

AN ASSESSMENT OF POVERTY ALLEVIATION FUND IN
THE GUSHEGU DISTRICT OF
NORTHERN GHANA

BY

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DISSERTATION SUBMITTED TO THE FACULTY OF
PLANNING AND LAND MANAGEMENT IN PARTIAL
FULFILLMENT OF REQUIREMENTS FOR THE AWARD
OF MASTER OF SCIENCE DEGREE IN DEVELOPMENT
MANAGEMENT

JULY, 2011



ABSTRACT

In March 1995, the UN held the First World Summit for Social Development in Copenhagen. The theme of the Summit was poverty eradication and possible ways of exploring alternative strategies to tackle the worsening poverty situation in the Third World. Inadequate access to or control of income-generating activities is still a major phenomenon in the Gushegu District.

The research was broadly designed based on a case study approach. The study combined qualitative and quantitative approaches in data collection and analysis. Both primary and secondary data were collected for the purpose of this study. Primary data collection processes made use of Focus Group Discussions (FGD) and in-depth interview with key participants using semi-structured or open-ended questions.

The main findings of the study are that: Females are the larger beneficiaries of the Poverty Alleviation Fund in the Gushegu District. They constitute 75 per cent of the beneficiaries. The findings also revealed that majority of respondents have no formal education. Out of the 100 respondents, as much as 53 per cent had no formal education. A major finding is that the size of the fund given to individuals or groups was too small to be invested in any meaningful business venture. The amount of the loan ranged from GH¢20 to GH¢100 per person in 2004.

The first recommendation therefore is that groups to be assisted with funding; must have common interest and objectives and should have been in existence for at least two years before qualifying for any form of loan. It is also recommended that such funds should be disbursed through credible organizations such as the National Board for small scale industries.



ACKNOWLEDGEMENTS

I could not have done this study successfully without the support of some individuals whose contributions cannot be ignored.

My sincere gratitude goes to my Supervisor Dr. Seidu Al-hassan who guided me throughout this study. My gratitude also go to management of the University for Development Studies for offering me the opportunity to undertake a course leading to the award of a Master's of Science Degree in Development Management.

My immeasurable gratitude goes to Dr. Ernest Kunfa, Dr. Francis Z.L Bacho, Professor David Millar, Professor Kendie and all lecturers of Masters of Development Management for bringing me this far. Finally my gratitude goes to SalifuInusah and Alhassan for assisting me in data collection.



DEDICATION

I dedicate this work to my mother, Madam MariamaKoniamu, my lovely daughters; Hamdia A. Braimah, Shahadatu A. Braimah, Amoma A. Braimah, Bimuka A. Braimah, and Awunka A. Braimah.



LIST OF ACRONYMS

APRM: African Peer Review Mechanism

DACF: District Assemblies Common Fund

FGD: Focus Group Discussion

GLSS: Ghana Living Standard Survey

GPRS: Ghana Poverty Reduction Strategy

ILO: International Labour Organization

IMF: International Monetary Fund

MDGs: Millennium Development Goals

NEP AD: New Partnership for African

Development P AF: Poverty Alleviation Fund

PRS: Poverty Reduction Strategies

PRSPs: Poverty Reduction Strategies Papers

P AMSCARD: Programme of Action to mitigate the Social Cost of

Adjustment SAP: Structural Adjustment Program

SPSS: Statistical Package for Social Sciences

UN: United Nations

UNDP: United Nations Development Program

WCARRD: World Conference on Agrarian Reform and Rural Development



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CHAPTER ONE INTRODUCTION

Background

Decentralisation of government has been a major policy direction of the World Bank and - International Monetary Fund (IMF) as an adjunct to the Structural Adjustment Programme (SAP) imposed on low income countries. The emphasis in SAPs on the reduction of public spending has increased poverty in many cases. This has led to the growth of a new emphasis on decentralisation and participatory development in an attempt to reduce poverty. The link between participation and local governance has become an important means of improving the effectiveness of services and of empowering the poor to participate in the development processes that affect their lives Peter (1999: 1)

