

FACULTY OF INTEGRATED DEVELOPMENT STUDIES

PROVISION OF CREDIT FACILITIES BY RURAL BANKS AND ITS
CONTRIBUTION TO SECONDARY EDUCATION IN GHANA: A CASE OF
EJISU-JUABEN MUNICIPALITY

BOAKYE KWADWO ALEXANDER

(UDS/MDS/0281/13)



APRIL, 2017

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A Dissertation submitted to the Faculty of Integrated Development Studies,
University for Development Studies, in partial fulfillments of the requirements for the
award of a Master of Philosophy in Development Studies

APRIL 2017

DECLARATION

CANDIDATE DECLARATION

I Boakye Kwadwo Alexander declares that this thesis, with the exception of quotations and references contained in published works which have all been identified and acknowledged is entirely my own original work and it has not been submitted, either in part or whole, for another degree elsewhere.

SIGNATURE..... DATE.....

SUPERVISOR'S DECLARATION

I hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on the supervision of thesis laid down by the University for Development Studies.

SUPERVISOR'S NAME:

SIGNATURE.....

DATE.....



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ABSTRACT

This study investigated the provision of credit facilities by the Rural Banks and its contribution to Secondary Education in Ghana using Ejisu-Juaben Municipality as a case study. Thirty-six participants comprising of 5 respondents from the 3 rural banks constituting 15 respondents, and 3 respondents from each of the 7 senior high schools selected which also constituted 21 respondents consisted the sample size. A descriptive survey design was used with interview guide and questionnaires as instruments for data collection. Questionnaires were given to the rural bank operators to seek their views on whether the rural banks have been providing credit facilities to support the senior high schools in their catchment areas. The results indicated that the rural banks have provided adequate credit facilities to the senior high schools. The headmasters in the various senior high schools were also given questionnaires on the impact of these credit facilities towards development in their schools. The results indicated that there has been an impact of the credit facilities towards the development of the school. A relationship between the level of credit facilities provided by the rural banks and the level of impact created towards developmental change in the rural senior high schools was also ascertained. The results indicated a weak direct positive insignificant relationship between the rural banks level of credit facilities and the senior high schools level of developmental change, $r(36) = .274$, $p > 0.05$, two-tailed. It was therefore recommended that the other financial institutions apart from the rural banks should emulate from the rural bank's support for the senior high schools and do same particularly in the northern sector where school feeding grants normally delays.



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INTRODUCTION

1.0 Overview

This chapter provides an introduction to the study. It includes the background to the study, statement of the problem, purpose of the study, significance of the study, research questions and organization of the study.

1.1 Background to the Study

According to United Nations Development Planning (UNDP) 2009 Report, rural populations in Africa are expected to increase by 147 million and will keep rising until 2040. The Report further indicated that by 2050, Africa is expected to have 0.8 billion rural inhabitants while rural inhabitants in the developed world would be reduced as a consequence of urbanization and therefore required to cope differently from Africa. Also according to the UNDP (2009) Africa Rural Population Report, the demand for education in many rural settlements with its attendant problems in education is fuelled by the poverty of the region and poor educational management. Atkins (2003) maintained rural as the combination elements of geographical and social structures.

In geographical structure, Atkins (2003) described rural as ‘small scale, small schools, small villages, small churches, small communities isolated from services and amenities (also safer by dislocation from urban settings), a product of agriculture and its environmental activities, infrastructure, management and governance of local services e.g., Local and community banks as well as Limited employment opportunities.





Looking at the social construct, www.udsspace.uds.edu.gh Atkins (2003) considered rural as a ‘strong community feeling which is friendlier than urban communities, tighter knit with anthropological issues of kinship and traditional values which are slower and less pressurized way of life.’ Deducing from Atkin’s (2003) definition of rural to that of Ghana, there is a similarity where human settlement and infrastructure occupy only a small share of the landscape, natural environment dominated by pasture, forests, mountains and savannah, settlement of few persons, availability of land at a relatively low cost, scarcity of education and seen as a luxury, absence of basic infrastructure like good roads, electricity, portable water, hospitals and among others.

Financial institutions in most countries operate in a heavily regulated environment. Regulatory structures differ in each country, but typically involve prudential regulation as well as consumer protection and market stability. Some countries have one consolidated agency that regulates all financial institutions while others have separate agencies for different types of institutions such as banks, insurance companies and brokers (Siklos & Pierre 2001).

A financial institution is an institution that provides financial services for its clients or members. One of the most important financial services provided by a financial institution is acting as a financial intermediary. Most financial institutions are regulated by the government.(Robert-Wright & Vincenzo, 2012).Banks act as payment agents by conducting checking or current accounts for customers, paying cheques drawn by customers on the bank, and collecting cheques deposited to customers' current accounts. Banks also enable customer payments and other payment methods such as Automated Clearing House (ACH), Wire transfers or telegraphic transfer, EFTPOS, and automated teller machine (ATM) (Batiz-Lazo,2009).



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The financial system of Ghana is no different from that of other developing countries of which includes both the formal and the informal sectors. The formal financial sector includes the banking and non-banking institutions that are distinct from the informal sector which is made up of various shades of rotating credit systems and moneylenders.

The banking institutions includes Bank of Ghana (BoG), Commercial Banks, Development Banks, Merchant Banks and Rural and Community Banks whereas the non-banking institutions also constitute the stock exchange, discount houses, insurance companies, venture capital funding companies, pension fund and home finance companies. Informal credit arrangements in Ghana include Rotating Savings and Credit Associations (ROSCAs), money lenders, thrift groups, cooperatives, commission agents, friends, relatives and other non-institutionalized savings arrangements (or trusts) scattered throughout the country (Khambata 1996)

Rural Banks were first established in Ghana in 1976 to provide banking services to the rural population, providing credit to small-scale farmers and businesses and supporting development projects, with the first being in Agona Nyakrom in Central Region which was locally owned and managed. It was speculated that by 2002, 115 rural banks would have been established in Ghana to be supervised by the clearing bank, ARB Apex Bank, under the regulation of the Bank of Ghana which owns shares in the banks (Ghana, *handbook of commerce and industry*, Ministry of Trade (Ghana) 1988).

Currently, there are over 135 rural banks in the 10 regions of Ghana. The importance of Rural Banks as providers of financial services to ensure growth in a predominantly agro-based economy cannot therefore be over-emphasised.



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The Banks undertake a mix of micro finance and commercial banking activities structured to satisfy the need of rural communities. They provide banking services by way of funds mobilization and credit to cottage industry operators, farmers, fishermen and regular salaried employees. They also grant credits to customers for the payment of school fees, acquisition and rehabilitation of houses and to meet medical expenses.

Some of the Banks have subsidiary companies engaged in consumer credit and other developmental activities. Rural Banks devote part of their profits to meet social developmental activities such as donations to support education, health, traditional administration and the needy in their respective communities. Some of the Banks have specific gender programmes focusing on women-in-development and credit-with-education activities for rural women.

Rural Banks are, therefore, the main vehicle for financial intermediation, capital formation and retention of rural dwellers in the rural areas.

The idea of rural banking emanated during the economic reform, when the focus of the government was shifted to rural financing to find lasting solution to problems which resulted in the need to embark on pragmatic rural policy to increase rural income by enabling the poor to invest in agricultural and non-agricultural productive ventures.

The Bank of Ghana having studied the existing banking system in 1970 recommended the establishment of rural banks to channel credit to productive rural ventures and promote rural development. Rural development is a strategy intended to improve the economic and social life of the rural poor (World Bank, 1975), including educational needs of the people of which secondary education forms an integral part. Rural credit



has been used in Ghana to enable the poor to weather shocks without selling the productive assets they need for protection against future shocks (FAO, 1994). Access to rural credit increases the participation of rural people in developmental activities such as the establishment of new secondary and other educational institutions to foster growth and development.

Education is important in the development plans of rural communities. Such planning involves an interaction with other specific factors directed toward a common objective - to decrease the marginalization of these communities and to avoid movement of the population toward urban areas in search of better living conditions. In most countries, this results in the creation of belts of poverty around urban centers. Moreover, in many of the countries of the region, rural areas are populated with native peoples who, in general, are deprived of essential services, including education (Macedo, Katzkowicz, & Adriazola, 2003). All of the above indicates that rural areas lack equal opportunities and are examples of the great inequalities that persist in our region. We ask ourselves, therefore: how is it possible to serve adolescents and young people in rural areas? It is essential that these adolescents and young people be provided with the same opportunities as their more privileged counterparts in urban areas. We should at the same time recognize that in urban areas inequalities exist and are reproduced in education services. This is a function of the social and economic class to which students belong, and is a situation that also needs to be reversed. We need to seek more adequate strategies in order to achieve quality secondary education for all. Secondary education in rural areas needs to effectively contribute to improving the living conditions of rural families. It needs to participate, as a part of the education system, in efforts to reverse the complex structural etiology of rural migrations, making it possible for rural men and women to remain and to develop in their own



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settings, but without predetermining that they do so. Any proposal for rural secondary education must, in our judgment, provide for a nationally-valid learning experience while at the same time being highly contextualized to conditions found in rural areas.

The educational system in Ghana is also not left with doubt of inconsistencies. The educational system has undergone several reforms. According to Casely-Hayford (2000) cited in Keteku (2005), there have been three major educational reforms, that is 1961, 1967, 1987 and there have been several review of the educational system, notably those in 1966, 1974, 1993 and 2002. He further elaborated that the focus of these new educational reforms was to ensure that the students who graduate from the system could read, write and have requisite technical and other skills to either enter the universities, colleges of education or polytechnics.

In 2002, Ghana underwent a new educational reform; one major responsibility given to the committee chaired by Professor Jophus Anamuah-Mensah was to review the entire educational system in the country with the view to making it responsive to current challenges (Ministry of Education, 2004). This reform invariably led to changes in the teaching syllabi of subjects both at the Basic level of education and the Senior High School (SHS) level as well.

It is indeed that all these reforms were made to ensure quality education of which secondary education is inclusive. Even though most of the Senior High Schools are found in urban areas but majority of them are also in the rural areas of which the Government can barely provide enough assistance towards their growth and development and for that reason many of these rural secondary educational institutions are still under developed. Cooperate bodies, such as the financial institution (Rural Banks) are being sought to offer assistance to these rural high



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 schools through the provision of credit facilities, infrastructural development, scholarship schemes as well as other social amenities to raise the standard of these rural schools which are ridiculed as ‘mushroom schools’ (Akossey, 2015)

Over the years, Rural Banks have increased in Ghana and most of them are currently in good form. Some of these outstanding banks include Asante Akyem Rural Bank (Asante Akyem Central), Odotobiri Rural Bank (Amansie Central) and Juaben Rural Bank (Ejisu-Juaben), all in the Ashanti Region of Ghana, (Ohene, 2003), but the question is, are these Rural Development Banks really contributing their quota immensely towards the development of the Senior High Schools within their catchment areas? There is therefore the need of the rural financial institutions to come to the aid of these Senior High Schools.

1.2 Statement of the Problem

Over 66% of Ghana’s population lives in rural settlement of less than 5000 people. In such areas there are limited educational facilities for Secondary Educational Institutions and school dropout rate remain high at about 20% for boys and 30% for girls at primary school level. At Junior high school level, these rates remain 15% for boys and 30% for girls in 1998 which extends to the Senior High level (FAO 1994). Economically these people engage in agriculture and other small scale activities in which they are expected to make good returns out of their occupation and live better lifestyle while contributing greatly to socio-economic development of Ghana. Yet, their standard of living is very low. A major problem facing these Rural Secondary Educational Institutions has been inadequate access to institutional credit facilities due to the remoteness of such areas from the financial market. There are large differences in schooling access in rural and urban areas of Ghana with rural areas on the whole having significantly lower levels of educational access. Demand and supply-side

factors interact to produce these differentials. Daramola (1998) described the inequities in the quality of educational provision between urban and rural schools in Ghana. They recorded the ‘dramatic difference between the opportunities of the children in rural settings compared to those in urban and peri-urban settings. These differences could be found in most aspects of schools including buildings, curriculum, furniture, toilets, textbooks, management, quality and motivation of teachers, parental wealth and education. There was significant emphasis on the need for teacher support and supervision in rural areas. Many of these differences appear to perpetuate today. The 2004 Educational Management and Information System (EMIS) report shows that rural schools have weak indicators of quality, for example, the least number of qualified teachers, the highest pupil-teacher-ratios and the lowest gender parity rates.

Rural development banking is a strategy intended to provide credit facilities to the rural poor (World Bank, 1975), including educational needs of the people of which secondary education forms an integral part. But the problem is, are these rural banks providing enough credit facilities to support educational needs of these rural communities in their catchment areas?

It is of this view that the study sought to find out about the provision of credit facilities by the Rural Banks and its contribution on Secondary Education in Ghana with reference to Ejisu-Juaben Municipality.



1.3 Research Questions

The following research questions guided the study.

1. How adequate has the Rural Banks provided credit facilities to support rural secondary education?
2. What impact has the provision of credit facilities by the Rural Banks created in the Senior High Schools?
3. What is the relationship between the level of credit facilities provided by the rural banks and the level of impact created towards developmental change in the rural senior high schools?
4. What are the challenges of the rural banks in providing credit facilities to support rural senior high schools' development?

1.4 Main Objective

The main objective of this study is to investigate the provision of credit facilities by Rural Banks and its contribution to Secondary Education in Ghana using Ejisu-Juaben Municipality as a case study.

1.5 Specific Objectives

The specific objectives of the study are:

1. To assess how adequate the Rural Banks have provided credit facilities to support rural secondary education.
2. To determine the contribution of credit facilities by the Rural Banks on Senior High Schools.



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3. To analyze the relationship between the level of credit facilities provided by the rural banks and the level of contribution to developmental change in the rural senior high schools.
4. To identify the challenges of the rural banks in providing credit facilities to support rural senior high schools' development.

1.6 Significance of the Study

It is hoped that the results of the research would provide vivid information on the provision of credit facilities by rural banks and its impacts on secondary education in Ghana using Ejisu-Juaben Municipality as a case study. Finally, the study would add new knowledge to economics education as well as serving as a reference for other research works to be based on.



1.7 Scope of the Study

The study covered three Rural Banks in the Ejisu-Juaben Municipality which are the Juaben Rural Bank, YaaAsantewaa Rural Bank and the African Trust Bank. The study also covered seven Senior High Schools which are Juaben Senior High School, Bonwire Senior High School, Ejisuman Senior High School, Ejisu Secondary Technical School, Achina Senior High School, Kwamo Technical School and Church of Christ Senior High School. These Rural Banks and the Senior High Schools were chosen as a result of its closeness to the researcher in terms of data collection.

1.8 Organization of the Study

The study is systematically organized in five different chapters consisting the following:

Chapter 1 known as the introduction includes the background of the study, statement of the problem, purpose of the study, research questions, hypothesis, significance of the study, delimitations, limitations and finally, organization of the study. Chapter 2 tackles the review of the related literature on the study. Chapter 3 involves the methodology which comprises of the research design, population and sampling, research instruments, data collection procedure and data analysis plan. Chapter 4 consists of results and discussion, while chapter 5 consists of the summary, conclusion and recommendation.



LITERATURE REVIEW

2.0 Overview

This section of the study seeks to find out what others have written about the subject matter. The section primarily deals with what other authors have done in regard to this subject matter. The section covers the financial system in Ghana, forms of finance, government credit programmes, the need for rural credit, rural banking, rural bank operations, the impact of rural banking on economic development, the rural financial intermediation challenge, restructuring and institutional strengthening measures, rural banks and community development, education system in Ghana, institutional framework, challenges of rural secondary education, characteristics of rural secondary education (a related study in Latin America) and corporate social responsibilities of rural banks.

2.1 The Financial System in Ghana

Finance is the engine for growth. It is indeed the backbone of the economic system. The financial system is the vessel that transforms the economic system. In most developing countries, the economies are characterized by dual systems running parallel – monetized and non-monetized; formal and informal systems. One kind of the dualism refers to the formal financial system with the banks and other formal financial intermediaries as distinct from the informal system made up mostly of various shades of rotating credit systems and money lenders. The poor usually operate in the non-monetized system and/or the informal financial system (Sowa, 2003).

Gibson and Tsakalotos (1994), explained that the benefits accruable from a healthy and developed financial system relate to savings mobilization and efficient financial





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intermediation roles. The inherent efficiencies, which are expected of a financial sector, are hardly made manifest in a tightly controlled financial system. So in a repressed financial system where policies governing the system are the preserve of the government, very few instances exist of highly successful and viable financial institutions which achieved their successes under such repressive environments.

The financial sector of Ghana is made up of the formal and informal sectors. The formal financial sector includes Bank of Ghana, development banks, commercial banks, merchant banks, insurance companies, discount houses, leasing company's savings and loans associations, credit unions and a stock exchange as well as several rural banks that are widely dispersed throughout the country. The informal financial sector involves collection and redistribution of financial savings among voluntary contributors (usually small scale entrepreneurs). The informal financial sector includes private money lenders, credit associations, trusts, friends and relatives. (Steel(2006) as cited in Aryeetey (2008).

Ghana's financial system has undergone significant changes over the years. Aryeetey and Gockel (1991) identified that the financial system has gone through considerable crises since 1975 or earlier and it is not clear whether the problem has been solved following the reforms that began in 1985. The period saw Ghana recording low or negative real growth in the economy generally and the financial sector appears to have accompanied it in this downward trend. During the period, savings did not grow and the ability of the financial institutions to turn low-yield assets into higher yielding assets was severely compromised by a number of factors, including repressive government financial policies. By 1987 Gross Domestic Savings (GDS) was only 7.8% of Gross Domestic Product (GDP), although it had been as high as 13.5% in 1970.

