deciding who receives the lump sum is done by consensus, by lottery, by bidding or other agreed methods (Asiama & Osei, 2007). Research has shown that the promotion of women in management and entrepreneurship in both the public and private sectors lag far behind that of men. The recognition of this factor has largely influenced NGOs in the choice of women's groups for income generating activities (Jelleman & Hernandez, 2002).

Advantages of the Group Model

- Members of the group exhibit a desire to achieve common goals and group identity.
- Members have a social cohesion and cooperate to achieve the group's goals.
- Because of these restrictions, there is substantial group pressure to keep individual records clear and a sense of collectiveness.
- The group members share experiences, pool ideas, generate insights, provide an arena for analysis of experiences and share an identity which distinguishes them from other groups.
- A large sum of capital is generated from the group for businesses.

Disadvantages of Group Model

Participation is a fundamental process within a group, because many of the processes depend upon participation of the various members. Levels and degrees of participation vary in the group model. Some members are active while others are more withdrawn and passive.

Some members ignore or disregard contributions from other members. The group is not able to come to consensus or is unable to devise a plan to implement the decision.

The individual model

This is a straight forward credit lending model where micro credits are given directly to the borrower. It does not include the formation of groups, or generating peer pressures to ensure repayment. The individual model is, in many cases, part of a larger 'credit plus' programme, where other socio-economic services such as skill development, education, and other outreach services are provided.

Examples of the individual models

The Banking Sector

This section examines financial institutions, their lending trends and effect on microfinance for individuals and women's groups. The banking sector in Ghana comprises the central bank, commercial banks, development banks, merchant banks and rural banks. With the exception of the rural banks, their

distribution is weighted towards urban areas, and towards the south. Seven out of the thirteen districts in the Northern Region have no banks and the ratio of banks to clients in northern Ghana is much higher (1:100,000). As individual savings mobilisers, the banks are characterised by a large client base, large individual deposits, and high annual value of deposits. In 1997 the Rural Banks had an average of 12,000 accounts, and the Agricultural Development Banks, an average of 4,324 accounts, against an average of 253 members for the credit unions and 300 clients for the susu collectors. On the credit side, the banks are characterised by relatively high value and longer duration loans which require formal application and collateral (Essel, 1996).

Specifically, in relation to the Northern Region sector, the banks (even the Agricultural Development Banks) very rarely rank agriculture as their first lending preference; tend to limit loans to less risky and shorter duration processing and trade rather than farming or fishing. Against a background of recent economic reform, there has been a decline in the proportion of advances (by value) for agriculture, forestry and fishing from 17% to 5% (Commercial Banks), and from 13% to 9% (Rural Banks over the period 1988 to 1995) (Zeller, Schrieder, Von Braun & Heidhues, 1997). However, it is not the case that informal financial agents always step in where banks fear to tread: some moneylenders and susu collectors can be just as reluctant as the banks to advance loans for primary production and fish catch for exactly the same kind of reasons.

Most rural people in Ghana do not have access to a bank, credit union or similar financial service. It was estimated that access to financial services by

small clients, such as the rural and urban poor, was around 8% in 1998 (Jones, Sakyi-Dawson, Harford & Sey, 1999). Access is particularly low for rural people and in certain parts of the country such as the Northern Sector. Needs for both savings and credit access are most urgent among micro and small rural entrepreneurs, many of whom are women. They require such services to escape from the low investment–low production–low returns cycle. Informal mechanisms such as the susu and moneylenders sometimes fill the gap, but they have drawbacks. Generally, small and often semi-formal credit schemes have been more successful than the formal system in reaching such women (DFID, 1999).

Rural banks are very unequally distributed, with the fewest in the Upper East, Upper West and Northern Regions. The ownership of rural banks is broad based, and the banks are usually managed and operated by residents of the locality who know the local conditions and people. But most rural women do not have physical access to these banks. For instance, in the Upper West, Upper East and Northern Regions, the ratio of banks to rural clients is 1:100 000, compared with the national average of 1:16 000 to 1:26 000 (IFAD, 2000). One bank can serve an area of over 50 000 km². For the majority of poor women, the cost of a trip to the bank is too high, particularly since the process involved in bank loans often requires several trips. Women are usually further handicapped from using banks because they have problems leaving their children and household duties long enough to travel to the bank, lack of control over resources, such as land and labour and illiteracy or semi-literacy creates a barrier to processing paper work for loans.

The semi-formal financial sector in Ghana includes Credit Unions, Savings and Credit Co-operatives and a number of NGOs. This sector gives out credit to individuals with an interest rate agreed on between the parties involved. The credit is to be repaid with the interest within a specified period agreed.

Susu collectors

Informal financial agents include: moneylenders; susu collectors (savings mobilisers); traders, agricultural processors and input distributors; susu groups/ROSCAs (Rotating Savings and Credit Associations), friends and relatives. The susu collectors provide savings facilities to individuals involved in a wide variety of informal income generating activities: traders, cart pushers, apprentices, mechanics, drivers, and sometimes farmers and fishermen. Of 19 ROSCAs surveyed in Northern Ghana, membership ranged from 5 to 40 persons with 63% of these groups having between 10 to 20 members, almost all women are mostly engaged in processing and marketing throughout (Jones, Sakyi-Dawson, Harford & Sey, 1999).

Susu collectors are unusual in having an apex organisation known as the Ghana Cooperatives Society of Susu Collectors to represent them; 850 are registered with this, though it is estimated a further 150 unregistered operate in the system. They run their businesses from kiosks located in the market place and act as mobile bankers. Deposits, often of low but regular value, are usually taken on a daily basis over the course of a month. At the end of this period the susu collector returns the accumulated savings to the client but keeps one day's savings

as commission. Susu collectors may also provide 'advances' to their clients (DFID, 1999).

Advances made by the susu collectors to their regular depositors are usually low value, very short term (less than one month), provided on an interest-free basis without collateral and disbursed immediately if the money is on hand. The moneylenders advance loans on interest (higher than the banks), but without collateral, and disbursed very quickly if the client is known (Wiggins, 1992). Combining the banks' capital with the intrinsic advantages of the informal agents (small savings and loan provision, physical and social access, simple procedures, reliance on social capital and collateral, quick withdrawal and disbursement, and high proportions of women clients) is thus one argument for linking the formal and informal financial intermediaries.

'Linkage' between formal and informal sectors is of two distinct possibilities: complementarities between them among activities or among different clients in the same activity, or wider interaction, such as through savings or credit across types. In terms of complementarities, the scale of activities and position in the enterprise life-cycle are important determinants of sources of credit preferred and to a lesser extent of deposit-making. Formal and informal sources complement each other in these dimensions. More informal sources of credit (e.g. friends and relatives in the same business) are preferred for obtaining start-up capital. Working capital is obtained in various ways from traders, moneylenders, friends, relatives including spouses, own profits and proceeds and suppliers' credit. Those clients with substantial capital assets tend to use the widest variety

of credit sources and almost always save with banks. Those groups who have formed some sort of association (tomato growers or fish processors) are more likely to have accessed donor or government funding than those who have not.

Advantages of the individual model

- Large amounts available for expanding business.
- It is good when timing for the credit is not crucial and collateral is available.
- It is easier and faster to acquire loans in this sector.

Disadvantages of the individual model

- The physical collateral requirement and the intimidating form filling prevent women from accessing credit.
- The slow disbursement of loans create inability to purchase raw materials or labour-saving or value-adding technology;
- inability to expand their enterprise because of inadequate capital;
- inability to store their products for later sales, when prices improve, because of urgent needs for cash;
- pressure to sell at low prices in local markets because of inadequate funds for packaging and transport or lack of ability to wait for slower sales in distant markets;

- their restriction to traditional occupations, which historically are low-capital intensive, thus barring them from new money-making activities (DFID, 1999).