After a decade of stabilisation and adjustment programmes in sub-Saharan Africa, poverty continues to be of critical concern and a formidable challenge. The harsh impact of these programmes has prompted a new emphasis on popular participation through decentralisation in recent years. The growing apparent shift from top-down to bottom-up approaches to development in Ghana, (as in other low income countries) has been occasioned by a number of features: centralisation of state apparatus and the failure of development projects, increasing rural poverty and political changes (particularly the demands of international organisations for good governance as a conditionality for loans). Decentralisation is perceived as a means of limiting the functions of central government and strengthening service provision at the sub national level (OECD, 1997:23). The demands of structural adjustment for reductions in state expenditure have also encouraged the devolution of authority and functions to local governments with consequent opportunities for empowerment of local groups. There is a growing emphasis on the role of indigenous, grassroots, and Non-Governmental Organisations (NGOs) in Ghana (as elsewhere in Africa) in addition to local government. In 1988 the governing Provisional National Defense Council of Ghana put in place an administrative and political structure that aimed to support a greater degree of popular participation in rural development. Power has been devolved to District Assemblies to enhance service delivery for poverty alleviation, and since 1992 the government has channeled not less than 5% of national revenue to these Assemblies for development:



The District Assemblies (Local Government bodies in Ghana) are now the fulcrum of political and administrative authority in Ghana (Peter, 1992:2)

The UN agencies have long appealed to development policies and plans focusing on poverty eradication (Munkner and Shah, 1993) as cited in Banturaki (2001:1). According to Banturaki (2000:2) the UN agencies are mandated for rural development in third world. They directed their concerns to rural development strategies in the developing Countries. The ILO, in its "Rural Workers Organisation Action Programme" for involvement of the poor in Development (ROAD) of 1977 and the World Conference on Agrarian Reform and rural Development (WCARRD) of 1979, had one objective in common. This was: "to assist the developing world in getting appropriate rural development strategies in an effort to alleviate rural poverty".

March 1995, the UN held the First World Summit for Social Development in Copenhagen. The theme of the Summit was poverty eradication and possible ways of exploring alternative strategies to tackle the worsening poverty situation in the Third World (Banturaki, 2000:2).

Poverty, and particularly the efforts to conquer poverty, have become a central debate among researchers, decision-makers, donors and households (Dorothee and Samuel, 2005:15). Economists have been taking a growing interest in the subject since the advent of structural adjustment policies (SAP) and the devastating consequences these policies triggered. At the beginning of the 1990s, the Breton Woods Institutions began to raise questions on poverty, its determining factors, and the means to pursue the fight against poverty, which was on an upward trend despite observed economic growth.

We must however note that although several stakeholders, notably civil society, have been denouncing the phenomenon of poverty for a long time, efforts to conquer this scourge have been stalled by the complex nature of the phenomenon itself. Indeed efforts to eradicate poverty are still hard to quantify and translate into effective policies (Dorothee and Samuel, 2005: 15).





According to Kevin (1996:4) "Left unchecked, poverty will continue to claim victims on a 'Owing scale. On present trends, the number of people living in poverty could rise to 1.5 billion by 2025. In South Asia, home to the World's largest population of poor people, the Proportion of people living below the poverty line is falling, but the absolute number is rising. Sub-Saharan Africa is a special source of concern because poverty is increasing not only in terms of the total numbers affected but also as a proportion of the population. By the end of the decade, the ranks of the 218 million Africans living in poverty will have swelled to 300 million, with the downward spiral in human welfare indicators likely to continue into the next century. Sub-Saharan Africa is now the only part of the developing ' ' which infant mortality rates are rising and literacy levels falling".

There is also a deepening sense of unease at the social and moral implications of allowing poverty, homelessness, and widening inequalities to des troy the lives of vast numbers of people, and at the waste of human potential caused by poverty (Kevin, 1996:5).

Weak institutions which are loosely connected to civil society cannot oversee the effective implementation of strategies for achieving social and economic rights, however well-intentioned governments may be. That is why transparent and accountable government, popular participation in decision-making, and investment in institutional reform are essential to genuine development (Kevin, 1996:7).

Poverty Reduction Strategies (PRS) appear to have become the key development strategy · low income countries. However "making poverty reduction strategies work" has proven a much bigger challenge than just producing Poverty Reduction Strategy Papers (PRSPs). Making poverty reduction strategies work requires the implementation of complex political d economic reform process- a daunting task for any government (Making Poverty Reduction Work, 2005: 5).



regards to development efforts, actors and policies; and it has cultivated and deepened our understanding of poverty. Therefore, despite all valid criticisms, the essential principles of the PRS approach are worth sustaining and improving (German Development Cooperation PRS Review, 2005:5).

Ghana since 2001 has adopted the Ghana Poverty Reduction Strategy (GPRS) as its comprehensive line of attack on poverty. The GPRS is thus the country's key response in accomplishing the global task of fulfilling the Millennium Development Goals (MDGs).

1.2 Problem Statement

Ghana has experienced an impressive economic success in recent years. The economy is in its sixth year of expansion with real GDP growth rate of 6.2 per cent in 2006. According to GPRS II (2006) the average level of poverty in the country has reduced almost by half during the past fifteen years with poverty rates dropping from 52 per cent in 1991 to 28.5 per cent in 2006.

