

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

INSTITUTE OF DISTANCE LEARNING

GROUP LENDING AND ITS SOCIAL EFFECT IN GHANA

A CASE STUDY OF WOMEN'S WORLD BANKING GHANA

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Declaration

I, the undersigned, hereby declare that this dissertation was entirely done by me under the due supervision of Mr. Kwame Adjei Seffah, a lecturer at Distance Learning of the Kwame Nkrumah University of Science and Technology, Kumasi, (KNUST).

To the best of my knowledge, it is the true representation of the outcome of this research study.

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Abstract

Women's World Banking Ghana primarily seeks to demonstrate among others that the poor are bankable and that micro finance is a commercially viable venture, promote small and micro enterprises in the poor urban and rural areas, act as a catalyst for building an institutional framework that enables poor people to better manage their financial lives; and explore new horizons in the banking industry that support poor rural and urban entrepreneurs to develop their enterprises. This study sought to determine the group lending and its effect on the social life with particular focus on their credit availability to SMEs to enable them reduce poverty and improve their social life. It is expected to examine the operation of Women's World Banking Ghana and determine the effect of group lending on Women's World Banking Ghana.

Purposive sampling techniques were used for the study through questionnaires administration.

Analyses were made on the questionnaires and conclusions were drawn from the data collected.

The study also offers findings that most of the clients prefer short term loan to long term loans; clients prefer loans to be disbursed in full payment and not on instalment, group lending has improve social life of clients, the active population are eager to be self- employable, higher female clientele base than male, difficulty in providing cash security as a prerequisite to access loans. In the event the following recommendations were made , that Women's world Banking Ghana should focus more on women in their group lending, should design an incentive for its clients who have good repayment character, to strategically review group loan product to meet the needs of borrowers.

List of Abbreviation

GLSS: Ghana Living Standard Survey

GDP: Ghana Domestic Product

GoG: Government of Ghana

IMF: International Monetary Fund

NGO: Non- Governmental Organization

ROSCAs: Rotating Savings and Credit Associations

ASCAs: Accumulating Savings and Credit Associations

FNGOs: Financial Non-Governmental Organizations

GCCUA: Ghana Co-operative Credit Unions Association

GCSCA: Ghana Co-operative Susu Collectors' Association

ASSFIN: Association of Financial NGOs

MASLOC: Micro Finance and Small Loans Centre

GCC: Ghana Co-operatives Council

GHAMFIN: Ghana Microfinance Institution Network

ARB: Association of Rural Banks

GTZ: Deutsche Gesellschaft für Technische Zusammenarbeit

SPEED: Support Programme for Enterprise Empowerment and Development

DANIDA: Danish International Development Agency

UNDP: United Nations Development Programme

TA: Technical Assistance

WWBG: Women's World Banking Ghana

MFIs: Microfinance Institutions

MFI: Microfinance Institution

NBFIs: Non-Bank Financial Institutions

NBSSI: National Board for Small Scale Industries

ACHD: African Centre for Human Development

HIV / AIDS: Human Immune Virus / Acquired Immune Deficiency Syndrome.

GPRS II: Ghana's Growth and Poverty Reduction Strategy

MiDA: Millennium Development Authority

ADB: Agriculture Development Bank

PSME: Promotion of Small and Micro Enterprises

FF: Funding Facility

SIF: Social Investment Fund

AfDB: African Development Bank

PRP I: Poverty Reduction Project I

UPRP: Urban Poverty Reduction Program

FA: Facilitating Agency

RFSP: Rural Financial Services Project

RCBs: Rural /Commercial Banks

CBRDP: Community Based Rural Development Project

UN: United Nations

MEs: Micro Entrepreneurs

PPSDP: Promoting Private Sector Development Programme

UNDAF: United Nations Development Assistance Framework

PAR: Portfolio at Risk

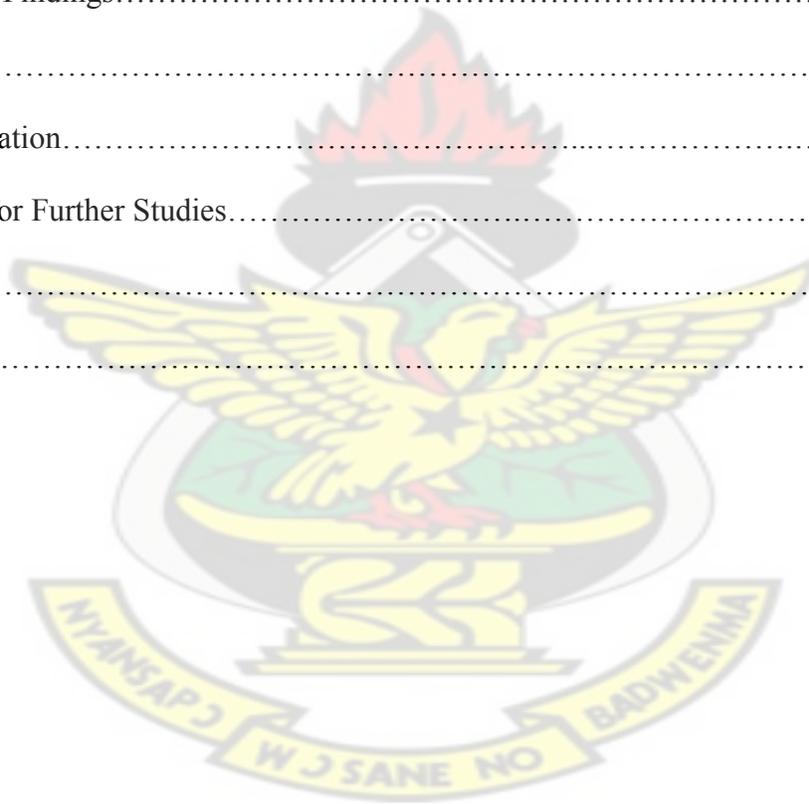
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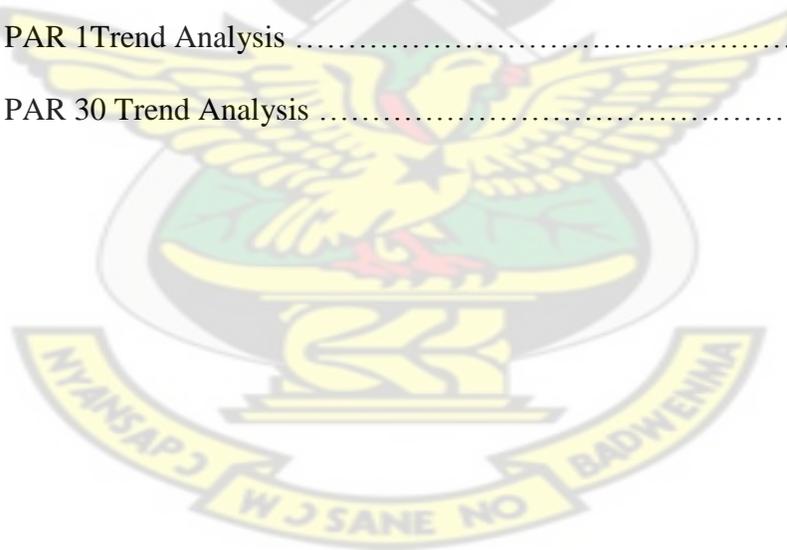
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

“Poverty is pain; it feels like a disease; it attacks a person not only materially but also morally. It eats away one’s dignity and drives one into total despair (Dutch Policy Brief on Poverty Reduction” December, 2001). World Bank defines extreme poverty as living on less than US\$1.25 per day, and moderate poverty as less than \$2.0 a day. The World Bank has estimated that in 2001, 1.1 billion people had consumption levels below\$1 a day and 2.6 billion lived on less than \$2.0 a day. Many believe that credit can play a vital role in reducing poverty. It has been estimated that in 2010, 1.3 billion people had consumption levels below US\$1.35 a day and 2.6 billion lived on less than \$2.5 a day.

The proportion of the developing world's population living in extreme economic poverty has fallen from 28 percent in 1990 to 21 percent in 2001. The new figures from the World Bank therefore confirm concerns that poverty has not been reduced by as much as was hoped,although it certainly has dropped since 1981,(Saunders P.2001). Much of the improvement has occurred in East and South Asia. In Sub-Saharan Africa GDP/capita shrank with the value of oil-exporting countries’ exports of goods and services falling in 2009 by over 40 percent in U.S. dollar terms, their large external surpluses shrank to 4½ percent of GDP compared with an average of 12 percent in 2004–08.Results from the Ghana Living Standard Survey (GLSS 5) indicate declining trends in poverty in more recent years.

The Provisional results of the 2010 Population and Housing Census show that the total population of Ghana is 24,233,431; this was disclosed by the Government Statistician and Head

of the Ghana Statistical Service (GSS). According to Dr. Bediako, the population of males is 11,801,661 and the population of female is 12,421,770 which translate into 48.7 percent for males and 51.3 percent for females. The proportion of Ghanaians described as poor in 2005/06 was 28.5%, compared to 39.5% in 1998/99 while those classified as extremely poor reduced from 26.8% to 18.2% over the same period. Thus the first Millennium Development Goal of halving poverty is most likely to be achieved. This belief is based on the hope that the latent entrepreneurial capacity of the poor would be stimulated with the availability of small-scale loans. Such loans could help the poor to generate income, build viable businesses, mitigate their vulnerability to external shocks, and self-empower, especially women, to become economically, socially and politically active.

The poor, however, lack capital, collateral, steady employment, steady flow of income, difficult to get a guarantor and a verifiable credit history all of which are minimum qualifications to gain access to the formal financial sector. The poor address their financial needs through a variety of informal channels. Credit, for example, might be available from the informal money lenders but usually at a very high interest rate. One channel to deliver financial services to the poor is through microfinance. It is conceived to be an alternative to both formal financial sector, which in most developing countries serve less than 20% of the population (Gallardo, Outtara, Randhawa and Steel, 2003), and informal sources such as money lenders.

Microfinance is the provision of small loans (microcredit) and other financial services to low income clients to help them engage in productive activities or grow their small businesses. Microfinance differs in key concepts from conventional banking in that it employs different collateral substitutes to deliver and recover loans. Such collateral substitutes include group lending, dynamic incentives which allow the loan size to increase over time upon satisfactory

repayment, mandatory savings, and regular repayment schedules. These collateral substitutes are important for both the poor borrowers who usually lack enough collateral and available credit history and for lenders operating in countries with weak law enforcement.

Beginning in the 1950s, many poverty alleviation programmes began to introduce subsidized credit. These programmes were rarely successful. They suffered massive erosion of their capital base due to the high cost of subsidies, the low loan repayment rates, and the diversion of credit from the intended recipients to the hands of the better off (Adams, Graham, and Pischke (1984)). In 1974, professor Muhammad Yunus, founder of Grameen Bank, on a field trip with his students to a poor village in Bangladesh, met a woman who made bamboo stools for sale. Yunus learned that the women after repaying the money lender for the raw bamboos, sometimes at rates as high as 10% a week, was unable to support herself or her family. He also learned that there were many women in the village who suffered from a similar situation. Yunus realized that had these women been able to borrow at some advantageous rates, they would have been able to raise themselves above poverty level. Taking the matter into his own hands, Yunus lent the equivalent of \$ 27 to 42 women from his own pocket. Shortly after that, the women were able to repay the loans and continued to support themselves and their families. This success originated the embryonic idea behind the Grameen Bank and the concept of microfinance. As of July 2005, Grameen Bank disbursed \$ 4.94 billion in loans to 5 million persons, 96 percent were women.