Clearly, the best solution is to bring financial services closer to rural areas and rural women. But women-targeted financing programmes are not always a panacea. Generally, since the beginning of Ghana government's involvement in microfinance in the 1950s, the sub-sector has operated without specific policy guidelines and goals. This partially accounts for the slow growth of the sub-sector and the apparent lack of direction, fragmentation and lack of coordination. There has so far not been a coherent approach to deal with constraints facing the sub-sector.

Finally, a traditional commercial banking approach to microfinance delivery often does not work. According to the banking principles, the credit methodology requires documentary evidence, long-standing bank-customer relationship and collateral, which most micro and small businesses do not possess. However, it is argued that microfinance can facilitate the achievement of the Millennium Development Goals (MDGs) as well as National Policies that target poverty reduction, empowering women, assisting the vulnerable groups, and improving standards of living. As pointed out by the former UN Secretary General Kofi Annan during the launch of the International Year of Micro-credit (2005), "Sustainable access to microfinance helps alleviate poverty by generating income, creating jobs, allowing children to go to school, enabling families to

obtain health care, and empowering people to make the choices that best serve their needs” (Annan, 2005).

It is therefore gratifying to note that the Government of Ghana has adopted microfinance as one of the important strategies for poverty reduction and wealth creation to achieve the national vision of achieving the MDGs and becoming a middle income country by the year 2015. In view of this, there is the need to quicken the pace of reforms in the microfinance sector in order to unleash its full potential for accelerated growth and poverty reduction.

NGOs and poverty alleviation

This section reviews the activities of some NGOs in Ghana that are active in the microfinance sector and the approaches adopted to provide microfinance to especially women.

To alleviate poverty in Africa and other developing countries, the rural people must be part. Poverty reduction strategies that regard the poor passive beneficiaries of eventual economic success have been a striking failure (Gellen, 1993). Only by mobilizing the productive potential of the small petty traders, who are living in severe poverty can the sharp decline in living standards be reversed. The Structural Adjustment Programme (SAP) with the ‘trickle down’ effect has not helped. This is because the resources have been channeled to the urban areas and large producers (Gellen, 1993).

NGOs have emerged as a key player in the field of microcredit. They have played the role of intermediary in various dimensions. NGOs have been active in

starting and participating in microcredit programmes. This includes creating awareness of the importance of microcredit within the community, as well as various national and international donor agencies. They have developed resources and tools for communities and microcredit organisations to monitor progress and identify good practices. They have also created opportunities to learn about the principles and practices of microcredit. This includes publications, workshops, seminars and training programmes.

Over the years, microfinance sector has thrived and evolved into its current state thanks to various financial sector policies and programmes undertaken by different governments since independent. Clearly, access to financial services is imperative for the development of the informal sector and also helps to mop up excess liquidity through savings that can be made available as investment capital for national development.

Centre for the development of people`s micro credit for women`s groups

To help address the strategic needs of women in the Upper West Region, Centre for the Development of People (CEDEP) decided to move away from direct involvement of meeting women`s practical needs (food, drugs, clothes, shelter and portable drinking water) as a way of reversing women`s disadvantaged situation. CEDEP used existing groups in the communities within the Upper West Region to strengthen their income generating activities. As a result, five districts (Wa, Nadowli, Lawra Sissala & Jirapa/Lambusie Districts) were selected on a pilot basis. They were also given training on sanitation, first aid, education on

sexually transmitted infections and HIV/AIDS, record keeping, business information management and banking (Boro, 2004).

CEDEP's Sombo-Fian Development Project (SOFIDEP) based in Sombo and Fian in the Nadowli District of the Upper West Region started with seed money to a group of women in the Sombo-Fian area for the purchase and retail of grains and other agricultural produce in the mid 1990s and has been replicated to involve more women and their families. The size of the loans increased according to the repayment records of the previous loans.

The women in the groups select leaders, set standards, maintain discipline for good morale, build team spirit due to the cohesiveness of the group as a working unit and develop communication systems within the groups. They interact with one another, share objectives and have a shared identity.

Review of plan Ghana's micro finance framework

Plan Ghana has two models of microfinance called Micro Credit with Education and the Village Savings and Loan Associations (VSLAs). The Credit with Education started in 2001 and implemented by three rural banks in three programme areas at Asesewa, Bawjiase and Mankessim in Southern Ghana through an NGO called Freedom from Hunger; women are given credit for their businesses on weekly repayment basis. When credit and education services are provided together to groups of women, they can increase income and savings, improve health/nutrition knowledge and practice, empower and ultimately improve household food security and children's nutritional status (Davis, 1998).

Although the above forms of microfinance are good for women groups, there is the need to study the environment. The Credit with Education form of microfinance in the first place, deals with the productive poor and excludes the poorest of the poor. Secondly, it needs a booming market to ensure higher turnover to make profit. Lastly, the interest paid on loans is quite significant making most of the women to run businesses at a loss. Therefore, the need to consider the location of women groups in order to get the right model microfinance that will not end up by worsening the plight of women.

The second model of microfinance known as Village Savings and Loan Associations (VSLAs) for this study is self-selected solidarity groups that mobilize savings through weekly share purchase towards a loan fund. The VSLAs started in 2005 and implemented directly by Plan Ghana in the program area of Tumu in Northern Ghana. The women were also given training on record keeping and group dynamics, business and entrepreneurial skills, networking and advocacy where they can link up with other organisations of like objectives for help in any form when the need arises and monitored to ensure the sustainability of the groups.

The basic principle of the Village Savings and Loan system is that members of a self-selected group voluntarily form a VSLA and save money, in the form of shares. The savings are invested in a Loan Fund from which members can borrow and repay with a service charge added on by members. The primary purpose of a VSLA is to provide simple savings and loan facilities in a community that does not have access to formal financial services. The loans can

also provide a form of self-insurance to members, supplemented by a Social Fund which provides small but important grants and interest-free loans to members in distress.

Associations are autonomous and self-managing. This is fundamental because a VSLA's goal is institutional and financial independence. All transactions are carried out at meetings in front of all the members of the Association to ensure transparency and accountability. To ensure that transactions do not take place outside the regular meetings, a lockable cash box is used, to prevent unauthorized cash movement and the risk that records might be tampered with. The cycle of savings and lending is time bound. At the end of an agreed period (the 'cycle'), the accumulated savings and service charge earnings are shared out among the membership in proportion to the amount that each member has saved throughout the cycle. This is critical for transparency and the confidence of all members. A cycle must not last for more than one year prior to share-out. All members have an individual passbook. This is necessary to permit varying rates of savings and to track member loan liabilities, but there is no association record-keeping ledger. Only the starting and closing balances of the Association's Social Fund and Loan Fund are recorded, mainly through memorization, at each meeting.

VSLAs are made up of 10 - 25 members who strike a balance between being big enough to create a useful pool of capital and small enough to keep meetings manageable. Membership is open to women at the age of 18 years and above with five committee members elected to manage the association. When the

operating cycle comes to an end, the Association shares out the total value of its financial assets among the members (except for the Social Fund). As the end of the cycle approaches, no new loans are issued and all outstanding loans are repaid. This is added to any money remaining on hand and is shared out among the members in proportion to the number of each person's shares. After the share-out, members who do not want to stay in the Association may leave and new members may be invited to join (Allen & Staehle, 2007).