Notwithstanding these achievements, poverty remains a serious concern. Although urbanization is shifting the pattern of poverty to a certain extent, the location of poverty still points to severe imbalances within the country affecting in particular rural areas and the three northern regions Upper West, Upper East and Northern Region.

GLSS studies confirm that the incidence of poverty in Ghana is overwhelmingly rural. The data from these studies also imply that a significant proportion of the rural poor live in remote areas which are far from publicly-owned development and service institution such as extension services, school and hospital. According to the Ghana Living Standard Survey 5 (GLSS, 2007) poverty level in Northern Region is 60 per cent. This means that six (6) out of every ten (10) persons are considered poor.

The Ghana Poverty Reduction Strategy (GPRS I, 2002) implemented over the period 2003-2005 aimed at putting the economy on a sound footing. It also involved carrying out programmes and projects on basic education, safe water, improved health, environmental sanitation and special programmes for the very poor and helpless, especially women. In this

respect the GPRS I, broadly reflected a policy framework meant to fight poverty in line with the UN's Millennium Development Goals (MDGs).

The facilities mentioned in the GPRS I, programmes and projects on basic education, safe water, improved health, environmental sanitation and special programmes for the very poor and helpless, especially women are still out of reach of the majority of people in the Gushegu District, majority of these deprived live in rural communities .

The issues of poverty have remain like a chronic disease despite the efforts made by the Ghana government, international agencies and other development partners since 1998 when .e governments through the District Assemblies first implemented the Poverty Alleviation Programme. GPRS I stated the overall poverty of the Gushegu/Karaga District at 92 per cent GPRS II (2005:72).

Inadequate access to or control of income-generating activities is still a major phenomenon the Gushegu District. Nine out of every ten adults cannot feed their families on three meals in a day GPRS II (2005:72), they can also not provide for the educational and health of their families despite the implementation of Poverty Alleviation Fund in the Gushegu District. Women and children are the hardest hit, due to the fact that they lack access to assets such as credit, land and property and are also the least educated.

1.3 Research Questions

1.3.1 Main Research Question

What is the impact of poverty alleviation Fund in the Gushegu District?

1.3.2 Sub Research Questions

- 1) Have incomes of beneficiaries of the Poverty Alleviation Fund improved?
- 2) Have beneficiaries been able to pay back the loan?
- 3) Has the standard of living of beneficiaries improved in terms of payment of children's school fees and providing for nutrition and health care for the family?



1.4 Research Objectives

1.4.1 Main Objective

The research seeks to examine the impact of Poverty Alleviation Fund in the Gushegu District since 1998.

1.4.2 Specific Objectives

- 1) To determine whether incomes of beneficiaries of the Poverty Alleviation Fund have improved.
- 2) To determine whether beneficiaries of the fund have been able to pay back the loan.
- 3) To examine whether the standard of living of beneficiaries has improved in terms of payment of children's school fees and providing for nutrition and the family's health care needs.

1.15 Justification of the Study

The study will provide a blue print for the District Assembly for effective implementation of similar fund or programmes. The Dissertation will provide useful recommendations for the design and implementation of similar programs. The study also aims at contributing to literature on poverty issues and to make data available on the implementation of Poverty Alleviation Fund in the Gushegu District.

1.6 Limitations of the Research

Collecting data in this area was the most challenging aspect of the study. The Assembly did not keep proper records on the poverty alleviation Fund. Information had to be pulled out of files from almost everywhere. Some information also existed only on computers which are now out of use.

Another limitation of the research work was the difficulty of getting people willing to give answers to questions for fear of being asked to pay back the loan. It therefore took the research assistance too long to have the questionnaires answered. Much of the interview time was used to convince the respondents that the research had nothing to do with repayment of loan.



A major limitation of the research work was lack of proper command of Dagbani and Likpapa the major languages spoken in the area hence the use of research assistant who did much of the interviews when it came to these two languages.

1.7 Organization of the Work

The full report of this research study is organized in five (5) chapters as follows: Chapter one is an introduction to the study which include a background to the study, the problem statement, research questions and objectives, justification. Chapter two covers the review of literature on publications of others who have carried out research studies relevant to the study at hand. It also examined some theoretical discourses pertinent to the study as well as review relevant concepts. Chapter three covers the research methodology. This chapter includes the research design, the sampling procedures, methods of data collection as well as the tools and techniques for presenting and analyzing the data. The research findings and their analyses are the fourth and the major part of the study. Chapter Five consist of summary, conclusion and recommendations.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is about literature relating to the concept of poverty and efforts made at both the national and international level to address issues of poverty. Literature was also reviewed on Poverty Alleviation Fund in the Gushegu District.

