

Effects of the Microfinance and Small Loans Centre on Rural Enterprise Growth among Women Beneficiaries in the Brong-Ahafo Region of Ghana

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Abstract

The study sought to highlight the experiences of women beneficiaries of the Microfinance and Small Loans Centre (MASLOC), with regards to its services and effects on their businesses and lives.

A total of 341 women from 5 districts in the Brong Ahafo Region were selected. Face-to-face interviews were used to collect data. Several relevant statistical tests were used for data analysis. The study reveals that, although the women preferred individual loans, which give more money, the majority received microcredit/group loans due to the lack of collateral security. Politicisation of loans and discrimination also affected women's access to MASLOC loans. The loans that the women received were lower than stipulated by MASLOC and woefully inadequate, coupled with the fewer numbers of times that loans were received, shorter repayment periods and late disbursement caused meaningful and long-time impact on the beneficiaries' businesses. Nevertheless, the study demonstrates that there was expansion of the women's businesses and their ability to provide for the personal and basic needs of their children. MASLOC should consider using guarantors only as requirement for individual loans; commit more resources for its operations in order to perform its role as a pro-poor institution; and use mobile money transfer system for loan retrieval to reduce its overall expenditure.

Keywords

MASLOC, women, microfinance, enterprise growth, poverty

Introduction

Microfinance institutions (MFIs) provide financial services (e.g., savings, loans and insurance) to small and medium enterprises (SMEs). Many microfinance institutions also offer enterprise development services (e.g., business training, marketing and technology services, skills development and sub-sector analysis) and social services (e.g., education, health and nutrition and literacy training). As a strategy to alleviate poverty among the poorest of the poor (Alabi Goski and Ahiawodzi 2007; Watson and Dunford 2006), microfinance institutions' services have become even more significant. This is because they fill a gap in providing financial services to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector due to the lack of collateral security and higher interest rates (International Fund for Agricultural Development [IFAD] 2006; Tenaw and Sumelius 2008).

Microfinance is important because it encourages the development of small and medium Enterprises (SMEs); increases employment, productivity,

income levels, and consumption; strengthens the sense of dignity, socio-economic participation and general well-being of beneficiaries (International Labour Organisation 2011; Jansen et al. 2007; Goski, Josua and Akrobo 2007; Sakbar, Haroon, Javeed and Zaka 2007). The literature also indicates that microfinance institutions' saving facility helps low-income households to properly manage their finances, store funds for future use and to build credit history, which could enable SMEs to acquire capital from financial institutions for investment (Kufuor 2008; Sakbar, Haroon, Javeed and Zaka 2007). The institutions also encourage entrepreneurship (International Labour Organisation 2007), enhances the development of microenterprises and the adaptation of modern technology to improve production, while promoting markets, economic growth and development (Ankomah 2012; Goski, Josua and Akrobo 2007; Nana 2008).

Although women are overrepresented among the poor, who microfinance programmes seem to target, opinions diverge about the benefits of microfinance to women. Some scholars (Mayoux 2008; Watson and Dunford 2006; Vyas 2006) indicate that women share in the benefits of microfinance mentioned earlier, while others think differently. There is evidence that women encounter serious difficulties when accessing finance for start-ups, as well as for the expansion of established enterprises, due to gender-based discrimination emanating from our socio-cultural practices (Appiah 2011; International Labour Organisation 2007; Quisumbing and McClafferty 2006). Another factor affecting women's access to microfinance is the lack of collateral security, which is attributed to women's lower incomes and their lack of access to ownership of property, such as land (Vyas 2006; Watson and Dunford 2006).

It is against this background that this study sought to examine the effects of the Microfinance and Small Loans Centre (MASLOC), a microfinance institution, on rural enterprise growth among women beneficiaries in the Brong-Ahafo Region of Ghana. Studies on this subject, thus far, have been done in a few regions of Ghana including Ashanti, Eastern, Northern, Upper West and Greater Accra. The majority of the studies focused on only one district or municipality. Most importantly, almost all the studies lumped MASLOC beneficiaries together and reported their collective experiences, thus overshadowing individual women's experiences. This study departs from previous studies as it focuses on five districts in the Brong Ahafo region of Ghana as well as on women beneficiaries of the Microfinance and Small Loan Centre (MASLOC) with regards to its services and effects on their businesses and on their lives.