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In the pre-liberalization era, interest rates were controlled and monitored not by the market but by the Bank of Ghana and a variety of controls were also imposed on the asset allocations of the banks such as sectorial credit directives. Low rate of financial innovation and poor quality of service throughout the financial sectors were also identified with the era (Honohan & Beck 2007).

Financial sector reforms have been implemented since the late 1980s as part of the ongoing Economic Recovery Programme (ERP). In 1989, the Financial Sector Adjustment Programme (FINSAP) was started. This programme was supported by the World Bank through Financial Sector Adjustment Credit (FSAC). Liberalization of the financial system in Ghana was geared towards addressing institutional deficiencies in the financial system, privatization of the public sector banks and the development of non-bank financial institutions to fill the gaps in the financial market not served by the banks in Ghana (Ahiakpor, 1991).

2.2 Forms of Finance

The provision of finance for the establishment, growth and management of enterprises are obtained from the two main financial (formal and informal) sectors in Ghana.

2.2.1 Formal Finance

According to Obeng (2008), these are financial institutions incorporated under the Companies Code 1963 and licensed by the Bank of Ghana (BOG) under either the Banking Law 1989 or the Financial Institutions (Non-Banking) Law 1993 (NBFI Law) to provide financial services under Bank of Ghana regulation. Rural banks operate as commercial banks under the Banking Law, except that they cannot undertake foreign exchange operations, their clientele is drawn from their local catchments area, and their minimum capital requirement is significantly lower.



Among the nine specified categories of non-bank financial institutions (NBFIs), the Savings and Loans Companies (S&Ls), which are restricted to a limited range of services, are most active in micro and small-scale financial intermediation using microfinance methodology (Obeng, 2008). Non-Governmental Organizations (NGOs) and Credit Unions (CUs) are considered to be semi -formal– legally registered but not licensed by the Bank of Ghana. NGOs are incorporated as companies limited by guarantee (not for profit) under the Companies Code. Their poverty focus leads most of them to provide multiple services to poor clients, including micro credit, though mostly on a limited scale. They are not licensed to take deposits from the public and hence have to use external (usually donor) funds for micro credit. Credit Unions are registered by the Department of Cooperatives as cooperative thrift societies that can accept deposits from and give loans to their members. Although credit unions are nominally included in the NBFi Law, BOG has allowed the apex body Ghana Cooperative Credit Union Association to continue to regulate the societies pending the introduction of a new Credit Union Law (Obeng, 2008)

The formal financial sector dominated by commercial and development banks has both short term and long term credit to offer aside from few other banking facilities that are not extensively utilized by the household sector. The fact that over 90 percent of these credit facilities are of a short-term nature has been indicated by Aryetey et al (1990). The limited availability of long-term finance is attributed to the internal management of these banks. Credit from the formal financial sector is often for the financing of working capital and comes mainly through overdraft facilities.

The banking institutions generally offer four types of credit facilities which include overdraft facilities, short term loans, medium and long-term loans and group loans. Overdraft which forms a major part of the bank credit facilities is usually made to

salaried workers, big traders and wealthy farmers who operate current accounts or demand deposits with the bank. Although theoretically, overdraft is usually of short term nature, practically, many financial institutions offer it on long term bases to big traders who operate on faster turnovers. Loans also form a major source of short term and long term finance in Ghana for small-scale entrepreneurs, farmers and traders with interest rate ranging from 23 to 32 percent per annum base on sectorial allocation and bank practice (Anyemedu, 1993).

2.2.2 Informal Finance

The informal financial system covers a range of activities known as *susu*, including individual savings collectors, and savings and credit “clubs” run by an operator. It also includes trade creditors, self-help groups, and personal loans from friends and relatives (Adjetey, 1978). The World Bank (1989) also identifies several informal arrangements in Ghana. They include rotating savings and credit associations (ROSCAs) and money lenders. Private moneylenders are the best known informal commercial credit agencies.

Moneylenders are supposed to be licensed by the police under the Moneylenders Ordinance 1957 (Obeng, 2008). The commercial banking system is dominated by a few major banks (among the 17 total) and reaches only about 5% of households, most of which are excluded by high minimum deposit requirements. With 60% of the money supply outside the commercial banking system, the RCBs, S&Ls, and the semi-formal and informal financial systems play a particularly important role in Ghana’s private sector development and poverty reduction strategies. The assets of Rural Banks are nearly 4% of those of the commercial banking system, with Savings and Loans and Credit Unions adding another 2%. While “RMFIs” is used to refer collectively to the full range of these institutions, they use different methodologies to



reach different (albeit overlapping) clientele among farmers, rural households, the poor, and micro enterprises, and hence different regulatory and supervisory instruments may be appropriate (Obeng, 2008).

Informal finance encompasses all identified institutions and persons engaged in financial transactions beyond the functional scope of banking and other governmental financial institutions.

It is worth noting that Savings and Credit Associations (SCAs) or Rotating Savings and Credit Associations (ROSCAs) and mobile bankers are both known as *Susu* arrangements in Ghana. The major difference between them is the arrangements for collection and payment.

'*Susu*' is a common form of informal finance in Ghana in which contributors make daily or weekly payments to operators or collectors who usually go to the markets and workplaces of their customers to collect the money. Contributors are allowed to withdraw their contributions to re-invest in their businesses at the end of the month or a specified period of time. They may also apply for credit facilities from their collectors in which payment is made with a minimum level of interest or no interest (World Bank, 2004).

2.3 Government Credit Programs

The Government of Ghana since 1989 has launched a number of special credit schemes, usually at subsidized rates, reaching very few people and with extremely poor recovery rates. A partial exception has been Enhancing Opportunities for Women in Development (ENOWID), which in the early 1990s made over 3,500 relatively small loans (over 6 years) with a cumulative recovery rate of 96% using funds from the Programme of Action to Mitigate the Social Costs of Adjustment





(PAMSCAD) (www.udsspace.uds.edu.gh) (Ohene, 2003). PAMSCAD, launched in 1989, directly reached only some 1,200 clients and struggled to achieve an average 83% cumulative recovery by 1996. None of the other four programs being administered by the National Board for Small-Scale Industries (NBSSI) (which charges 20% interest) has reached a 70% recovery rate or as many as 200 clients (Obeng, 2008). As a result, these “revolving funds” are steadily depleting, involve substantial costs to operate, and have negligible outreach. The Government has also entered into micro credit through poverty alleviation programs and the District Assembly Common Funds. While in some instances this made wholesale funds available to local RMFIs for on-lending to clients that they choose, more commonly it has been perceived and used as politically motivated, with negative consequences for repayment. The main threat to sustainable RMF from these government programs comes from the negative effects on efforts of RMFIs to mobilize savings and collect from borrowers, whose willingness to repay typically is low when loans are known to come from government or donor funds at subsidized rates (Obeng, 2008).

2.3.1 Interest Rates

Restrictive policies during the 1970s and early 1980s, such as government-controlled interest rates and sectoral allocation of credit, no doubt retarded development of Ghana’s formal financial system. Nevertheless, various forms of informal finance predated financially repressive policies in Ghana, and actually expanded after financial markets were liberalized in 1987 (Aryeetey&Kyei, 1990). Although interest rates have not been officially controlled since 1987, the Government has nevertheless introduced a number of credit programs targeted for small business development or poverty alleviation whose interest rates were pegged in 2001 at 20% (well below market-determined rates), and District Assemblies have been mandated



since 1979 to provide 20% of their “Common Funds” for micro and small enterprises at an interest rate of 75% of the commercial bank rate (Obeng, 2008).

2.3.2 Security

Licensed banks normally require that loans be secured by title to land or physical assets, deposit balances, or T-bills, following BOG guidelines. These options are clearly beyond the reach of poor households. Close coordination between the Ministry of Finance, BOG and the Ghana Microfinance Institutions Network (GHAMFIN) has led to a better understanding of the characteristics of microfinance loans and the methodologies underlying high repayment rates (Gallardo 2002), and personal and group guaranteed loans are now recognized as secured microfinance loans.

2.4 The Need for the Rural Credit

According to Obeng (2008), the 1992 Constitution of the Republic of Ghana makes a commitment to rural development as part of a national strategy to improve the living conditions in rural areas. In an effort to mitigate the government agency coordination problems, the constitution incorporates a decentralization approach under which the national government establishes political and administrative Regions and Districts. The decentralization follows a fused hierarchy model, with close ties between the center and periphery. Each of Ghana’s Districts is governed by a District Assembly, which is partly elected (75%) and partly appointed (25%). Ghana’s District Assembly system requires government appointees and elected representatives to plan district activities together. Local participation for rural development is fostered. There is anecdotal evidence that efforts of the rural banks are making improvements in the lives of the rural people (Obeng, 2008).

The primary areas of development have included the rehabilitation and building of new schools, feeder roads, and places of convenience (public toilets), market places,



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health centers, and water treatment facilities. Despite the District Assembly governments' successes, the national government has recognized a need for rural credit. Access to rural credit increases the participation of rural people in development activities. A rural credit policy that mobilizes rural resources and redistributes them to the rural sectors creates the potential for more development. Traditionally, rural development credit has been provided by two types of sources: institutional and non-institutional.

In rural communities, non-institutional credit is provided by moneylenders, relatives, friends, traders, commission agents, cooperatives, consumers, distributors of farm inputs, and processors of agricultural products. Research has shown that the most common providers of loans in rural areas are friends and relatives who usually charge no interest or collateral (FAO 1994). This credit market is small, however, and the total credit from these non-institutional sources is insufficient to implement rural development programs. For rural development to proceed at a smooth pace, larger institutional sources of credit need to be created. In Ghana, institutional sources of credit are the commercial banks, the Agricultural Development Bank, the National Investment Banks, and the Bank of Ghana Rural Banks. Until recently very few rural people, other than wealthy farmers and businessmen, had access to credit from these sources. The lack of interest in small rural credits by the National Investment Bank and the commercial banks is explained by the high cost of administering a large number of small credits spread over a wide area, coupled with the comparatively high level of default that has often accompanied small credits. The inability of rural borrowers to offer adequate security for loans, and the enormous risks associated with agricultural production, are the typical reasons given for the urban-based bias of commercial lending.



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The Agricultural Development Bank was created to service the rural sector in particular. It too, however, eventually began to concentrate on traditional urban-based banking activities. To overcome many of these difficulties, the Ghanaian government, through the Bank of Ghana, introduced the idea of rural banking into the country in 1976. According to the Association of Rural Banks (1992), “The aims of Rural Banks are:

- To stimulate banking habits among rural dweller
- To mobilize resources locked up in the rural areas into the banking systems
- To facilitate development.
- To identify viable industries in their respective catchments [areas] for investment and development.”

2.5 Rural Banking

According to Nicholas (2012), rural banking could be seen as the process of providing banking services in the rural areas of a country to mainly the rural dwellers. Rural banks were introduced in Ghana in 1976 to perform specific functions towards the development of Ghana’s economy. Rural banks are affiliated to the central bank; their operation is really that of commercial banks. Therefore, the functions of the rural banks are the same as that of the commercial banks. This is to say that, apart from being situated in the rural areas, rural banks and commercial banks share the same functions. The establishment of rural banks is an answer to a long awaited search for a suitable institutional arrangement for providing credit facilities to the rural dwellers. They are the main vehicles for financial intermediation, capital formation and retention in the rural areas.



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The first rural bank was established in 1976 at “Agona Nyakrom” in the Central Region (Nicholas, 2012). The rural banking concept is a hybrid between commercial and development banking and has been set up as a “Unit Bank” so that they will be mobilizing savings and lending money to the people in areas where they are located. In other to ensure that the rural banks serve the interest of the local people, the ownership, management, control and the general operations of the banks are vested in the people of that particular area. Rural banks are limited companies registered under the companies’ code and licensed by the Bank of Ghana which takes up 50% of the capital as preference shareholders (Nicholas, 2012). Then bank of Ghana fixes their authorized share capital. The main function of the rural bank is to mobilize savings in the rural areas for lending to borrowers in these areas to enable them finance agriculture cottage industries as well as small scale industries in order to raise their standard of living. Since they are unit banks, they do not have many branch networks, some have agencies within the same catchment area.

2.6 Rural Bank Operations

Obeng (2008) stipulated that, the Bank of Ghana has streamlined Rural Bank lending operations to ensure that Bank credit actually benefits the small scale rural producer and the rural community. The Bank of Ghana has developed an Operational Manual for all Rural Banks. Applications are accepted from individuals, groups, associations, and companies. Recommendations to reject an application must be justified by specific and clearly stated reasons and cannot be based on vague suspicions. Before granting a loan to a group, the Bank requires that there be mutual trust and respect among members.

In the case of a group loan approval, members are held jointly and severally liable. The group cannot exceed 20 members, and the group leader must have a clean loan record (Obeng, 2008). The Bank of Ghana has developed a mandatory sectorial allocation for Rural Bank loans. The allocation ensures that the bulk of the resources go to agriculture, the priority sector in Rural Bank lending. To ensure that resources assist small farmers, the Bank of Ghana requires that the maximum acreage a loan-eligible farmer can cultivate is 10 acres for vegetables and 100 acres for staple crops. The Rural Banks try to reduce the cash element in the loans to the minimum possible to prevent the diversion of funds for purposes other than those for which they are granted. The Banks arrange for inputs to be made available in kind (raw materials, seeds, fertilizers, equipment and machinery, etc).

Loan repayment conditions are determined with reference to the borrower's capacity to repay. A "grace period" is allowed between the loan approval date and the time the borrower is expected to generate sufficient income to repay the loan. During the "operation period" of the loan, the Bank's Project Officer monitors the borrower to ensure proper use of funds and punctual repayment. Routine and emergency visits by the Project Officer are common during the operation period of the loan. Rescheduling may be allowed if there are circumstances which the loans committee or board of Directors accepts as "unforeseen developments." If there is default on the loan, the case is sent to the Bank's lawyer(s) for action. By 1990, the Rural Banks were experiencing negative profitability resulting in capital inadequacy and, in some cases, the inability to meet depositors' withdrawal demands.

The Bank of Ghana ordered a restructuring of the Rural Banks. By December of 1991 all of the Rural Banks had undergone diagnostic study conducted by outside consultants (Obeng, 2008). The restructuring was designed to determine financial



strength, organizational www.udsspace.uds.edu.gh capability, and management status in line with existing statutory requirements.

The Banks updated and standardized accounts and procedures by introducing internal control systems and management information systems. After the restructuring process, the number of Rural Banks meeting the capital adequacy requirement increased from 2 to 55. The Bank of Ghana has instituted measures to maintain public confidence in the remaining mediocre and distressed Rural Banks (Bank of Ghana 1995).

Today, the Rural Banks are still given the opportunity to determine who should benefit from their credit resources. There is substantial anecdotal evidence of misdirection and misapplication of rural credit by the Rural Banks and the rural people. Many rural banks appear to give credit to people who do not fall into the Bank of Ghana target groups. It is not uncommon to see many credit recipients spending borrowed credit on land litigation and funeral ceremonies instead of productive ventures.

The Bank of Ghana initiated the Rural Bank system with the hope that small-scale rural producers and small towns would benefit from the new credit resources. It is uncertain whether or not the Rural Banks are fulfilling the basic functions for which they were created. In relation to the operations of the rural banks, Armstrong-Strassen, 2000)) suggested four main characteristics of banking businesses. This includes the following:

- Accepting money from, and collecting cheques for customers.
- Honoring cheques or other withdrawal authorities given by customers.
- Maintaining current accounts or accounts of a similar nature.

- The bank should have a reputation of being a bank within the financial community.

Avotri (2000) also identified two main characteristics of banking business which includes the following:

- Accepting deposits from customers and honoring cheques and other withdrawals from customers.
- Maintaining all sorts of accounts and being recognized as a bank as a whole in the financial community.

2.7 The Contribution of Rural Banking to Economic Development

Rural finance plays a critical role in household strategies to reduce vulnerability. It assists the poor to smooth consumption and to build up assets greater than the value of the liability (Gonzalez-Vega, 2003). This is particularly important for the rural poor, since agricultural incomes and rural health fluctuate widely and could destabilize consumption if households have no savings or credit to fall back on (IFAD, 2003). The significance of rural workers having access to safe keeping of money and credit facilities to rely on when it becomes necessary cannot be overemphasized.

Savings are important as they allow households to maintain precautionary balances against shocks. Households can also build up cash collateral and a track record of saving will allow them easier access to credit (Marr & Onumah, 2004).

Most rural communities lack secure and accessible deposit facilities and consequently, savings are held as cash or assets which are harder to mobilize and hence do not increase availability of loan able funds. Rural entrepreneurs and farmers





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therefore find it difficult to access funds and have to rely largely on self-financing of their businesses. (World Bank 1999)

However, rural finance is important in economic development as it enables rural entrepreneurs to expand their output and reduce their cost of production. They are able to gain advantages associated with economies of scale by producing on a large scale and withstand competition in the market. Rural communities in Ghana, has traditionally experienced low productivity, low income levels, low domestic savings, unemployment, and malnutrition due mostly to lack or inadequate finance. In 1976, the Ghana government, through the Bank of Ghana, established Rural Banks to channel credit to productive rural ventures and promote rural development. (Tsamenyi, Mathew, Shazad Uddin, 2008)

Rural development is a strategy intended to improve the economic and social life of the rural poor (World Bank, 1975). Rural credit has been used in Ghana to enable the poor to weather shocks without selling the productive assets the poor need for protection against future shocks (FAO, 1994).

Finance is also required for commodity marketing, sometimes through inventory-backed financing which offers rural producers, traders and processors the opportunity to improve household income through adopting better produce marketing and raw material procurement strategies (Coulter & Onumah, 2002). The provision of rural finance ultimately aims at reducing rural poverty.