Microfinance emerged in the 1970s as a social innovator providing financial services to the working poor, those who were previously considered as poor repayment risk or “unbankable.” These services include providing small loans (microcredit), saving and insurance with microcredit loans being the most common microfinance product. By December 31, 2004,

3,164 microfinance institutions (MFIs) had reached 92,270,289 clients, 66,614,871 of whom were considered among the poorest (those who were in the bottom half of their country's poverty line or below \$1 a day) when they took their first loan. Of these poorest clients, 83.5 percent were women.

1.2 Problem Statement

The establishment of the various MFIs is as a result of the Financial Sector Reforms and implementation of policies in both urban and rural areas. The Government of Ghana (GoG), and other international financial institutions (IMF, World Bank, ADB, etc) have generally contributed immensely towards reducing poverty and speeding up the developmental process within the Ghanaian economy. This is because they appreciated the need to create an enabling environment for the performance and viability of MFIs including WWBG which was established.

Even though individual loan facility was being granted to clients few could access. The reason being that, this sort of facility requires a lot of securities. This limited the number of customers who could access loans in the bank to improve their business. In view of this the bank brought up a product for group assessment.

Micro-group loans constitute the core business of WWBG. Most loans are small in size, both short and medium terms loans (up to 52 weeks) and are repaid by fortnightly and monthly installments. Usually, they are secured through group guarantees (joint and several guarantee, this is where those in sub group guarantee for each other), cash collateral, individual guarantors with no conventional collateral. This study was to investigate the performance of WWBG and the impact of their operations on the beneficiary community.

1.3 Objectives of the Study

The objectives of this study are divided into two; general objective and specific objectives. The general objective is to understand the role of group lending. By the end of the study researcher would have:

1. Examined the operation of Women's World Banking Ghana?
2. Determined the effect of group lending on WWBG and its clientele?

1.4 Research Questions

Based on the objectives of the study, the specific research questions to which answers were sought are:

1. What is the operation of Women's World Banking Ghana?
2. What is the effect of group lending on WWBG and its clientele?
3. What social effect has it created in customers' life?

1.5 Relevance of the Study

A lot of study has been done in Ghana concerning the assessment of credit since it will;

- i. contribute largely to literature on credit assessment in Ghana, in terms of a solid body of research experience.
- ii. provide statistical data on the subject, thereby filling (partially) a void in literature on the issue.

- iii. has the potential to stimulate, among scholars and students, an interest in the study of social effect of lending.

1.6 Methodology

This is a brief description of the methodological approach for this work (for details, refer to chapter3). The survey type is the design used for this study. An interview and questionnaires were used since they were easy and flexible for the researcher to control the order in which questions are arranged. Again, personal contact increased the likelihood for the respondents to participate fully and provided the needed information. Also some secondary data on credit facilities were selected from some financial reports.

1.7 Scope of the study

The study was for the whole Ghana however for detailed analysis and discussion Women's World Banking Ghana in Accra metropolis was chosen due to limited time and resource for this kind of project. The sample size selected for the study was 130.

1.8 Organization of the Study

The entire study is divided into five (5) chapters. The first chapter gives a general introduction about the study, while the second chapter presents a review of related literature about the subject. The methodology used in the data collection for this work is discussed in chapter three. The fourth chapter analyses, summarizes, and presents the data for the study. The final chapter five makes summary of findings, conclusion and makes recommendation for improvement.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview of Microfinance

There seem to be differing views on what microfinance is all about. As such, various propositions have been put up to emphasise on this concept among them, are the following: Microfinance is the supply of loans, savings and other financial services to the poor (CGAP, 2003). People, especially those living in poverty need financial instruments to run their businesses, build assets, stabilise consumption and shield themselves against risk. Financial services needed by the poor include working capital, consumer credit (loans), savings and pensions, insurance and money transfer; yet the poor rarely access these services through the formal financial sector. Rather, credit is available for the poor, from informal sectors-saving clubs, Rotating Savings and Credit Associations (ROSCAs), “susu” operators and self-help groups (CGAP, 2003). Credit rationing and collateral requirements are primarily responsible for the exclusion of poor borrowers from the credit market.

As shown in the seminal paper by Stieglitz and Weiss (1981), liberalizing interest rates, or using collateral requirements to loosen credit rationing results in adverse selection. By definition the poor have limited supplies of tangible assets. Their likely failure to meet collateral requirements makes the lenders’ job of screening the poor borrowers a difficult mission. One innovation to extend credit to the poor lies in group lending; lending to self-selected groups of entrepreneurs who are jointly liable for a loan. Groups form voluntarily, and, while loans are made to individual in the group, all members of the group are held responsible for loan

repayment by the entire group. Many theoretical papers have quoted group lending's informational and enforcement advantages over individual lending. Since group members are jointly liable for loan repayment, group lending can achieve better screening to dilute adverse selection, and provides group members with incentives to enforce loan repayments (Ghatak and Guinnane, 1999).

Microfinance encompasses the provision of financial services and the management of small amounts of money through a range of products and a system of intermediary functions that are targeted at low income clients. Microfinance refers to provision of small loans and other facilities like savings, insurance, transfer services to poor low-income household and microenterprises. Microcredit also refers to a small loan to a client made by a bank or other institutions. The concept of microfinance is not new in Ghana. Traditionally, people have saved with and taken small loans from individuals and groups within the context of self-help to start businesses or farming ventures. Available evidence also suggests that the first Credit Union in Africa was established in Northern Ghana in 1955 by Canadian Catholic Missionaries. Susu, which is one of the current microfinance methodologies, is thought to have originated in Nigeria and spread to Ghana in the early 1990s.

According to Lapenu and Zeller (2001), a data base obtained from 85 developing countries by Food Consumption and Nutrition Division (FCND) of the International Food Policy Research Institute (IFPRI) shows that microfinance has gone through four (4) distinct phases worldwide of which Ghana is no exception. These stages are described below: Phase One; The provision of subsidized credit by Governments starting in the 1950's when it was assumed that the lack of money was the ultimate hindrance to the elimination of poverty. Phase Two; involved the provision of microcredit mainly through NGOs to the poor in the 1960's and 1970's. During

this period sustainability and financial self - sufficiency were still not considered important. Phase Three: In the 1990's the formalization of Microfinance Institutions (MFIs) began. Phase Four: Since the mid 1990's the commercialization of MFIs has gained importance with the mainstreaming of microfinance and its institutions into the financial sector In Ghana, the term microfinance is understood as a sub-sector of the financial sector, comprising most different financial institutions which use a particular financial method to reach the poor. Microfinance sector in Ghana comprises four (4) various types of institutions and these have been grouped into four (4) categories, namely: • Formal suppliers such as savings and loans companies, rural and community banks, as well as some development and commercial banks; • Semi-formal suppliers such as credit unions, financial non-governmental organizations (FNGOs), and cooperatives; Informal suppliers such as susu collectors and clubs, rotating and accumulating savings and credit associations (ROSCAs and ASCAs), traders, moneylenders and other individuals. • Public sector programmes that have developed financial and nonfinancial services for their clients.

According to the 2010 Population and Housing Census, 80% of the working population is found in the private informal sector. This group is characterized by lack of access to credit, which constrains the development and growth of that sector of the economy. The observation was stressed in the International Monetary Fund Country report on Ghana of 22nd November, 2010 that "weaknesses in the financial sector that restrict financing opportunities for productive private investment are a particular impediment to business expansion in Ghana." Microfinance perceived as a financially sustainable instrument meant to reach significant number of poor people of which most are not able to access financial services because of the lack of strong retailing financial intermediaries. 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 (World Bank- Africa Region, 1999). Microfinance as a sector has the potential to reduce poverty by bringing a significant improvement in the lives of the active poor who are largely women. In Ghana, the clients of microfinance are predominantly women in both rural and urban centers. These women are engaged in activities such as farming, food processing, petty trading, service provision and street vending.

2.1.0 OVER VIEW OF MICROFINANCE IN GHANA

2.1.1 Ghana Co-Operative Credit Unions Association (GCCUA)

The Ghana Co-operative Credit Unions Association (CUA) Ltd was established in 1968 as the apex body of the credit union movement in Ghana. It does not represent the interest of only the movement at the local level but International levels too. The aim of its establishment was to develop itself into a sustainable financial institution and to create an enabling environment for credit unions operations. As a credit union leader, CUA had a responsibility of promoting, educating and training of credit unions. In order to ensure the viability and sustainability of Credit Unions, CUA offers both technical and financial services to its members including education and training, auditing, bookkeeping, computer services, general supervision and Risk Management Insurance Service. CUA has over the last five years received support from the Rural Financial Services Project. These include assistance in building the capacity of its affiliates through numerous training programs, provision of means of transport like motorbikes, a Pickup and a cross country vehicle and Computers, printers and accessories to help in the Data Management of CUA both at the head office and regional levels.

Currently, there are two hundred and sixty two (262) active credit unions in Ghana, with a total membership of over one hundred and sixty thousand (160,000) even though it is believed that its total membership is about two hundred and seven thousand, four hundred and two (207,402). CUA has taken some initiatives such as training center for Credit Unions, Home Banking Scheme (New Product) and Microfinance for the active poor .GCCUA Conducted business plan development training for 100 Credit Unions. Under the linkages collaboration with the Ghana Cooperatives Council, CUA received 5 Economic Cooperatives groups from Ghana Cooperatives Council and is working to convert them into Credit Unions. Organised capacity building workshops for its Board of Directors, managers, bookkeepers, supervisory committee members as well as its primary members. Expanded its education into the rural areas through promotional talks and membership education programs. Brochures and other reading materials to disseminate information to the general public were also done. Field monitoring was undertaken to verify and assist credit unions complete their accounting and auditing and to check whether business plans were being implemented.

2.1.2 Ghana Co-Operative Susu Collectors' Association (GCSCA)

The Ghana Co-operative Susu Collectors' Association, (GCSCA) was established in 1994 as an umbrella organization for all Regional Susu collectors Societies in Ghana. The association was formed to regulate the activities of Susu Collectors and instill practices, which would build clients confidence in their deposits mobilization. The GCSCA is one of the indigenous microfinance institutions with a broad clientele base and a wider environment for funds mobilization. The few years of Microfinance transformation has also led to a massive evolution in the operations of Susu Collection in the microfinance sector. The main services provided by

Susu Collectors are savings mobilization and sometimes the provision of mobile services for individuals and groups in rural and urban areas. Currently, GCSCA has regional offices in all the regions and some districts in the country with a total membership of one thousand three hundred and thirty-five (1,335). The Association mobilized a deposit of GH ¢ 38.5m as at December 2007; GCSCA has widened its network by extending its On-lending program to include formal banks such as the Women's World Banking and the Intercontinental Bank; Training programme in the areas of Risk and Delinquency management has been organized for its members in Upper East and West; Develop an inadequate but manageable system to help collect data from its members for data reporting; Train members of the Association in topics such as financial management, report writing, book keeping and policy formulation; The Association increases its membership base by 45%; Help for the setting-up some regional offices through the provision of office equipments; Disbursed over Gh¢1.02m to its members with financial support from Barclays Bank and Microfinance and small loans Centre.