CHAPTER THREE

METHODOLOGY

Introduction

This chapter describes the study area and methods of data collection, the questionnaire design, administration and the data analysis procedures used.

The study area

The Sissala District (now Sissala East and Sissala West Districts) was carved out by Legislative Instrument (L.I) 143 in accordance with PNDCL 207, which established the District Assemblies. This Law (PNDCL 207), sought to bring political and administrative decision making to the door steps of the people (grass-root participation). The Sissala West District was created in 2005 and it is located in the North Eastern part of Ghana. It lies approximately between Longitude 213W to 2:36W and Latitude 10:00N to 11:00N and shares boundaries with Burkina Faso to the North, Wa East to the South, Sissala East District to the East and Jirapa District to the West. It covers a total land area of 4, 11289km, which is about 25 percent of the total Landmass of the Upper West Region (Sissala West Development Plan, 2007).

The climate of the District is one that is common to the three northern regions. There are two main seasons, the dry and wet seasons. The wet season

commences in April and end in October. The dry season, characterised by the cold and hazy harmatan weather, starts from early November and ends in the later part of March when the hot weather begins. The long dry season requires the establishment of irrigation facilities. The main annual rainfall is about 1100mm with its peak in August. Relative humidity is between 70 percent and 90 percent in the rainy season but as low as 20 percent in the dry season (Sissala West Development Plan, 2007).

The Sissala West District is located in the Guinea Savanna vegetation belt. This vegetation consists of grass with scattered drought resistant trees such as shea, the baobab, dawadawa and neem trees and the heterogeneous collection of trees provide all domestic requirements for fuel wood and charcoal, construction of houses, cattle kraals and fencing of gardens (especially, dry season farming). Lastly, the shorter shrubs and grass provide fodder for livestock. There are various kinds of soils in the District that support plant growth. The main types of soils include the savannah ochrosols, the tropical brown earth and the terrace soils. The savannah ochrosols are generally poor in organic matter and nutrients.

This means that good farm yield can be obtained through the application of chemical fertilizers and farm yard manure. The 2000 population and housing census pegs the population of the District at 44,440 and a projected population of about 51, 015 as at 2005 with an average growth rate of 1.7 percent as against 2.7 percent for the national. The District has a population density of 12 persons per square kilometer. This figure is much lower than the regional population density of 31.2 persons per square kilometer. The Sissala West District is entirely rural.

By the national standard of the definition of an urban settlement, none of the settlements is urban. Only 15 communities in the district have population above 1000 with four Area Councils known as Gwollu, Fielmua, Pulima and Zini Area Councils and Gwollu is the district capital (Sissala West Development Plan, 2007).

The proportion of the population below 15 is about 44.7% while that of the elderly represents about 6.3%. On the other hand, the proportion of the labour force (between 15 and 64 years) stands at 49% of the total population. This pegs the age dependency ratio of the district at 1:9 dependants. The sex composition of the population indicates that there are 49.2% males and 50.8% females in the Sissala West District (Sissala West Development Plan, 2007). The high proportion of women results from the migration of men especially to the south during the dry season to engage in other income generating activities to improve on their livelihood.

The Sissala West District has two major indigenous tribes namely the Sissala and Dagaaba. However, there are smaller tribes mainly of the northern and southern origin in the district. In terms of religion, there are three major types namely: the Muslim, Christian and Traditional religions. The main festival celebrated in the District is Kukur Baghr, by the people of Fielmua. The spatial analysis is centred on the type and distribution of infrastructure and services in the various communities giving the district a scattered settlement.

The agricultural sector employs about 90 percent of the labour force (Sissala West Development Plan, 2007). The major food crops grown in the

district are millet, sorghum (Guinea Corn), maize, cowpea and yam. Cash crops such as cotton, shea nut and dawadawa are also found in the district. Cash crops, however, have received little attention due to market uncertainties. The vegetation of the district promotes animal rearing and the major animals are sheep, goats, pigs and cattle at a subsistence level. Majority of the farmers still rely on traditional methods of farming using simple tools such as hoe and cutlass for cultivation; they rely on rains which are erratic, resulting in low crop yields. The inhabitants engage in shea butter and groundnuts oil extraction, brewing of local drinks (pito), black-smiting, metal works and weaving among others to support their livelihood. The major tourist centres in the district include the Gwollu Slave Defense Wall, the tomb of the late President, Dr Hilla Liman, the Traditional Bone Setting Centre and the Museum. Out of a total road network of about 3,309.62km in the Upper West Region, the Sissala West District has a total of 281.15km road length, representing 8.5 percent of roads in the region. All the roads in the District are classified as feeder. Most of the households in the Sissala West District depend on firewood and charcoal for domestic fuel since they are obtained at little or no cost. This tendency has led to the depletion and degradation of the environment as most trees are cut down for energy (Sissala West Development Plan, 2007).

Plan Ghana works in 58 communities located in the Sissala West District. Out of which 15 communities were selected from the Sissala West District for piloting the Village Savings and Loans Scheme for women. This is due to the fact that the project targeted the section of the population that is incapable of coping

and preventing the incidence of certain types of shocks when they occur (the vulnerable, women and children). The 15 communities were zoned into three namely: Gwollu, Fielmua and Jawia Zones from which 13 communities were selected among the Sissala West District for this study.

Research design

The research design was to a large extent descriptive (qualitative and exploratory). It was mainly descriptive because the nature of the topic required that of the management practices of microfinance for women's groups under study. Neuman (1997) stated that the goals of descriptive research are to provide an accurate profile of a group, give verbal and/or numerical picture, find information and document information that contradicts prior belief about a subject. The study was exploratory because the researcher had to explore the terrain to find out the management practices of micro finance for women's groups. Exploratory research is conducted to develop a well grounded picture of what is happening and also develop a sense of direction for future (Neuman, 19997). It was partly cross-sectional because data collection cut across many communities.

The population for the study

The target population for the study was 80 Village Savings and Loan Associations in three zones, 11 Plan Ghana's field staff at Tumu and 22 Village Agents in the communities. Zone one known as the Fielmua Zone with 36 Associations was made up of Sontaa Nikpe Group in Buo, Sontaa Group in Buo,

Pokuu-Gan Group in Fielmua, Biliballe Group 2 in Liplime, Mwinsonti Group 1 in Fielmua, Monye Group in Fielmua, Penagme Group in Buo, Bakenweri Group in Nimoro and Bapanagme Group 3 in Zini.

The Gwollu Zone with 32 was made up of Bapulinballe Group in Jeffisi, Tanjiaballa Group in Gwollu, Bagrinballe Group in Dasima, Suballe Group in Gwollu, Nomohanaga Group in Nyimati, Bosuballa Group in Jeffisi, Jeffalla Group in Bullu and Wulballe Group 1 in Gwollu. The Jawia Zone with 12 was made up of Kanyiriwore Group in Jawia, Nimagdongo Group in Sorbelle and Laburi-Lani Group in Pulima with a population of 423 women.

The sampling and sampling procedure

Due to financial, accessibility, logistics and time constrains, the sample size for the study was 20 Village Savings and Loan Associations with a population of 10 women in each group. For this study, the focus group discussion was held with five executive members of each of the 20 Associations. In addition, two women from each Association were selected as key informants. Also ten village agents were selected to complete the samples for the study. To ensure equal representation of the population in the sample, probability techniques were used with the cluster sampling where associations were clustered to get a sample size that would include the three zones. Through random sampling where cards with names of the Associations were kept in a box and picked by blindfolded people at random and the Fielmua Zone with 36 associations had 10 Associations, the Gwollu Zone with 32 Associations had 7 Associations and the Jawia Zone

with 12 Associations had 3 associations for the total sample size of 20 Associations (See Table 2). This was done for the individual people selected for the study.