2.2 Defining the Concepts of the Study

2.1 Definition of Poverty

The study defines poverty as the "inability to attain a minimum standard of living, and as a material condition as well as a power relationship", (Bagachwa, 1994) as cited in Bankturi, (2000:1).

2.2.2 Poverty Alleviation

Poverty alleviation is used to describe how the poor can be helped to have access and control on income-generating activities more effectively-directly through relief, as well as social policy and action; indirectly, through the construction of a development approach - both economic and social-that seeks deliberately to embrace and empower all members of society.

2.3.3 Marginalised

.1.T"uood's definition of marginalization has been adopted for this study. Mahmood (1985:121) as oral in Banturaki (2000) describes a marginal group or marginalised group as a cluster of households representing common interest and living close to a limit below or beyond which it is hard or impossible to meet the minimum (basic) subsistence needs out of the given resources base of the households. Such clusters combine the uneducated, the illiterate, the landless peasants, the very small holders, the small artisans, the rural women and the farm youth. In a process of development a distinction has to be drawn between welfare groups and marginal groups.



2.3 Theoretical Background

In the last two decades governments, individual politicians, local bureaucrats, international agencies and academicians in Africa have been advocating decentralization as a solution to variety of development problems including poverty alleviation. "Some argue that centralization may determine the extent to which governments reach or help the poor to prove their living conditions" (Matovu et al, 1992:59).

But income inequality also affects the pace at which growth is translated into poverty reduction. Growth is less efficient in lowering poverty levels in countries with high initial equality or in which the distributional pattern of growth favours the non poor (Bourguignon 2004; Ravallion 1997, 2004). In the late 1990s the term pro-poor growth came popular as economists recognized that accelerating poverty reduction required more rapid growth and lower inequality (Timothy, 2007: 1).

Economic growth is imperative if poverty is to be reduced. But the distribution of wealth is as important as its creation. At an international level there is a gross maldistribution, with the structure of world trade and finance supporting an increasing concentration of wealth in the industrialized world. In the 1960s, the richest fifth of the world's population living in the industrially advanced countries had average incomes 30 times greater than the poorest fifths, living in the developing world. By 1990, they were receiving 60 times more (Kevin, 1996:3).

Poverty is one of the main driving forces behind the civil conflicts which are creating unprecedented numbers of refugees and displaced people. It is also causing the growth of sprawling urban slums, which have become focal points for social tension, and political disaffection. Migration to these slums is being enforced by environmental degradation, linking town and country in a vicious circle of social decline (Kevin, 1996:6).

In recent years Poverty has moved to the centre of international development policy. Development' itself has failed to provide answers to human suffering and disadvantage, or fulfill its broad promise to make poor people better off, eventually. Gone are the days of easy assumptions that industrial development, or technological progress, or cooperative



economic activity, or enterprise development will automatically mend what is lacking when people are poor. Now the focus is upon .that lack itself-defining it, measuring it, and sometimes even venturing to ask directly; what can actually be done about poverty? (John-drew, Robyn E. 2005). There appears to be a growing international consensus that poverty and doing something about poverty-is the key to development issue (Maxwell, 2003).

The UNDP has placed the eradication of Poverty at the top of its list of Millennium Development Goals (MDGs). Concurrently, the World Bank has published the Voices of the poor report and hosts the online site Poverty Net. More importantly, the Bank and IMF have made the national Production of Poverty Reduction Strategy Paper (PRSPs) a condition of debt relief (John-Andrew, Robyn, 2005).

What is vital for the health of our global society today is that governments and citizens set their faces towards global poverty eradication. Inevitably, there are limits to what governments can do for people. But there are no limits to what people can do for themselves when they are given the opportunity to realize their potential. Providing that opportunity within the broad framework of human rights principles established by the UN should be a shared objective for governments, citizens' groups and individuals worldwide" (Kevin, 1996:6)

"Just as poverty is not solely a matter of lack of income or perpetual want, it follows that its eradication must be achieved through strategies which enhance the ability of local unities to adapt to stress, to overcome emergencies, and to improve long-term productivity. Such strategies must be built upon an understanding of the complex livelihood structures of poor people. These typically encompass food production, the harvesting of on resources, and diverse forms of employment" (Kevin, 1996:14).

There is no simple development blueprint for achieving poverty eradication. "Indeed, the poor have long been the victims of development blueprints designed for their benefit, though typically without their consultation, by national governments, international agencies, and non-governmental organizations (NGOs). Listening to poor women and men, working



in the support of their participation and empowerment, are pre-conditions for success in reducing vulnerability. When it comes to understanding poverty, the real poverty experts are to be found among the poor themselves" (Kevin, 1996: 15).