2.1.3 Performance Comparison of GCSCA To CUA As At October 2007

ASSOCIATION OF FINANCIAL NGOS (ASSFIN): The Association of Financial NGOs was inaugurated in 2005 as an apex organization of all financial organizations in Ghana with the aim of regulating the activities of member institutions as well as advocating for the development of financial NGOs. ASSFIN is accredited as a private voluntary organization in development. It has been registered as an organisation under limited guarantee under Act 179 of the Companies Code of 1963. Currently, the operations of ASSFIN are run by a 7-Member Executive Council at the National level supported by 3-Member Executive Committee at the three Zonal levels. The current membership of ASSFIN is 96 Institutions spread across the length and breadth of the

country. Established three (3) zonal councils and held meetings in various zones to deepen and strengthen members' knowledge and to inform them of progress on ASSFIN activities.

- Assisted eight (8) of its members to secure an amount of GH ₵265,000
- Wrote proposals for funding and held discussions with some financial institutions such as MASLOC, ECOBANK, AMALBANK, WWBG and JBIC
- A number of financial NGOs had their clients trained in the area of Financial Management, Microfinance Operations, Governance and Operation under the RFSP.

2.1.4 Ghana Cooperative Council (GCC)

The Ghana Co-operatives Council is the supra Apex body of all cooperatives in Ghana. It is an independent apex organization that promotes and develops cooperatives and other self-help organizations on a sustainable basis. The Council facilitates an enabling environment and provides quality services for the economic and social well being of its members, non-members and communities. The Council practices and upholds the co-operative principles and values of democracy, co-operation, community development, honesty, transparency and care for its members. Ghana Co-operatives Council was registered in 1957 by the Department of Cooperation as a non-trading, non-governmental organisation. Specifically it was formed to take over the function of cooperative education from the Department of Co-operation. On January 22, 1973, the alliance was reregistered by the Department of Co-operatives as the Ghana.

Co-operatives Council (GCC) as it is known today. It operates in four (4) sectors, these are: Agriculture, Industry, Finance and Service. There are currently thirteen national apex Co-operative Associations that are affiliated to the Council and all national Co-operative

Associations are listed in the council. The Council is run by Board of Directors drawn from the National Associations.

2.1.5 Ghana Microfinance Institution Network (GHAMFIN)

Ghana Microfinance Institution Network (GHAMFIN) is a network with a diverse range of Microfinance practitioners comprising: Savings & Loans Companies, Rural and Community Banks, Credit Unions, FNGOs, Susu (savings) Collectors, and Business Development Service Providers as well as Apex bodies such as the ARB Apex Bank Ltd, Ghana Credit Union Association. The GHAMFIN seeks to promote the growth and development of the microfinance industry in Ghana. The focus has been on building the capacity of microfinance institutions to improve upon their performances, thus, enabling them to provide long-term sustainable and affordable access to financial services to meet the needs of their clients, majority of whom are women living in rural communities. The current GHAMFIN performance is that:

- GHAMFIN has established Resource Centres stocked with documents and publications on microfinance in Ghana and else where.
- GHAMFIN has carried out a series of Sensitization workshops for the Financial NGOs (FNGOs) on the Community Based Rural Development Project (CBRDP) in the Northern and Southern Ghana.
- GHAMFIN has assisted Barclays Bank Ghana to develop a micro banking product.
- GHAMFIN a key stakeholder in the Microfinance Industry initiated the celebrations of the International Year of Micro Credit in Ghana.

2.1.6 ARB APEX BANK

The ARB Apex Bank Ltd. is a mini "Central Bank" for the Rural/ Community Banks (RCBs). The idea of rural banking date back to about three (3) decades in the form of a dialogue between Bank of Ghana and Ministry of Finance about what was called "junior league" of banking institutions to serve the special needs of the rural population. The traditional licensed banking institutions were concentrated at the urban centers hence it became necessary to bring the rural population into the banking system under rules designed to suit their socioeconomic circumstances and the peculiarities of their occupation in farming and craft making. The ARB Apex Bank Ltd. is mainly financed through the Rural Financial Services Project (RFSP). The RFSP is a Government of Ghana project designed to holistically address the operational bottlenecks of the rural financial sector with the aim of broadening and deepening financial intermediation in the rural areas. To date, there are one hundred and twenty five (125) Rural/Community banks with over five hundred (500) branches/agencies in the country. The Rural/ Community Banks under Apex Bank undertake a mix of microfinance and commercial banking activities structured to satisfy the needs of the rural areas. Some of the activities are: provision of banking services by way of funds mobilization and credit to cottage industry operators, farmers, fishermen and regular salary employees, grant credits to customers for the payment of school fees, acquisition/rehabilitation of houses and to meet medical expenses, devote part of their profits to meet social responsibilities such as donations to support education, health, traditional administration and the needy in their respective communities, specific gender programmes focusing on women-in-development and credit-with-education activities for rural women.

2.1.7 Support Programme for Enterprise Empowerment And Development (SPEED)

The Support Programme for Enterprise Empowerment and Development (SPEED) is the continuation of the program for the Promotion of Small and Micro Enterprises (PSME) that started in 1999 with the signing of the first Financing Agreement between the Government of Ghana (GoG) and the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) from Germany. In 2004, Danish International Development Agency (DANIDA) collaborated with GoG and GTZ to support the development of MSMEs. The Technical Assistance (TA) to the microfinance sector provides results/services to support the framework conditions of MSME financing. It will further provide sector support and involve in direct TA support to 20 to 30 financial intermediaries. SPEED will support the credit reference service, set up of a rating service and contribute to quality standards for Service Providers. As part of the sector support and development, it will also carry out or subcontract studies to better understand the demand side of the microfinance market and launch a consumer education and protection initiative.

All these results will be provided in close collaboration with other institutions or are results of already ongoing initiatives. At the end of 2006, the Funding Facility (FF) had €2.5 million of funds placed on a revolving basis. This will be augmented by additional funds of €2.7 million from DANIDA to expand the FF and to finance new product support to MSME-FIs. During the first quarter of 2007 the financial custodial responsibility and management accountability for the fund was passed from the Bank of Ghana to SPEED Company Limited. It is expected that SPEED will expand its services to the central and northern regions of Ghana and concentrate more on the rural areas. Improved outreach assumes that there is a real demand and absorption capacity for development support in these areas. The demand and capacities will be different

between the components and much depends on the institutional landscape in the northern and rural areas For further information about services or comments,

2.1.8 Social Investment Fund (SIF)

The Social Investment Fund (SIF) was established in 2006 through the concerted effort of the Government of Ghana (GoG), the African Development Bank (AfDB) and United Nations Development Programme (UNDP). The primary objective of SIF is to alleviate poverty in Ghana through institutional and capacity building; human development; and targeted pro-poor socio-economic investment in selected areas. It supports small scale enterprises and uses microfinance as a poverty alleviation tool to achieve accelerated growth in the rural areas. The SIF also aims to increase access to basic social services such as education, health care and to bring governance to the doorsteps of Ghanaians.

From 2003 to 2007, SIF under Poverty Reduction Project I (PRP I) disbursed \$2.2m to 32 microfinance institutions for onward lending to about 14,000 clients of which 80% are women who are engaged in income generating activities. SIF has four year (2004-2008) project to implement small-scale demand-driven subproject with the view to improve infrastructure, boost income and raise living standards among rural poor. This project worth forty five million (\$45million) is being sponsored by African Development Bank. Currently the SIF is implementing the GoG's Urban Poverty Reduction Program (UPRP) with the aim of halving poverty by 2015. By this; the SIF is seeking to create an enabling environment for wealth creation for all Ghanaians which will facilitate economic development. By this objective the SIF is involved in building the capacity of microfinance institutions to enable them reach out to the rural poor. In this direction, the SIF was found to share a similar goal with RMFI and so the need

for both projects to find a common area of coordination for better services delivery in the microfinance sub-sector. The Facilitating agency (FA) held a discussion with the SIF Manager on existing and proposed projects, implementation procedures, possible areas of collaboration between SIF and the RMFI component of the RFSP.

The government has commended Social Investment Fund (SIF) for its immense contribution to capacity building and logistical support to Metropolitan, Municipal and District Assemblies to promote poverty reduction in the country. Ofose-Amofo, Minister of Local Government and Rural Development who made the commendation said government viewed SIF as a strategic institution playing key roles towards achieving poverty reduction. This was contained in a speech read on his behalf at a Mid-Term Validation Workshop on Urban Poverty Reduction Project (UPRP) in Accra on Wednesday. The workshop served as a platform to validate the findings of African Development Bank mission and discuss issues of project implementation to ascertain pragmatic measures to be undertaken for speedy execution of the project.

UPRP is a project initiated and executed by SIF as contribution to Ghana's efforts to achieve the Millennium Development Goals that call for a reduction by half of the proportion of poor living on less than dollar a day through urban poverty reduction strategies. The project includes capacity building for pro-poor urban development and management, social capital and investment support, urban small-scale enterprise development, project management and coordination. It is targeted to cover 12 Metropolitan, Municipal, Districts and secondary towns including Accra, Kumasi, Sekondi-Takoradi, Koforidua, Ho, Tema, Agogo, Akim Oda, Agona Swedru, Apam, Kasoa and Wenchi. Ofose-Amofo said the project was one of government's several poverty reduction strategies to accelerate economic growth and improve living standards

in the country. He said poverty reduction efforts should be aimed at making the poor more productive through wealth creation to help them produce enough to meet their needs. The Sector Minister pointed out that the implementation of government's developments projects could only be successful when the assemblies were strengthened to undertake their duties. He urged the participants to bring their expertise and experience on the project to bear on the issues discussed. Dr. Quartey Papafio, Chairman of SIF said more than 1,200 infrastructure projects including 500 classroom blocks, teachers' quarters and health infrastructure had been provided nationwide and about 1,545,477 people had benefited from these projects. He said about GH¢5,700,000 in micro loans and GH¢622,000 in medium term loans had been disbursed to reduce poverty in the country.

Mr. Joseph Acheampong, Acting Executive Director of SIF said the project had achieved a lot in terms of output and attained completion rates. He said the average rate of project output deliverables was 62.93 per cent and total disbursement to date was 47 per cent. SIF was established in 2006 as a joint venture by the Government, United Nations Development Programme and African Development Bank as part of government's effort to reduce poverty by providing direct assistance to the poor on demand-driven basis. (Source: GNA)

The United Nations Development Programme (UNDP) is a United Nations (UN) agency with a mandate to assist developing nations such as Ghana, in their effort towards socio-economic growth and poverty reduction. Over the years the UNDP has partnered with the government of Ghana on many development projects including "Promoting Private Sector Development Programme" (PPSDP) which was a two (2)-year microfinance capacity building intervention aimed at improving the economic and social status of micro entrepreneurs (MEs) particularly women through their enhanced access to requisite financial and non-financial

services resulting from effective and sustainable capacity building of selected Microfinance Institutions (MFIs). UNDP Ghana supports national efforts and capacity building for sustainable human development in line with Ghana's own development strategies.