The contribution of rural banks affects the level of economic development in the country. People living in the rural areas hardly save any profits they make mainly because of the risks of theft and the like (Owusu Ansah, 1999). Since they have their monies at their disposal, they engage in litigations or disputes with regards to



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possessions of assets like land; there is also the issue of expensive funeral spending instead of investing their income to yield them more and/or better returns. Rural banks operate to encourage these people to save and/or invest their incomes or profits; (Preko&Armah-Tetteh2005).

The banks encourage them with financial advices and saving options to help them in improving upon their various occupations. The rural banks also grant credit to customers for the payment of school fees, acquisition or repairs of houses and to meet medical expenses. This helps to improve the life of the rural dwellers so that they can contribute immensely to increase or improve productivity in the rural areas and the country at large (Ofosu-Djamerah, 1999).

Most of the rural people are unable to raise the needed capital to finance their projects. According to Preko and Armah-Tetteh (2005), rural banks grant loans and overdraft facilities to these people to help them solve the issue of inadequate capital. Most of the people are unable to engage in large-scale production as a result of inadequacy of capital. These loans enable them to acquire the needed implements and remuneration for labour with regards to the proper execution of the work at hand so as to increase productivity. When the loans are given out, the banks assign a team to monitor the beneficiaries so as to ensure that the loans are being used for their intended purpose. Eventually, productivity will increase, income levels will also increase and more jobs will be created out of the income of the citizens if efficient uses of these resources are recorded. Upon the creation of more jobs, social problems like armed robbery and prostitution will be reduced drastically.

Ofosu-Djamerah (1999) said that rural banks devote part of their profits to meet social responsibilities. The rural banks make donations to support education, and health to

mention but a few. Before one can ensure an increase in productivity, the social welfare of the people must be put into consideration. Therefore, providing or supporting education and health will definitely improve the living standard of the rural dwellers and also help to maintain them in the rural areas so as to contribute to the development of the dominant sector of the economy like agriculture. Once the agriculture sector is developed, there will be an increase in agriculture products, hence an increase in total exports and increased internal consumption.

As part of the social responsibility of the rural banks, the banks go on to arrange for institutions to purchase the produce from the area. Alternatively, the banks may take over the produce of the people as a means of repayment of loans granted them. This way, the burden of transportation and marketing of their produce is taken off. This in effect encourages the people to produce more.

2.8 Rural Financial Intermediation Challenges

Rural development is a declared priority in the national development plan of Ghana. As 80% of the population live in rural areas, accounting for more than 70% of national poverty, the worst problems of deprivation are found amongst rural people, especially women who are particularly underprivileged. With substantial ongoing investments in infrastructure and services, the lack of a strong rural financial sector is the critical “missing link” of an integrated rural development strategy, and its lack continues to stifle private sector initiatives in the rural economy (IFAD, 2003).

Several challenges have accounted for the lack or inadequate rural finance and the withdrawal of commercial banks from the rural communities (Skees, 2003). This problem of finance is what triggered the establishment of rural banks in Ghana.





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Among the challenges of rural financial intermediation include risk, high operating cost, and lack of collateral and formal banking procedures.

2.8.1 Risk

The rural communities are known for the dominance of farmers and individual entrepreneurs who carry their activities under high levels of uncertainties. Seasonal nature of agricultural products and the adverse effects of unfavorable economic conditions cause variation in savings and demand for credit facilities. However, the risky nature of these businesses results in high default rate in rural areas making it unattractive for financial intermediaries to operate in such areas.

Maximization of shareholder wealth is the main aim of management of privately owned companies. Management therefore has to live under the pressure of increasing shareholder wealth by taking on higher risks as well as managing these risks to avoid losses. Modern banks face several types of risks including credit risk, interest rate risk and exchange rate risk (Shelagh 2012). Significant among the types of risks for this research is the credit risk which makes financial intermediaries strengthen their lending policies and procedures. Some of the risks faced by the rural banks include:

Credit Risk The major cause of serious banking problems continues to be directly related to lax credit standards for borrowers and counterparties, poor portfolio risk management, or a lack of attention to changes in economic or other circumstances that can lead to deterioration in the credit standing of a bank's counterparties (Dufie,2003).

Generally, credit risk is associated with the traditional lending activity of banks and it is simply described as the risk of a loan not being repaid in part or in full. However, credit risk can also be derived from holding bonds and other securities. Credit risk is therefore the risk of a decline in the credit-standing of counterparty. Such

deterioration does not imply default but means that there is increase in probability of default. Bank loans remain the largest and most obvious source of credit risk. However, banks are increasingly facing credit risk in various financial instruments other than loans including acceptances, interbank transactions, trade financing, foreign exchange transactions, financial futures, swaps, bonds, equities, options, and in the extension of commitments and guarantees, and the settlement of transactions (Berger & Udell, 1990).

Barton and Lombra (2006) also identify that bank managers should minimize credit losses by building a portfolio of assets (loans and securities) that diversifies the degree of risk. This is because very low default risk assets are associated with low credit risk and low expected return, while higher expected return assets have a higher probability of default (i.e., a higher credit risk)

The above thoughts share the view that banks should hold adequate capital that diversifies the degree of credit risk and institute monitoring and control standards in order to mitigate credit risk.

2.8.2 High Operating Cost

The rural communities are characterized by low population, poor infrastructure and low level of economic activities causing low income levels among the dwellers. Due to the low level of economic activities, savings is low as compared to the costs incurred by financial intermediaries in delivering services to them. The result is an increased operating cost and low revenues causing low level of profits or no profit (Simkovic, 2016).



2.8.3 Lack of Collateral

Collaterals are demanded by financial intermediaries to secure the credit facility provided. However, rural dwellers usually are unable to provide collaterals that are acceptable by financial intermediaries. This is a major setback to financing rural enterprises and hence leading to low productivity in such areas. Poorly defined property and land use right has been identified as a major cause of inability of rural dwellers to provide collaterals (Gabriel- Chin& Holmes, 2002).

2.8.4 Formal banking procedures

Borrowers are made to follow laid down procedures by management before having access to credit facilities. These procedures normally include the provision of a financial statement depicting a sound past performance and other relevant documents. Procedures instituted by Formal Financial Intermediaries to reduce lending risks often constitute '*social*' access barriers to the rural population because of the predominance of illiteracy and the need for formal documentation (Goodland et al., 1999). These barriers make rural entrepreneurs resort to informal finance which is mostly inadequate and inconsistent.

2.9 Restructuring and Institutional Strengthening Measures

With the view to help solve the challenges identified with the rural banking system, Bank of Ghana (1995) instituted a restructuring programme under the Rural Finance Project in 1989 with financial support from the World Bank.

A diagnostic study of the rural banks was undertaken by local consultants with the aim of identifying the financial, technical and managerial weakness of the banks. For Rural Finance Projects, the Bank of Ghana (1995) identified the following operational problems in the banking system.



- Losses from operation
- Deterioration capital base
- Tight cash flows
- Low rate of loan recovery.

These problems were traced to the following lapse associated with the operations of the banks.

- Lack of capabilities in finance.
- Lack of skills in cash management and financial decision making.
- Weak management information systems.
- Need for improvement in certain areas of accounting systems.
- Organizational deficiencies.
- Fraud and dishonesty on the part of some personnel of the banks(Bank of Ghana 1995).

The following measures were taken by the Bank of Ghana to restructure the rural banks.

- The banks were assisted to update their books of accounts. The accounting records were also simplified and standardized.
- Internal control systems were introduced with improved and detailed organizational structure.
- Prudential methods for classifying loans and advances as well as plans for mobilizing additional financial resources were introduced.

As part of the restructuring exercise, the banks were classified by the Bank of Ghana as follows, taking into consideration their financial and management positions.



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- Satisfactory- Banks which had met capital adequacy and liquidity requirements with efficient management.
- Mediocre- Banks which recorded various levels of capital inadequacy, liquidity and negative profitability. They had generally poor assets quality and poor management.
- Distress- Insolvent Banks- Banks which was unable to meet withdrawal claims by depositors (Bank of Ghana, 1995).

The measures taken regarding the various categories of the banks were as follows.

- The satisfactory rural banks were granted flexibility in the management of mobilized resources by being required to observe stringent reserves requirement.
- The mediocre banks had their lending facilities suspended and their investments in fixed assets curtailed. Staff retrenchment was also effected to ensure that staff and other costs were contained in the budget of the banks.
- For the distressed banks, their net deposits were paid off with a loan from the bank of Ghana (Bank of Ghana, 1995).

The measures taken to restore the banks were not in isolation but were part of a broader structural reform in the financial sector of the economy.

2.10 Rural Banks and Community Development

Many scholars equate development with economic growth which is understood as, meet primary material needs and the distribution of the fruits among different sectors of society. However, a review of the accumulated data stemming from planning schemes in the developing countries indicates that economic factors are not sufficient to explain the workings, success and failures of development projects. Various





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scholars have defined development differently and according to Dalton (1974) cited in (Baffour et al 2013), development are growth plus change and change involves society as a whole. Aryeetey (1990) contents that development is a multidimensional process involving major changes in social structures, popular attitudes and national institutions as well as the acceleration of economic growth, the reduction of inequality and eradication of poverty.

Development therefore is a multi-dimensional concept that embraces economic and noneconomic factors. The economic factor of development “reflects a concern with production or output and related activities, particularly with the commercial or monetary aspects of these activities”. (Conyers and Hills, 1984) as cited in (Baffour et al, 2013). The non-economic factors are the social, institutional or political and environmental indicators which measure elements such as demographic characteristics, information on health, education, availability of and access to social services, social well-being, freedom of speech, political structure and participation in decision making as well as the quality of the physical environment.

Rural development or the more generic term, community development aims at helping local people to identify and articulate their needs and problems, stimulating the participation of individuals and families in community affairs, encouraging self-help action and “grass-roots” efforts to larger developmental objectives. In Ghana, education and rural settlement are inseparable because education forms the basis of rural development. The fact that Ghana is an agricultural and a rural country does not necessarily suggest that for her development activities to be achieved in the long run, special emphasis have to be placed in developing the agricultural sector alone but in particular the educational sector as well in the rural areas in general (Baffour et al, 2013).

One of the various definitions of community development states that it is a strategy designed to improve the economic and social life of specific group of people. It involves extending the benefits of development to those who seek their livelihood in the local communities (Alacevich, 1975) as cited in (Baffour et al, 2013). According to Moshi Conference (1969), “Community development also calls for a set of projects and policies so designed and coordinated that it will raise the whole pattern of living of a given local population from one level to a markedly higher level, and in so doing create a society which will therefore be dynamic economically and socially” An analysis of the above and other definitions of community or rural development reveals some key elements which included the following:

1. It entails an integrated approach or coordinated of different activities and projects to attain development.
2. Both the economic and social dimensions of development are indicated to be equally important and not just the economic aspect alone.
3. Community or rural development relates to local populations living in rural or non-urbanized settlements.
4. Empowering local populations to take part in development process in education.

From the above ideas gathered, community development is defined as consisting of the simultaneous change in all spheres of activities and life in general of local communities in the temporal, long-term and spatial dimensions of economic growth, in the value system and in social dynamism. It aims at helping local communities to identify their development needs and through their own initiatives with external support, projects and programmes is designed to lift them out of poverty and empower





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them to make use of opportunities. The principle of community development is based on the acceptance of the fact that government resources are not enough to provide all their needs as such their own efforts, resources, initiatives and cooperation are necessary.

A lot of development projects and poverty reduction strategies are being channeled through the rural banks. For instance, since September 2003 under the Ghana Poverty Reduction Strategy (GPRS), gh¢85 billion have been disbursed through rural banks to serve as micro credit to economically active but poor in rural areas for them to improve their quality of lives. (Daily Graphic, Dec 1, 2005) as cited in (Baffour et al 2013). Also educational sponsorship packages for basic education school children have been introduced in various communities in the entire country. This project was advocated in conjunction with existing rural banks in the various rural areas. Thus through this project it is estimated that the number of school going children will be considerably increased.

Also, loans are being given to beneficiary groups in various professions to help them raise the needed capital. Again, it is worth making the point that a critical light should be once thrown on the activities and operations of rural banks to make its impact felt more on the ground. Finally, the role of rural banks has not really materialized within the context of rural development. According to the Moshi Conference (1969), the purpose of rural development

is “a rise in the standard of living and favorable changes in the way of life of the people concerned”. The contributions of rural banks are still not fully ripe and much is expected from them. Some are performing better and others are below standard. The ones still in business are in the process of transforming into business oriented



institutions. Some have www.udsspace.uds.edu.gh embraced good banking practices but still suffer the consequences with weak capital base, non-attractive products and lack of clear savings mobilization strategies. A lot more can be done if prudent, effective and efficient measures are taken in banking supervision, regulation and coordination among various banks.

2.11 Education System in Ghana

The Ministry of Education's (MoE) mission is to provide relevant education to all Ghanaians at all levels irrespective of gender, tribe, religious and political affiliations. The MoE provides the following services: Basic education for all through the free compulsory universal basic education (FCUBE) programme, education and training for skill development with an emphasis on science, technology and creativity, Tertiary education for the development of middle and top level manpower requirements, on formal education facilities to ensure that all citizens are functionally literate and self-reliant, Post-secondary technical and Vocational training.

In providing these services the MoE is guided by the following values: Quality education, efficient management of resources, Accountability and transparency as well as Private sector participation. The 1961 Constitution of Ghana (amended in 1981) makes a general provision relating to the public system of basic education. In the provision, the Constitution endorses that any child of six years of age, for a period of nine years must be provided with free education. The 1992 Constitution makes the provision of infrastructure the responsibility of the Local Government Authority (District Assemblies).

In 1986 the Government initiated a major education sector reform programme on a 2-6-3-3-4 system of education. Pre-school education lasts for two years. Nine years of basic education is made up of six years of primary education and three years of junior



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secondary school (JSS) education. At tertiary level, the Government offers four years of university education and two years of diploma related course options at the polytechnics, teacher training colleges and diploma awarding institutions. Post-secondary, technical and vocational education is offered as a transitional option after junior secondary and during senior secondary education levels. It should be noted however that most children who complete primary education do not go on to further study. The three-year Senior Secondary School (SSS) programme has not expanded to address the large numbers of basic education graduates. In 1991 a National Functional Literacy Skills Programme was launched for adults with a special focus on empowering women, the poor and vulnerable.

Ghana's participation in and endorsement of international agreements such as Education for All, the Declaration on the Rights of the Child, the Beijing Declaration on Women's Rights, the Lome Convention, etc., have meant that Government commitment and constitutional obligations guide policy and influence official bilateral and multilateral negotiations.

At the time of independence in 1957, Ghana had only one university and a handful of secondary and primary schools. In the past decade, Ghana's spending on education has been between 30 per cent and 40 per cent of its annual budget (Adu-Agyemang & Osei-Poku 2012).

Presently, Ghana has 18,530 primary schools, 8,850 junior secondary schools, 900 senior secondary schools, 28 training colleges, 20 technical institutions, four diploma-awarding institutions, six public universities and over 15 private universities in addition to 12 polytechnics serving a population 30 million Ghanaians (G.E.S, 2015).

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A new education plan was finalized in 2007 and the aim is to provide universal free primary education by 2015 in line with the Millennium Development Goals. Most Ghanaians have relatively easy access to primary and secondary education.

However, the government is supporting public schools with school fees, uniforms and free school feeding programs.

The sole official language of instruction throughout the Ghanaian educational system is English. Students may study in any of eleven local languages for much of the first three years, after which English becomes the norm. Students continue to study a local language and French as classroom subjects through at least the ninth grade. All textbooks and materials are in English (G.E.S. 2005).

2.11.1 Basic Education

Basic Education is now 11 years made up of 2 years of Kindergarten, 6 years of Primary School, and 3 years of Junior High School (JHS). After JHS, students may choose to go into different streams at Senior High School (SHS), comprising General Education and Technical, Vocational and Agricultural and Training (TVET) or enter into an apprenticeship scheme with some support from the Government (G.E.S. 2015).

2.11.2 Senior Secondary Education

After basic school, pupils may enter senior high (or technical/vocational) schools for a three-year course, which prepare them for university education. Students usually study a combination of three (in some cases, four) 'elective' subjects and a number of core subjects. For example, a science student could study Elective Mathematics, Chemistry, Biology and Physics as his/her 'elective' subjects. An arts student might





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study Geography, Economics and Literature as his/her elective subjects. In addition to the elective subjects, there are 'core' subjects, which are those studied by all students in addition to their 'electives'. The 'core' subjects include Mathematics, English and Science.

At the end of the three-year senior secondary course, students are required to sit for the West African Senior Secondary Certificate Examinations (WASSCE). Students who obtain aggregate 36 or better (six subjects) can enter the University. Usually, the score is determined by aggregating the student's grades in his elective subjects. The aggregate score is then added to the aggregate score of his best 'core' subjects, with scores in English and Mathematics considered first (G.E.S. 2015).

So if an arts student scores 'A1' in Geography, 'B2' in Literature and 'B3' in Economics, he will obtain an aggregate score of 6 for his electives (i.e. A1=1; B2=2 & B3=3...F9 (fail)=9). His best core subjects are then added. If he obtains 'B2' in English, 'B3' in Mathematics and 'A1' in Social Studies, his best 'core' aggregate will be six. Therefore, his overall aggregate score will be 12 and he qualifies for admission into a university. Once again, an overall aggregate score of six is best (G.E.S. 2015). According to the Educational Management Information System (EMIS, 2012), the number of public Senior High Schools as at 2012 covered 515, representing 100% of the existing public senior high schools. The number of private Senior High Schools is 242, constituting 100% of the known 242 existing. Thus, the total number of both public and private Senior High Schools covered is 757, representing 100% of the known existing number of 757.