The eradication of extremes of deprivation and vulnerability is an indispensable goal of human development. Yet serious poverty remains one of the major features of the development scene in Ghana both as a contributory factor and as a consequence of low economic attainment. Recognition of the multi-dimensional nature of poverty, and an attack its fundamental causes is critical for addressing the main constraints on human development in Ghana (UNDP, 1997:4).

Based on the reasoning that it is people themselves who know their localities best and can best mobilize the resources around them to bring about the desired change, the government decided to integrate participatory development within the decentralization programme to create appropriate enabling and institutional environment for this to happen. The local Government Act of 1993 therefore requires the people to play a central role in planning, implementation, monitoring and evaluation and indeed all aspects of decision making through their District Assemblies, Councils and Unit Committees. This arrangement is to sure that 'People' are indeed the centre of the development process. This has been given further impetus with the implementation of the District Assemblies Common Fund ACF) which guarantees the Assemblies and the Communities Funding to implement development proposals priorities by them (Local Government Information Digest: Vol. 12 o. 2 March-April, 1999 Page 4).

According to the Oxfam Poverty Report (1996:15) "there are five building blocks upon which any successful poverty eradication strategy should be built. These are;

- Increased equity: Apart from being socially unjust, high levels of equality and widespread poverty are a source of economic inefficiency since they waste human potential. Wider distribution of productive assets; secure and equitable forms of employment; and an end to discriminatory measures which benefit a small, wealthy elite but consign large numbers of people to poverty, excluding them from a share





in the prosperity they have helped to create, are all important elements of a strategy to end poverty.

- Enhanced opportunity: poverty eradication demands that poor people have the productive assets they need to maintain sustainably livelihoods. But they also need the opportunity to develop greater autonomy through education, health care, and provision of clean water and sanitation, and control over the common resources on which their survival often depends.
- Peace and security: without development there can be no lasting human security; but without peace and security, genuine human development will remain an elusive goal. Even in the absence of arm conflict, many of the poorest are prey to harassment and physical intimidation. Women are particularly vulnerable in this respect.
- Participation: genuine development demands that local communities have a say in shaping critical decisions affecting their lives, through open and accountable political structures from the village council up to the international level. Genuine development is concerned with enhancing people's capacity to be active participants in the process of social change.
- A sustainable future: to reduce the vulnerability of poor people and bring about lasting improvements in their lives, they need to have secure livelihoods. This in turn depends on making more sustainable and equitable use of finite resources, from the local to the global level".

Poverty exists within a dynamic and changing social order; and to some extent, it is created, or at least recreated by, the social and economic policies that have developed over time respond to or control it. According to Pete (2006:4) "poverty is recognized as a problem the nationally and internationally. It is a problem that is not just about money, but also out a wide range of dimensions of deprivation and exclusion; and it affects us not just now but potentially throughout the course of our lives. There is much debate and disagreement amongst both academics and policy-makers about how to define and measure poverty, and hence there is no one correct, scientific, agreed definition. Poverty is inherently a contested concept. However, academics, policy-makers and even politicians do agree about one thing, that poverty is a problem. Whatever the definition or description of poverty, whatever state of affairs the authors of these are seeking to draw our attention to, underlying message is that poverty is not just a state of affairs, it is an unacceptable state of affairs- it implicitly contains the question, what are we going to do about it?"



In debates about poverty the ends and the means- and the terms- are always inextricably intertwined. Thus what commentators mean by poverty depends to some extent on what they intend or expect to do about it. Thus understanding poverty we need to recognize that , not only are there differences of view over the nature of the problem, but also over what should be done about it" (Pete, 2006:4).

he initiating brief, "Voices of the poor to inform the World Bank's World Development Report, WDR 2000, written in July 1998, begins with the premise: "The poor are the true poverty experts. Hence a Policy document on Poverty Strategies for the 21st Century must be based on the experiences, priorities, reflections, and recommendations of poor children, women, and men" (Narayan and Petesch, 2002:2).

Gary and Guy (2003: xvi) made the case that private enterprise can be a significant source of upward mobility and Poverty reduction, generating employment and tax revenue, increasing investment, and encouraging innovation, openness to ideas, and empowerment. More and better jobs offer the best (often the only) opportunity for upward mobility in the lifetimes of poor people and their children. Upward mobility is key to securing the ultimate objectives of development: freedom from hunger, long life, health, greater choice, and generating more human fulfillment (Gary and Guy, 2003: 3, 4).