The UNDP country programme for Ghana which covers the period 2006-2010, is formulated from the United Nations Development Assistance Framework (UNDAF). It responds to the Growth Poverty Reduction Strategy II, and the national development agenda which encompasses the Millennium Development Goals. UNDP Ghana provides policy advice, development services and develops programme or projects that assist the formulation and implementation of national policies. UNDP programmes for Ghana focuses on the following areas: • Consolidation of good governance practices and capacity building • Ensure wealth creation and economic empowerment • Ensure environmental sustainability and vulnerability.

2.1.9 Some Achievements of Microfinance in Ghana

Microfinance in Ghana has made some remarkable strides in the Country especially within the private sector. Among these achievements are as follows: Provision of Working Capital; the introduction of microfinance into the Country has made it possible for operators of small businesses to access credit facilities which hitherto were difficult to access due to difficult modalities by the formal financial institutions. Even though the amount involved are modest not huge, it supports their businesses to some extent. Provision of Employment: Microfinance provides people with capital to start and or expand their businesses. Small businesses with microfinance support have grown into Medium Enterprises creating employment opportunities for others.

Capacity Building: Microfinance projects and programmes have gone a long way in building the capacity of clients in the areas of loan management, customer care, pricing, marketing and selling on credit as well as on social and community issues. Figure1: Mad. Agness Agyei of Boafo Ye Na Women Association. Awaso -W/R Madam Boafo stated that after the death of her husband she was rendered helpless due to lack of capital to start a business venture. But after the training and subsequent receipt of a couple of loans from Upper Amenfi Rural Bank, she now has a 'provision' store and is able take care of all her children by herself.

Community Development: Microfinance has helped some communities to provide certain social amenities like portable water which enhance community development. In specific, chapter 2 uses the data to investigate whether group members improve repayment performance through their group-wise actions of screening, monitoring, contract enforcement, and the use of social ties among each other's. In doing so, we abide with the theoretical work that assumes all group members work together to ensure good repayment performance. In most group lending programs, group members of a borrowing group select a group leader after the group is formed. The data allows us to investigate whether the effectiveness of joint liability, screening and enforcement activities and the use of social ties effects on repayment performance differ across different group members. In particular, chapter 3 analyzes whether the provision of these activities and their effect on repayment performance differ between the group leaders and the rest of the group members.

2.2.0 Financial Habits of the Poor Vis-À-Vis Effect of Microfinance

Poverty is sometimes very difficult to define. Sometimes, using an absolute standard of welfare e.g. amount of income, consumption, life expectancy, housing conditions), one can be

described as poor. As against this absolute measure of poverty, there is also the “relative” measure, which identifies the poor by relating their position to another individual or an international average. Sometimes we identify the poor by certain characteristics. Usually, extreme poor (also sometimes referred to as the “hard-core poor”) are most likely to be underweight, susceptible to illness, illiterates, have higher mortality rates, least likely to own assets (e.g. land) and have severe fluctuations in their employment status. Their immediate challenge is to provide adequate food/nutrition in order to survive. If their income increased, they would spend proportionately more on food than anything else.

According to Freedom from Hunger (2006), over 1.2 billion people have to live on less than \$1 a day. Families in such extreme poverty must go without food they need every day in their lives. It further asserts that a billion malnourished people especially women and children lose their health and lives, their potential for prosperity and their hope for a better future are dashed. Although qualitative indices are very relevant for the poor, they can also give rise to speculative conjectures. Thus in most cases, poverty analysis are based on qualitative expressions using income expenditures. Apart from the more conventional approach based on income expenditures, the amount of calorie in-take and even social indicators viz: security, freedom from harassment and dignity can all indicate poverty levels. From the foregoing, it can be deduced that the woes of the majority poor seem to be compounded perennially as there is an inadequate focus on the national plans of developing economies and many donors on the relevance of this sector (microfinance) to address the identified woes. For the informal sector acts as a buffer against unemployment allowing an increasing number of earn a living (largest employer). Hence, microfinance should be directed much more to the informal sector that is characterised by about 80% poor as an effective tool to assist and empower the majority poor; as

microfinance has been viewed as a critical anti-poverty tool and a wise investment in human capital (Annan, 2002).

With the world resolved to halve poverty by 2015, it's high time to fashion out policies to reach this goal, and Ghana cannot be exclusion in this quest. Researches should be geared into understanding clients' perspectives (economic goals of poor households) so as to improve the outreach, impact, and sustainability of micro finance programmes. Besides, studies should be undertaken on critical relationship between risk facing borrowers and risks to MFI portfolios as well as to find schemes to enable formal sector financial services to be readily accessible to the poor (Sowa, 2002).

2.2.1 Product/Services Offered By MFIs

The relative macroeconomic stability and liberal policies, both at the domestic and global levels, continue to force financial players to move to banking to offer financial services to identified target markets, For most MFIs currently operating in the Ghanaian economy, identified target markets are within the poor inhabitants in the informal sector of the overall Ghanaian economy. Base on the above premise, MFIs have since the promulgation of PNDCL-328 and their respective inceptions, offered diverse products/services to meet and satisfy their customers' diverse financial needs and wants. Fast dynamic and competitive global changes continue to bring more innovative ideals with the products/services mainstream of MFIs. Hence, expanding besides the focus on traditional ones into contemporary ones.

The products/services that MFIs offer to their clients are: savings mobilization, credit (loans) provision, business development training, and contemporary money transfer services. Also, they engage in the assistance in payment of utilities, on behalf of their clients. Specifically,

the following are the core products /services offered by MFIs: Fixed deposit account operating system is based on periods from one, three, six and twelve months; with very attractive and competitive rates. Current accounts attract varied competitive and attractive interest rates.

(a) Savings account: This service/product is offered to persons/businesses under the target group who can access this product by opening an account with a minimum of only GH¢5 .Most MFIs offer fully computerised savings environment with excellent services from trained and experienced human resources base. Also, they make available presentation of client's deposit booklet depicting all withdrawals and deposits transactions made. In the local language term, "susu" stands for savings and these MFIs offer diverse types like Asempa 'susu'(individual account), Obrapa 'susu'(group account), Special "susu", Golden, Individual susu loans, to name just a few. (b) Credit/loan disbursement product/service: Evidence further attested to the fact that most MFIs offer this facility to cash strapped individuals, group and local businesses especially SMEs. The aim of this is to ease the financial burden of the needy at specific interest rates on disbursed credit to clients. Specifically, diverse loan products are offered to meet specific needs and wants such as funeral, housing, car, commercial and educational loans as well as other credits to meet other socio-economic commitments.

Other contemporary financial services that MFIs offer to their clients are the Western Union Money Transfer with added excellent services. Responding to the modern ICT within financial services market, MFIs had introduced innovative strategies to meet this requirement. Termed as the SMS/ Mobile banking, they offer outreach banking services to their clients whose tight human endeavours do not permit them to be at their respective MFIs premises for transactional services. Hence, well trained personnel carry banking services to clients' doorsteps especially at their workplaces.

2.2.2 Characteristics of MFIs

Informal sector (commerce and agro – based activities) diversely operated e.g. shopkeepers, retailers, trained but unemployed youth, subsistent and small holder agric producers, etc. Group lending especially to physically challenged, societal associations, salaried workers, among others. Simple and flexible methodologies on credit (loan) processing and speedy disbursement of short term loans (one month to one year), repeat loan guarantee with collateral base on joint liabilities and guarantee fund(seed money deposited in client account before one can accessed loan from some financial institution). Inculcation of savings habits base on attractive interest rates for fixed and regular deposits mobilization. Operations generally targeted on the poor and vulnerable with women forming 65% of MFIs clientele base. (Source: GHAMFIN- Quarterly bulletin, 2004).

2.2.3 Challenges Faced By MFIs

A micro finance institution is an organisation that provides services such as mobilized savings and credit disbursement to a clientele poor and more vulnerable (CGAP, 2003). Yet, an MFI is beset with drawbacks such as the following: Microfinance in Ghana encounters the following challenges among others: the current strategies for credit delivery by some microfinance institutions are not adequately diversified or efficient as they fail to fully meet the varying demands of the market and different categories of end-users, in most cases the interest rate charged by the microfinance institutions are higher than the formal banking institutions due to the default risk which form part of the interest rate build up. This drives away potential customers and makes microfinance products/services too expensive sometimes, there is lack of

funds to run microfinance sufficiently as the demand for microfinance assistance keeps on increasing.

- MFIs find it very difficult to obtain commercial loans to finance their operations, hence there is inadequate capital for their operations expansion;
- Problems of becoming a financial institution due to stringent regulations and legal frameworks by Bank of Ghana (BoG) in particular, to become an S& L company, the BoG mandatory deposit requirement is ₵15 billion (BoG-NBFIs Performance Review, 2004).
- Problems in finding ready market for the products of clients, thereby making clients encountering difficulties of re-paying accessed loans on time;
- Preparation of feasibility/business plans is too expensive and cumbersome;
- Lack of coordination among MFIs leads to double registration by clients;
- A relative larger chunk of unregulated MFIs are in needed capacity to cope with their work (Nyamador, 2004).

Inferring from the enumerated challenges against MFIs, it would not be far from deducing that recommendations to address them must be focused on all stakeholders of microfinance industry made up of business enterprises, individuals, government and its accredited organisations, donors, among others. The following are proposed:

With regards to capitalisation funding on MFIs operations, the government of Ghana initiative in launching of the Micro Finance Fund and Micro Finance and Small Loans Centre (MASLOC) during September, 2006, is a welcoming policy that would go a long way to tackle this alarming situation. It is even believe that appropriate policy measures to manage this mechanism would be ensured and sustained. Again, issues on legal and regulatory framework in a bid to become and run an NBFi must be reviewed by Bank of Ghana and Ministry of Finance

and Economic Planning so as to become relatively comprehensive and easier for MFIs to comply. There is the need for MFIs to coordinate their operations among themselves so as to enhance effective and efficient management of micro finance services for reaped benefits. Registration of a large chunk of small and medium MFIs should be intensified by GHAMFIN, in collaboration with Bank of Ghana and other financial regulatory bodies so as to bring them to conform to modern international acceptable standards of management in the micro finance industry.

Other stakeholders like NBSSI, Technoserve, Empretec Ghana Foundation and GHAMFIN should liaise with Ministry of Finance and Economic Planning, government, Bank of Ghana; on organising periodic management training courses for practitioners of microfinance so as to upgrade their knowledge and skills in order to compete effectively and efficiently with their counterparts in the formal banking sector. It is envisaged that the implementation of these recommendations would go a long way to address these inherent drawbacks and make the microfinance industry more sustained within the financial services mainstream.