Also, on regional distribution of Senior High Schools in the report from EMIS indicated that, Ashanti Region exhibits the highest number of Senior High Schools

(131) while the Upper West Region has the lowest number (20). With the exception of Central region, all the other regions have more public Senior High Schools than private ones (EMIS, 2012).

More recently demand for secondary education has grown. In the last five years alone, secondary enrolment has grown by as much as 60 percent, although the completion rate of 34 percent in 2006 (Ministry of Education, 2007) suggests dropout is still high. In 2006, secondary net enrolment stood at about 13 percent after stagnating at 10 percent for a decade. What this means is that, the proportion of secondary students not of the appropriate age for secondary is high. Therefore, despite the relatively high enrolments, the secondary education system has not been very efficient in delivering high numbers of graduates for further education and the labour market.

The recent Presidential Commission on Education Reforms in Ghana examined the reasons why most JSS students were unable to access senior secondary, and blamed this on a number of factors: inadequate facilities and infrastructure, parents unable to afford secondary fees, a lack of alternative tracks for students with different interests and abilities, an inability of students to meet the minimum requirements for further education and a lack of interest in further education (Government of Ghana, 2002). Similarly, the diversification of secondary education meant to open up opportunities for the different aspirations and abilities of students, as well as improve streaming into different post-secondary education and training never fully materialized. One reason was that the quality of practical education students received depended on whether they attended a school in a rural or urban area.

Generally, there is better quality provision in traditional boarding schools located mostly in cities and towns than in community day secondary schools found mainly in



rural or peri-urban areas. Also the traditional schools attracted more qualified teachers than the community schools. Teacher shortages in the technical/vocational subject areas effectively reduced quality of provision and undermined student interest (Akyeampong 2005). But, perhaps the most important influence on students' subject choice is the opportunity structure outside the school system.

This has proved to be decisive for some students when it comes to selecting school subjects, and increasingly, many of these students are seeing liberal arts and science subjects as offering better opportunities than vocational and technical subjects (King et al., 2005; Ampiah 2003). When in the mid-1990s Peil (1995) asked the adult population of residents in Madina, a suburb of Accra, which subjects they studied were most valuable to them the responses were revealing – “about a third said reading, a fifth mathematics, a quarter both of these, only 7% indicated vocational subjects”. This says something about the importance attached to core skills in numeracy and literacy for economic survival, and seems to support the assertion that realism about labour market opportunities in Ghana has much to contribute to job aspirations among students (King and Martin 2002; Akyeampong 2005).

Over the years, the ideological sentiments associated with technical and vocational secondary education has made sure that it remains at the forefront of education policy. But what this does not take into account is the pragmatic implication of costs, and how that might affect equitable access to quality. Community secondary schools which were introduced under the 1987 education reforms to make secondary education more affordable and accessible to students in rural populations, lacked adequate infrastructure, teachers and equipment to support their practical focus. The lesson is that, implementing a large scale diversified curriculum under resource



constraints creates uneven access to quality and choice of secondary subjects (Akyeampong 2005).

Recent international evidence suggest that it is rather better to emphasize generic and problem-solving skills in secondary education as foundation for further training in post-secondary technical and apprenticeship institutions. This has also the potential of providing better access to secondary education (Lauglo& MacLean 2005). Generally, secondary education is faced with the challenge of providing equitable and meaningful access so that dropout reduces and learning achievements improve significantly.

An additional challenge is the rising cost of secondary education to both government and parents and the potential that this has on constraining future growth. Similarly, the diversification of secondary education meant to open up opportunities for the different aspirations and abilities of students, as well as improve streaming into different post-secondary education and training never fully materialized. One reason was that the quality of practical education students received depended on whether they attended a school in a rural or urban area.

2.11.3 Tertiary Education in Ghana

Entrance to universities is by examination following completion of senior high school. Ghana's tertiary institutions enroll over 100,000 students in undergraduate, graduate, certificate and diploma programs in a full range of academic and professional fields (Adu-Agyem 2012). The public universities are:

- University of Ghana at Legon, Accra.
- Kwame Nkrumah University of Science and Technology, Kumasi.



- University of Cape Coast, www.udsspace.uds.edu.gh, Cape Coast.
- University of Education at Winneba.
- University for Development Studies, Tamale.
- Ghana Institute of Management and Public Administration/Greenhill College, Accra

Twenty-one private institutions are also accredited by the National Accreditation Board to award Bachelor's degrees. Their enrollment totals less than 5,000, but they are expected to become a recognized force during the next decade. Ten public polytechnics offer three-year Higher National Diplomas in applied business and technology fields. The Higher National Diploma is not equivalent to a Bachelor's degree, but undergraduate transfer credit can be awarded, as is also the case for Teacher Training Colleges and other tertiary non-degree programs.

Ghanaian university admission is highly competitive, especially in fields such as medicine, engineering, law, and pharmacy. The quality of education is considered reasonably high, evidence that human resources are more significant than material resources. In an effort to attract international enrollment, all Ghanaian universities operate on a modular, semester system. Pass grade is C6 or better. School enrolment is 98% totaling over 2 million (Ghana web, 2015).

2.12 Institutional Framework

Institutional framework as used in this research is defined as the structures (or arrangement and policies) within the country, especially, in the Ministry of Education and the Ghana Education Service that guide the provision of sound and quality education to children in basic and senior high schools (i.e. KG to SHS3) (Ministry of Education, 2014).



2.12.1 Ghana Education Service

The Ghana Education Service (GES) as according to a report by the Ministry of Education on reforming mathematics and science education in Ghana is mandated to co-ordinate national education policy on basic and senior high education in Ghana (Ministry of Education 2014). According to the report, the GES carries out its oversight responsibility over basic and senior levels of education through a number of divisions or arrangements including the:

- Basic Education Division, which has responsibility for coordinating, supervising, monitoring and evaluating basic education delivery in the country. It has helped in improving access to basic education but it is evident from the poor performance of basic school children that it has not been very successful in carrying out its quality functions.
- Teacher Education Division, which is responsible for in-service education and training of basic school teachers. In the last decade JICA has supported the division to develop training manuals for the teaching and learning of science and mathematics. These manuals take care of the approach to teaching certain specific topics/concepts (regarded as difficult) and also the content. Teacher Education Division through JICA has trained District Teacher Support Teams in the District to provide in-service training for teachers. This team needs to be strengthened to focus on science and mathematics education
- Inspectorate Division, which is responsible for ensuring quality education delivery in basic schools in the country through the maintenance of minimum educational standards. This is done through supervision, inspection, monitoring and



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 evaluation. The Division also offers professional support to Head of schools, teachers, Circuit Supervisors and Regional Inspectors. Inspection of teaching learning activities in schools has not been effective due to a number of factors including non-payment of fuel allowances to circuit supervisors

2.12.2 Curriculum Research and Development Division

They are responsible for designing the official curriculum (i.e. syllabi) for basic and senior high schools. The syllabi explain the rationale and aims of teaching the subjects, describes the content to be taught, pedagogy to follow, time allocation and guidelines for assessment. Though, upon all these structures (or arrangements) within the Ghana Education Service that directs the provision of secondary education, the GES according to the report, historically lacked and still lacks sufficient leadership capacity in rural education. GES does not have a strong internal mechanisms or structures that can provide leadership and coordination. As such not all these structures have been very effective in achieving their desired goals.

2.12.3 National Council for Curriculum and Assessment (NCCA) and the National Teaching Council (NTC)

According to the Report, the CRDD is responsible for designing and providing the curriculum for basic and senior high schools in Ghana and the Inspectorate Division is responsible for monitoring and evaluation of the implementation of the curricula. To lead development of curriculum and assessment and support the implementation of changes from this work, the National Council for Curriculum and Assessment (NCCA) was established to make decisions on the curriculum and assessment system to be used in the schools. Moreover, the National Inspectorate Board by the report was established to improve effective monitoring of teaching and learning in schools. The impact of this has yet to be seen. Another government agency, the National





Teaching Council (NTC) www.udsspace.uds.edu.gh is to provide policy directions for the professionalization of teachers including senior high school teachers. These new bodies are in the process of being rolled out fully (Ministry of Education, 2014).

2.12.4 Universities, NGOs, subject associations, and the private sector

As the GES takes a vigorous role in promoting effective educational system in Ghana, it needs to engage with and use the expertise that resides outside its borders in the universities, NGOs such as the rural banks, subject associations, and the private sectors (Education 2014). Stakeholders outside the GES are needed to provide independent, objective evidence-based guidance and advice to promote effective science and mathematics education. Subject associations such as Ghana Association of Science Teachers, Mathematics Association of Ghana, and Ghana Science Association are made up of representatives from pre-tertiary education, tertiary education, industries and NGOs. These groups provide an important source for understanding the challenges facing science and mathematics education and initiatives that need to be put in place to address them.

The Ghana Academy of Arts and Sciences is another powerful organization that has expertise from different fields of science and can therefore be supportive of efforts to improve science and mathematics learning in the basic schools. The rural banks are therefore encouraged to follow suit since involving these organizations through sharing of data, information and strategies will increase the leadership and overall coordination of education in Ghana (Ministry of Education, 2014). The Ministry of Education and Ghana Education Service, as a result of the limited resources at their disposal, have over the years reached out to the private sectors such as the rural banks to play a more active and supportive role in education in the country through the provision of financial and in-kind commitments, which are needed by the GES.



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However, the involvement of the private sector should be seen only as an initial step towards forging a stronger and longer-term commitment to improving education in Ghana (Education 2014).

2.13 Challenges of Rural Secondary Education

Irrespective of the effort to establishment enormous number of senior high schools in Ghana to foster continuous education, there are a lot of challenges associated with its development.

Firstly, the rural high schools face the problem of enrollment due to the fact that they have been catalogued as ‘mushroom schools’. Students after graduating from the basic schools are reluctant to enroll in these senior high schools. These problems of enrollment could also be traced from the basic level which has also been characterized by school drop outs. For instance, according to Whelan (2014), school dropout rate remains high at about 20% for boys and 30% for girls at primary school. At Junior high school, these rates remain 15% for boys and 30% for girls which extends to the Senior High level. It is also clear that even though over 90% of Ghanaian children are enrolled in primary school, only 10-20% reach basic level of learning after primary school whilst in other countries such as Singapore, Japan, Finland and Hong Kong more than 90% of children reach a good basic level of learning (Whelan, 2014). It is noteworthy that while primary schooling in these top performing school systems cost \$7,400 per student per year, the cost per child per primary pupil per year in the Ghanaian school system is Gh¢214 (Ministry of Education, 2014). It is evident that Ghana does not have the kind of resources needed to emulate the examples of the top performing school systems thereby causing enrollment burden on senior high schools and more specifically, those in the rural areas.

Secondly, according to the Report by the Ministry of Education (2014) on reforming mathematics and science education in Ghana, there is also a performance gap between students as a result of geographical location. Pupils in urban schools outperform those in rural locations. This is seen in the under representation of rural schools being financially constrained. This situation denies the country the full benefit of their talents and denies the rich diversity of perspective and inspiration that drives the fields of education. Every Ghanaian deserves to have the opportunity to experience an exciting and inspiring education system.

These poor performances and disparities portrayed by these rural high schools are as a result of several factors which include inadequate teaching and learning materials and inadequate textbooks. According to Akkoyunlu (2002), instructional materials motivate students, and encourage them to study lesson providing them with opportunity to have an access to information and to evaluate it. This shows that concepts are well developed when the right type of teaching and learning materials are used. On the contrary, when teaching and learning materials are not employed in the development of concepts, understanding these concepts becomes difficult to learners. Textbooks are also very essential in educational settings. They offer students ‘a rich array of new and potentially interesting facts and opens the door to a world of fantastic experience’ Rural High School (Chambliss & Cal fee, 1998).

More recently demand for secondary education has grown. In the last 5 years alone, secondary enrolment has grown by as much as 60%, although the completion rate of 34% in 2006 (Ministry of Education, 2007) suggests dropout is still high. In 2006, secondary net enrolment stood at about 13% after stagnating at 10% for a decade. What this means is that, the proportion of secondary students not of the appropriate age for secondary is high. Therefore, despite the relatively high enrolments, the





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secondary education system has not been very efficient in delivering high numbers of graduates for further education and the labour market.

The recent Presidential commission on Education reforms in Ghana examined the reasons why most senior high school students were unable to access tertiary education, and blamed this on a number of factors: inadequate facilities and infrastructure, parents unable to afford secondary fees, a lack of alternative tracks for students with different interests and abilities, an inability of students to meet the minimum requirements for further education and a lack of interest in further education (Government of Ghana, 2002).

Similarly, the diversification of secondary education meant to open up opportunities for the different aspirations and abilities of students, as well as improve streaming into different post-secondary education and training never fully materialized. One reason was that the quality of practical education students received depended on whether they attended a school in a rural or urban area. Generally, there is better quality provision in traditional boarding schools located mostly in cities and towns than in community day secondary schools found mainly in rural or peri-urban areas. Also the traditional schools attracted more qualified teachers than the community schools. Teacher shortages in the technical or vocational subject areas effectively reduced quality of provision and undermined student interest (Akyeampong 2005). But, perhaps the most important influence on students' subject choice is the opportunity structure outside the school system. This has proved to be decisive for some students when it comes to selecting school locations, and increasingly, many of these students are seeing urban schools as offering better opportunities than the rural areas.

A Report by the Ministry of Education on National Forum on Duration of Senior High School revealed that in the last decade, the percentage of students qualifying from the



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Senior High Schools to Tertiary Institutions rose from about 6% in 1999 to 13% of the candidates who took the SSSCE/WASSCE. While the number of candidates who sat the examinations increased from 57,816 in 1999 to 131,268 in 2008 (i.e. increasing 2½ fold), the number of students qualifying rose from 3,352 in 1999 to 17,121 in 2008 (Ministry of Education, 2014)

The steady increases are indicators of positive gains which could be attributed to the good foundation and structures put in place in education by the government before 2000.

However, a review of students' performance by region and in terms of endowed/less endowed school reveals the influence of major challenges confronting the Ghanaian educational system including inequalities in the distribution of infrastructure such as electricity, toilets, safe buildings, tables, chairs, libraries, computer rooms, safe classrooms, sports fields, laboratories for science experiments, running water and fencing. With all these challenges listed, a school cannot work properly. Particularly during the raining season teaching and learning has to come to a halt as teachers and students prevent themselves from being beaten by the rain. Learners attending schools with better infrastructure tend to perform better than learners who come from schools with not enough resources.

Teacher deployment also serves as another challenge to less endowed senior high schools in the sense that the distribution of teachers continues to disadvantage rural areas. The situation is worse when it comes to the placement of trained professional teachers. The percentage of trained teachers remains very low at the senior high level (Kwame-Osei 2014). For rural, deprived and hard-to-reach parts of the country, the government's response is to introduce special incentive packages for teachers who accept postings in these schools of which they are not adequate. Teachers with issues



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concerning their accommodation also drive a lot of them into the urban centres neglecting the poor students in the rural areas. This mostly affects the student's academic performances during their certificate examination.

Other research studies have noted acute teacher shortages and poor teacher attendance as endemic in the Ghanaian basic education system (Bennell & Akyeampong 2006; World Bank, 2004; Akyeampong 2003; Barnes 2003). These studies also show that many trained teachers are unwilling to accept postings to deprived communities, and those who do, stay for a short period before seeking transfers (Akyeampong & Asante, 2006; Casely-Hayford and Wilson, 2001). As a result, there is a tendency for less qualified teachers to be employed in these communities (Barnes, 2003) and certain rural areas, 'suffer from an acute shortage of teachers. One study suggests factors influencing teachers' desire not to work in these communities include: a lack of adequate accommodation, unsafe drinking water, and lack of electricity, poor health conditions, limited transport, and a lack of personal development opportunities (Action Aid REV Programme Survey Report, 2000). Overall teaching continues to be a male dominated profession in Ghana (Dunne, Leach et al, 2005). There is a large discrepancy between the percentages of trained teachers in deprived districts as against non-deprived districts. Despite an annual output of almost 8,000 qualified teachers from the country's universities, there still seems to be high incidence of teacher attrition (Ministry of Education, 2005)

Finally, underutilization on instructional resources in the Senior High Schools should also demand our attention, (Ministry of Education, 2009). This shows that, even though there has been an increase but the less endowed schools (rural schools) are still retrogressing.

2.14 Educational implication of the study on the Provision of Credit Facilities by the Rural Banks on Secondary Education.

It is a major concern that prospective financial institutions in our communities' design products that could help provide credit facilities to secondary education with the understanding of improving the academic performance of our students.

Contemporary belief in secondary education is that learners need to be active learners rather than passive recipients of educational concepts to be learnt meaningfully (Kwang, 2002). During the past decade, a number of highly regarded reports, for instance, (MOESS, 2007) showed that in the last five years alone, secondary enrolment has grown by as much as 60 percent, although the completion rate of 34 percent in 2006 suggests dropout is still high.

The secondary education system has not been very efficient in delivering high numbers of graduates for further education and the labour market. The recent Presidential commission on Education reforms in Ghana examined the reasons why most Senior High students were unable to access tertiary education, and blamed this on a number of factors: inadequate facilities and infrastructure, parents unable to afford secondary fees, a lack of alternative tracks for students with different interests and abilities, an inability of students to meet the minimum requirements for further education and a lack of interest in further education (GOG, 2002).

Researchers have found that every Ghanaian deserves to have the opportunity to experience an exciting and inspiring education system. These poor performances and disparities portrayed by these rural high schools are as a result of several factors which include inadequate teaching and learning materials and inadequate textbooks. According to Akkoyunlu (2002), instructional materials motivate students, and





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encourage them to study lesson providing them with opportunity to have an access to information and to evaluate it.