Poverty in Ghana has important gender dimensions and requires focused attention. Studies have shown that women experience greater poverty, have heavier time burdens, lower rates of utilization of productive resources and lower literacy rates. Gender disparities exist with respect to access to and control of a range of assets including direct productive assets such as land and credit, human capital assets including education and health, and social capital assets such as participation at various levels, legal rights and protection (GPRS, 2000: 12).



Women are subject to multiple forms of deprivation from the cradle to the grave (Kevin, 1996:26). Throughout the world, women play a key role in household livelihood systems in a productive and reproductive capacity. As producers, they provide most of the food consumed by poor households, performing more than three-quarters of agricultural labour in many countries. In addition, they manage common resources, and are responsible for collecting water and firewood. Female labour also accounts for a growing proportion of employment in commercial agriculture and industry.

Despite this contribution, women face a bewildering array of social, economic, cultural and religious barriers to their equal participation in society. The consequences of these barriers terms of lost opportunities and increased vulnerability and suffering are immeasurable (Kevin, 1996:26).

Most female labour goes undocumented and unpaid, even though it is vital to family survival and national economies, and in most cultures women have less opportunity than men to develop their capabilities. Although most food is produced by women, and female-headed household's accounts for the majority of rural households in many countries, omen lack ownership of effective control over land, water, and other resources (Kevin, 1996:2)

Some socio-cultural factors continue to perpetuate the gender inequalities in access to and se of services and also contribute to such situations as the inequitable allocation of food within the household, leading to malnutrition-notably among women and children. Gender based violence also has important health, economic and political implications. Female gender mutilation continues to be prevalent such as *trokosi*, ritual female bondage or slavery (GPRS, 2000:12).

Gender differences also exist with regard to women's and men's legal status and also in their rights and protection under the law. Women's legal rights with regard to access and control of land differ by the diverse lineage systems. Women are also poorly represented at all levels of decision-making. In Parliament, men form 91 per cent of the number, with omen forming a paltry 9 per cent. Women's decision-making choices at the community and household levels

especially in rural areas, are constrained by cultural taboos and resistance from men (GPRS, 2000: 12).

Women play a vital part in Ghana's economy. It is estimated that they generate almost all half of the Gross National Product. Women produce textiles and soaps, sell food in the market and manage restaurants. Some steer trucks in the fields of the goldmines, others trade with stock and shares. In agriculture their contribution is indispensable: two thirds of the production of food crops lies in the hands of women (Local and Regional Economic Development in Ghana, 2008:9).

Still, the position of women in the economy is marked by sharp inequalities. Men dominate the production of cash crops. They earn more from farm income, and have more control over the farm inputs and resources than women. Women have more difficulties in accessing credits than men, and the average loan size women receive is smaller than those given to

In the cities, the majority of women work in 'typical female' professions, most of them in the informal sector with no regular income and social security. In fact, only approximately 10 per cent of the female workforce is employed in the formal sector compared to twice as any in the male workforce (Local and Regional Economic Development in Ghana, 2008:3). During economic downturns women lose their jobs more quickly. Their small businesses tend to be hard-hit, and their household entitlements declines. Working women so face the burden of housework and the upbringing of children, which is in particular time consuming in areas without water and electricity supply.

2.4 Origins of the Poverty Concept

“It is widely recognized that poverty is multi-dimensional, leading not only to physiological deprivation but also to lack of knowledge and participation in civil society. It is broadly perceived to be constituted by the inability of the head of household to provide adequately on the basis of an assumed minimum expenditure level) for the household, combined with the lack of income-earning capacity of other adult household members. Inadequate access



To or control over income-generating assets is a major characteristics of poverty" (UNDP, 1997:57)

Poverty is a complex problem. Tackling it effectively requires a multi-faceted and coherent approach. Numerous policy domains and sectoral programmes have to be integrated around this goal. These range from a favourable and stable macro-economic framework, to education, health, infrastructure, development of enterprises and of key sectors of the economy. Access to employment and income generation opportunities, especially for low- and middle-income households is the link between economic growth and broad-based poverty reduction, ILO (2004:5)

A large and rapidly growing number of poor are engaged in survivalist informal activities. Self-employed women are one of the most affected segments of the population. For many, the informal economy has turned into a poverty trap: very low productivity results in very and instable incomes. Micro- and small enterprises have been absorbing much of the otherwise unemployed workforce. They have the potential to create large numbers of jobs with reasonable levels of productivity and income and with acceptable working conditions. Whether this outcome is reached depends critically on the numerous national and local policies, regulations and programmes that affect firms in the informal economy ILO (2004:13).