2.2.4 Policy Initiatives by MFIs to Address Poverty in Ghana

MFIs have become a focal point for the offering of micro financial services, as they have more business friendly procedures and methodology in dealing with their respective clientele base. In line with the NBFIs L328 put in place by Bank of Ghana, on behalf of government in 1993, MFIs were mandated to adhere to certain institutional and operational obligations; as they focus on the deliveries of micro savings and loans products/services, mostly relevant to the lower – income population. The implementation of the financial sector policies, coupled with fast,

dynamic and competitive global socio-economic environment had all help to bring to the fore the injection of the overhaul restructuring in the financial market system.

Ghana is an ample manifestation of this developmental trend. In particular, the need to cater for small borrowers and savers on credit and those eager to solicit for other financial services, had led to the set-up of more MFIs with their activities being more formalised under the restructured financial reforms. Over the past years, majority of local NGOs had been providing micro credit delivery services as a by- product of the main socio-economic developmental activities. With increased awareness and demand, micro finance now takes the central stage in many NGOs activities. In Ghana, the leaders in this vibrant and rapidly developing financial sector are Technoserve, Freedom from Hunger, African Centre for Human Development (ACHD), Action Aid, to mention a few.

2.2.5 Case Studies On Selected Local Financial NGOs On Microfinance action Aid Ghana

Action Aid Ghana operates in the Northern and Upper East regions. It has a credit and savings programme for its activities. Savings mobilization started in 1994 long after the credit delivery services. As at that time, 993 loans had been disbursed with a repayment rate of 60%. In 1995 alone, 421 loans were disbursed with a repayment rate of 100% and 1309 loans disbursed in 1996 with a repayment rate of 88%. The loans are given to majority of women with income generating activities ranging from commerce and trade to agricultural processing. Collection agents (“susu” agents) are appointed by the community. The funds are deposited in the nearest financial institution.

From the foregoing discussions, one can deduce that besides focusing on their traditional roles in providing savings mobilization and credit disbursement services to their targeted

clientele, some MFIs have embarked upon other operational policies initiatives. These are meant to impact on the local community in which they operate and for all stakeholders within the microfinance industry to benefit optionally. In particular, the youth, women, and rural population, who are the poorest of poor, deserve much attention so as to enhance their socioeconomic developmental agenda. As microfinance projects are implemented in the overall framework of the societies, the support programmes can only be successful if there is an appropriate microeconomic environment. Local governments should meet the enabling provisions, as available local resources and investments help bring in the development of potentials of the private sector.

These issues are part of the poverty reduction strategies and they belong to regular agenda of the development cooperation among all stakeholders in national building (GPRS 1 and 2, 2003-2005). Literature attests to the fact that some MFIs have expanded their core policies on operations, in line with fast and dynamic changes in the socio-economic global arena to meet more developmental needs of clients and non-clients. Hence, offer the following policy initiatives in reducing poverty in their local community: Effective and efficient management of business: This is enhanced through the provision of entrepreneurial development training for women in particular and their families in diverse vocations such as batik tie & dye making, gari processing, dressmaking, hairdressing, among others. The net effect of this policy direction is the eventual and sustained expansion of clients businesses), with reaped benefits.

Again, improvement in the socio-economic infrastructure of locality such as sponsorship of education of local inhabitants (eg. evidence of Freedom from Hunger credit and educational support scheme) testifies to this developmental stride. The need to organise workshops on health related issues such as HIV/AIDS, malaria, etc to broaden their horizon and take the necessary

preventive measures, cannot be over emphasised. Thus, micro credit has been seen as an effective tool to assist and empower 80% of the poor Ghanaian women (Nyamelor, 2002). Many clients of MFIs attest to the fact that the overall enhanced personal as well as family lifestyles as jobs are created, reaped business (es) returns, income generations, to mention just a few. Besides, the locations of these MFIs within the specific locality of their operations enhance the realisation of the above enumerated personal benefits of clients. In sum, its high time that MFIs and other stakeholders within the microfinance industry realised that improving the productivity and general lifestyles of the poor in the informal sector will contribute immensely to higher growth, more efficient use of resources and accelerated poverty reduction.

2.2.6 Technoserve

Technoserve, since its establishment in 1977 works with micro finance practitioners particularly in the Agric sector. In particular, its objective is to assist rural communities in technical training and management of finances to achieve poverty reduction through increased productivity, incomes and employment creation. The institution's financial intermediation strategy incorporates a number of practices, by focusing on post-harvest activities in order to reduce the risk of loan default. Group farmers receive cash on credit and guarantee it with the harvested produce that is stored for better prices when demand is high. They use group lending with mandatory savings. The loans are obtained from commercial banks with financial collateral from Technoserve which is also secured by the farm produce already in storage. To ensure that all these work well, Technoserve trains on storage, crop and cash management as well as technical support.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter talks about the procedure used in this study. It includes the research design, that is the study population and sample size, sampling technique, research instruments used, data collection procedure and data analysis plan.

3.2 Research Design

Research design is a plan that promotes systematic management of data collection. The researcher needs to state the type of research design employed to answer the research questions that guide the study. The survey type is the design used for this study design. The survey try to make it widely applicable from a sample to a population so that one can identify the attitude or behaviour of the population. It is preferred because of the economy of the design and the rapid collection of data.

3.3 Study Population and Sample Size

Population of the study refers to the complete set of individual units having common observable characteristics in which the researcher is interested while sample is a subset of the population and consists of individuals that form the population.

Kaneshie, Okaishie, Kumasi, Tema, Takoradi, Derby and Circle were selected for the study. A target population of 18 years and above was considered for this study. This was because they

were the age group that could assess loan from financial institutions as Ghana also recognized 18years and above as adults.

3.4 Sampling Technique

Purposive sampling techniques are chosen since it suit the purpose of the study. This is used to select subjects on the population. Researcher needed information from those who access credit facility especially group loans.

3.5 Research Instruments

The survey type is used to design Questionnaire which is not likely to change or fail, it's dependable and has uniform measure without distinct in form, it offers less chance for bias caused by the presence and attitude of the researcher. An interview also is easy and flexible for the researcher to control the order in which questions are arranged. Again, personal contact increased the likelihood for the respondents to participate fully and provided the needed information. Also some secondary data on credit facilities were selected from some financial journals.

3.6 Data Collection Procedure

The questionnaire was distributed in the following manner. Some were sent through the mail to respondents, going to their work place, abodes and vantage points. With those given to respondents at vantage points. The researcher went back and collected the answered questionnaires because the respondents were usually not in their permanent home or place of work. The researcher explained the questions vividly to the respondents after copies of the

questionnaire were given to them. The importance was to help the respondents understand the relevance of the research and provide their independent views on the questionnaire items given them. To have a valid and a reliable data, the researcher ensured that the questionnaires were well formulated which allowed error minimization. The questionnaire had a lot of close-ended questions and some opened ended which respondents were asked to tick the appropriate answer to express their views freely.

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3.7 Data Analysis Plan

On analysis of data, collected data was coded, edited and tabulated (tabular and bar charts) using modern technological system called the Statistical Package for Social Sciences (SPSS). Specifically, qualitative analysis was applied to capture the behavioural attributes of Women's World Banking, Ghana staff in response to the dynamics of the organisational operations. Quantitative analysis was used to appraise the respondent's questionnaire.

3.8 Women's World Banking Ghana

Women's World Banking Ghana is a Savings and Loans Company which mobilizes deposits and provides credit to its clients through customer focused products. During the UN conference on Women in Mexico in 1975 a team from Ghana, led by Esther Ocloo of blessed memory presented a paper on the need for the establishment of a financial institution to support women entrepreneurs in view of the difficulties women often encounter in meeting the demand for collateral by the traditional commercial banks. Based on Ghana's presentation and the support given by other countries Women's World Banking the world over was born.

Ghana's team returned home and gradually rallied other women to start its operation in 1988, initially as an NGO which trained women on how to manage their businesses and on basic business record keeping. The NGO also guaranteed women entrepreneurs to take loans from local banks to support their businesses. A "susu" operation (i.e. thrift deposit mobilization), through which contributors obtained finance for their operations was also introduced. In 1996 the institution became regulated under the Central Bank of Ghana as a deposit taking and loan granting financial Institution. It presently has 48,000 active deposit customers with GHC20 million at end of December 2009. The Institution currently has seven branches, with 5 in Accra, 1 in Kumasi and 1 in Takoradi. In addition there are 6 virtual branches where core mobilization is centered. These are in Dome, Madina, Kosoa, Kaneshie, Ashaiman all in Greater Accra, and Suame in Kumasi.

3.8.0 Mission, Goals and Objectives

3.8.1 Mission Statement

To meet the financial services needs of women and other entrepreneurs in the micro/small business sector, ensure a good working environment that recognises the value of our employees, and provide excellent return on investment to our shareholders.

3.8.2 Core Values

Accountability: Women's World Banking Ghana, accept responsibility for their actions, as individuals and as a team. They meet their commitments, and take business decisions through experience and good judgment.

Leadership: It is an institution with the vision to inspire, the wisdom to act and the **WILL TO LEAD.**

Integrity: The Institution promotes honesty, fairness and transparency in all their relationships by keeping their promises, and insisting on ethical behavior.

Community Interest: The Institution shall be a positive contributing presence in each community they serve.

Excellence: They strive for operational excellence, employ business processes that optimize performance in a manner that satisfies customer demands, improve quality and generate high returns on investment.

3.8.3 WWBG Primary Goal

To alleviate poverty, increase employment and income opportunities through the development and promotion of micro-finance services and products.

“To become a quality and effective world class MFI in providing financial services to the low income entrepreneurs in the following ways: - .

- World class customer service defined around SLAs (Service Level Agreement majorly on speed and accuracy)
- World class processing efficiency defined around shorter process flows, risk free operating environment and customer friendly controls
- World class team work and people management defined around productivity standards, accountability and ‘win win’ culture.
- World class financial contributions defined around cost management ratios and revenue collection efficiencies

- Timely implementation of value adding operational improvement projects (CANI – continuous and never ending improvements).

3.8.4 Objectives of WWBG

WWBG objective hope to accomplish the following objectives:-

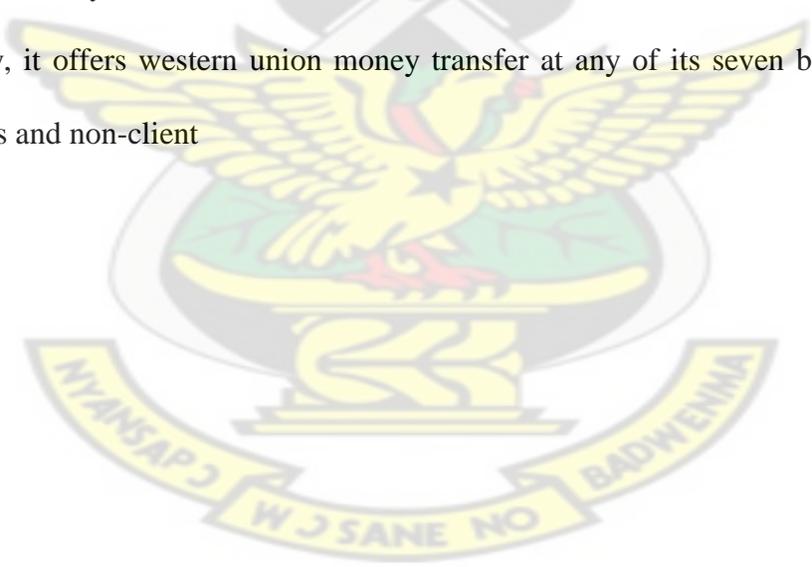
- Demonstrate that the poor are bankable and that micro finance is a commercially viable venture.
- Promote small and micro enterprises in the poor urban and rural areas.
- Act as a catalyst for building an institutional framework that enables poor people to better manage their financial lives.
- Explore new horizons in the banking industry that support poor rural and urban entrepreneurs to develop their enterprises and own property.
- Lastly, facilitate understanding of human rights particularly economic, political and social rights among poor rural and urban entrepreneurs in Ghana.