Table 2: Population and samples

Zone	Number of Associations	Number selected	Members of Asso.	Village Agents	Number selected
Fielmua	36	10	20	10	4
Gwollu	32	7	14	9	4
Jawia	12	3	6	5	2
Total	80	20	40	24	10

Source: VSLAs Field Survey, 2009

Data sources

The data sources for the study were primary data from the field through questionnaire and interview guide; secondly sources which included books, journals, workshop reports, surveys and newsletters to gather information on microfinance and their management practices for women's groups. The Focus Groups Discussions were for the Management Committee while the Village Agents and the Field Staff were given questionnaire because they could read and write. However, the Field Staff could not answer the questionnaires because they said they had never studied the activities of the Village Savings and Loan

Associations since they are not Livelihood Facilitators. So this aspect of the study was discarded

Administration of questionnaire

The administration of questionnaires and the interview guides were done through personal visits to the various selected groups for the study. The questionnaire for Village Agents was self-answered while the one for the selected members and the Management Committee members were administered with the help of a field assistant.

There was one set of questionnaire for Plan Ghana staff and the Village Agents and two sets of structured interview schedules in both open and closed ended for the Management Committees and the members of the 20 Associations. The questionnaires and the interview schedules were in four sections with section one on the leadership positions, roles; interrelations of groups with individuals, other groups and the larger society. Section two was on the policies for Social Fund and loans in the Associations. Section three was on monitoring and evaluation of the Associations and the last section was on the women's, agents' and field staffs' perception about management practices in the Associations.

Problems faced in the administration of the questionnaire

In administering the questionnaires and conducting the interviews, the researcher faced the following problems: In the first place, due to the geographical location of the Associations for the study, the researcher spent more

days in gathering the data. Therefore it was time consuming and very expensive to move from one zone to the other. Secondly, due to the high illiteracy rate among women in the Sissala West District of the Upper West Region, there was the need for interpretation in Dagaari and Sissali which were able to present the message as expected. However, the researcher was able to deal with such issues. Finally, most of the field staffs could not answer the questionnaire because they are not directly involved in the project and had little knowledge on the management practices of the associations.

Data analysis

Data collected from the field were screened manually to ensure that there was consistency of responses in the various sections as a quality control measure. The data was then coded after the coding frame to serve as a guide. The coded data was inputted into the Statistical Package for Social Sciences (SPSS) software programmed on the computer for analysis and the responses to the items on the questionnaires and interview guide have been tabulated to give meaning to them. However, the responses have been put into percentages to further enhance understanding of opinions of the respondents.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presents the results and analysis of the data collected from Associations' records, members and executives. The issues raised included women's groups' formation for accessing village savings and loans, policies that exist to guide the operations of the women's associations, the effects of the activities of women's groups on monitoring and evaluation and the women's groups' perceptions about the management practices of the village savings and loan associations. The respondents were the executives of the Associations, members and village agents and in the ages of 27 to 60 years with 98 percent illiteracy rate.

Group formation and composition

The basic philosophy of group formation lies in the fact that shortcomings and weaknesses at the individual level are overcome by the collective responsibility and security afforded by the formation of a group of such individuals. The collective coming together of individual members is used for a number of purposes: educating and awareness building and collective bargaining power.

Table 3 shows the Associations that were formed by Plan Ghana and those by the women themselves to access village savings and loans.

Table 3 shows that out of the 20 Associations selected, 85 percent said they were formed by Plan Ghana while 15 percent stated that they were self-initiated as a result of the activities performed by the 17 groups mentioned above. The initiative by the three Associations is in line with the statement by one respondent that, “We were sleeping, but Plan Ghana came and woke us up”. Table 3 depicts formation of association for village savings and loans.

Table 3: Formation of associations

Zone	Self-initiated		Externally initiated		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	0	0.0	10	50.0	10	55.0
Gwollu	0	0.0	4	20.0	7	35.0
Jawia	3	15.0	3	15.0	3	15.0
Total	3	15.0	17	85.0	20	100.0

Source: Field Survey, 2009

Meetings of associations

The number of times associations meet to deliberate on issues of common interest influence the level of regularity and their ability to identify and implement issues for growth and development. Therefore, how often the Associations met was determined.

The data revealed that all the Associations from the Fielmua, Gwollu and Jawia Zones responded that they met weekly to save towards the Loan Fund for members to acquire credit during the agreed period. The findings support group dynamics concerned with how individuals influence the behaviour of others in a group and how the group in turn influences their behaviour which is based on learning and adaptations (Brilhart, 1997:13). The results are also in line with the statement by one respondent that “The VSLA has created compulsory savings habit for capital accumulation towards the loan fund for members”.

When asked about the main reasons why respondents formed the Associations, they stated the need for unity, community development, morale and spiritual growth, entrepreneurial development and child care as the reasons for forming the groups.

Leadership positions and responsibilities

For every group or association to function well, there should be leaders. From the 20 Associations studied in the three zones, there were five leaders known as the Chairperson who calls meetings to order, ensures proper meeting procedures, maintains discipline, represent the Association and resolve conflicts. Record-keeper or Secretary ensures that all transactions take place, make all passbooks entries, provide verbal financial summary and assist the field officer to update records. Box-keeper or Treasurer keeps the Association’s cash-box and take slot savings. The two Money Counters selected by members based on the requirements of village savings scheme in each Association verifies all movement

of money during each cash-box operation, counts money in meetings, informs the Record-keeper of each transaction and assist him/her in resolving any cash discrepancies.

Responsibilities of the chairpersons in the associations

Table 4 shows the idea of associations on responsibilities of the Chairperson at meetings.

The data reveals that 35 percent of the Associations reported that the Chairpersons presided over meetings while 25 percent stated that the Chairpersons settled disputes and collected fines in the Associations. An average of 28.3 percent of the Associations mentioned that the chairpersons presided over meetings, settled disputes and collected fines.

Table 4: Responsibilities of the chairpersons

Zone	Call for meetings		preside over meetings		Settle disputes		Collect fines		Total	
	F	%	F	%	F	%	F	%	F	%
Fielmua	1	10.0	3	30.0	4	40.0	2	20.0	10	100
Gwollu	2	28.6	3	42.9	0	0.0	2	28.6	7	100
Jawia	0	0.0	1	33.3	1	33.3	1	33.3	3	100
Total	3	15.0	7	35.0	5	25.0	5	25.0	20	100

Source: Field Survey, 2009

Selected members and village agents' views on performance of Chairperson

Table 5 shows that 58 percent of the respondents reported that the Chairpersons did not perform their duties well at meetings. But 42 percent mentioned that they performed their duties well. The impression of the respondents' views expressed means that some Associations' Chairpersons do not perform all their roles and this can affect the performance of those Associations involved. Table 5 shows selected members/village agents' views on performance of the Chairperson at meetings.

Table 5: Selected members/village agents' views on performance of the Chairperson

Zone	Performs duties well					
	Yes		No		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	9	37.5	15	62.5	24	48.0
Gwollu	7	38.9	11	61.1	18	36.0
Jawia	5	62.5	3	37.5	8	16.0
Total	21	42.0	29	58.0	50	100.0

Source: Field Survey, 2009

Associations' views on performance of the Chairperson

The survey data shows that 90 percent (18 Associations) mentioned that the Chairpersons performed their roles well while 10 percent (2 Association) said

some did not perform all their roles, because some Chairpersons neither called them for meetings nor settled disputes in the Associations. Table 6 shows the Associations' views on the performance of the Chairpersons in the Associations.