A major problem facing these Rural Secondary Educational Institutions has been inadequate access to institutional credit facilities due to the remoteness of such areas from the financial market. Research suggests there are large differences in schooling access in rural and urban areas of Ghana with rural areas on the whole having significantly lower levels of educational access. Demand and supply-side factors interact to produce these differentials. Kraft et al., (1995) described the inequities in the quality of educational provision between urban and rural schools in Ghana. They recorded the ‘dramatic difference’ between the opportunities of the children in rural settings compared to those in urban and peri-urban settings. These differences could be found in most aspects of schools including library development, sports development, health facilities, science resource centre, entertainment facilities, classroom rehabilitation, security improvement, teaching aids, furniture, scholarship, school transport system, quizzes, debates competition, school feeding and staff workshop.

It is with this regard that stakeholders including Ministry of Education, Ghana Education Service, Parent – Teacher Associations (PTA), Public Institutions as well as the Non-Governmental Organisations (NGO’s) to step in to drive the educational sector to its positive direction. Despite the District Assembly governments’ successes, the national government has recognized a need for rural credit as confirmed by (OBENG, 2008).

Most financial institutions in the country particularly the rural banks which are specifically cited in the remote areas as part of their routine programmes should help sustain rural secondary education within their catchment areas to promote academic

performances in the respective schools. In the near future financing secondary education should serve as a priority to all stakeholders and the general public to increase access, promote equity and improve quality in the Senior High School system, also to Strengthen institutional capacity for delivery of better secondary education results and to finance research and diagnostic activities to advise the government on Senior High School policy and strategy, which would help provide on-demand analyses, surveys and impact assessments as well as various reviews of education financing, efficiency surveys, etc. to promote secondary education in the country.

2.15 Corporate Social Responsibilities of Rural Banks

Management without caring needs and expectations of stakeholders in a community will not be competitive compared with those who do in the 21st century. Demand for accountability and transparency from both public and private sectors has become soaring. In the olden days, management is seeking for survival and profits. Nowadays, management concerns managing financial and non-financial results with awareness of risk and maintenance of transparency. As a result, corporate social performance (CSP) has possessed equal importance of corporate financial performance (CFP).

Corporate social responsibility, often abbreviated "CSR," is a corporation's initiatives to assess and take responsibility for the company's effects on environmental and social wellbeing. CSR may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.

Marr and Onumah (2004) brought up the importance of “care” of organizations to the people and environment that they operate in. They mentioned that corporate social responsibility (CSR) reports are required in addition to traditional financial reports.



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They claimed organizations should make positive contribution to the society. This is the way to demonstrate that they do care for people and environment in their operating environment. Hence, different kinds of CSR reporting systems emerge under this idea. Examples are ISO 14001 – Environmental Management System, SA 8000 system, and reports showing directors’ contribution to CSR and charities.

Taking deposits, granting loans and providing complementary services are the core business of banks. No matter what kinds of countries, what kinds of culture, and what kinds of banking products and investors, banks need to be responsible for their customers in a social responsible way.

Lewin (2004) pointed out the problems facing corporate social responsibilities presently as the growing acceptable systematic risks induced by market participants who put self-interest into their priority. As a result, he proposed the following regulatory reforms to fulfill the dimensions of CSR; “Human Rights”, “The Environment”, “Fair Operating Practices”; and “Consumer Issues”, preventing banks from selling all the risks in products, increasing transparency of risk in financial products; and conducting reform against pro-cyclical situation. “Businesses not only must deal with hard- number economic realities, but they also have to address the perceptions and beliefs of their customers. Thus, organizations must adjust to the changing outlook of the consumers who buy what they try to sell. It’s not certain; however, what form this adjustment should take.” (McEwen, 2008)



METHODOLOGY

3.0 Overview

This chapter discusses the research design, population, sample and sampling procedure, data collection and data analysis procedures.

3.1 Research Design

Research designs are plans and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis (Creswell, 2009).

Descriptive survey design was employed for the study. The design was suitable for this study because, according to McMillan & Schumacher (2010), it is a design whereby the characteristics of the groups of individuals are presented statistically which involves the collection and analysis of data, and finding out the answers concerning the current status of the subject. Also, it is a study of variables in their natural setting or under usual circumstances. This comprises observation of facts, formulation of hypothesis, collection and classification of data, interpretation of data, formulation of theories, application of facts and predictions. Denscombe (2003) underscored this by intimating that the notion of a survey suggests that the researcher intends to get information “straight from the horse’s own mouth” and is purposeful and structured. He maintains that surveys are associated with large scale research covering many people.

The descriptive survey was therefore employed to help produce a good amount of responses from a wide range of people since it was associated with large-scale research, covering many people or events. It therefore enabled the researcher to





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collect enough data to determine the nature of the group studied as it existed at the time of the study. The strategy allowed the use of interviews and questionnaires which generated large volumes of data that were analyzed statistically and also enabled the researcher to observe, describe and document certain occurrences that existed. It is on this that Best and Khan (1993) postulates that descriptive statistical analysis limits generalization to the particular group of individuals observed and that no conclusions are extended beyond this group. Further, the researcher employed descriptive statistical tools such as percentages, frequencies and the mean in the analysis of data collected. McMillan (2000) agrees that descriptive study simply describes and provides an understanding of a phenomenon usually with simple descriptive statistics and it is particularly valuable when an area is first investigated. He further elaborated that, descriptive survey seeks at describing, observing and documenting aspects of a situation as it naturally occurs rather than explaining it. The wide and suitable coverage gave credibility to generalized statements made on the basis of the research.

Descriptive research design does have some weaknesses. These include the difficulty of ensuring that questions to be reacted to during interviews, especially, are explicit. Also, data gathered could produce untrustworthy result because they may delve into private and emotional matters in which respondents might not be completely truthful and finally retrieving a sufficient number of questionnaires administered for meaningful analysis to be made is a problem of the descriptive survey design.

Participants were made to answer questionnaires of which the responses were presented statistically for analysis.

3.2 Population

The population for the study focused on management unit of rural banks and heads of senior high schools in the Ashanti Region of Ghana. Ghana is having ten regions but only Ashanti Region was selected based on convenience and proximity.

3.3 Sample

Samples were selected from the Ejisu-Juaben Municipality in the Ashanti Region. The Municipality was selected based on convenience, proximity and it's well-known of enormous rural settlements with deprived Senior High Schools. The samples consisted of three Rural Banks, thus; Juaben Rural Bank, Yaa Asantewaa Rural Bank and African Trust Bank in the Ejisu-Juaben Municipality. Also, the samples consisted of seven senior high schools within the community which includes Juaben Senior High School, Ejisuman Senior High School, Ejisu Secondary and Technical School, Bonwire Senior High School, Achina Senior High School, Kwamo Secondary and Technical School and Church of Christ Senior High School. Five respondents from each rural bank consisting of the Human Resource Managers, Operations Manager, Supervision Managers, Marketing Managers and Head of Credits were selected which constituted fifteen (15) respondents. Three respondents from each of the seven senior high schools which consisted the Headmasters, Assistant Headmaster Administration and the Assistant Headmaster Academics of those selected schools were also selected which constituted seven (21) respondents. In all a sample size of thirty - six (36) participants were used.

3.4 Sampling Procedure

Two major sampling procedures were employed for the study, thus; convenience and purposive sampling techniques. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and





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The study employed these two techniques at various levels. Thus, one region (Ashanti) and a municipality (Ejisu-Juaben) were conveniently selected. Convenience sample was also used to select the three rural banks, thus, Juaben Rural Bank, Yaa Asantewaa Rural Bank and African Trust Bank.

Purposive sampling on the other hand was used to select the seven Senior High schools. There are seven senior high schools in the Ejisu-Juaben Municipality which are Juaben Senior High School, Ejisuman Senior High School, Ejisu Secondary and Technical School, Bonwire Senior High School, Achina Senior High School, Kwamo Secondary and Technical School and Church of Christ Senior High School. All these schools were selected for the purpose of the study.

Purposive sampling was again used to select the respondents of the questionnaire and the interview which included branch managers, project officers, accountants and internal auditors of the rural banks and Headmasters from the selected Senior High Schools.

3.5 Research Instrument

Questionnaires and Interview guide were the instruments for the study.

The questionnaire was used to answer research questions one and two whilst the interview was used to answer research question three. Both instruments were in guided form either than being open-ended.

3.5.1 Questionnaire

The questionnaires were used to answer research questions one, two and three. Two main types of questionnaires were used. One questionnaire was made for the management unit of the rural banks and the other for the Headmasters of the selected Senior High schools.

The questionnaire for the rural banks consisted of three main parts, thus; A, B and C. Part A dealt with the background information of the respondents which also consisted of three items. Part B deals with the various aspects in the senior high school of which the rural banks have provided credit assistance. This part also consisted of three items. The final part which is the part C also dealt with the levels at which the rural banks have provided credit assistance to the senior high schools. It also consisted of one main item with fourteen different sub-items under a Likert-type rating scale of five points. Thus, their level of assistance on the Likert-type rating scale was scored from 5 for Very Well and 4 for Well, 3 for Not Sure, 2 for Very little and 1 for Not at all. The mean score of respondents were computed to find out the levels of assistance provided by the rural banks on the various aspects within the senior high schools. Items obtaining a score less than 3.0 on the scale were labeled as having very little or no assistance. However, those scoring 3.0 and above were labeled as having well or very well assistance.

The questionnaire for the headmasters of the selected senior high schools also consisted of two main parts. Part A with three items dealt with the background information of the respondents whilst the part B which was the final part with fourteen items also dealt with the details of impact of credit assistance received by the senior high schools from the rural banks in their community.



3.5.2 Interview

An interview was used to answer research question four. The interview was granted to the sampled bank officials. Basically, the researcher sought the views of the management of the rural banks about the challenges of the rural banks in providing credit facilities to support rural senior high schools' development. In all a total of 15 respondents from the rural banks were interviewed. The interview was structured and conducted with a focused-group approach. In this focused-group approach, any member of the group was free to express his or her view on the question asked. The interview lasted almost 30 minutes in each of the sampled rural banks.

3.6 Validity

Validity is a measure that a particular research instrument in fact measures what it purports to measure (Durrheim, 1999). Validity measures taken in this study were based on conceptions and notions of validity.

In order to validate the instruments, my supervisor was consulted to cross check them as Durrheim (1999) suggests that the researcher approach others in the academic community to check the appropriateness of his or her measurement tools.

3.7 Data Collection Procedure

The researcher visited the three Rural Banks and the seven Senior High Schools sampled. The visit was to enable the researcher to discuss the purpose of the study and also to seek permission from the managers and the headmasters of the Rural Banks and the Senior High Schools respectively to administer the questionnaire and conduct the interview.



3.8 Data Analysis Procedure

As already stated, the data that was used for this study was responses from the questionnaires and the interview. The responses from the questionnaires were analyzed quantitatively whilst that of the interview was analyzed qualitatively. Basically, quantitative analysis in educational research is of two types; descriptive data analysis and inferential data analysis (Daramola, 1998; Durrheim, 1999). Descriptive analysis seeks to organize and describe the data by investigating how the responses are distributed on each construct, and by determining whether the responses on different constructs are related to each other (Durrheim, 1999). In the case of this study, both descriptive and inferential statistics was employed in the analysis of data collected. Therefore, responses from the questionnaire for both the rural banks and the senior high schools were organized into frequency tables of means and standard deviations to analyze the provision of credit facilities by the rural banks to the senior high schools. The descriptive were also used to identify the contributions of the credit facilities provided by the rural banks to the senior high schools. An inferential analysis, thus, correlation analysis was used to determine the significant relationship between the level of credit facilities provided by the rural banks and the level of contribution towards developmental change in the senior high schools. This was tested at 5% level of significance. With relation to the data gathered from the interview, descriptive were used to analyse it qualitatively with the help of Statistical Package for Social Scientists (SPSS) version 21.



RESULTS AND DISCUSSION

4.0 Overview

The purpose of this study was to investigate the provision of credit facilities by Rural Banks and its effects on Secondary Education in Ghana using Ejisu-Juaben Municipality as a case study. In this chapter, findings from the study are presented and discussed in relation to the four research questions which are;

1. How adequate has the Rural Banks provided credit facilities to support rural secondary education?
2. What effects has the provision of credit facilities by the Rural Banks created in the Senior High Schools?
3. What is the relationship between the level of credit facilities provided by the rural banks and the level of impact created towards developmental change in the rural senior high schools?
4. What are the challenges of the rural banks in providing credit facilities to support rural senior high schools' development?

Discussions on these research questions were based on quantitative and qualitative analysis of data collected from questionnaires and interviews respectively. The discussions focused on the following areas:

- (i) Background information about respondents sampled from the rural banks and the senior high schools within the municipality
- (ii) findings related to research questions.



4.1 Background Information about the Respondents Sampled from the Rural Banks and Senior High Schools within the Community.

Information about the background of the respondents from the rural banks and senior high schools that were sampled for the purpose of this study covered their gender, position in the banking hall or in the senior high schools and how long each respondent has worked in the office. The coverage of all these areas was to ascertain if the rural banks have provided adequate credit facilities to the senior high schools.

Figure 4.1 *Gender Status of the respondents sampled from the rural banks*

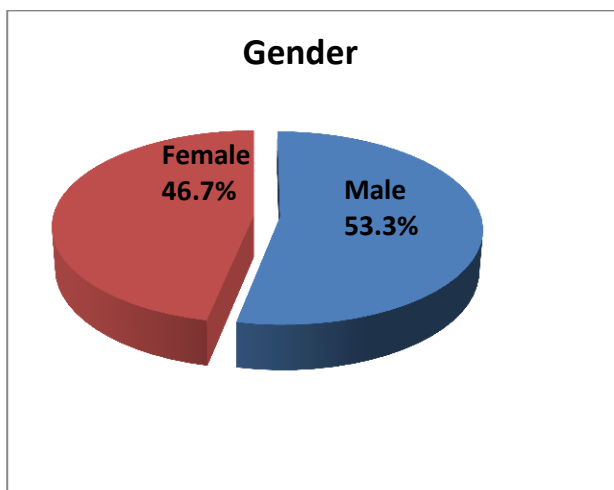


Figure 4.1. shows the gender status of the respondents selected from the rural banks. Statistics gathered in Figure 4.1 showed that 53.3% (8) of the respondents sampled were male whilst 46.7% (7) were female.

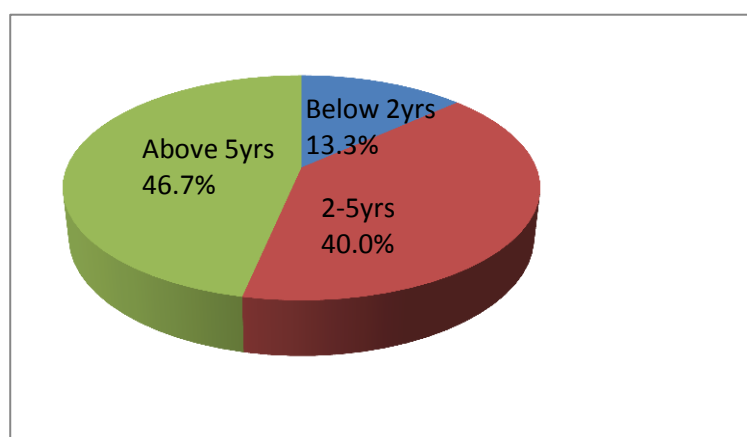


Table 4.1 *Positions of the Respondents in the Rural Banks*

Position	Frequency	Percentage
Human Resource Manager	3	20.0
Operations Manager	4	26.7
Supervision Manager	3	20.0
Marketing Officer	2	13.3
Head of credit	3	20.0
Total	15	100

It can be observed from table 4.1 that the positions of the various respondents of the rural banks indicates that Human Resource Managers were 3 making 20.0%, Operation Managers were 4 making 26.7%, Supervision Managers were also 3 indicating 20.0%, Marketing Officers were 2 forming 13.3% and Head of Credit were also 3 making 20.0%. This shows that the rural banks have more operating managers than any other positions.

Figure 4.2 Bank respondents number of working years with their various Banks





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Figure 4.2 shows that 2 (13.3%) of the respondents selected from the bank have spent below 2 years at post, 6 (40.0%) respondents have worked there between 2 to 5 years and 7 (46.7%) of the respondents have worked there for over 5 years indicating 46.7%. This gives a clear indication that the respondents have acquired much experience with their respective institutions and can provide vivid information towards the development of this work.

Figure 4. 3 *Gender Status of the headmasters and their assistants in the sampled senior high schools*

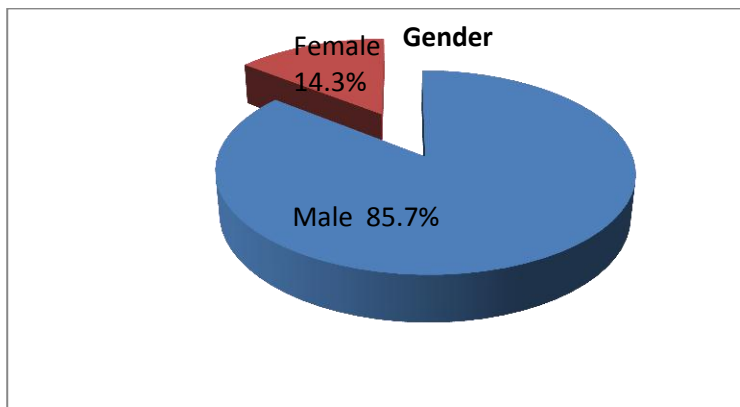


Figure 4.3 shows the gender status of the heads of the senior high schools sampled for the study. Statistics gathered in Figure 4.3 showed that 85.7% (18) of the heads of the senior high schools sampled were male and 14.3% (3) were female. This shows that most of the heads of senior high schools in the Ejisu-Juaben municipality are males as compared to females. This could be due to gender differentials in enrolment and achievement in higher education which is invariably rooted in inequality at the primary and secondary levels where the real sorting out of University bound students take place (Auguele, 2007).