Microfinance and Small Loans Centre (MASLOC)

The Microfinance and Small Loans Centre (MASLOC) is a microfinance apex body responsible for implementing the Government of Ghana's (GoG) microfinance programmes targeted at reducing poverty and creating jobs and wealth (MASLOC, 2008). It was established in 2004 for the purpose of administering microfinance services (MASLOC, 2010; 2011) to economically empower the masses of poor people to reduce poverty and stimulate economic growth (Ayuure 2006). The Microfinance and Small Loans Centre aims to reach Ghanaians in the informal sector who are normally excluded from loans and credit from the mainstream banking sector. It also aims to support the vulnerable (especially women, youth and people with disabilities) in the society (MASLOC 2008; 2011), ages 18-65 years (MASLOC 2008). The Microfinance and Small Loans Centre has established offices in all 10 regional capitals of the country with a head office in Accra as the coordinating and disbursement centre.

The Microfinance and Small Loans Centre offers small or individual loans, micro-credit or group loans and wholesale lending to institutions (e.g., Ghana Cooperative Susu Collectors Association, Ghana Cooperative Credit Union Associations) for onward lending to their members. Under the micro-credit scheme or group loans, the main beneficiaries are groups, each consisting of a minimum of five and a maximum of 25 members. An individual within a group can access a minimum of GHC100 and a maximum of GHC500. The group mechanism (where a whole group is held liable for the repayment of the loan) is applied in this credit scheme to ensure that members pay their loans. The groups are usually held responsible for the loans until every member in the group pays up (MASLOC 2011). Before any group is accepted, they must have elected leaders, laid down internal rules and regulations and they must be registered with a financial institution of their choice. The credit given to any group is disbursed on an individual basis in accordance with the respective amount approved for the individuals (MASLOC 2009).

In the case of small or individual loan schemes, an individual can access a minimum loan of GHC1,000 and a maximum of GHC10,000. However, the beneficiary must provide acceptable collateral security, in addition to a personal guarantor who must be in a position to redeem the loan in case of default. Other requirements are that the individual's applying for the loan must be engaged in an economic venture. They should also have sound knowledge and experience in the management of the chosen project and evidence of payment of statutory taxes and levies (MASLOC 2008). With respect to the wholesale lending scheme, the potential beneficiary organisation must be a recognised entity registered under the laws of Ghana; be committed to poverty alleviation; submit operational manuals, business

plan or proposal; as well as provide current audited or unaudited financial statements (MASLOC 2011).

Through its services, MASLOC has undoubtedly benefited some citizens across the country in diverse ways. In a study conducted in the Northern Region (Savelugu/Nanton District) of Ghana, beneficiaries reported growth of their income and businesses, as well as improvement in their socio-economic participation and general well-being (Fant 2010). In particular, 75% of the 40 beneficiaries noted an increase in their income (Fant 2010). Similarly, a study in the Wa municipality by Quansah, Amankwah and Aikins (2012) revealed that about 85% of MASLOC beneficiaries in the municipality reported increased profit on their businesses. They also noted improvements in family life and children's education, enhanced livelihoods, and improved social lives. Furthermore, 80% of the 60 MASLOC beneficiaries who participated in a study in the New Juaben municipality reported increases in their income (Sarpong 2012) while rural enterprise growth in the Ashanti Akim South district increased to 33% between 2005 and 2011 (Ankomah 2012).

These achievements notwithstanding, MASLOC faces certain challenges. The beneficiaries' perspective of challenges is discussed in this section, but we begin the discussion with one major MASLOC challenge: loan recovery. There is evidence that MASLOC's beneficiaries consider loans as a gift from the government and, hence, some do not repay their loans (Asiama and Osei 2007; Fant 2008; 2010). Other reasons for defaulting include low patronage of beneficiaries' products, low profit margins, the use of loans for purposes other than intended (Quansah et al. 2012), short repayment periods of six months (micro-credit) and 12 months (individual loans) usually monthly payment schedule (Fant 2010), late disbursement of loans, (which affects the loan cycle) and scheduled payments (MASLOC 2010; 2011; 2012; 2013 and 2014). It is noteworthy that the majority of the defaulters are males. Females defaulters are few because studies indicate that by their nature they seem to be more sensitive to debt and do not want to get into conflict with authorities (Fant 2010).