Being 'poor' is simply a conceptual category, a category one may place oneself in, or be placed in by others; one's neighbours, one's government or people on the other side of the world (Robyn et al, 2005: 1).

Of the problems to be ameliorated, poverty is perhaps the most basic. Indeed, despite the huge differences surrounding the idea of development, what exactly it means and how it is to be achieved, there is general agreement (except from the post-development School) that must include tackling poverty. The World Bank for example, has endorsed this view for last ten years, since it stated in its World Development Report 1990 that 'Reducing poverty is the fundamental objective of economic development (Tim and Alan, 200:24).





Poverty has various manifestations, including lack of income and productive resources to ensure sustainable livelihood; hunger and malnutrition; ill health, limited or lack of access education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion (Copenhagen Declaration, United Nation, 1995:57). It is important to recognize that what is regarded as poverty is not absolute but depends on the value system of a particular society (Tim and Alan, 2000:20).

Note that the idea of who is poor is different in different societies, and is likely to be dependent on value system as well as economic factors. As Rahnema (1992) explains, "for long, and in many cultures of the world, poor was not always the opposite of rich. Other considerations such as falling from one's station of life, being deprived of one's instruments of labour, the loss of one's status or the marks of one's profession, lack of protection, exclusion from one's community, abandonment, infirmity, or public humiliation defined the poor (Rahnema, 1992: 158).

Poverty can be conceived in different ways, notably; through income measures (GNP Per capita, numbers below a poverty line); as relative poverty or social exclusion; as incorporating multiple dimensions of deprivation; as part of a broader 'global crisis' (Tim and Alan, 2000:22). Economists have developed sophisticated means of trying to measure the extent and depth of poverty. Poverty lines are estimated using either incomes or consumption expenditure and individuals whose income or expenditure lies below the poverty line are deemed as being poor. To appreciate the extent and depth of poverty it is instructive to listen to what the poor themselves have to say.

Poverty is like heat; you cannot see it; you can only feel it; so to know poverty you have to through it'.

¹¹*rich man's sleep is blissful; a poor man tosses and turns all night long ... haunted by his n ghost'. (Tim and Alan, 2000:22)*

These are very sobering observations of what poverty is. Being poor is definitely much more than not having an annual expenditure level that exceeds ₵900,000. Poverty is deprivation, helplessness, frustration, alienation, and marginalization. It cannot be adequately captured by the use of metric measures i.e. consumption, expenditure on income (Oduro, 2001: 1, 2).

2.4.1 Relative Poverty and Social Exclusion

One of the best known discussions on the notion of relative poverty comes from the work of poverty in Britain at the end of the 1970s by Peter Townsend. "Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diets, participate in the activities and have the living conditions and amenities which are customary, or at least widely accepted and approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities" (Townsend, 1979:31).

2.4.2 Social Exclusion

This concept originated from France. De Haan (1998) argues that social exclusion is a useful concept for two main reasons. First, it points up the multidimensional character of deprivation in that exclusion can have various causes (which often reinforce each other), such as unreliable employment, gender, ethnicity, disability or ill health, and lack of opportunities for participation, as well as low income. Secondly, it focuses on processes: on 'the mechanisms and institutions that exclude people (De Haan, 1998: 10). This makes it clear that deprivation is not simply an attribute of particular people but that different societies have their own ways of defining people out. The European Foundation (1995:4) defined social exclusion as "the process through which individuals or groups are wholly or partially excluded from full participation in the society in which they live".

Bauman (1999) discusses the way 'the poor' are defined in similar vein, as follows. "No society we know of was ever free of a category of people who were seen by the rest as incapable, for whatever reason, of eking out a living by their own efforts; of living as the rest do. It is a social decision to classify people in such a way. Since it has little to do, the



expectation that the poor will always be with us' can hardly be faulted. Each society constitutes and perpetuates itself through setting and prompting certain standards it expects every member to follow, and those standards can only be made visible if some people can then be declared a 'problem' which the rest of the society must and should cope with.

The poor of different times and places differ between themselves in virtually every aspect the condition, just like the societies of which they are part. Who is cast in this way pends not on how the poor live, but on the way the society as a whole lives ... The treatment reserved for the poor, the way in which pity and condemnation are mixed, is a matter for society at large rather than for the poor themselves; a reflection of the standards a given community holds dear and is bent on cultivating" (Bauman, 1999: 20).

2.4.3 Poverty as lack of choice

Goulet (1971:23) described poverty as follows. "The prevalent emotion of underdevelopment is a sense of personal and societal importance in the face of disease and death, of confusion and ignorance as one gropes to understand change, of servility towards men whose decisions govern the course of events, of hopelessness before hunger and natural catastrophe. Chronic poverty is a cruel kind of hell, and one cannot understand how cruel that hell is merely by gazing upon poverty as an object.