Table 4. 2 *Positions of heads of senior high schools sampled*

Position	Frequency	Percentage
Headmaster	3	14.3
Assistant Headmaster Academic	10	47.6
Assistant Headmaster Administration	8	38.1
Total	21	100

Statistics gathered in Table 4.2 showed that the main headmasters sampled were 3 making 14.3%, assistant headmasters for academics were 10 making 47.6%, and assistant headmaster administration were 8 making 38.1%.

Table 4. 3 *Respondents number of working years with their various senior high schools*

	Frequency	Percentage
2-5 years	6	28.6
Above 5 years	15	71.4
Total	21	100

Table 4.3 shows the number of years the heads of institutions have been in their various senior high schools. Table 4.3 shows that none of the heads of the senior high schools sampled have spent less than 2 years in their schools. 6 of the headmasters have spent between 2 to 5 years making a percentage of 28.6% and 15 of the headmasters have been in their schools for over 5 years making 71.4%.



4.1 Provision of Credit Facilities by Rural Banks to the Senior High Schools

Research question one sought to identify how adequate the Rural Banks have provided credit facilities to the Senior High Schools.

Considering their adequacy in providing the credit facilities to the senior high schools, item 4 of the rural bank questionnaire requested whether the banks have been providing credit facilities to the senior high schools.

The Rural Banks provision of credit facilities to the Senior High Schools indicate that 100% (15) of the respondents sampled from the rural bank responded “Yes” whilst none of them 0% (0) responded “No”. This was a clear indication that all the respondents sampled admitted the fact that the banks have provided credit facilities to the senior high schools within their catchment areas.

Item 5 on the rural bank questionnaire also requested for the type of credit facilities the rural banks offered to the senior high schools. It was to ascertain if all the products offered by the rural banks have been made available to the senior high schools.

Table 4. *Types of credit facilities the Rural Banks have provided to the Senior High Schools*

	Frequency	Percentage
Loan	8	53.3
Grant	7	46.7
Total	15	100

It can be observed from Figure 4.5 that the rural banks have been able to offer various products such as loans and grants to the senior high schools. Many of the respondents 53.3% (8) indicated that Loans dominate on the available products offered to the



senior high schools as compared to 46.7% (7) who responded that grants have also been provided to the Senior High Schools. This indicates that though the bank deals with a number of products, the common ones which have been offered to the senior high schools include loans and grants. This also implies that the development of senior high schools in the rural areas is mainly based on loans and grants offered by rural banks in the area.



Table 4. 5Areas the rural banks have provided credit facilities to the senior high schools

Aspect	Yes	No
	N (%)	N (%)
Library Development	13 (86.7)	2 (13.3)
Sports Development	7 (46.7)	8 (53.3)
Health Facilities	6 (40.0)	9 (60.0)
Science Resource Centre	11 (73.3)	4 (26.7)
Entertainment Facilities	13 (86.7)	2 (13.3)
Classroom Rehabilitation	11 (73.3)	4 (26.7)
Security Improvement	8 (53.3)	7 (46.7)
Teaching Aids	14 (93.3)	1 (6.7)
Furniture	6 (40.0)	9 (60.0)
Scholarship	15 (100)	0 (00.0)
School Transport System	8 (53.3)	7 (46.7)
Quizzes, Debates competition	14 (93.3)	1 (6.7)
School feeding	15 (100)	0 (00.0)
Staff workshop	13 (86.7)	2 (13.3)

From Table 4.6, respondents in the rural banks were to indicate the various areas they have provided credit facilities to the senior high schools. It can be observed that the respondents responded towards library development 13 (86.7%), science resource centre 11 (73.3%), entertainment facilities 13 (86.7%), classroom rehabilitation 11 (73.3%), security improvement 8 (53.3%), teaching aids 14 (93.3%), scholarship 15



(100.0%), school transport system 8 (53.3%), quizzes, debates competition 14 (93.3%), school feeding (100.0%) and staff workshop 13 (86.7%) as receiving much attention of the rural banks assistance to the senior high schools while areas including sports development 7 (46.7%), health facilities 6 (40.0%) and furniture 6 (40.0%) have not received attention of the rural banks assistance to the senior high schools. This indicates that the rural banks have provided credit facilities to cover almost all the areas in the various senior high schools within the municipality and that contributes to the development of the schools.



Table 4.6 Credit facilities provided by the Rural Banks to the senior high schools on a five point Likert Scale

Aspect	N.A N (%)	V.L N (%)	N.S N (%)	W N (%)	V.W N (%)
Library Development	1(6.7)	0 (0.0)	1(6.7)	11(73.3)	2(13.3)
Sports Development	3(20.0)	4(26.7)	5(33.3)	1(6.7)	2(13.3)
Health Facilities	6(40.0)	3(20.0)	3(20.0)	3(20.0)	0(00.0)
Science Resource Centre	(6.7)	3(20.0)	7(46.7)	4(26.7)	0(00.0)
Entertainment Facilities	0(00.0)	3(20.0)	2(13.3)	5(33.3)	5(33.3)
Classroom Rehabilitation	2(13.3)	3(20.0)	2(13.3)	5(33.3)	3(20.0)
Security Improvement	2(13.3)	4(26.7)	6(40.0)	1(6.7)	2(13.3)
Teaching Aids	0(00.0)	0(00.0)	1(6.7)	7(46.7)	7(46.7)
Furniture	2(13.3)	0(00.0)	8(53.3)	2(13.3)	3(20.0)
Scholarship	0(00.0)	0(00.0)	0(00.0)	3(20.0)	12(80.0)
School Transport System	1(6.7)	1(6.7)	6(40.0)	3(20.0)	4(26.7)
Quizzes, Debates competition	0(00.0)	1(6.7)	1(6.7)	4(26.7)	9(60.0)
School feeding	9(60.0)	0(00.0)	6(40.0)	0(00.0)	0(00.0)
Staff workshop	1(6.0)	4(26.7)	1(6.7)	6(40.0)	3(20.0)

N=15 Scale: 1= Not at all (N.A) 2 =Very Little (V.L) 3=Not Sure (N.S) 4=Well (W) 5=Very Well (V.W)

Table 4.7 shows the levels of credit facilities that the rural bank has provided to the senior high schools. Respondents were to indicate their adequacy level in relations to the various areas that the banks have provided the credit facilities. Results from the table shows that 1(6.7), 0 (0.0), 1(6.7), 11(73.3), 2(13.3) responded not at all, very little, not sure, well and very well respectively for Library development.

Also 3(20.0), 4(26.7), 5(33.3), 1(6.7), 2(13.3) responded not at all, very little, not sure, well and very well respectively for sports development and 6(40.0), 3(20.0), 3(20.0), 3(20.0), 0(00.0) responded not at all, very little, not sure,



well and very well respectively for health facilities. Similar responses were also obtained for the rest of the various areas of the aspects of the level of credit facilities by the rural banks to the senior high schools.

The means and standard deviations for the responses of the levels of credit facilities by the rural banks to the senior high schools are indicated below in table 4.8.



Table 4. 7 Means and Standard Deviations for the Areas Credit facilities provided by the Rural Banks to the senior high schools on a five point Likert Scale

Aspect	Mean	S.D
Library Development	3.87	0.92
Sports Development	2.67	1.30
Health Facilities	2.20	1.21
Science Resource Centre	3.87	1.06
Entertainment Facilities	3.80	1.15
Classroom Rehabilitation	3.27	1.39
Security Improvement	2.80	1.21
Teaching Aids	4.40	0.63
Furniture	3.27	1.22
Scholarship	4.80	1.41
School Transport System	3.53	1.19
Quizzes, Debates competition	4.40	0.91
School feeding	1.80	1.01
Staff workshop	3.40	1.30
Weighted/Overall	3.43	1.07

Table 4.7 shows the means and standard deviations obtained from Table 4.7 on the level of credit facilities to the senior high schools by the rural banks. From Table 4.8, it could be observed that, library development recorded a mean of 3.87 and a standard deviation (S.D) of 0.92.

Sports development had a mean (2.67) and S.D (1.30), health facilities had a mean (2.20) and S.D (1.21), science resource centre had a mean (3.87) and S.D (1.06), entertainment facilities had a mean (3.80) and S.D (1.15), classroom rehabilitation had a mean (3.27) and S.D (1.39) and similar for the rest of the credit facilities provided to the developmental areas covered.



It could be deduced from Table 4.8 that the views of participants regarding areas of developmental assistance such as Library development, Science Resource Centre, Entertainment Facilities, Classroom Rehabilitation, Teaching Aids, Furniture, Scholarship, School Transport System, Quizzes, debates competition, Staff workshop were that their adequacy level were high for those aspects. The assertion that respondents had high adequacy level of the various assistance is based on the fact that all the means of those developmental areas were above the neutral point of three (3.0) on the Likert-type rating scales whereas the means of the rest of the areas covered were less than the neutral point of three (3.0) as in Table 4.8.

The results from table 4.8 again show that majority of the items had favourable responses. The overall mean score of the items was 3.43 which was above the speculated mean of 3.0 whilst the overall standard deviation was also 1.07. This shows that generally there has been an adequate level of credit facilities to the senior high schools by the rural banks.

4.3 Contributions of Credit Facilities Provided by the Rural Banks to the Senior High School

Research question 2 sought to identify whether the credit facilities provided by the Rural Banks have contributed to the development of the senior high schools. Considering these contributions, item 4 of the senior high school management questionnaire requested for the headmasters' knowledge on whether they have been receiving credit facilities from the rural banks towards the school's development.



Yes = 100%

The information above indicates that 100% (21) of the respondents from the senior high schools sampled responded yes to the fact that the rural banks in the community have provided credit facilities to them towards the development of the school. This was an indication that all the respondents in the senior high schools admitted the fact that they have been receiving credit facilities from the rural banks within their catchment area.

Item 5 on the senior high school management questionnaire (appendix B) requested for the type of credit facilities the senior high school has received from the rural banks. It was to ascertain if all the products offered by the rural banks have been made available to the senior high schools.

Table 4.8 *Types of credit facilities the Senior High Schools have received from the Rural Banks*

	Frequency	Percentage
Loan	7	33.3
Grant	14	66.7
Total	21	100

Statistics gathered in table 4.10 shows the type of credit facilities the senior high schools have received from the rural banks. It was recorded that 33.3% (7) of the headmasters of the senior high schools responded that they have received loans from the rural banks whilst 66.7% (14) of them also responded to have received grants



from the rural banks. This results shows that the senior high schools have received more grants and loans than other products of the rural banks.

Item 6 on the senior high school management questionnaire (appendix B) also sought to identify the contributions of the credit facilities provided by the rural banks towards development in the schools.

Table 4.9 *Areas of where the credit facilities have contributed to the senior high schools' development*

Area	Yes N (%)	No N (%)
Library Development	14 (66.6)	7 (33.3)
Sports Development	16 (76.2)	5 (23.8)
Health Facilities	16 (76.2)	5 (23.8)
Science Resource Centre	21 (100)	0 (00.0)
Entertainment Facilities	17 (81.0)	4 (19.0)
Classroom Rehabilitation	11 (52.4)	10(47.6)
Security Improvement	5 (23.8)	16(76.2)
Teaching Aids	19 (90.5)	2 (9.5)
Furniture	16 (76.2)	5 (23.8)
Scholarship	19 (90.5)	2 (9.5)
School Transport System	13 (61.9)	8 (38.1)
Quizzes, Debates competition	20 (95.2)	1 (4.8)
School feeding	11 (52.4)	10(47.6)
Staff workshop	18 (85.7)	3 (14.3)



The statistics gathered in Table 4.11 reveals the areas of development where the credit facilities provided by the rural banks have contributed to the development of the senior high schools. From Table 4.11, it can be observed that many of the participants responded that library development 14 (66.7%), sports development 16 (76.2%), health facilities 16 (76.2%), science resource centre 21 (100.0%), entertainment facilities 17 (81.0%), classroom rehabilitation 11 (52.4%), security improvement 5 (23.8%), teaching aids 19 (90.5%), furniture 16 (76.2%), scholarship 19 (90.5%), school transport system 13 (61.9%), quizzes, debates competition 20 (95.2%), school feeding 11(52.4%) and staff workshop 18 (85.7%) have seen contributions of these credit facilities towards developmental change while 7 (33.3%), 5 (23.8%), 5 (23.8%), 0 (00%) , 4 (19.0%), 10 (47.6%), 16 (76.2%), 16 (76.2%), 2 (9.5%), 5 (23.8%) ,2 (9.5%), 8 (38.1%), 1 (4.8%), 10 (47.6%), 3 (14.3%) responded respectively on the aspects that they have seen no contribution towards developmental change.



Table 4.10 *Levels of Contribution of Credit Facilities Towards Developmental change within the senior high schools*

Aspect	N.A N (%)	V.L N (%)	N.S N (%)	W N (%)	V.W N (%)
Library Development	5(23.8)	4(19.0)	0(00.0)	10(47.6)	2(9.5)
Sports Development	3(14.3)	1(4.8)	2(9.5)	12(57.1)	3(14.3)
Health Facilities	5(23.8)	4(19.0)	1(4.8)	9(42.9)	2(9.5)
Science Resource Centre	0(0.0)	0(0.0)	0(0.0)	11(52.4)	10(47.6)
Entertainment Facilities	4(19.0)	2(9.5)	0(0.0)	3(14.3)	12(57.1)
Classroom Rehabilitation	6(28.6)	3(14.3)	3(14.3)	6(28.6)	3(14.3)
Security Improvement	10(47.6)	3(14.3)	0(00.0)	5(23.8)	3(14.3)
Teaching Aids	2(9.5)	1(4.8)	0(00.0)	4(19.0)	14(66.7)
Furniture	2(9.5)	2(9.5)	4(19.0)	9(42.9)	4(19.0)
Scholarship	0(00.0)	1(4.8)	2(9.5)	2(9.5)	16(76.2)
School Transport System	6(28.6)	2(9.5)	2(9.5)	10(47.6)	1(4.8)
Quizzes, Debates and competition	0(00.0)	0(00.0)	1(4.8)	1(4.8)	19(90.5)
School feeding	6(28.6)	8(38.1)	3(14.3)	0(00.0)	4(19.0)
Staff workshop	2(9.5)	4(19.0)	0(00.0)	12(57.1)	3(14.3)

N=21 Scale: 1= Not at all (N.A) 2 =Very Little (V.L) 3=Not Sure (N.S) 4=Well (W) 5=Very Well (V.W)

Table 4.12 shows the levels of contributions of the credit facilities towards development in the senior high schools. Respondents were to indicate on a five point Likert- type rating scale on whether there has been any contribution of the credit facilities provided by the rural banks towards developmental change within specific areas in the senior high schools. Results from the table show that 5(23.8%), 4(19.0%),





0(00.0%), 10(47.6%), 2(9.5%) responded not at all, very little, not sure, well and very well respectively for Library development.

Also 3(14.3%), 1(4.8%), 2(9.5%), 12(57.1%), 3(14.3%) responded not at all, very little, not sure, well and very well respectively for sports development. 5(23.8%), 4(19.0%), 1(4.8%), 9(42.9%), 2(9.5%) responded not at all, very little, not sure, well and very well respectively for health facilities and similar responses for the rest of the various areas in relation to the impact of the credit facilities.

The means and standard deviations for the responses of the levels of contributions of the credit facilities towards developmental change within the senior high schools are indicated below in table 4.13.

Table 4.11 *Means and Standard Deviations for the level of contributions of Credit Facilities towards development within the Senior High Schools On the Five Point Likert Scale*

Aspect	Mean	S.D
Library Development	3.00	1.45
Sports Development	3.52	1.25
Health Facilities	2.95	1.43
Science Resource Centre	4.48	0.51
Entertainment Facilities	3.81	1.66
Classroom Rehabilitation	2.86	1.49
Security Improvement	2.05	1.16
Teaching Aids	4.29	1.31
Furniture	3.52	1.21
Scholarship	4.57	0.87
School Transport System	2.90	1.41
Quizzes, Debates competition	4.86	0.48
School feeding	2.24	1.09
Staff workshop	3.48	1.25
Weighted/Overall	3.47	1.18

Table 4.13 shows the means and standard deviations for the level of impact that the credit facilities provided by the rural banks created towards development within the senior high schools. From the table, it could be shown that, library development recorded a mean of (3.00) and a standard deviation of 1.45. Sports development had a mean (3.52) and S.D (1.25), health facilities had a mean (2.95) and S.D (1.43), science resource centre had a mean (4.48) and S.D (0.51), entertainment facilities had a mean (3.81) and S.D (1.66), classroom rehabilitation had a mean (2.86) and S.D (1.49) and similar for the rest of the developmental areas covered.

It could be deduced from Table 4.13 that the views of participants regarding areas of development such as Library development, Science Resource Centre, Entertainment Facilities, Classroom Rehabilitation, Teaching Aids, Furniture, Scholarship, School Transport System, Quizzes, competition, Staff workshop were that their level of contribution were high. The assertion that these areas had had a higher level of impact towards developmental change was based on the fact that all the means of those developmental areas were above the neutral point of three (3.0) on the Likert-type rating scales whereas the means of the rest of the areas covered were less than the neutral point of three (3.0) as in Table 4.13.