Another issue associated with the scheme is the amount of loan that can be accessed that is a maximum loan size of GHC500 per person in a group and GHC10,000 for individuals for one loan cycle. It is argued that the amount of money and the loan cycle (at least three cycles of loans is an ideal cycle) are not enough to make any meaningful and long-time impact on beneficiaries (Ankomah 2012; Fant 2010). Furthermore, conditions for accessing loans, such as opening a bank account has been reported as problematic for beneficiaries in some of the districts (Sarpong 2012). Inadequate and/or lack of enterprise development services (such as business training, marketing and

technology services, skills development and sub-sector analysis) were also reported as challenges.

From the preceding discussion, there is no doubt that MASLOC is making strides in achieving its goal of economically empowering rural enterprises to reduce poverty among the most vulnerable in society. That notwithstanding, it is also evident that beneficiaries encounter several challenges that need to be addressed for MASLOC to achieve its goal of poverty reduction. Studies on this subject, thus far, have been carried out on a few regions including Ashanti, Eastern, Northern and Upper West. Most importantly, almost all the studies lumped MASLOC beneficiaries together and reported their collective experiences. However, it is evident in the literature that although women are overrepresented among the poor, whom microfinance programmes target, gender-based discrimination and other practices impact their experience with microfinance (Appiah 2011; International Labour Organisations 2007; Vyas 2006; Watson and Dunford 2006; Quisumbing and McClafferty 2006).

Research objectives

The study sought to highlight the experiences of women beneficiaries of Microfinance and Small Loan Centre (MASLOC) with regards to its services and effects on their businesses as well as on their lives. Challenges women beneficiaries encounter and their recommendations to improve MASLOC's services to give women a better experience were also explored.

Materials and Methods

Research design

This is an exploratory quantitative study. Quantitative methodology was used to explore the experiences of female beneficiaries of MASLOC in regards to its services. This design was chosen because there is not much in the literature about how female beneficiaries of MASLOC experience its services. The design will support the use of large data in order to make conclusions about how females benefit from MASLOC's services.

Participants

The study was conducted in five districts of the Brong Ahafo region. Convenient sampling was used to select the districts: Atebubu/Amantin, Sene, Nkoranza South, and Pru West and East. It was convenient because the researchers had access to some of the MASLOC staff in these districts. The staff were contacted for a list of female beneficiaries of MASLOC's services in selected districts. From the list, a simple random sample was used to select the towns and study participants. The women were then contacted by phone to request their participation in the study. Only those who consented were

interviewed. A total of 341 women beneficiaries of MASLOC participated in the study.

Measurement and procedures

A questionnaire which was developed specifically for this study was used to collect data. The questionnaire was divided into three sections: demographic, experiences with MASLOC and recommendation sections. The second section was comprised of questions about the number of times loans were received, the amounts and type of loans received; the conditions for accessing loans, terms and modes of repayment; usage and the impact of the loans; as well as experiences with MASLOC's staff, and challenges encountered in accessing MASLOC's services. The last section was devoted to recommendations to improve MASLOC's services. In total, there were 44 open and close-ended questions. It is noteworthy that the questionnaire was piloted in Yeji (Pru East district) with 20 people. Yeji was selected because it was accessible to the researchers. Feedback from the pilot study was incorporated into the final instrument to improve the reliability of the scale.

Face-to-face interviews, which lasted for about 30 minutes each, were conducted. The researchers administered the interviews. The women were interviewed at places and times convenient to them. Interviews were conducted in English and Twi to allow the women to express themselves in the language they were most comfortable with.

Data analysis

To analyse the data, Statistical Package for Social Sciences (SPSS) software was used. Several statistical analyses were conducted, including descriptive, univariate and bivariate statistical analysis. Specifically, the following statistical analyses were used: frequencies, descriptive, cross-tabulations, Spearman's correlation, Chi-Square Goodness of fit test, Mann-Whitney U test and Kruskal-Wallis test.

Results

Study findings are grouped under three themes: (1) participants' experiences with MASLOC, (2) challenges women beneficiaries of MASLOC encounter, and (3) participants' recommendations to make their businesses more successful.

Women beneficiaries' Experiences with MASLOC

This theme discusses experiences of women beneficiaries (see table 1 for demographic information about the women) of MASLOC with regards to access to MASLOC's loans, kinds of loan facilities they received, period and mode of repayment, usage of the loans and the effects of loans on their small business enterprises as well as on their lives.