3.8.5 Target Group

Market women, shop keepers, petty traders, commercial drivers, salaried workers, traditional “susu” collectors, restaurants, hoteliers, individuals and organisations (S.M.E).

3.9 Product/Service Line

- Savings account for its target group, with a minimum of ₵5.00 and a maximum is infinite. This goes with very attractive and competitive interest rates and saving GHc100.00 or more for a month help to protect a family with life insurance for free
- Fixed deposit account issued for one, three, six and twelve months with very attractive and competitive interest rates.
- Operation of current account with flexible methodology; efficient mobile cash collection and cash encashment facilities for customers with tight business schedules.
- Credit facilities for self-employed and joint partnership SMEs under the target group with simplified and timely processing and disbursement of applied loans, collection, direct debit system, school fees and utilities.
- Lastly, it offers western union money transfer at any of its seven branches for both clients and non-client



CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF RESEARCH FINDINGS

4.1 Introduction

This chapter involved a thorough and critical analysis, discussions and presentation of analysed primary data, collected from each respondent through manual and electronic answering. Staff sample size of 100 respondents from Women's World Banking and 130 respondents (clients) also from Women World Banking Ghana. The data is represented by diagrams in bar charts.

4.2 PRESENTATION, DISCUSSIONS AND INTERPRETATION OF FINDINGS - WOMEN'S WORLD BANKING CLIENTELE PERSPECTIVES

Table 4.1: Client Age Analysis

Ages	Frequency	Percent %
18-30	30	23
31- 40	56	43
41-50	26	20
51 and above	18	14
Total	130	100

Source: Field Data, 2011

The above table 4.1 indicates the age distribution of respondents indicates that between 31-40 years, represented 43%, or were aware of group lending and had accessed other product from

Women World Banking Ghana and other financial institutions. Relatively, those in the 18-30 years represent 23%.14% of the respondents' represent the years from 51 and above. The 20% for this adult within 41-50 years patronized its services. From 31-40 years shows that majority of the economically active Ghanaians are eager to be self-employable as 80% of Ghanaian population are in the informal sector and earned relative significant incomes according to the 'statement report on 30/04/2007. Hence, their desire to solicit for various financial services from Women's World Banking Ghana, the rate even represents those already in active employment levels. The 18-30 age range is those who are tried to find affordable jobs to pursue, thus the unemployed youth.

The gender distribution of respondents is presented below.

Table 4.2: Gender of Respondent

Gender	Frequency	Percentage (%)
Male	48	37
Female	82	63
Total	130	100

Source: Field Data, 2011.

Table 4.2 shows that, forty eight (48) representing sixty 37% of the respondents were males while Eighty two (82), that is 63% of the respondents were females. This situation show evidence that the clients of Women's world Banking are more of women. Again, this means that

a lot in this figure are also engaged in several vocational endeavours, which call for more disbursed credit for expansion.

Table 4.3: Have you ever accessed group loan(s) before?

	Frequency	Percentage (%)
Yes	98	75
No	32	25
Total	130	100

Source: Field Data, 2011

According to table 4.4, 75% of respondent (from table 3) admitted having accessed group loans before, compared to 25% that has not accessed credit before. By implications, a greater number of respondents have the desire to be self-employable. The facility will help to expand their businesses, and afford other basic necessities of life and the relative impact of seemingly relaxed collateral requirements for accessed credit facility.

From Figure 4.4 above, sixty (60) respondents representing 46% testified that majority of the respondents accessed more loans in this cycle. Again 40 of the respondents representing 31% also said they had accessed group loans for the third time.

The loan cycle involving 5-6 and above 6 which represent 15% and 8% respectively and it indicates the number of those who access loan reduces when the loan cycle is increasing. The

analysis clearly indicates that the loan cycle between 1-2 gives the greatest percentage and the trend moves downwards as shown in the table 4.4 below

Table 4.4: If yes to Q.3, how many time(s) have you accessed group loans at WWBG

Loan cycle (Number of loans accessed)	Frequency	Percent %
1-2	60	46
3-4	40	31
5-6	20	15
Above 6	10	8
Total	130	100

Source: Field Data, 2011

The reasons are that client after improving their social life and expanding their business opt out from accessing loans. Secondly, it could also mean that due to the increase of interest for loan products; it makes credit expense very expensive.

Table 4.5: If you have the chance again will you access group loan?

	Frequency	Percentage (%)
Yes	90	69
No	40	31
Total	130	100

Source: Field Data, 2011

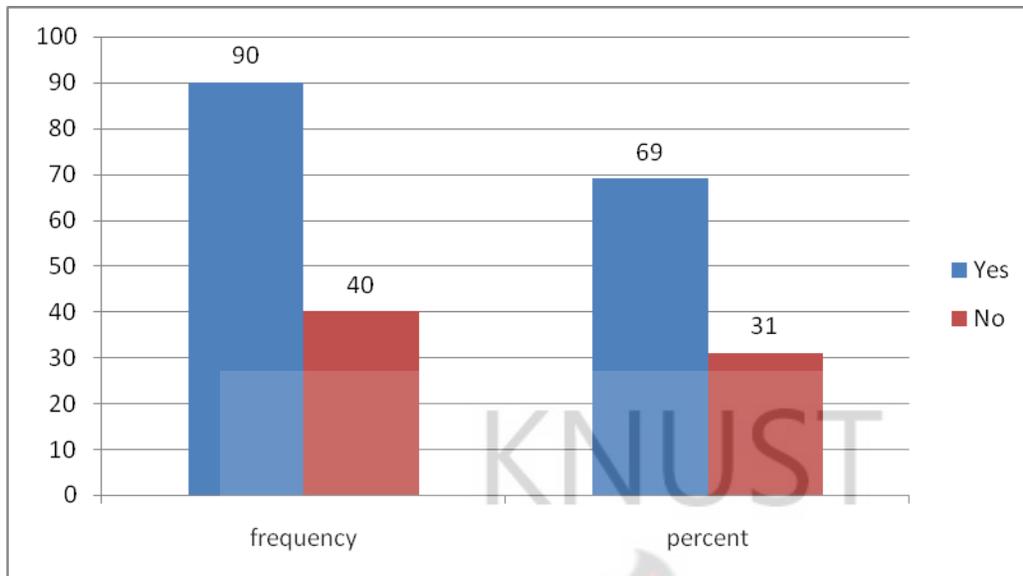


Figure 1

The table 4.5 and figure 1 show that those who said yes to take advantage of another opportunity to access group loan again was ninety (90) representing 69% of the sample population. Those who said no numbered forty (40) representing 31%. The World Bank has estimated that in 2001, 1.1 billion people had consumption levels below \$1 a day and 2.6 billion lived on less than \$2.0 a day

Basing on consumption level by the World Bank as a country it becomes very difficult to have lump sum of money for a business. For an expansion of business credit facility accessing is a major opportunity for client to own their business to enable them meet their daily expenses and improvement in their social life. Furthermore group lending has positive impact on respondents' economic improvement. Most of the clients utilize their loan for business capital and they testify an increase of income. Economic upgrading added with the social benefit from group activities, are major impacts brought about by group lending activities in the community.

Table 4.6: Did you find it difficult to access group loan at WWBG

	Frequency	Percentage (%)
Yes	30	23
No	89	68
Indifferent	11	9
Total	130	100

Source: Field Data, 2011

From table 4.6 most of the clientele of one hundred and thirty (130), eighty nine of respondents representing 68% made it clear that they did not encounter any difficulties when accessing the facility. Also, 30 respondents, representing 23% found it difficult when accessing the group loan. And eleven representing 9% were indifferent.

Table 4.7: How was the credit disbursed to you in WWBG?

	Frequency	Percentage (%)
Full payment	130	100
On Instalment	0	.
As and when necessary	0	-
Total	130	100

Source: Field Data, 2011

Table 4.7 showed 100% of the respondents loan were disbursed in full payment and none on instalment and as and when necessary This evidence of fact indicates that respondents do not access loan on the basis of on instalment and as and when necessary .

Table 4.8: Which of the following financial facilities did WWBG offer you when requested?

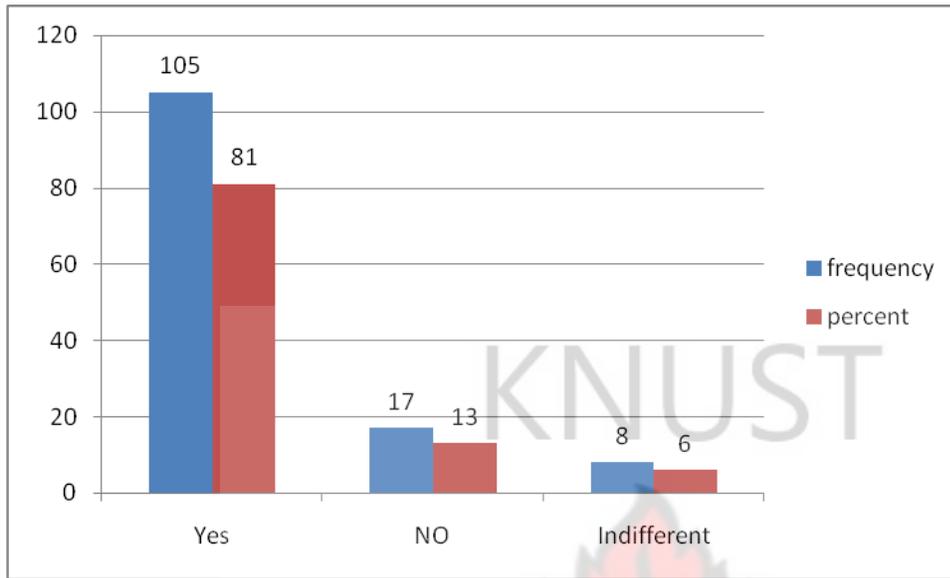
	Frequency	Percentage (%)
Short term loans	110	85
Medium term loans	20	15
Long term loans	-	-
Total	130	100

Source: Field Data, 2011

Table 4.8 showed ranges of periods of loans requested for with 15% clients admitting to being granted medium-term loans, followed by short-term loans with a 85% rate. None went for long-term loans. This trend meant that clients of WWBG prefer more of short term loans, which ranged between 2 – 8 months.