The results from table 4.13 again shows that majority of the items had favourable responses. The overall mean score of the items was 3.47 which was above the speculated mean of 3.0 whilst the Overall standard deviation was also 1.18. This shows that generally there has been a contribution of the credit facilities provided by the rural banks towards developmental change within the senior high schools.



4.4 Relationship between the level of credit facilities provided by the rural banks and the level of impact created towards developmental change in the rural senior high schools

Research Question 3 sought to identify if there exist any relationship between the level of credit facilities provided by the rural banks and the level of contribution towards developmental change in the senior high schools.

A descriptive Statistics for the rural banks level of credit facilities and the senior high schools level of developmental change was conducted. The results indicated that the rural banks level of credit facilities had a mean of 3.43 with a standard deviation of 0.23. In addition, the S.H.S Level of Development had a mean of 3.47 and a standard deviation of 0.35. This shows that the level of credit facilities provided by the rural banks is less than the level of contribution created on development in the senior high schools.

This suggests that even though the credit facilities provided by the rural banks have contributed to developmental change in the senior high schools, the rate of the developmental change is not necessarily significant.

4.5 Challenges of the rural banks in providing credit facilities to support rural senior high schools' development

Research question 4 was to seek the views of the management of the rural banks about the challenges of the rural banks in providing credit facilities to support rural senior high schools' development. A structured interview with 5 items (see Appendix C) was used to seek their views. 15 respondents were in all interviewed.

On the first question which sought to find out how often the schools pay back the loans with interest, eleven (73.3%) of the participants responded that the senior high schools do not regularly pay the actual loan and its interest giving the bank a tough





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time to retrieve its money whilst 4 (26.7%) of them also responded that the senior high schools regularly pay their loans with interest. This implies that the bank officials have now lose the courage to offer more loans to the senior high schools and its affecting the growth of the senior high schools in the catchment areas.

A follow up question which was to find out how often the activities of the Corporate Social Responsibility affect the rural banks in providing credit facilities to the senior high schools were also presented to the participants. Responses from the participants revealed that, 8 (53.3%) were of the view that, corporate social responsibilities always affect the rural banks in providing credit facilities to the senior high schools. This arises when the bank has to fulfil its commitments in embarking into developmental projects that could also benefit the entire society as a whole. Five (33.4%) of them also responded that the rural banks sometimes face a challenge in their attempt to combine both corporate social responsibilities and at the same time providing credit facilities to the senior high schools. The least group of the participants 2 (13.3%) also responded “never” which implies that the banks corporate social responsibility does not affect the bank in providing credit facilities to the senior high schools.

The third question was to find out if collaterals were used by the senior high schools in their quest for credit facilities. Six (40.0%) of the respondents were of the view that the senior high schools sometimes guarantee their loan applications with collaterals whilst 9 (60.0%) of the respondents were also of the view that the senior high schools always attach their loan applications with collaterals. These responses on the collaterals used by the senior high schools revealed that, the bank find it difficult to comply with the senior high schools which use government properties as collaterals for loans and that poses a threat to their financial sustainability.

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The fourth question requested to find out from the views of the providers how would they describe the documentation processes in processing credit facilities to the senior high schools. Goodland and Amadi, (1999) reiterated that indeed procedures instituted by Formal Financial Intermediaries to reduce lending risks often constitute '*social*' access barriers to the rural population because of the predominance of illiteracy and the need for formal documentation. Nine (60.0%) described the whole process as stressful as against 6 (40.0%) of the participants described the process as not stressful. Finally, the providers in the rural bank were to ascertain if there has been any risk in providing credit facilities to the senior high schools. This is because frequencies of loans granted to institutions including the senior high schools within their catchment area tends to become difficult to retrieve when the loan taker defaults in several occasions. Eleven (73.3%) of the respondents agreed to the fact that most of their loan products granted to the senior high schools to become bad debt since paying back of the loan by the senior high schools proves futile. Four (26.7%) of the other side also responded that there has not been any risk in providing credit facilities to the senior high schools. However, they describe the risk nature not alarming and the bank has put measures to control them.



4.6 Discussion of Findings

The sample for the study consisted of 36 respondents from three rural banks and seven senior high school institutions. Considering the respondents from the rural banks it was recorded that 8 (53.3%) were male as against 7 (46.7%) who were females. On that of the Senior High School Headmasters, 18 (85.7%) were male as also compared to 3 (14.3%) who were females. The low percentage of female in the sample could be attributed to the assertion by (Auguele, 2007) that gender differentials in enrolment and achievement in higher education is invariably rooted in inequality at the primary and secondary levels where the real sorting out of University bound students take place.

Results from tables 4.1 revealed that the positions of the various respondents of the rural banks indicates that Human Resource Managers were 3 making 20.0%, Operation Managers were 4 making 26.7%, Supervision Managers were also 3 indicating 20.0%, Marketing Officers were 2 forming 13.3%, and Head of Credit were also 3 making 20.0%

Statistics gathered in figure 4.2 showed that the main headmasters sampled were 3 making 14.3%, assistant headmasters for academics were 10 making 47.6%, and assistant headmaster administration were 8 making 38.1%. Notwithstanding, results from Figure 4.2 and Table 4.3 also revealed how long the respondents have been at post. This shows that 2 of the workers serving at the bank have spent below 2 years at post indicating 13.3%, 6 officers have stayed there between 2 to 5 years making 40.0% and 7 of the workers have stayed there for over 5 years indicating 46.7%. Considering that of the senior high schools, the number of years the heads of institutions has been in their various senior high schools shows that none of the heads of the senior high schools sampled have spent less than 2 years in their schools. 6 of



the headmasters have spent between 2 to 5 years making a percentage of 28.6% and 15 of the headmasters have been in their schools for over 5 years making 71.4%

To consider the level of adequacy on whether the bank has been providing loans to the senior high schools, information gathered shows that all the participants of the rural bank providers responded “Yes” whilst none of them responded “No”. This was a clear indication that all the respondents in the banking halls admitted the fact that they have provided credit facilities to the senior high schools within their catchment areas. On the part of the schools, the headmasters of the senior high schools sampled responded yes to the fact that the rural banks in the community have provided credit facilities to them towards the development of the school. This was also a clear indication that all the respondents in the senior high schools admitted the fact that they have been receiving credit facilities from the rural banks within their catchment area.

Looking at the number of products that the rural banks have in stock for their customers, the providers were asked to find out which of the products were made available for the senior high schools. The results were that the rural banks have been able to offer various products such as loans and grants to the senior high schools. Many of the respondents indicated that Loans dominate on the available products offered to the senior high schools as compared to grants. This indicates that though the bank deals with a number of products but the common ones which have been offered to the senior high schools include the loans and grants. The headmasters from the various senior high schools were also notified to indicate the type credit facilities they have also been receiving from the rural banks. It was recorded that headmasters of the senior high schools responded to have received loans and grants from the rural



banks. This results shows that the senior high schools have received more grants and loans than the other products the rural banks have in stock.

The respondents in the rural bank were to indicate the specific areas they have provided massive credit facilities to the senior high schools. Findings from table 4.6 indicate that, majority of the participants in the rural banks responded that they have offered massive credit facilities to the senior high schools in the areas of library development, science resource centre, entertainment facilities, classroom rehabilitation, security improvement, teaching aids, scholarship, school transport system, quizzes, debates competition, school feeding and staff workshop. This conforms to (Obeng, 2008) that there is anecdotal evidence that efforts of the rural banks are making improvements in the lives of the rural people. They also responded to have offered less credit facilities in the areas of sports development, health facilities and furniture.

The headmasters from the various senior high schools were also sought to confirm the impact of these credit facilities on specific areas within their schools. The headmasters responded that they have experienced massive impact on developmental changes in the areas of library development, sports development, health facilities, science resource centre, entertainment facilities, classroom rehabilitation, security improvement, teaching aids, furniture, scholarship, school transport system, quizzes, debates competition, school feeding and staff workshop. This also conforms to (Obeng, 2008) that there is anecdotal evidence that efforts of the rural banks are making improvements in the lives of the rural people. They further responded to have seen less impact on developmental changes in areas of health facilities, classroom rehabilitation, security improvement, school transport system and school feeding



The study also sought to find out if there is any relationship existing between the level of credit facilities provided by the rural banks and the level of impact created towards developmental change in the senior high schools. The results indicated a weak direct positive insignificant relationship between the rural banks level of credit facilities and the senior high schools level of developmental change $r(36) = .289, p > 0.05$, two-tailed. This suggests that even though the credit facilities provided by the rural banks causes impact on developmental changes in the senior high schools but the rate of the developmental change is not necessarily significant. This confirms to Gibson and Tsakalotos (1994) that the benefits accruable from a healthy and developed financial system relate to savings mobilization and efficient financial intermediation roles.

A structured interview with five items was used to seek the views of the fifteen respondents from the rural banks. This was structured to solicit their views on the challenges of the rural banks in providing credit facilities to support rural senior high schools' development.

On the first question which sought to find out how often does the school pay back the loans with interest? Most the participants responded that the senior high schools do not regularly pay the actual capital of the loan and its interest giving the bank a tough time to retrieve its money whilst others also responded that the senior high schools regularly pays their loans with interest. These statistics further confirms to what Shelagh (2012) reiterated that modern banks face several types of risks including credit risk, interest rate risk and exchange rate risk which could be as a result of the borrowers not being able to repay the loans in time.

On a follow up question which was to find out how often does the activities of the corporate social responsibility affects the rural banks in providing credit facilities to the senior high schools, majority of the respondents were of the view that, corporate





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social responsibilities always affect the rural banks in providing credit facilities to the senior high schools. This also confirms to what Idowu and Towler (2004), stated that corporate social responsibility (CSR) reports are required in addition to traditional financial reports. They claimed organizations should make positive contribution to the society. This is the way to demonstrate that they do care about people and environment in their catchment areas. This shows that banks are to involve in the societal developmental activities that could enhance human development and this arises when the bank has to fulfil its commitments in embarking into massive developmental projects that could also benefit the entire society as a whole.

Report from the interview revealed that the majorities of the respondents in the rural banks concluded that all those questions posed to them seems to be a great challenge to them in relation to their attempt of providing credit facilities to the senior high schools.

The third question was also to find out if collaterals were used by the senior high schools in their quest for credit facilities? Respondents were of the view that the senior high schools sometimes guarantee their loan applications with collaterals. These responses on the collaterals used by the senior high schools revealed that, the bank find it difficult to comply with the senior high schools which use government properties as collaterals for loans and that poses a threat to their financial sustainability. This also confirms to what Gabriel (2002) stated that poorly defined property and land use right has been identified as a major cause of inability of rural dwellers to provide collaterals.

The fourth question also requested to find out the views of the providers on how they would describe the documentation processes in processing credit facilities to the senior high schools. . Majority of the respondents described the whole process as

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stressful and this confirms to what Goodland and Amadi, (1999) reiterated that, indeed procedures instituted by Formal Financial Intermediaries to reduce lending risks often constitute '*social*' access barriers to the rural population because of the predominance of illiteracy and the need for formal documentation.

Finally, the providers in the rural bank were to ascertain if there has been any risk in providing credit facilities to the senior high schools. This is because frequencies of loans granted to institutions including the senior high schools within their catchment area tends to become difficult to retrieve when the loan taker defaults in several occasions. Most of the respondents agreed to the fact that most of their loan products granted to the senior high schools becomes bad debt since paying back of the loan by the senior high schools prove futile. These confirms to what Shelagh (2012) reiterated that modern banks face several types of risks including credit risk, interest rate risk and exchange rate risk which could be as a result of the borrowers not being able to repay the loans in time Four (26.7%) of the other side also responded that there has not been any risk in providing credit facilities to the senior high schools. However, they describe the risk nature not alarming and the bank has put measures to control them.



SUMMARY, CONCLUSIONS, RECOMMENDATIONS

5.1 Summary of key findings

The following are the summary of the key findings of the study.

On the provision of credit facilities by rural banks to the senior high schools, the researcher generally identified high level of adequacy among the rural banks by providing the senior high schools with credit facilities towards development. The available credit facilities the rural banks made it known to the senior high schools include Loans and Grants which seems to be helpful to the senior high schools in relation to their developmental projects.

Also on the contributions of credit facilities provided by the rural banks to the senior high school, the findings gathered indicated majority of the items which includes Library development, Science Resource Centre, Entertainment Facilities, Classroom Rehabilitation, Teaching Aids, Furniture, Scholarship, School Transport System, Quizzes, debates competition and Staff workshop had favourable responses. The overall mean score of the items was 48.53 which were above the speculated mean of 3.0 whilst the Overall standard deviation was also 16.57. This revealed that generally there has been a contribution of the credit facilities provided by the rural banks towards developmental change within the senior high schools.

Considering relationship between the level of credit facilities provided by the rural banks and the level of contribution created towards developmental change in the rural senior high schools the study indicated a weak direct positive insignificant relationship between the rural banks level of credit facilities and the contribution on the senior high schools' level of developmental change. This suggested that even





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though the credit facilities provided by the rural banks have contributed to developmental change in the senior high schools but the rate of the developmental change is not necessarily significant.

Finally, on the challenges of the rural banks in providing credit facilities to support rural senior high schools' development, the study further revealed that the banks inadequacy level of providing credit facilities to the senior high schools were as a result of the following challenges.

1. The senior high schools sometimes find it difficult to pay back the loans in addition with the interest.
2. The rural bank operators often find it difficult to combine both the activities of the corporate social responsibilities with that of providing credit facilities to the senior high schools.
3. Collaterals used by the senior high schools in their quest for credit facilities also tend to become a challenge.
4. The financial providers are restricted to long process of documentation before a loan or grant is being granted to the senior high schools which normally lead to a rise in their operation cost.
5. The risk involved in providing credit facilities to the senior high schools discourages them to offer more credits.

5.3 Conclusion

Data collected from sources mentioned and in line with the research questions, revealed series of findings. In relation to the adequacy level of the rural banks in providing credit facilities to the senior high schools and the level of developmental changes within the senior high schools, the researcher found out high levels of credit



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facilities by the bank providers to the senior high schools as well as causing high level of developmental changes within the senior high schools. This was ascertaining to the fact that the overall means for providing credit facilities by the rural banks and the level of developmental change within the senior high schools were all above the neutral point of 3.0 on the Likert type rating scale. In addition, in relation to the relationship between the banks level of providing credit facilities to the senior high schools and the level of developmental changes within the senior high schools, the researcher identified a weak direct positive insignificant relationship. Finally, in relation to challenges associated with the rural banks in their quest to provide credit facilities to the senior high schools, the researcher established several factors pertaining to the provision of loans and grants difficulty. Some of which included the senior high schools difficulty to pay back the loans with interest, the financial providers restricted to long process of documentation before a loan or grant is being granted to the senior high schools and the risk involve in providing credit facilities to the senior high schools discourages them to offer more credits. The findings gathered throughout the survey revealed that though the rural banks provide credit facilities to support the developmental aspects in the various senior high schools within their catchment area yet the level of developmental change was not necessarily significant.

5.4 Limitations

According to Best and Kham (1993) limitations are conditions beyond the control of the researcher that places restrictions on the conclusion of the study and its application. The major limitation placed on this study was the inability to generalise the results of the study to all rural banks and rural senior high schools. The researcher could not cover all the municipalities within the region due to lack of finance and



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time. Therefore, the researcher used only three rural banks and seven senior high schools, which represented a very small portion of the entire population.

5.5 Recommendations

From the findings of the study, it is recommended that;

1. The other financial institutions apart from the rural banks should emulate from the rural banks support for the senior high schools and do same particularly in the northern sector where school feeding grants normally delays.
2. The headmasters of the senior high schools should promptly pay their loans so that the rural banks would be resourced enough to continue their operations.
3. The rural banks should make their loans easier and affordable for the headmasters to be able to access them.

5.6 Suggestions for Further Studies

The educational implication of the findings of this study calls for further research in the area of provision of credit facilities by Rural Banks and its contribution on Secondary Education. The following are suggested for further research:

1. It is suggested that this study centred on only the academic contributions. Other areas of influence such as social, political, cultural and others could also be looked at in the light of influencing rural secondary education.
2. The study covered only three rural banks and seven senior high schools in the Ashanti Region of Ghana because of proximity, time to complete the study and finance. The research design could be modified so that more rural banks could be used to give a wider view on their credit facilities to the various senior high schools in their communities.

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APPENDIX A : RURAL BANK MANAGEMENT QUESTIONNAIRE
CODE:

UNIVERSITY FOR DEVELOPMENT STUDIES

FACULTY OF INTEGRATED DEVELOPMENT STUDIES

DEPARTMENT OF AFRICAN AND GENERAL STUDIES

Please, your response is essential in gathering data for a thesis to be presented to the above mentioned department in partial fulfillment of the requirements for the degree of M. Phil. Development Studies. This questionnaire is purely for academic purposes and therefore utmost confidentiality of your information is assured.

Questionnaire (Management- SHS): Please tick the most appropriate and as many as appropriate where applicable and write where applicable.

A. Background Information

1. Gender a) Male [] b) Female []

2. Position: Please specify your position in the
institution.....

3. For how long have you worked in the school?

(a) Below 2 years [] (b) 2-5years [] (c) Above 5years []



B. Areas of Developmental Assistance

4. Has the Rural Banks in the community been able to offer any credit facilities to the Senior High School? (a) Yes [] (b) No []

5. What type of credit facilities has the banks offered to the Senior High School?

(a) Loan [] (b) Grant [] (c) Other (s), please specify.....

(6) Please, select the area(s) of which the bank has offered any developmental assistance to the senior high school.