Table 1: Demographic information of study participants (N=341)

Age	Mean age 44 years	SD 8.937	Maximum age 61 years	Minimum Age 20 years		
Education	Elementary 139(40.8%)	JSS 102(29.9%)	SHS 39(14%)	Tertiary 5(1.5%)	Technical/ vocational 5(1.5%)	No Education 49(14.5%)
Religion	Christian 222(65.1%)	Muslim 101(29.8%)	Traditional religion 15(4.4%)		Other religion 1(0.3%)	
Marital Status	Married 234(68.6%)	Divorced 35(10.3%)	Single 43(12.6%)	Widowed 18(5.3%)	Co-habiting 4(1.2%)	Separated 7(2.1%)
Children	Yes, 286(83.9%)		No, 52(15.4%)			
Work	Fish mongering 43(12.7%)	Petty trading 141(41.6%)	Farming 3(0.9%)	Cooked foods and drinks 36(10.6%)	Selling yams and cereals 85(24.9%)	Fashion 31(9.1%)
Ethnicity	Bono 73(21.8%)	Ewe 113(33.2%)	Guan 40(11.7%)	Grusi 19(5.6%)	Mole-Dagbon 15(4.4%)	Ga-Adangme 25(7.3%)
	Mande-Busanga 18(5.3%)		Other 4(1.2%)			

- **Access to MASLOC loans**

The majority of the women 242 (71.2%) reported in the negative when they were asked “is this your first time getting a MASLOC loan?” (p=0.000). Among those who said they had previously received MASLOC’s loans, 155(45.5%) indicated they had received loans twice, 70(20.5%) had received loans three times, but only one woman each reported having received loans four (0.3%) and five (0.3%) times. A cross tabulation of previous access to MASLOC’s loans by district of residence was significant $X^2(5, N=339) = 55.844, p=000$. As indicated in table 2 below, the majority of the women (N=146) who had previously received MASLOC loans were from Pru West, followed by Pru East (N=109) and Atebubu/Amantin (N=32) districts. Nkoransa South and Sene districts each reported (N=8) and (N=8) respectively.

- **Types of MASLOC loans Accessed, Repayment and Payment Arrangements**

The type of loans the women accessed were microcredit/group loans, small/individual loans and wholesale and tricycle loans. Regarding the type of loan facility the women liked best, more than half of the participants 160(52.8%) indicated that they liked small/individual loans, 113(37.3%) stated microcredit/group loans, while wholesale and tricycle loans accounted for only 30(9.9%), ($p=0.000$). Reasons for the choice of small individual loans include (1) larger sums of money, (2) convenience, (3) no problems with delayed payment or default by other group members, (4) quick decision making. However, it is interesting to note that almost all the women 318(93.5%) reported having received microcredit/group loans ($p=0.000$), although they preferred small/individual loans. The main reason why they could not access their choice of loan (small/individual loan) was lack of collateral security 339(100%). A few 12(3.5%), however, reported having accessed small/individual loans and tricycle loans 5(1.5%), but none reported having received wholesale lending, which requires that an entity is registered under the laws of Ghana. It is also important to note that a Kruskal-Wallis test showed no significant difference between education and the amount of money the women received [$X^2(5, N=239)=6.054, p=.301$] as well as the work they did and the amount of money received [$X^2(5, N=239)=8.312, p=.140$]. However, the results revealed that the type of loans the women received significantly related to their choice of work ($X^2(10, N=333) = 23.336, p= .010$). For example, over half (58.3%) of the women who were engaged in trading received small/individual loans which gives more money. Spearman correlation test of the age of participants and their work showed non-significant results ($\rho=.028, p=.675$). The interest rates charged on the individual and groups were reported as only 2%.

The loan repayment period reported in this study was six months (100%, $N=339$). With regards to mode of repayment, monthly payment arrangements recorded the highest 277(83.4%), followed by weekly payment 52(15.7%). Only three people (0.9%) reported bi-weekly payments. When asked whether they had ever defaulted in loan payments, the majority 293(85%) reported that they had not but a few 40(12%) said they had and this finding was significant ($p=000$). Further analysis using Chi-Square test indicated that neither education nor ethnicity contributed to higher loan repayments but religion $X^2(1, N=293), 16.900, p=.020$. Using loan money to pay children's school fees (37.5%) was cited as the main cause of default, followed by unfavorable market conditions (35.0%) and paying hospital bills (27.5%). Find below, in table 3, a summary of MASLOC's loan services and procedures.