Table 6: Associations' views on performance of the Chairperson

Zone	Performs duties well					
	Yes		No		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	10	55.6	0	0.0	10	50.0
Gwollu	6	33.3	1	50.0	7	35.0
Jawia	2	11.1	1	50.0	3	15.0
Total	18	90.0	2	10.0	20	100.0

Source: Field Survey, 2009

Responsibilities of record-keepers or secretaries at meetings

The survey data showed that 35 percent of the Associations mentioned that the Record-keepers recorded all transactions in meetings for transparency. But 15 percent stated that the Record-keepers stamped passbooks. However, the total responses are less for stamping passbooks because respondents said other members were made to stamp the passbooks as a way of encouraging them to work in the absence of the Record-keepers. This was a good idea because meetings would not be postponed due to the absence of the Record-keepers and it

gives Associations involved independence. Table 7 depicts the responsibilities of record-keeper or secretary.

Table 7: Responsibilities of record-keepers or secretaries at meetings

Zone	Keep		Give		Stamp		Confirm		Total	
	Records		Information		passbooks		balances			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Fielmua	4	40.0	2	20.0	2	20.0	2	20.0	10	50
Gwollu	2	28.6	2	28.6	1	14.3	2	28.6	7	35
Jawia	1	33.3	1	33.3	0	0.0	1	33.3	3	15
Total	7	35.0	5	25.0	3	15.0	5	25.0	20	100

Source: Field Survey, 2009

Associations' views on performance of record-keepers at meetings

The Table shows that 90 percent of the Associations mentioned that the Record-keepers performed their duties well. However, 10 percent said they did not write minutes during meetings. Therefore, the Associations found it difficult to recall their previous activities.

Table 8 represents the Associations' views on the Record-keepers or Secretaries' performance at meetings as obtained from the discussions.

Table 8: Associations’ views on performance of the Record-keepers at meetings

Zone	Performs duties well					
	Yes		No		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	10	55.5	0	0.0	10	50.0
Gwollu	6	33.3	1	50.0	7	35.0
Jawia	2	11.1	1	50.0	3	15.0
Total	18	90.0	2	10.0	20	100.0

Source: Field Survey, 2009

Selected people’s views on the performance of the Record-keepers

From Table 74 percent (37 respondents) reported that the Record-keepers performed their duties as expected. But 26 percent (13 respondents) mentioned that they did not perform their duties to expectations. These respondents revealed the Record-keepers did not write minutes during meetings, and as a result, they found it difficult to track their previous activities.

Table 9: Selected members/village agents’ views on performance of the Record-keepers or secretaries at meetings

Zone	Performs duties well					
	Yes		No		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	17	70.0	7	30.0	24	48.0
Gwollu	12	66.7	6	33.3	18	36.0
Jawia	8	100.0	0	0.0	8	16.0
Total	37	74.0	13	26.0	50	100.0

Source: Field Survey, 2009

Responsibilities of the Box-keeper

All the Associations indicated that the Box-keepers kept the box and knew the amount of money in it for verification and transparency at meetings.

Responsibilities of money counters at meetings

The data from Table 10 shows that all the Associations responded that the money counters collect and check weekly savings, check both opening and closing balances and give out loans to beneficiaries during meetings.

Table 10 gives the responsibilities of money counters in village savings and loans meetings.

Table 10: Responsibilities of money counters at meetings

Zone	Collect savings		Check balances		Give loans	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	10	50.0	10	50.0	10	50.0
Gwollu	7	35.0	7	35.0	7	35.0
Jawia	3	15.0	3	15.0	3	15.0
Total	20	100.0	20	100.0	20	100.0

Source: Field Survey, 2009

Selected members/village agents' knowledge on responsibilities of money counters

Out of the selected 50 respondents from the three zones, an average of 34 percent mentioned that the Money Counters collected savings, 34 percent said they gave out loans to beneficiaries during meetings, and 32 said they checked balances.

Table 11 reveals selected members/village agents idea on the responsibilities of the Money Counters.

Table11: Selected members/village agents' knowledge on responsibilities of money counters

Zone	Collect savings		Check balances		Give loans		Total	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Fielmua	8	33.3	8	33.3	8	33.3	24	48.0
Gwollu	6	33.3	6	33.5	6	33.3	18	36.0
Jawia	3	37.5	2	25.0	3	37.5	8	16.0
Total	17	34.0	16	32.0	17	34.0	50	100.0

Source: Field Survey, 2009

In view of the above, the respondents' knowledge on group formation, composition and leaders' performance implied that the Associations have leaders and they performed some roles towards the organisation and development of women's groups for accessing village savings and loans. These findings are consistent with the Rotating Savings and Credit Groups in which groups of

individuals come together, select their executives and make regular contributions to a common fund which is then given out as loans to members.

Policies that exist to guide village savings and loans operations

Associations need policies to guide and control their activities to ensure unity, peace and transparency. One of the issues that promote these principles is transparency. The women's groups put their contributions in money boxes which are opened during meetings. The data indicated that all the Associations never opened the money box on non-meeting days to ensure security and transparency as one of their rules. The village agents and the selected members affirmed that the box was not opened on non-meeting days. This supports the ideal situation in village savings and loan associations where all transactions are to be carried out in the presence of all members in meetings. Therefore, the box should not be opened on non-meeting days (Allen & Staehle, 2007).

Associations that use the constitution at meetings

Associations put their policies into a written document or a constitution to guide their activities in meetings, describe how the Association is governed, by whom it is governed and how the people who govern it acquire their authority. All the Associations in this study have a constitution. Issues in the constitution are discussed during meetings as a guide to their activities.

Associations that use the constitution at meetings

From Table 12, it can be seen that 14 associations actively used the constitution as a guide during meetings while six associations did not actively use the constitution during meetings because they said it wastes time.

Table 12 depicts associations that use the constitution at meetings.

Table 12: Associations that use the constitution at meetings

Zone	Use constitution in meetings					
	Yes		No		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	8	57.0	2	33.3	10	50.0
Gwollu	5	35.7	2	33.3	7	35.0
Jawia	1	7.1	2	33.3	3	15.0
Total	14	70.0	6	30.0	20	100.0

Source: Field Survey, 2009

Coordinating activities in the associations

Group dynamics refers to the nature of groups, the laws of group development, and the interrelations of groups with individuals, other groups and the larger society (Tilakaratha, Galapattige & Kumara, 2001). The results from Table 13 show that out of the 20 Associations, 14 associations said they linked up with other associations for new ideas. But 6 associations mentioned that they did not link up with other associations because they are independent. This contradicts

the idea of group dynamics. In sum, majority of the Associations according to the respondents' views coordinated their activities. The findings are consistent with what Boro (2004) found in Centre for the Development of People's micro credit for women's groups that, "women in groups select leaders, set standards, maintain discipline for good morale and build team spirit due to cohesiveness". They therefore interact with one another, share objectives and have a shared identity. Table 13 shows the Associations that link-up their activities with other associations.