The fact of the matter is that the higher the tenure, the higher the interest on the loan and repayment becomes difficult. So the default rate will rise if major part of the assessment falls under the medium and long term those on m loans in which majority cannot afford. It also meant that the default rate at WWBG is relatively low; hence management offered short term period rated credit to clients.

Figure 2: Has group lending improve your social life?

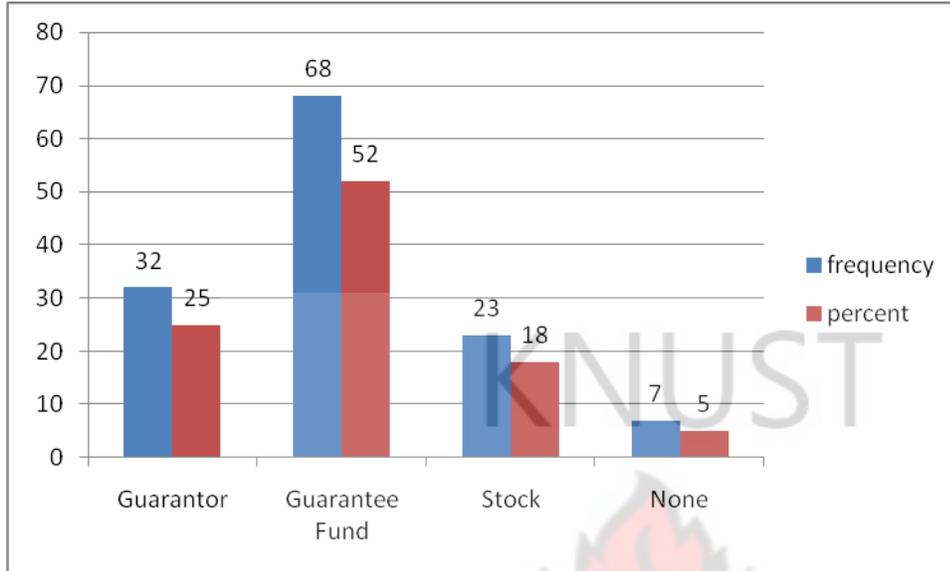


Source: Field Data, 2011

With figure 2 graphical representation one hundred and five (105) representing 81% of the respondents indicated that group loan has assisted them to be able to pay their children fee and attend social gathering without and difficulty, thus their social life has general improve and seventeen representing 13% did not realize any change in their life positively. The last and not the least who were indifferent to the above question representing 6% were indecisive because could not tell whether the loan has improved their social life.

The figure above shows that group lending has positive impact on respondents' economic improvement. Most of the respondents utilize their loan for business capital and it affected their income positively and that is why more respondents come back to access loan as indicated in table 4.5. Economic upgrading added with the social benefit from group activities, are major impacts brought about by group lending activities in the community and Ghana as a whole.

Figure 3: When it comes to security details which one bothers you most?



Source: field Data, 2011

Figure 3 depicts details on securities for loan facility at WWBG. Basing the analysis on the question sixty eight respondents representing 52% said Guarantee fund that need to be kept by the bank while client is paying back the facility to them is not a good practice. According to respondents it reduces the principal amount that had been accessed. Secondly, offering a guarantor for a facility which is the second highest as the graph indicates is a bother to respondents. Thirty two representing 25% falls under that category. Those who are bothered with stock as security and those who are not bothered by any of the securities constitute twenty three and seven respectively, representing 18% and 5% of the hundred percentage mark.

This means that clients are interested in accessing loans from WWBG but are not comfortable with Guarantee fund (GF) as figure two indicates. This shows that the GF of 25% that needs to be saved by any loan accessed does not go down well with clients and management needs to access the policy again.

4.2.0 Presentation, Discussions and Interpretation of Findings from Staff Perspectives of Women's World Banking, Ghana

The study also sought the relevant views in group lending and the effect on the bank which was on the basis of questionnaire to accredited staff. Evidence that is based on the responded issues from sampled data indicated that virtually staff have the same perspectives as seen in the following issues:

4.2.1 Products/Services Offered

The products/services offered by WWBG were credits/loans disbursements to prospective and eligible clients, savings mobilisation deposits, ATM services and insurance policy for any client who has Ghc100.00 and above which must be in the account every month.. These services/products were provided within the rural and urban catchments areas. That, clients' accumulated savings are used for lending, deposited in interest earnings ventures as well as invested in the local communities development programmes of their operations, as part of their respective commitments towards their respective corporate social responsibilities. Women's World Banking over the past years of each respective inception been enjoying steady growth in clientele base. Collected data gave for the past three years shown an average of 8.41% to 17.54% clientele growth rate annually and gave reasons for this trend as: due to the intensity of group lending, higher interest rates on fixed deposit that serve as an incentive for this investment, readily access to credit based on the extent of clients patronage of services offered, and making other financial services readily accessible to clients.

On credit management services, the bank offered speedy and reliable credit disbursements to their clients based on flexible methodological processes. That credits are

disbursed to individual and groups, with relaxed collateral requirements, especially permitting group guarantees. The group loan is given to a group of people. The group must be willing to operate an account with WWBG and make weekly savings for up to 8 Weeks. The individual members must be Ghanaian Identity Card Holders such as passport, voter's card, health insurance card, driver license. The group should have a primary group of 5 members who know each other very well and are willing to guarantee a loan for one another at that level. Willing members are joined together to form a group with a minimum of 15 members and a maximum of 30 members. Microfinance Institutions (MFIs) which WWBG includes opt to give loans to women and their cooperatives because they are trust-worthy in loan repayments compared to men, enabling them to do business better, according to Vision Finance Company.

Bright Batumuliza, the Marketing and Special Projects Manager at Vision Microfinance revealed that with their increasing responsibilities in their families, women have exhibited a culture of trustworthy and diversification of doing multi businesses to raise enough income. Vision Finance Company is MFI, which provides financial and non-financial services to the economically productive poor Rwandans especially women. "Women are trustworthy clients; they know how to use the loans effectively by investing in many businesses. When they are in cooperatives the trust is much stronger that you don't get worried of defaulters," she told Business Times. She also noted that women are attracting MFIs to engage in rural areas, especially in agriculture through provision of group loans, which have indicated gloss loan returns.

4.2.2 Loan Default Rate Surges

The latest data from the Bank of Ghana (BoG) show that loan defaulting rate has increased. The situation could prevent financial intermediaries from lending to individuals, groups and enterprises. According to the Monetary Policy Committee (MPC) of the BoG latest report on the economy, the Non-Performing Loans (NPL) ratio deteriorated from 16.2 percent in December 2009 to 17.6 percent as at December 2010. Most contractors, who executed government projects, are indebted to the banks and this has affected liquidity in the system. According to the banking sector developments report, financial soundness indicators in the banking industry, which is measured in terms of portfolio quality, liquidity and capital adequacy was strong in the last quarter of 2010. All the banks maintained capital adequacy ratios within the prudential limits. Credit conditions survey in January 2011 also showed that access to credit continues to improve. Commercial banks eased credit conditions for both Small and Medium-sized and large enterprises through reductions in margins on average loans and increased size of credit. The survey pointed to an overall improvement in credit conditions for both households and enterprises.

However, it also revealed that credit conditions for mortgages were tightened through additional collateral requirements. Meanwhile, the asset base of the banking system, together with other profitability indicators, improved substantially in 2010 compared to similar indicators at the end of December 2009. Total asset base of the banking system was estimated at GH¢17.4 billion as at the end of December 2010, representing an increase of 23.9 percent over the total asset position recorded in December 2009. Importantly, deposits increased by 31.7 percent to GH¢11.8 billion, which led to an expansion in the assets of commercial banks. (Credit: Charles

Nixon Yeboah /Business Guide). WWBG also experienced default or delayed in repayment but there has been an improvement since the year is concerned. This can be seen with portfolio quality analysis shown below;

4.2.3 Portfolio Quality

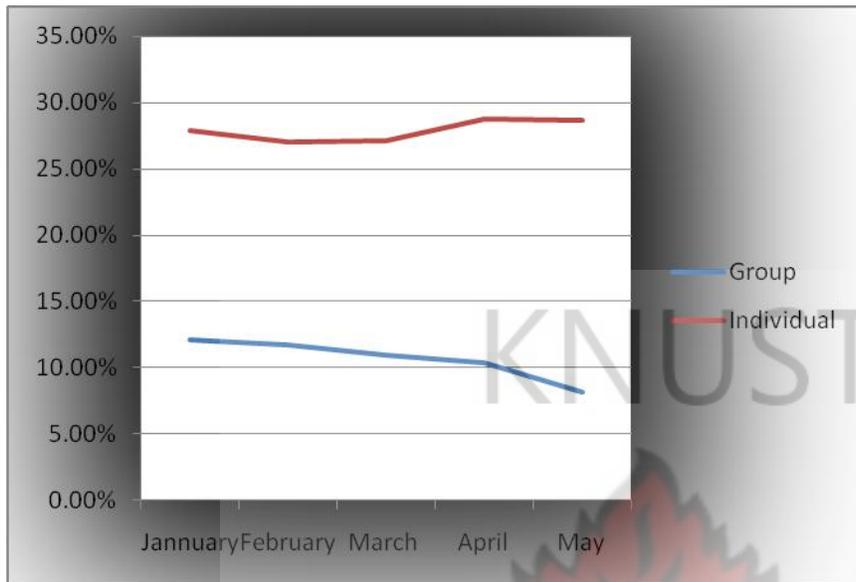
Portfolio risk is the possibility that an investment portfolio may not achieve its objectives. The below tables and figures portrays the trend analysis for Portfolio At Risk(PAR) for 30 Days &PAR 1 Day of Individual and Group Loans of WWBG for the first five months in 2011.

Table 4.9: PAR 1 Trend Analysis

PAR 1 TREND ANALYSIS FOR 5 MONTHS		
MONTH	TYPE OF PRODUCT	
	Group	Individual
January	12.05%	27.84%
February	11.68%	27.04%
March	10.86%	27.12%
April	10.29%	28.71%
May	8.13%	28.62%

Source: WWBG credit report,2011

Figure 3



From the table above, January recorded the highest default for the group loans with a percentage of 12.05% as it PAR. May recorded the lowest at 8.13% PAR. For Individual loans, 28.71% of the loan portfolio was at risk in the month of April which is the highest among the five months. February recorded the lowest with the percentage of 27.04%. The trend for individual Loans is unpredictable. It decreased in the second month from 27.84% to 27.04%, increased to 27.12% in the following, increased further in the next month and decreased marginally in the last month. Group loans reduce in each month since January to May as the table above shows.