Aspect	Yes	No
Library development		
Sporting activities		
Health facilities		
Science Resource Centres		
Entertainment facilities		
Classroom rehabilitation		
Security improvement		
Teaching aids		
Furniture		
Scholarships		
School Transport System		



Quizzes/Debate Competitions		
School Feeding		
Staff Workshops		

C. Level of Development

6. Please, circle one option of the areas below which describes the level of developmental assistance that the bank has offered to the senior high school.

	Your level of understanding				
	Not at all	Very Little	Not Sure	Well	Very Well
Library development	1	2	3	4	5
Sporting activities	1	2	3	4	5
Health facilities	1	2	3	4	5
Science Resource Centres	1	2	3	4	5
Entertainment facilities	1	2	3	4	5
Classroom rehabilitation	1	2	3	4	5
Security improvement	1	2	3	4	5
Teaching aids	1	2	3	4	5
Furniture	1	2	3	4	5
Scholarships	1	2	3	4	5
School Transport System	1	2	3	4	5
Quizzes/Debate Competitions	1	2	3	4	5



School Feeding	1	2	3	4	5
Staff Workshops	1	2	3	4	5



APPENDIX B: SENIOR HIGH SCHOOL MANAGEMENT QUESTIONNAIRE

CODE:

UNIVERSITY FOR DEVELOPMENT STUDIES

FACULTY OF INTEGRATED DEVELOPMENT STUDIES

DEPARTMENT OF AFRICAN AND GENERAL STUDIES

Please, your response is essential in gathering data for a thesis to be presented to the above-mentioned department in partial fulfillment of the requirements for the degree of M.Phil. Development Studies. This questionnaire is purely for academic purposes and therefore utmost confidentiality of your information is assured.

Questionnaire (Management- Rural Bank): Please tick the most appropriate and as many as appropriate where applicable and write where applicable.

A. Background Information

1. Gender a) Male [] b) Female []

2. Position: Please specify your position in the institution.....

3. For how long have you worked with the bank?

(a) Below 2 years [] (b) 2-5years [] (c) Above 5years []

B. Areas of Assistance

4. Has the Bank been able to offer any credit facilities to the Senior High Schools in the community?

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



5. What type of credit facilities has the bank offered to the Senior High Schools in the community?

(a) Loan [] (b) Grant [] (c) Other (s), please specify.....

(6) Please, select the area(s) of which the senior high school have seen impact on credit facilities provided by the rural bank.

Aspect	Yes	No
Library development		
Sporting activities		
Health facilities		
Science Resource Centres		
Entertainment facilities		
Classroom rehabilitation		
Security improvement		
Teaching aids		
Furniture		
Scholarships		
School Transport System		
Quizzes/Debate Competitions		
School Feeding		
Staff Workshops		



C. Levels of Impact of Credit Facilities Towards Development

6. Please, circle one option of the areas below which describes the level of impact of the credit facilities that the bank has offered to the senior high schools in the community.

	Your level of understanding				
	Not at all	Very Little	Not Sure	Well	Very Well
Library development	1	2	3	4	5
Sporting activities	1	2	3	4	5
Health facilities	1	2	3	4	5
Science Resource Centres	1	2	3	4	5
Entertainment facilities	1	2	3	4	5
Classroom rehabilitation	1	2	3	4	5
Security improvement	1	2	3	4	5
Teaching aids	1	2	3	4	5
Furniture	1	2	3	4	5
Scholarships	1	2	3	4	5
School Transport System	1	2	3	4	5
Quizzes/Debate Competitions	1	2	3	4	5
School Feeding	1	2	3	4	5
Staff Workshops	1	2	3	4	5



CODE:

UNIVERSITY FOR DEVELOPMENT STUDIES

FACULTY OF INTEGRATED DEVELOPMENT STUDIES

DEPARTMENT OF AFRICAN AND GENERAL STUDIES

Please, your response is essential in gathering data for a thesis to be presented to the above mentioned department in partial fulfillment of the requirements for the degree of M.Phil. Development Studies. This Interview is purely for academic purposes and therefore utmost confidentiality of your information is assured.

Interview (Management- Rural Bank): Please answer as many as appropriate where applicable.

1. How often does the school pay back the loans with interest?
2. How often do the activities of the Corporate Social Responsibility affect the rural banks in providing credit facilities to the senior high schools?
3. Were collaterals used by the senior high schools in their quest for credit facilities?
4. How would you describe the documentation processes in processing credit facilities to the senior high schools?
5. Has there been any risk in providing credit facilities to the senior high schools?



**APPENDIX D: OUTPUT OF RESPONSES FROM THE HEADMASTERS OF
THE SHS TOWARDS THE QUESTIONNAIRE**

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	18	85.7	85.7	85.7
Valid Female	3	14.3	14.3	100.0
Total	21	100.0	100.0	

Position

	Frequency	Percent	Valid Percent	Cumulative Percent
Headmaster	3	14.3	14.3	14.3
Assistant headmaster academic	7	33.3	33.3	47.6
Valid Assistant headmaster domestic	6	28.6	28.6	76.2
Assistant headmaster administration	5	23.8	23.8	100.0
Total	21	100.0	100.0	



For how long have you worked with the school?

	Frequency	Percent	Valid Percent	Cumulative Percent
2-5 years	6	28.6	28.6	28.6
Valid above 5 years	15	71.4	71.4	100.0
Total	21	100.0	100.0	

Has the bank in the community been able to offer any assistance to the senior high school?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	21	100.0	100.0	100.0

What type of assistance has the bank offered to the senior high school?

	Frequency	Percent	Valid Percent	Cumulative Percent
loan	7	33.3	33.3	33.3
Valid grant	14	66.7	66.7	100.0
Total	21	100.0	100.0	

Area(s) of which the senior high schools have seen contributions on credit facilities provided by the rural bank.

Library development

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	14	66.7	66.7	66.7
Valid no	7	33.3	33.3	100.0
Total	21	100.0	100.0	



Sports development

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	16	76.2	76.2	76.2
Valid no	5	23.8	23.8	100.0
Total	21	100.0	100.0	

Health facilities

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	16	76.2	76.2	76.2
Valid no	5	23.8	23.8	100.0
Total	21	100.0	100.0	

Science Resource Centre

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	21	100.0	100.0	100.0

Entertainment Facilities

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	17	81.0	81.0	81.0
Valid no	4	19.0	19.0	100.0
Total	21	100.0	100.0	



Classroom Rehabilitation

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	11	52.4	52.4	52.4
Valid no	10	47.6	47.6	100.0
Total	21	100.0	100.0	

Security improvement

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	5	23.8	23.8	23.8
Valid no	16	76.2	76.2	100.0
Total	21	100.0	100.0	

Teaching Aids

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	19	90.5	90.5	90.5
Valid no	2	9.5	9.5	100.0
Total	21	100.0	100.0	



Furniture

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	16	76.2	76.2	76.2
Valid no	5	23.8	23.8	100.0
Total	21	100.0	100.0	

Scholarship

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	19	90.5	90.5	90.5
Valid no	2	9.5	9.5	100.0
Total	21	100.0	100.0	

School Transport System

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	13	61.9	61.9	61.9
Valid no	8	38.1	38.1	100.0
Total	21	100.0	100.0	

Quizzes, debates competition

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	20	95.2	95.2	95.2
Valid no	1	4.8	4.8	100.0
Total	21	100.0	100.0	



School feeding

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	11	52.4	52.4	52.4
no	10	47.6	47.6	100.0
Total	21	100.0	100.0	

Staff workshop

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	18	85.7	85.7	85.7
no	3	14.3	14.3	100.0
Total	21	100.0	100.0	

Levels of Contribution of Credit Facilities towards Development

Library development

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all	5	23.8	23.8	23.8
Very little	4	19.0	19.0	42.9
Well	10	47.6	47.6	90.5
Very well	2	9.5	9.5	100.0
Total	21	100.0	100.0	



Sports development

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all	3	14.3	14.3	14.3
Very little	1	4.8	4.8	19.0
Not sure	2	9.5	9.5	28.6
Well	12	57.1	57.1	85.7
Very well	3	14.3	14.3	100.0
Total	21	100.0	100.0	

Health facilities

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all	5	23.8	23.8	23.8
Very little	4	19.0	19.0	42.9
Not sure	1	4.8	4.8	47.6
Well	9	42.9	42.9	90.5
Very well	2	9.5	9.5	100.0
Total	21	100.0	100.0	

Science Resource Centre

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Well	11	52.4	52.4	52.4
Very well	10	47.6	47.6	100.0
Total	21	100.0	100.0	



Entertainment Facilities

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all	4	19.0	19.0	19.0
Very little	2	9.5	9.5	28.6
Well	3	14.3	14.3	42.9
Very well	12	57.1	57.1	100.0
Total	21	100.0	100.0	

Classroom Rehabilitation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all	6	28.6	28.6	28.6
Very little	3	14.3	14.3	42.9
Not sure	3	14.3	14.3	57.1
Well	6	28.6	28.6	85.7
Very well	3	14.3	14.3	100.0
Total	21	100.0	100.0	

Security improvement

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all	10	47.6	47.6	47.6
Very little	3	14.3	14.3	61.9
Not sure	5	23.8	23.8	85.7
Well	3	14.3	14.3	100.0
Total	21	100.0	100.0	



Teaching Aids

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	2	9.5	9.5	9.5
Very little	1	4.8	4.8	14.3
Valid Well	4	19.0	19.0	33.3
Very well	14	66.7	66.7	100.0
Total	21	100.0	100.0	

Furniture

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	2	9.5	9.5	9.5
Very little	2	9.5	9.5	19.0
Valid Not sure	4	19.0	19.0	38.1
Well	9	42.9	42.9	81.0
Very well	4	19.0	19.0	100.0
Total	21	100.0	100.0	



Scholarship

	Frequency	Percent	Valid Percent	Cumulative Percent
Very little	1	4.8	4.8	4.8
Not sure	2	9.5	9.5	14.3
Valid Well	2	9.5	9.5	23.8
Very well	16	76.2	76.2	100.0
Total	21	100.0	100.0	

School Transport System

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	6	28.6	28.6	28.6
Very little	2	9.5	9.5	38.1
Not sure	2	9.5	9.5	47.6
Valid Well	10	47.6	47.6	95.2
Very well	1	4.8	4.8	100.0
Total	21	100.0	100.0	

Quizzes, debates competition

	Frequency	Percent	Valid Percent	Cumulative Percent
Not sure	1	4.8	4.8	4.8
Valid Well	1	4.8	4.8	9.5
Very well	19	90.5	90.5	100.0
Total	21	100.0	100.0	



School feeding

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all	6	28.6	28.6	28.6
Very little	8	38.1	38.1	66.7
Not sure	3	14.3	14.3	81.0
Well	4	19.0	19.0	100.0
Total	21	100.0	100.0	

Staff workshop

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all	2	9.5	9.5	9.5
Very little	4	19.0	19.0	28.6
Well	12	57.1	57.1	85.7
Very well	3	14.3	14.3	100.0
Total	21	100.0	100.0	



**APPENDIX E: OUTPUT OF RESPONSES FROM THE RURAL BANK
OPERATORS TOWARDS THE QUESTIONNAIRE**

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	8	38.1	53.3	53.3
Valid Female	7	33.3	46.7	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		

Position

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Human resource manager	3	14.3	21.4	21.4
Valid Operations manager	4	19.0	28.6	50.0
Valid Supervising manager	2	9.5	14.3	64.3
Valid Marketing officer	2	9.5	14.3	78.6
Valid Head of credit	2	9.5	14.3	92.9
Valid Head of audit	1	4.8	7.1	100.0
Total	14	66.7	100.0	
Missing System	7	33.3		
Total	21	100.0		

For how long have you worked with the bank?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below 2 years	2	9.5	13.3	13.3
Valid 2-5 years	6	28.6	40.0	53.3
Valid above 5 years	7	33.3	46.7	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		



Has the bank been able to offer any assistance to the senior high schools in the community?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	15	71.4	100.0	100.0
Missing System	6	28.6		
Total	21	100.0		

What type of assistance has the bank offered to the senior high schools in the community?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid loan	8	38.1	53.3	53.3
Valid grant	7	33.3	46.7	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		

Area(s) of which the bank has offered any developmental assistance to the senior high school.

Library development

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	13	61.9	86.7	86.7
Valid no	2	9.5	13.3	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		

Sports development

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	7	33.3	46.7	46.7
Valid no	8	38.1	53.3	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		





Health facilities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	6	28.6	40.0	40.0
	no	9	42.9	60.0	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Science Resource Centre

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	11	52.4	73.3	73.3
	no	4	19.0	26.7	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Entertainment Facilities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	13	61.9	86.7	86.7
	no	2	9.5	13.3	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Classroom Rehabilitation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	11	52.4	73.3	73.3
	no	4	19.0	26.7	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Security improvement

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	8	38.1	53.3	53.3
Valid no	7	33.3	46.7	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		

Teaching Aids

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	14	66.7	93.3	93.3
Valid no	1	4.8	6.7	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		

Furniture

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	6	28.6	40.0	40.0
Valid no	9	42.9	60.0	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		

Scholarship

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	15	71.4	100.0	100.0
Missing System	6	28.6		
Total	21	100.0		



School Transport System

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	8	38.1	53.3	53.3
Valid no	7	33.3	46.7	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		

Quizzes,debates competition

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	14	66.7	93.3	93.3
Valid no	1	4.8	6.7	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		

School feeding

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no	15	71.4	100.0	100.0
Missing System	6	28.6		
Total	21	100.0		

Staff workshop

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	13	61.9	86.7	86.7
Valid no	2	9.5	13.3	100.0
Total	15	71.4	100.0	
Missing System	6	28.6		
Total	21	100.0		



Levels of Contribution of Credit Facilities towards Development

Library development

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	1	4.8	6.7	6.7
	Not sure	1	4.8	6.7	13.3
	Well	11	52.4	73.3	86.7
	Very well	2	9.5	13.3	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Sports development

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	3	14.3	20.0	20.0
	Very little	4	19.0	26.7	46.7
	Not sure	5	23.8	33.3	80.0
	Well	1	4.8	6.7	86.7
	Very well	2	9.5	13.3	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Health facilities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	6	28.6	40.0	40.0
	Very little	3	14.3	20.0	60.0
	Not sure	3	14.3	20.0	80.0
	Well	3	14.3	20.0	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		



Science Resource Centre

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	1	4.8	6.7	6.7
	Not sure	3	14.3	20.0	26.7
	Well	7	33.3	46.7	73.3
	Very well	4	19.0	26.7	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Entertainment Facilities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very little	3	14.3	20.0	20.0
	Not sure	2	9.5	13.3	33.3
	Well	5	23.8	33.3	66.7
	Very well	5	23.8	33.3	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Classroom Rehabilitation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	2	9.5	13.3	13.3
	Very little	3	14.3	20.0	33.3
	Not sure	2	9.5	13.3	46.7
	Well	5	23.8	33.3	80.0
	Very well	3	14.3	20.0	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		



Security improvement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	2	9.5	13.3	13.3
	Very little	4	19.0	26.7	40.0
	Not sure	6	28.6	40.0	80.0
	Well	1	4.8	6.7	86.7
	Very well	2	9.5	13.3	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Teaching Aids

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not sure	1	4.8	6.7	6.7
	Well	7	33.3	46.7	53.3
	Very well	7	33.3	46.7	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Furniture

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	2	9.5	13.3	13.3
	Not sure	8	38.1	53.3	66.7
	Well	2	9.5	13.3	80.0
	Very well	3	14.3	20.0	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		



Scholarship

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Well	3	14.3	20.0	20.0
	Very well	12	57.1	80.0	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

School Transport System

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	1	4.8	6.7	6.7
	Very little	1	4.8	6.7	13.3
	Not sure	6	28.6	40.0	53.3
	Well	3	14.3	20.0	73.3
	Very well	4	19.0	26.7	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Quizzes,debates competition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very little	1	4.8	6.7	6.7
	Not sure	1	4.8	6.7	13.3
	Well	4	19.0	26.7	40.0
	Very well	9	42.9	60.0	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		



School feeding

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	9	42.9	60.0	60.0
	Not sure	6	28.6	40.0	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		

Staff workshop

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	1	4.8	6.7	6.7
	Very little	4	19.0	26.7	33.3
	Not sure	1	4.8	6.7	40.0
	Well	6	28.6	40.0	80.0
	Very well	3	14.3	20.0	100.0
	Total	15	71.4	100.0	
Missing	System	6	28.6		
Total		21	100.0		



**APPENDIX F: CORRELATION DATA FROM THE OVERALL RESPONSES
OF THE RURAL BANK OPERATORS AND THE HEADMASTERS FROM
THE FIVE POINT LIKERT SCALE**

RESPONDENTS	MEAN RESPONSES FROM RURAL BANK OPERATORS	MEAN RESPONSES FROM THE HEADMASTERS
1	3.36	3.64
2	2.93	3.14
3	3.86	3.43
4	3.21	3.64
5	3.43	3.50
6	3.57	3.36
7	3.50	3.21
8	2.93	3.07
9	3.43	3.14
10	3.86	3.21
11	3.86	3.64
12	3.93	3.71
13	3.43	3.71
14	3.07	3.43
15	3.07	3.64
16	3.57	
17	3.71	
18	4.07	
19	2.93	
20	3.64	
21	3.43	



Correlations

		meanSHSTotal	meanBankTotal
Spearman's rho	Correlation Coefficient	1.000	.293
	meanSHSTotal Sig. (2-tailed)	.	.289
	N	21	15
	Correlation Coefficient	.293	1.000
	meanBankTotal Sig. (2-tailed)	.289	.
	N	15	15

Statistics

		meanSHSTotal	meanBankTotal
N	Valid	21	15
	Missing	0	6
Mean		3.4660	3.4333
Std. Deviation		.34745	.22982