Table 13: Link up with other associations

Zone	Link up					
	Yes		No		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	7	50.0	3	50.0	10	50.0
Gwollu	5	35.7	2	33.3	7	35.0
Jawia	2	14.3	1	16.7	3	15.0
Total	14	70.0	6	30.0	20	100.0

Source: Field Survey, 2009

Decision making in the Associations

The responses from Table 14 below reveal that 90 percent (18 Associations) responded that, the General Assembly or all members make decisions in meetings. However, 10 percent (two Associations) said decision-

making in the Associations was by the Executives of the Associations. This contradicts the ideal situation in village savings scheme where decision-making should be by all members (Allen & Staehle, 2007). The impression created by the views of the respondents showed that there is democracy in some of the Associations while other Associations are not democratic in decision making. However, the views expressed by the majority support the ideal situation of group dynamics in which groups are formed, laws developed and the interrelations of groups with individuals, other groups and the larger society create growth and development (Tilakaratha, Galapattige and Kumara, 2001). Table 14 reveals decision making in the Associations

Table14: Decision making in the Associations

Zone	General Assembly		Executives		Chairperson		Total	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Fielmua	9	50	1	50.0	0	0.0	10	50.0
Gwollu	6	33.3	1	50.0	0	0.0	7	35.0
Jawia	3	16.7	0	0.0	0	0.0	3	15.0
Total	18	90.0	2	10.0	0	0.0	20	100.0

Source: Field Survey, 2009

Imposition of fines

Fines are imposed on offenders because it is a rule in the constitution that all members thumb printed to guide their activities. It is also a way of getting

more money to increase profit on savings for members during the share-out period.

Imposition of fines in the Associations

The survey data in Table 15 shows that out of the 20 Associations in the three zones, 95 percent of the respondents (19 Associations) said they charged members for lateness, absence without permission, inability to recite the constitution and talking during meetings. However, 5 percent (1 Association) said they do not charge again because some offenders refused to pay in the past. This is not in line with the rules of village savings scheme. Table 15 shows the imposition of fines in the Associations.

Table 15: Imposition of fines in the Associations

Zone	Impose fines					
	Yes		No		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	10	52.6	0	0.0	10	50.0
Gwollu	7	36.8	0	0.0	7	35.0
Jawia	2	10.5	1	100.0	3	15.0
Total	19	95.0	1	5.0	20	100.0

Source: Field Survey, 2009

Selected members/village agents' views on imposition of fines in the Associations

From the 50 selected respondents in Table 16, 72 percent revealed that the Associations imposed fines. But 28 percent confirmed that some Associations did not collect fines from members. This refutes the ideal situation in village savings and loan associations where fines are collected to increase the loan fund for more profit to members during the share-out period (Allen & Staehle, 2007).

Table 16 shows selected members/village agents' views on imposition of fines during meetings.

Table 16: Selected members/village agents' views on imposition of fines in the Associations

Zone	Impose fines					
	Yes		No		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	18	50.0	6	42.9	24	48.0
Gwollu	12	33.3	6	42.9	18	36.0
Jawia	6	16.7	2	14.2	8	16.0
Total	36	72.0	14	28.0	50	100.0

Source: Field Survey, 2009

Qualification for a loan in the Association

It was deduced from all the 20 Associations that every member qualified for a loan. All the 50 selected respondents also stated that every member of the Association was eligible for a loan. The impression created by the views of the respondents refutes the Grameen Model of microfinance management practices where only two out of five members are eligible for and receive a loan. Only if the first two borrowers repay over a period of 50 weeks that other members of the group become eligible for a another loan (Asiama & Osei, 2007).

In the Rotating Savings and Credit Associations, deciding on who receives a loan is by consensus, lottery or bidding. In the bank, one's qualification for a loan is to have a collateral security or guarantor (Wisniwski, 1999). Women do not own assets according to traditional belief; and do not have collateral security. Therefore, "the persistence of gender inequalities in access to economic and social opportunities have contributed significantly to higher incidence and severity of poverty among women creating feminization of poverty in Ghana" (Ghana Living Standard Survey, 2004).

Interest rates

Associations charge interest on loans given to members for profit on the savings. Village savings and associations charge ten percent on the principal, but some associations increased their interest rate to 15 percent.

Associations' interest rates

The data in Table 17 reveal that out of the 20 Associations, 85 percent (17 Associations) indicated that, their interest rate was 10 percent on the principal. But 15 percent (3 Associations) mentioned that their interest rate was 15 percent on the principal. All the selected members and village agents confirmed that the interest rates for village savings were lower than other financial institutions. This is in line with the statement by a respondent that, “Members of village savings and loan associations can acquire loans easily and at a lower interest rate”. The results collaborate with the findings that the banks charge 28 percent on the principal, and therefore, high with intimidating form filling and physical collateral required. Credit Unions charge 27 percent and money lenders also have high interest rates (Wisniwski, 1999). Table 17 reveals the interest rates on the principal in the Associations.

Table 17: Associations' interest rates

Zone	10% on principal		15% on principal		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	10	58.8	0	0.0	10	50.0
Gwollu	7	41.2	0	0.0	7	35.0
Jawia	0	0.0	3	100.0	3	15.0
Total	17	85.0	3	15.0	20	100.0

Source: Field Survey, 2009

Monitoring and evaluation

Monitoring and evaluating activities in the Associations

Every group or association monitors and evaluates activities to find out whether members are on track in order to achieve the set objectives.

Associations' knowledge on growth in savings

Table 18 show that all the Associations said their savings can grow through more savings (35 percent), loans for more service charges and fines (30 percent each). However, one of the Associations added that purchase of goods in the wet season to keep for sale at a higher price during the dry season can also increase savings. The 50 selected members and agents indicated that savings can grow through more service charges, fines and sale of goods in the lean season. Table 18 shows the Associations' views on how savings can grow.

Table 18: Associations' knowledge on growth in savings

Zone	More savings		Service charge		Fines		Sale of goods		Total	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Fielmua	3	42.9	3	50.0	3	50.0	1	100.0	10	50
Gwollu	3	42.9	2	33.3	2	33.3	0	0.0	7	35
Jawia	1	14.2	1	16.7	1	16.7	0	0.0	3	15
Total	7	35.0	6	30.0	6	30.0	1	5.0	20	100

Source: Field Survey, 2009

Monitoring loan repayment in associations

Loans are given out to members from the loan fund for businesses with an interest rate to be repaid at a particular time agreed on by members in the constitution. These loans are therefore, monitored to ensure repayment at the right time (Allen & Staehle, 2007).

Loan repayment rate in the Associations

The data in Table 19 depicts that 19 Associations stated that they monitored loan repayments from the records in their passbooks while one Association said they monitored loan repayment through counting of weeks, they kept proper records of all transactions in the Associations and the repayment rate was high.

Table 19: Monitoring loan repayment in associations

Zone	Records in passbooks		Counting of weeks		Total	
	Frequency	%	Frequency	%	Frequency	%
Fielmua	9	47.4	1	100.0	10	50.0
Gwollu	7	36.8	0	0.0	7	35.0
Jawia	3	15.8	0	0.0	3	15.0
Total	19	95.0	1	5.0	20	100.0

Source: Field Survey, 2009

The study also showed that all the Associations do not have a period for evaluation.

This supports the statement that, “Due to group solidarity, peer pressure and access to further loans being dependent on the repayment of current loan has, however, ensured a high repayment rate among most associations” (Wisniwski, 1999). However, one respondent said some members took more loans than they could manage and that created delay in loan repayment. Table 19 shows how loan repayment is monitored in the Associations.

Perceptions on village savings loans’ support for women

The services offered by the Associations, how they operate and the benefits of their services to members helped the Associations to grow and develop. Therefore, respondents were asked to state how the management practices of village savings and loan Associations support members. The study revealed the perceptions below.

- The practices of village savings and loans associations (VSLAs) create opportunity to save and borrow easily for more profit during the share-out period.
- VSLAs can assist members in case of death, disease or natural disaster and increase household assets.
- VSLAs can reduce marital conflicts due to financial pressure at home.
- The members assist in monitoring loan repayment and funeral performances in Associations.