Table 4.10: The PAR 30 Days

PAR 30 TREND ANALYSIS FOR 5 MONTHS		
MONTH	TYPE OF PRODUCT	
	Group	Individual
January	1.34%	19.50%
February	1.38%	21.13%
March	2.11%	21.52%
April	2.68%	22.54%
May	2.84%	23.03%

Source: WWBG credit report 2011

Figure 4

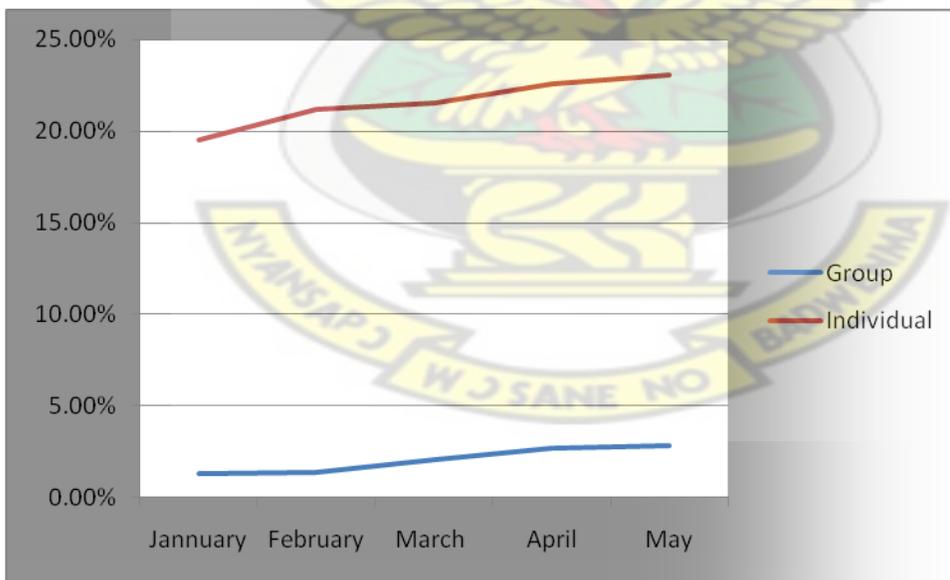


Table 4.10 and Figure 5 above, show the PAR 30 Days for the entire Institution within the first five months in 2011 for Individual and Group loans. In the month of January, Group Loans

recorded 1.34% PAR as against 19.50% PAR of Individual loans. May recorded the highest with percentages of 2.84 and 23.03 for group and individual loans respectively. April recorded the second highest. The figure 5 shows an increasing trend in both the Individual (19.50% to 23.03%) and Group loans (1.34% to 2.84%). With this trend of PAR, the group PAR shows a positive trend when it comes to repayment of loans. The reason being that the portfolio at risk from January of this year to May though it is increasing is as the individual loans.

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CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1.1 Summary Of Findings

The research study was primarily aimed at finding the impact of Women's World Banking in respect of group lending and its effect on people's life. The main findings were that the economically active Ghanaians ranging between 31 -40 years are eager to be self- employable as a result they have high desire to solicit for various financial services. Majority of Women World banking Ghana clientele base are female and are engage in vocational activities. Clients prefer loans to be disbursed in full payment and not on instalment, they have accessed group loan for at least 3 times showing good relationship, they did not encounter any difficulties when accessing the facility at WWBG. Most of the client prefer short term loan to long term loans as they try to avoid high interest rate they also attest that group lending has improved their social life, they sees the 25% cash collateral (Guarantee Fund) which is a prerequisite as a border.

There is higher default rate on individual loans, than the group loans resulting in an increase in non-performing loans (from 16.2% in 2009 to 17.6% in 2010). The portfolio at risk for one day for individual loans had deteriorated, whilst the group loans PAR>1 day show an improvement.

Again, the portfolio at risk for 30 days for individual and group loans from January to May'2011 was 19.50% to 23.05% and 1.34% to 2.84% respectively. These show a down trend for both loans.

5.2 Conclusion

The study had the objective of examining the operation of Women's World Banking Ghana, determining the effect of group lending on clientele and the impact of the group leader's intervention on group loan repayment. A field survey was conducted in which primary data were collected and out of the two facilities group loans come out the best in terms of repayment and is as a result of jointly and severally liable clause. This is confirmed by Ghatak and Guinnane 1999 that group lending has informational and enforcement advantages over individual lending. Since group members are jointly liable for loan repayment, group lending can achieve better screening to dilute adverse selection, and provides group members with incentives to enforce loan repayments.

With the major focus on group lending Women's World Banking Ghana as an institution has realised that group loans product have successful and has improved the company's clientele and returns. In a case where borrowers lack collateral and verifiable credit history, group lending has been mitigated the inherent problems associated with the enforcement of loan contracts. The drawbacks of group loans is that group liability requires taking on responsibility for others in order to access a loan, it may also discourage good clients from borrowing and decrease the size of the client base, jeopardizing both the sustainability and growth of micro credit programmes. Even though Group lending has its own problems, investigation reveal that group members improve repayment through their group-wise actions of screening, monitoring, enforcement, and the use of social ties among each other's. The writer is not implying that such steps are virtually absent in Women's World Banking Ghana and the Ghanaian economy as a whole, for similar efforts are been pursued, so the crux of this pertinent proposition is the supportive institutional

policies needed to enhance Ghana's equal task of achieving the MDGs so as to attain its desperate aim of becoming a middle income status by 2015.

5.3 Recommendation

From the findings of the study conducted the following are recommended for WWBG management which can be used when there is the need for product development and other strategic decisions.

1. The institution should focus more on women in their group lending as they have a relatively lower risk in default compared to men. More detailed information on members must be sought to ensure reduction in default rate if any. The group loan also has a lower portfolio risk compared to individual loans the Bank should not relent in their efforts to form more groups to which it can give loans.
2. The institution should design an incentive for its clients who have good repayment character. An example may be percentage reductions in compulsory savings (Guarantee Fund), which according to the study is a source of worry to majority of the clients. This in the long run translates to good portfolio quality as the clients will have to reciprocate in order to enjoy the incentive being given by the institution.
3. Women's World Banking Ghana should strategically review group loan product to meet the changing needs of borrowers at least every six months.
4. The experience is that people want to stay with the Bank and Women's World Banking Ghana should ensure that the level of customer service is maintained in order to improve the relationship.

5. Management should develop loan products that suit the financial needs of the economically active population who are eager to be self-employed. Also, management should not lose sight of improving the processing time of clients accessing the facility.
6. The institution should develop products that have shorter loan maturity in order to meet the desire of clients.
7. The institution's resources should be centered on enhancing the group loan portfolio as it is proven that such loans are of good quality or has better security in terms of repayments.
8. To improve on the quality of the portfolio, management should ensure that stringent monitoring measures are put in place. That is, the loans should be monitored right from the day of disbursement.

5.4 Suggestion for Further Research

Studies was on the group lending and it's social effect in Ghana, a case study of Women's world Banking Ghana, the researcher wishes to suggest that further studies should be done in this area, but any future studies should be done involving about three MFIs and the sample size of the studies should be large enough to give a true reflection of the problem.

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APPENDIX A

PART A: PERSONAL DATA OF RESPONDENT (CLIENT)

1. Age: (a) 18-30 [] (b) 31-40 [] (c) 41-50 [] (d) 51 and above []
2. Gender: (a) Male [] (b) Female []

PART B: MICROFINANCE ENQUIRES

3. Have you ever accessed loan(s) before?
(a) Yes [] (b) No []
4. If yes to Q.3, how many time(s) have you accessed group loans at WWBG?
(a)1-2 (b)2-3 (c)4-5 (d)above 5
5. If you have the chance again will you access group loan?
(a)yes (b)no
6. Did you find it difficult to access group loan at WWBG?
(a) yes (b)No (c)indifferent
7. How was the credit disbursed to you?
(a) In full payment [] (b) On instalments [] (c) As and when necessary []
8. Which of the following financial facilities did WWBG offer you when requested?
(a) Short-term loans [] (b) Medium-term loans [] (c) Long-term loans []
9. Has group lending improve your social life?
(a) Yes [] (b) No [] (c) Indifferent []
10. When it comes to security details which one bothers you most?
(a) Guarantor (b) Guarantee Fund (c) Stock (d) None

APPENDIX B

PART A: PERSONAL DATA OF RESPONDENT

1. Age: (a) 20-30 [] (b) 31-40 [] (c) 41-50 [] (d) 51 and above []
2. Gender: (a) Male [] (b) Female []
3. Position of respondent in organisation (please specify) -----
4. Educational level:
(a) Masters [] (b) First Degree [] (c) Professional certification [] (d) Diploma []
(e) GCE “O”/ “A” Level [] (f) SSSCE []
(g) Others (please specify) -----

PART B: ORGANISATIONAL STRUCTURE AND GOVERNANCE

5. In which year was your organization established? (Please specify) -----
6. (i) Number of branches (a) 2 [] (b) 3 [] (c) 4 [] (d) 5 and above [] (e) None []
7. What kind of products / services do you offer?
(a) Credit (loan) and Savings [] (b) Business Training / Counseling [] (c) Insurance []
8. What is the catchment’s area(s) of WWBG?
(a) Rural [] (b) Urban [] (c) Rural and Urban []
9. Sources of organizational funding (Mark those that apply).
(a) Return-on-investments / plough back profits [] (b) Funding from NGOs [] (c) Funding from government []
(d) Shareholders fund []
10. Do you have any linkages with other financial related institutions? (e.g. GHAMFIN, ARB Apex Bank, Ghana Cooperative Union Association, etc)
(a) Yes [] (b) No []

PART C: SAVINGS MOBILISATION SERVICES

11. What does the organization do with the accumulated savings of clients? (Mark those that apply)

- (a) Use for lending [] (b) Deposit them in interest earning account []
- (c) Invest in local community development programmes [] (d) Invest in outside communities []

12. How often do your clients make deposits?

- (a) Daily [] (b) Weekly [] (c) Fortnightly [] (d) Monthly []
- (e) Others (please specify) -----

13. Innovative schemes put in place to attract more deposits (Mark those that apply)

- (a) Higher interest rates [] (b) Readily access to credit []
- (c) Making other financial services readily accessible to clients []
- (d) Others (please specify) -----

PART D: CREDIT MANAGEMENT SERVICES

14. Do you provide? (a) Individual loan [] (b) group loan [] (c) both []

15. If yes to Q.17, what is the average size of a group? (Please specify)-----

16. Do you facilitate group formation? (a) Yes [] (b) No []

If yes, please illustrate-----

17. What kind of collateral do you demand from your group loan clients? (Please specify)-----

18. Do you provide loans for (mark those that apply)

- (a) Start ups [] (b) working capitals [] (c) domestic purposes []
- (d) Others (please specify) -----

19. Do your clients default on loan repayment? (a) Yes [] (b) No []

20. If yes to Q.24, what measures have you adopted to reduce credit risk? (Mark those that apply) (a) Collateral to strengthen prompt repayment []

(b) Credit rationing [] (c) Shorter term loans [](d) Lending to certain sectoral economic activities []

(e) Others (please specify) -----

21. Through what means does your organization monitor its disbursed loans? (Mark those that apply) (a) customer arrears reports produced by institution [](b) Performance evaluation on clients []

(c) Advice on business plans [](d) Periodic physical visits to clients businesses []

(e) Others (please specify) -----

22. In your opinion do you see group lending improving people's life?

(a)Yes [] (b) No []

23. Among men and women, which of the two access more group loans ?

a. men [] b. women [] c. none

24. State 2 reasons why WWBG gives more loans to women