Table 3: Summary of MASLOC Loan Services and Procedures

Type of Loans	Microcredit/group loan 318(93.5%)	Small/individual loans 12(3.5%)	Wholesale lending 5(1.5%)	Tricycle loan 0.0%
Terms of payment	Mostly monthly 277(83.4%)	But Weekly as well 52(15.7%).	Bi-weekly is minimal, 3(0.9%)	
Repayment period	Mostly 6 months; 100%, N=339			
Interest rate charged	Two percent (2%); 100%, N=341			
Loan requirement 100%, N=341	<i>Be 18-65 year</i>	<i>Have a national ID card and have a passport picture</i>	<i>Have an account with any bank</i> <i>Have savings with any bank</i>	<i>Must be a good standing member of a group</i>

Table 4 below gives information about participants' levels of satisfaction with MASLOC's services and procedures. Participants said they were satisfied or very satisfied with MASLOC's interest rate (95.9%), technical support (83.3%), terms of payment (76%) and credit officers (94.1%). The only thing they were not happy with was the amount they received as loans (66.3%).

Table 4: Satisfaction with MASLOC services and procedures (%) (N=341, p=0.00)

MASLOC Services	Satisfaction Levels				N
	Very Dissatisfied	Dissatisfied	Satisfied	Very Satisfied	
Amount of Loan	8.8%	57.5.0%	17.5%	13.2%	341
Interest Rate	0.6%	0.3%	30.8%	65.1%	341
Terms of payments		34.0%	76.0%	2.9%	341
Technical Assistance	3.5%	10%	69.8%	13.5%	341
MASLOC loan Officers	0.3%	1.8%	71%		341

- **How MASLOC’s loans were used**

Not surprisingly, MASLOC’s female beneficiaries in the five districts were engaged mostly in petty trading 141(41.6%), fish mongering 43(12.7%), selling cooked foods and drinks 36(10.6%), selling yam and cereals 85(24.9%) fashion 31(9.1%) which were all traditional female jobs. The cross tabulation in table 5 shows the distribution of trading activities over the districts. It is noteworthy that Pru West led in the majority of trades (farming, selling cooked foods and drinks and fashion). Pru East dominated fish mongering and petty trading and Pru West in the sale of yam and cereals. A Kruskal-Wallis test showed significant difference in the amount of money the women received for the different types of work that they did $X^2(5, N=239)=8.312, p=.140$.

Table 5: Participants’ trade by district (%) (N=339, Districts=5, p=0.00)

District	Trade						Total
	Fishmongering	Petty trading	Farming	Cooked foods and drinks	Yam and cereals	Fashion	
Pru East	29%	66.4%	0%	0%	4.7%	0%	107
Pru West	4.1%	28.8%	2.1%	11.6%	36.3%	17.1%	146
Atebubu/ Amantin	0.0%	39.4%	0%	21.2%	24.2%	15.2%	33
Nkoransa South	0.0%	33.3%	0%	33.3%	33.3%	0%	9
Sene	12.2%	42.6%	1.0%	10.2%	24.1%	9.9%	8

- **Impact/Effects of MASLOC loans on Business and Family**

When asked whether a MASLOC loan had helped their business, everyone who answered the question said “yes” 324(99.4%), except one person (there were 16 missing cases). With regards to the extent of the effect of MASLOC loans on their businesses, 306(91.9%) said “very much” while a few 26(7.8%) said “not much” ($p=000$), one person (0.3%) indicated “don’t know.” The majority of the women 324(99.4%) indicated that they used the loans to expand their businesses. Similarly, in response to the question “tell me how much MASLOC’s loan impacts/improves your life and that of your family?” Almost everyone 306(89.9%) said “very much” but a few 26(7.9%) said “not much.” The impact of MASLOC’s loans on participants and their families is shown in table 7 below. The majority of the participants indicated that they

had more money 234(70.1%), more dignity and respect in the community 237(71%), could provide for their children 245(73.4) and the extended family 182(60.95) as well as make other family contributions 111(37.1%).