The above findings collaborate with what Simanowitz and Brody (2004:1) observed that “micro credit is a key strategy in reaching the Millennium

Development Goals and in building global financial systems that meet the needs of the poorest people. The poor just like anyone else need a diverse range of financial instruments to be able to build assets, stabilize consumption and protect themselves against risks”.

Knowledge on VSLAs motivation to women

The Associations are formed with a variety of services to attract members and maintain them. The Study assessed respondents’ views on the benefits that village savings and loans Associations have to motivate members. Below were the responses that the study revealed.

- Members motivate the Management Committee to perform their roles due to group solidarity.
- VSLAs have inculcated savings habit in women within the Associations to meet emergencies and the groups can also serve as guarantors for formal credit.

The impression created by the respondents support the idea that, “microfinance has emerged globally as a leading and effective strategy for poverty reduction with the potential for far-reaching impact in transforming the lives of the poor people” (Hulme and Mosley, 1996, p 134).

Perceptions on VSLAs’ empowerment to women.

Associations are to provide knowledge and skills that will empower

members. Therefore, the study asked for issues in village savings and loan Associations that empower women in the communities and the respondents came out with the perceptions below.

- Members develop leadership skills to move into other fields of development.
- Associations develop social networks for support when the need arises.

The respondents' perceptions on empowerment confirm what (Jellena & Hernandez, 2002) observed that, by providing material capital to poor people, their sense of dignity is strengthened and this can help to empower the people to participate in the economy and society.

Perceptions on sustainability of village savings scheme

Women are to find alternative ways that can ensure sustainability of the Associations when Plan Ghana pulls out. Respondents were made to state how the management practices of village savings and loan Associations ensure sustainability and the statements below were the perceptions that the study revealed.

- The rules guiding their activities can ensure transparency.
- Mobilization of local resource ensures sustainability of the project.

The impression created by the respondents collaborate with what the UN Secretary General Kofi Annan (former) said during the launch of the International Year of Micro-Credit (2005) that, “Sustainable access to

microfinance helps alleviate poverty by generating income, creating jobs, allowing children to go to school, enabling families to obtain health care and empowering people to make the choices that best serve their needs.”

From responses received from the women about their impression of the village savings and loan associations, all of the respondents were very appreciative of the project. Many of them acknowledged the fact that their previous hopeless conditions as far as micro finance is concerned, made them unable to do things that were dear to them. They explained that, before Plan Ghana came with village savings and loan associations, they could not take a better decision that involved money without their husbands. One respondent said, “Before the project came, it was men who decided what illness was serious to be taken to the hospital, what clothes were good for us and our children and when meat should be eaten at home. Now we can provide many of these necessities for ourselves and our children without waiting for the men”.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents a summary of the main findings of the study, draw conclusions from the data analyzed with recommendations to the members, community development coordinators and facilitators, Plan Ghana and policy makers. There are suggestions on areas for future research. The research was conducted to assess how groups are formed for village savings and loans, policies that exist, monitoring and evaluation tools and the perception of people about the project.

Summary

The study indicated that 17 out of the 20 Associations selected were formed by Plan Ghana while 3 were formed as a result of the activities of the Plan Ghana Associations. Their knowledge on the leadership positions and participation in decision making was high. Some of the Associations never linked up their activities with other Associations for new ideas, every member qualified for a loan at ten percent or 15 percent on the principal and the loan repayment rate was high. Fines, purchase of goods during the harvesting period for resale in the lean season, more savings and interest rates from loans increased their savings fund. Although they monitored their activities in the groups, they do not have a period to evaluate their activities and identify how the groups worked, progress

made, short falls and the needed correction to be done. Some associations mentioned that some members take more loans than they can manage and this creates delay in loans prepayments.

The perceptions of people about the management practices revealed that, village savings and loans can support, motivate and empower women. Therefore, the Associations can create a positive change in the lifestyle of women and their children at the community.

Conclusions

In sum, needs for both savings and credit access are most urgent among micro and small rural entrepreneurs, many of whom are women. They require such services to escape from the vicious cycle of low investment–low production–low returns. Informal mechanisms such as the susu and moneylenders sometimes fill the gap, but they have drawbacks.

Recommendations

In view of the findings, the following recommendations have been made to the Associations, Plan Ghana and policy makers.

- Sustainability of the Associations depends on performance of the Executives and members. Therefore, learning by experience, group discussions, “role model” and evaluation of activities at the end of every cycle or share-out to identify their progress and short falls for amendments at the right time and plan for future are the necessary tools for

development in the Associations. The Chairpersons should be able to link-up the Associations to development agencies as mentioned in the study to enhance growth and development.

- Another important issue that came out of the analysis was that the Chairpersons of the Associations should be able to link-up their groups to other NGOs, district Assemblies and the Ministry of Women and Children's Affairs for projects that can increase their income to improve on their savings/share purchase and ensure sustainability.
- Plan Ghana should organize a training programme on village savings and loans modules for the other workers in the organisation, especially, Community Development Coordinator/ Community Facilitators for a better understanding of the activities of the Associations because all of them could not answer the questionnaires on the programme for the survey.
- Most poor people in the rural areas of Ghana are not truly accessible to poverty reduction strategies of the government. Policy makers should therefore develop policies that can help the Government of Ghana to support organisations that are into village savings and loan Associations in the country by providing the working tools for more Associations to be formed. Donors or funding agencies should support the activities of women in the village savings and loans scheme for their growth and development.

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APPENDICES

APPENDIX 1

**QUESTIONNAIRE FOR THE FIELD STAFF AND VILLAGE AGENTS
ON VILLAGE SAVINGS AND LOAN ASSOCIATIONS IN THE TUMU**

**PROGRAM AREA IN THE SISSALA WEST DISTRICT OF THE UPPER
WEST REGION**

Introduction

The main purpose of this questionnaire is to study the management practices of the Village Savings and Loan Associations in the 15 livelihood communities in the Sissala West District.

All information provided will be treated with outmost confidentiality.

Instructions: (i) Tick () where appropriate. (ii) Provide few words or sentences as the case may be. (iii) Do not discuss any of the questions with anybody before you answer them.

Section 1: On leadership, organisation and coordination of the village savings and loan associations

1. Write down the name of a Village Savings and Loan Association in your community?
2. How was the group formed? 1 Self initiated () 2 externally initiated ()
3. How often do they meet? 1 weekly () 2 fortnightly () 3 every four weeks () 4 not at all ()
4. Mention the names of the various leadership positions in the management committee of the association.
5. What are the duties of the Chairperson in your association?
6. Do you think that she performs all the duties expected of her? 1 Yes () 2No ()

7. If yes, what other role do you think that the Chairperson should perform in addition to her current roles to ensure the sustainability of the association?
.....
8. What are the duties of the Record- Keeper in your association?
9. What are the duties of the Box- Keeper?
10. Does she really perform the duties? 1 Yes () 2 No ()
11. What are the duties of the Money Counters?
12. Do they recite the constitution at meetings? 1 Yes () 2 No ()
13. Who takes decisions in the association? 1 Chairperson () 2
Management Committee () 3 The General Assembly ()
14. How many people keep the box keys? 1 2 () 2 3 () 3 1 ()
15. Do they open the box on non-meeting days? 1 Yes () 2 No ()

Section 2: Service delivery

16. Do they pay Social Fund?
17. Do they charge members for lateness? 1 Yes () 2 No ()
18. Do they charge members for talking during meetings? 1 Yes () 2 No ()
19. How can their savings grow?
20. Do they have a daily slot savings? 1 Yes () 2 No ()
21. Who qualifies for a loan?
22. How often do they give out loans to members?
23. What is their service charge?
24. Do they keep proper records in the association? 1 Yes () 2 No ()

25. Do they follow meeting procedures of the VSLA`s? 1 Yes () 2 No ()

Section 3: Monitoring and evaluation

- 26. How do they assess progress/gains or loses?
- 27. How is their financial auditing done?
- 28. Who do they consult when in difficulty?
- 29. How do they acquire loans from the bank?
- 30. What will you say about the interest rate of the bank?
- 31. How do they monitor repayment of loans by beneficiaries to the association?
- 32. Do they have a period for evaluation?
- 33. What are the strengths and weaknesses of the association?
- 34. What are the strengths and weaknesses of the association?
- 35. What are the threats to the sustainability of the association?
- 36. What do you suggest to be done?