Table 6: Impact/Effects of MASLOC loans on the participants and their families (%)

Impact statements	Yes	No	Total	N
I have more money	70.1%	29.35%	100%	334
I have more dignity and respect	71%	29%	100%	334
I can now provide for my children	73.4%	26.6%	100%	334
I can now provide for my extended family	60.9%	39.1%	100%	299
I can now make other family contributions	37.1%	62.9%	100%	299

Challenges female masloc beneficiaries encounter

- **Access to MASLOC loans**

Although the majority 179(52.5%) of the participants indicated “yes,” when asked to indicate whether accessing MASLOC loans was an easy process, another huge number 121(35%, missing system values) of the participants were silent on the question (this could be due to the wording of the question) while 41(18.5%) of the participants said “no.”

- **Relationships with MASLOC credit officers**

More than three quarters of the participants 274(83.4%) indicated that MASLOC’s officials, who were mostly men, discriminated against them. However, they could not identify the sources of discrimination and how it manifested.

Challenge	Percentages (%) and N size (308)
Difficulty in accessing loans	138(45%)
Inadequate staff and logistics	56(18.5%)
Politicisation of loans and retrieval	34(11%)
Inadequate loans	46(15%)
Inadequate technical support	9(3%)
Loan delays	25(8%)

Participants' Recommendations

Table 8: What should MASLOC do about the following? (%)

ITEM	RECOMMENDED ACTION BY MASLOC			
Access to loans	Relax age requirement 102(32.3%)	Depoliticize services 38(12%)	Flexibility and faster services 176(55.7%)	
Conduct of Staff	More human relationship training 47(14.4%)	Regular visits to the districts 16(4.9%)	Satisfied 264(80.7%)	
Amount of loan	Increase the amount of loan 341(100%)			
Interest rate	Maintain interest rates 341(100%)			
Loan retrieval	Longer repayment period 30(9.3%)	Use of mobile money transfer system 16(5.0%)	Improve it 252(78%)	Satisfied 25(7.7%)
Terms of payment	Increase repayment period 187(57.5%)	Increase to one year 97(29.8%)	Satisfied 41(12.6%)	

Table 8 presents participants recommendations in regards to MASLOC's loan facilities and staff conduct. With regards to access to loans, over half of the participants 176(55.7%) said the process should be made more flexible and faster, age requirement to loan access should be relaxed 102(32.3%) and access to loans should be depoliticised 38(12%). The age requirement review is important since a Spearman correlation test of the age of participants and their work showed non-significant results ($\rho=.028$, $p=.675$). All the participants 341(100%) said that the interest rates should be maintained but they wanted the amount of loan money they received to be raised. Although, the majority 252(78%) of the study participants suggested the need to improve MASLOC's loan retrieval, there were variations about ways to do it. While some 30(9.3%) suggested longer repayment period others 30(5.0%) recommended the use of mobile money transfer system. On the other hand, some participants 25(7.7%) indicated that they were satisfied with the existing loan retrieval measures. While over half 187(57.5) of the study participants indicated the need to increase the repayment period to about a year

97(29.8%), others 41(12%) maintained that they were satisfied with the existing arrangement.

The majority of study participants 264(80%) were content with the conduct of MASLOC's staff. Yet, some 47(14.4%) recommended more human relationship training and regular visits to the districts 16(4.9%). Participants were also asked specific questions about how MASLOC could improve its operations. See the results in table 9 below.

Table 9: Participants recommendations (%)

Question	Options					Goodness of Fit Test
What do you recommend MASLOC should do to help your business be more successful?	Giver more money 176(54.2%)	Give loans on time 30(9.2%)	Technical support 119(36.6%)			$\chi^2[(2,325) = 99.57, p=0.000]$
What else do you think MASLOC can do make their clients/customers more successful?	More money 79(24.4%)	Give loans on time 132(40.7%)	Technical Support 39(12%)	Follow-up visits 58(17.9%)	Maintain interest rates 16(4.9%)	$\chi^2[(4,324) = 120.537, p=0.000]$
What other suggestions do you have for MASLOC to be a more effective organisation?	Longer repayment period 30(9.3%)	Use of mobile money transfer system 16(5.0%)	Improve it 252(78%)			

Discussion

The study discovers both positive and negative experiences of women beneficiaries with MASLOC's services as well as participants' recommendations to improve MASLOC's services and their SMEs. This study, just like others (Ankomah 2012; Fant 2010; Quansah, Amankwah and Aikins 2012; Sarpong 2012), points out the importance of microfinance in the

development and expansion of SMEs. However, it is noteworthy that the women were mostly engaged in traditional gender related jobs including petty trading, fish mongering, selling cooked foods and drinks, selling yam and cereals and fashion. Pru East dominates in fish mongering but this is not surprising due to the location of the Volta Lake. Pru West is known for yam and cereal production hence its lead in the sales of yam and cereal was also expected.

The study also demonstrates significant improvement in the lives of women beneficiaries of MASLOC by providing for their basic needs and those of their children as well as the extended family. Their consumption, socio-economic participation and general well-being as well as self-worth and dignity were also strengthened as evident in other studies (International Labour Organisation 2007; Jansen et al. 2007; Goski, Josua and Akrobo 2007; Sakbar, Haroon, Javeed and Zaka 2007; Quansah, Amankwah and Aikins 2012; Fant 2010; Ankomah 2012).

Regarding the types of loan the women received, the study reveals that the majority received microcredit/group loans [average amount reported was GHC 782.47, SD=244.811, minimum (GHC 250) and maximum (GHC 2,300)]. The amount is woefully lower than stipulated by MASLOC (maximum loan size of GHC1,000 per person in a group and GHC10,000 for individuals). This finding is consistent with other studies which indicate that the loan amount MASLOC's beneficiaries receive is not enough to make meaningful and long-time impact (Ankomah 2012; Fant 2010). It is therefore not surprising that the participants reported that they were dissatisfied only with the amount of loan received when asked to indicate how satisfied or not they were with MASLOC's services. Consequently, the women significantly recommended an increase in the amount of loans they receive.

It is interesting to note that, although the beneficiaries indicated that they preferred individual loans than group loans because this loan facility gives more money and also significantly relates to the kinds of work the women could do, lack of collateral security is cited as a barrier to accessing that facility; validating other studies (Vyas 2006; Watson and Dunford 2006). Other challenges identified in this study include short repayment period of 6 months payment schedule (Fant 2010) and late disbursement of loans which is noted to affect loan cycles and scheduled payments (MASLOC 2010; 2011; 2012; 2013; 2014). It is also noteworthy that, although the women indicated that they were satisfied or very satisfied with MASLOC's credit officers, some of them recommended more human relationship training for the officers on account that some MASLOC's staff were quick temperament and did not have patience for beneficiaries. Could it be due to the caseload they handle in addition to limited logistics for completing their tasks in a timely manner?

It is noteworthy that significantly more women did not default in loan payments, supporting literature that more men default in loan repayments than women, because women by their nature seem to be more sensitive to

debt and do not want to get in conflict with authorities (Fant 2010). This study further found that neither education nor ethnicity contributed to non-loan default but religion. Consistent with other studies, those MASLOC beneficiaries who defaulted in payment did so due to low patronage of beneficiaries' products and use of loans for purposes other than intended (Quansah et al. 2012). This study discovered two main unintended purposes for defaulting loan payment: payment of children's school fees which validates Akoto-Sampong (2011) and paying hospital bills. It is important to note that Akoto-Sarpong could not clarify whether female or male beneficiaries used their loans to pay their children's school fees. This finding is important given that the women have an average of three children $SD(1.29)$.

Recommendations and Conclusion

The findings from this study cannot be generalised as the experiences of female beneficiaries of MASLOC in the 5 selected districts, in particular, and the Brong Ahafo region as a whole. This is due to the sampling procedure used (non-probability sampling). The convenient sample also limits comparisons between districts. Another study limitation is the non-inclusive of male beneficiaries to enable comparison of the different experiences. These limitations notwithstanding, the study highlights key and unique experiences of female MASLOC beneficiaries, which could be useful and helpful to developing measures that could facilitate the growth of SMEs of female MASLOC beneficiaries. Recommendations are categorised under those for MASLOC and social work practice.

- **Recommendations for MASLOC**

The findings from this study cannot be generalised as the experiences of female beneficiaries of MASLOC in the 5 selected districts, in particular, and the Brong Ahafo region as a whole. This is due to the sampling procedure

Services and procedures of MASLOC could be improved. In line with participants' suggestions for access to loans, age requirement for loan eligibility could be extended over 65 years since age does not seem to correlate to the work the women did. Most of the work that participants engaged in is less labour-intensive and, hence age could be a minimal issue in relation to the requirement of having access to money that could provide a source of livelihood for the elderly, so that they do not have to depend on family and/or government support. Family support is noted to have drastically declined in recent times due to nuclear family dominance and urbanisation (Dako-Gyeke, 2014) and government support does not seem to cover citizens above 65 years who are extremely poor.