Section 4: the general assembly`s perception about management practices of the village savings and loan associations

- 37. How do the management practices of village savings and loan Associations support the women?
- 38. How do the practices of VSLAs motivate members in the Associations?
- 39. How can the Associations empower women?
- 40. How do the practices of VSLAs ensure sustainability of the Associations in the communities?

APPENDIX 2

**QUESTIONNAIRE FOR THE GENERAL ASSEMBLY MEMBERS OF
THE VILLAGE SAVINGS AND LOAN ASSOCIATIONS IN THE TUMU**

**PROGRAM AREA IN THE SISSALA WEST DISTRICT OF THE UPPER
WEST REGION**

Introduction

The main purpose of this questionnaire is to study the management practices of the Village Savings and Loan Associations in the 15 livelihood communities in the Sissala West District.

All information provided will be treated with outmost confidentiality.

Instructions: (i) Tick () where appropriate. (ii) Provide few words or sentences as the case may be. (iii) Do not discuss any of the questions with anybody before you answer them.

Section 1: On leadership, organisation and coordination of the village savings and loan associations

1. What is the name of your association?
2. How was the group formed? Self initiated () 2 externally initiated ()
3. Does the group meet for discussions or plan collectively for change action?
1 Yes () 2 ()
4. How do members participate during discussions? 1 Actively () 2 Passively ()
5. Do you listen to each other's views and give feedback? 1 Yes () 2 No ()
6. Mention the names of the various leadership positions in the Management Committee of the association.
7. What are the duties of the Chairlady in your association?
8. What other role do you think that the Chairlady should perform in addition

to her current roles to ensure the sustainability of the association?

9. What are the duties of the Record- Keeper in your association?
10. What are the duties of the Box- Keeper?
11. What are the duties of the Money Counters?
12. Do you go according to the articles in the constitution? 1 Yes () 2 No ()
13. Do you coordinate your activities with other associations? 1 Yes () 2 No ()
14. Who takes decisions in the association? 1 Chairperson () 2
Management Committee () 3 the General Assembly ()
15. How many people keep the box keys? 1 2 () 2 3 () 3 1 ()
16. Do you open the box on non-meeting days? 1 Yes () 2 No ()

Section 2: Service delivery

17. Do you pay Social Fund?
18. Do you charge members for lateness? 1 Yes () 2 No ()
19. Do you charge members for talking during meetings? 1 Yes () 2 No ()
20. How can your savings grow?
21. Do you have a daily slot savings? 1 Yes () 2 No ()
22. Who qualifies for a loan?
23. How often do you give out loans to members?
24. What is your service charge?
25. Do you keep proper records in the association? 1 Yes () 2 No ()
26. Do you follow meeting procedures of the VSLA`s? 1 Yes () 2 No ()

Section 3: Monitoring and evaluation

- 27. How do you assess progress/gains or losses?
- 28. Who do you consult when in difficulty?
- 29. How do you acquire loans from the bank?
- 30. What will you say about the interest rate of the bank?
- 31. How do you monitor repayment of loans by beneficiaries to the association?
- 32. Do you have a period for monitoring and evaluation?
- 33. What are the strengths of your association?
- 34. What are the weaknesses of your association?
- 35. What are the threats to the sustainability of your association?
- 36. What do you suggest to be done?
- 37. What are your opportunities?

Section 4: The general assembly`s perception about management practices of the village savings and loan associations

- 38. How do the management practices of village savings and loan Associations support the women?
- 39. How do the practices of VSLAs motivate members in the Associations?
- 40. How can the Associations empower women?
- 41. How do the practices of VSLAs ensure sustainability of the Associations in the communities?

APPENDIX 3

QUESTIONNAIRE FOR THE MANAGEMENT COMMITTEE

MEMBERS IN VILLAGE SAVINGS AND LOAN ASSOCIATIONS IN

**THE TUMU PROGRAM AREA IN THE SISSALA WEST DISTRICT OF
THE UPPER WEST REGION**

Introduction

The main purpose of this questionnaire is to study the management practices of the Village Savings and Loan Associations in the 15 livelihood communities in the Sissala West District. All information provided will be treated with outmost confidentiality.

Instructions: (i) Tick () where appropriate. (ii) Provide few words or sentences as the case may be. (iii) Do not discuss any of the questions with anybody before you answer them.

Section 1: on leadership, organisation and coordination of the village savings and loan associations

1. What is the name of your association?
2. How was the group formed? 1 Self initiated () 2 externally initiated ()
3. Does the group meet for discussions or plan collectively for change action?
1 Yes () 2 No ()
4. How do members participate during discussions? 1 Actively () 2 Passively ()
5. Do you listen to each other's views and give feedback? 1 Yes () 2 No ()
6. Mention the names of the various leadership positions of the Management Committee in the association.
7. What are the duties of the Chairlady in your association?

8. What other role do you think that the Chairlady should perform in addition to her current roles to ensure the sustainability of the association?
9. What are the duties of the Record- Keeper in your association?
10. What are the duties of the Box- Keeper?
11. What are the duties of the Money Counters?5
12. Do you recite the constitution in meetings? 1 Yes () 2 No ()
13. Do you coordinate your activities with other associations? 1 Yes () 2 No ()
14. Who takes decisions in the association? 1 Chairlady () 2 Management Committee () 3 the General Assembly ()
15. How many people keep the box keys? 1 2 () 2 3 () 3 1 ()
16. Do you open the box on non-meeting days? 1 Yes () 2 No ()

Section 2: Service delivery

17. Do you pay Social Fund?
18. Why do you pay Social Fund?
19. Do you charge members for lateness? 1 Yes () 2 No ()
20. Do you charge members for talking during meetings? 1 Yes () 2 No ()
21. How can your savings grow?
22. Do you have a daily slot savings? 1 Yes () 2 No ()
23. Who qualifies for a loan?
24. How often do you give out loans to members?
25. What is the service charge?
26. Do you keep proper records in the association? 1 Yes () 2 No ()

27. Do you follow meeting procedures of the VSLA`s? 1 Yes () 2 No ()

Section 3: Monitoring and evaluation

28. How do you assess progress/gains or loses?

29. How is your financial auditing done?

30. Who do you consult when in difficulty?

31. How do you acquire loans from the bank?

32. What will you say about the interest rate of the bank?

33. How do you monitor repayment of loans by beneficiaries to the association?

34. Do you have a period for and evaluation?

35. What are the strengths of the association?

36. What are the weaknesses of the association?

37. What are the threats to the sustainability of the association?

38. What do you suggest to be done?

Section 4: Management committee members` perception about management practices of the village savings and loan associations

39. How do the management practices of village savings and loan Associations support the women?

40. How do the practices of VSLAs motivate members in the Associations?

41. How can the Associations empower women?

42. How do the practices of VSLAs ensure sustainability of the Associations in the communities?