Another way to increase women's access to loans is to depoliticise MASLOC's loans; which this and other studies (Asiama and Osei 2007; Fant 2008; 2010) identify as a barrier to the access and recovery of loans. At the time of the study, about a quarter of the study participants did not have loans and stated that they were either waiting for a response from MASLOC's officials about their applications and/or simply did not get the loans.

Measures to help raise loan amounts to levels that could positively impact beneficiaries' SMEs are recommended. This recommendation is in relation to the average loan amount reported in this study (GHC 782.47, SD=244.811) minimum GHC250 and maximum GHC 2300). The minimum amount (GHC250) is 2 times lower than MASLOCs' stipulated maximum loan (GHC 500) for individual members in a group, while the maximum amount (GHC 2300) is about 4 times lower than the maximum amount for small loans (GHC10, 000). Also, the average loan (GHC 782.47) is much lower than the minimum an individual can receive from a small/individual loan (GHC1,000). Consistent with the literature (Ankomah 2012; Fant 2010) the amount is not enough to make any meaningful and long-time impact on beneficiaries. And, since the majority of participants (93.5%) received microcredit loans and only 3.5% received small individual loans (which the majority of participants indicated they preferred) other measures, instead of collateral security could be used as a requirement for this loan facility. Collateral security is identified as a major constraint to women's access to credit (Vyas 2006; Naami and Naami 2017; Watson and Dunford 2006). Could MASLOC consider using guarantors only as eligibility requirement for individual loans? Could MASLOC conduct a thorough assessment of the women the institution works with, in order to identify those who have entrepreneurial potential that could be maximised through business, marketing and other technical training to prepare them for small/individual loans? The assessment should be based more on business/entrepreneurial potential rather than academic status, as the former neither affect the type of loan nor the amount received in this study.

In addition, there is a need for MASLOC to commit more resources (human and logistics) for its operations in order to perform its role as a pro-poor institution. Shorter repayment periods (mostly 6 months) and late disbursement of loans, which are noted to affect loan cycle and scheduled payments (Fant 2010; MASLOC 2010; 2011; 2012; 2013; 2014) were attributed to inadequate MASLOC staff and delay of loan disbursements. Inadequate staff and logistics seem to also affect regular follow-up visits to the beneficiaries as well as loan retrieval, which could be a factor in non-payment of loans. Currently, the only mode of loan repayment is the physical presence of MASLOC staff in the catchment areas. Consequently, the use of mobile money transfer system for loan retrieval is suggested. This could help cut down on the already constrained MASLOC resources and travel expenses for collecting payment. Another suggestion is for MASLOC to employ people in

the remote areas, where mobile money transfer is a challenge, to collect payments as scheduled and transfer the money via the nearest money transfer centres to MASLOC's offices.

- **Recommendations for Social Work Practice**

This study and others (Fant 2010) suggests that not many women default on their loan payments, because women by their nature seem to be more sensitive to debt and do not want to get in conflict with the authorities. Reasons cited for loan repayment default in this study include paying children's school fees and hospital bills, which are basic necessities. Social workers could compile resources in the study area, which could benefit the women and their children not only in relation to their health and children's education but their overall well-being as well. The list of resources could be distributed to women's groups in the area and MASLOC officials for onward distribution to the women. For example, what are the organisations operating in the study area? What services do they provide (educational resources/services? Medical services/support)? Where are they located? How could they be contacted? What are the eligibility criteria? All of this information could be beneficial for the women. Additionally, capacity building workshops could be conducted to create more awareness about these resources and how they could be accessed. This form of empowerment could help the women to access available resources to better their lives.

It is evident from this study that MASLOC's services have brought some improvement to the SMEs of women beneficiaries as well as in their overall lives. MASLOC services have also strengthened the socio-economic participation and general well-being as well as self-worth and dignity of these women. These benefits could be improved and sustained to help get rural women, noted to be the poorest of the poor, out of poverty. For this to be feasible, MASLOC should commit more resources (human, logistical, and more loans) for its operations. It is equally important for MASLOC to use effective and efficient loan retrieval measures to avoid nonpayment of loans. This could in turn increase the pool of resources for MASLOC to better perform its role as a pro-poor institution.

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