The concept of "poverty" originates from social ethics and belongs to the field of political Philosophy on which the theory of social order is founded. It has since become the focus of the economic theory of social choice. There have been several reviews of literature on the origins and evolution of this concept that is still evolving (Dorothee and Samuel, 2005:16).

Economists and sociologists agreed to define poverty as "unacceptable" or "unfair" situation at economic and social levels. The poverty concept is considered from a "normative" angle within the wider context of equity. In this context, the theory of justice is ideal framework for developing the poverty concept. A fair society is one where its members have some sort of equity and equality in "things" explained below.



Any concept of poverty dwells on a specific stance vis-a-vis social equality. But, equality out what, one may ask? The fundamental aspect in social justice is the context of reference where situations deemed "unacceptable" are researched. Whenever a context of reference is chosen, there is an implicit philosophical viewpoint on social justice which may be based on two main schools of thought.

• 4.4 Schools of thought

For simplicity, let us recall that there are two main approaches to assessing welfare that are Useful in poverty analysis.

- The first is based on "welfare" indicators, and hence called the welfare approach. It refers to the microeconomic concept of utility and consists, in practice, in comparing the economic welfare (or living standard) of households and individuals.
- Secondly, there is the non-welfare approach that puts a greater emphasis on "social" issues than the welfare approach, and which in the last years has been attracting more attention from economists.

There are two main streams of thought among the proponents of this school:

- The basic needs approach;
- The capacities approach developed by Amartya SEN⁵ the 1998 Nobel Prize Winner on Economics for work on poverty

these two schools of thought agree that a "thing" still to be defined does not attain a level considered as a reasonable minimum level. On the other hand, they disagree on the nature of that "thing" which is lacking, as well as on the method by which to set a threshold called the poverty line below which a member of society is considered to be poor.

The Welfare Approach

This approach draws on several micro-economic precepts based on the premise that economic agents are rational and act to maximize their utility, either in terms of their well-being or the satisfaction they derive from consuming goods and services. The "thing" that is lacking is economic welfare which proves difficult to observe. Considering that we cannot directly observe the economic welfare of individuals and that preferences vary from one individual to the other, individual persons themselves are the only ones that know what



is really in their interest and what brings them maximum well-being. In such a context, the state has a limited role to play even though it always has the possibility of putting mechanisms in place to increase each individual's utility to improve the aggregate social utility. Hence, the welfare approach favours the implementation of economic policies centred on increasing productivity, employment, and income growth.

Considering how difficult it is to measure economic welfare, proponents of the welfare approach use real income and the money spent on consumption as indicators of economic welfare. Even though these variables are limited in scope, they are preferable in that they do not place any one commodity above another and thus leave significant room for individual preferences. This approach defines poverty as a socially unacceptable level of come. Poverty reduction policies in this configuration should seek therefore to increase productivity among poor people. The World Bank, IMF and major development partners are advocates of this approach.

Two Criticisms of the Welfare Approach

The welfare approach is a subjective one. Indeed, if it were possible to observe economic welfare, then the poor would be identified through inter-personal comparisons of economic welfare. In many cases, however, this does not make sense. Moreover, there is a problem of ethics in this approach, for it considers a privileged person who is dissatisfied by his/her own standards as poor, whereas an underprivileged yet satisfied person would be considered as non-poor. Fortunately though, this does not occur in actual fact because, as we saw earlier, proponents of the welfare approach use income level to identify the poor, owing to the difficulty in measuring economic welfare.

Consumption expenditure is widely recognized as a better indicator of welfare than income level. Indeed, incomes are generally subjected to seasonal variations (harvesting season, dry season, etc), whereas consumption tends to be more constant thanks to credit and savings mechanisms Dorothee and Samuel (2005:18).

The non-welfare approach

This approach, based on a sociological current of thought, is being used by a growing number of economists. Unlike the previous school of thought, it is a multi-dimensional approach, with two lines of reasoning

- The first one is based on basic needs;
- The second one, driven by Sen, is based on capacities

The Basic Needs Approach

This approach went operational in the 1970s in response to *welfare states'* policies for poverty reduction and particularly the policies for economic growth designed as tools for poverty reduction. The approach perceives poverty as an unacceptable problem of social inequity.

By this approach the "thing" that is lacking is a small sub-set of goods and services specifically identified and perceived as basic needs to all individuals or households in the community. These basic needs are usually related to the concept of "*functionings*". It is worth noting that these *functionings* are broader than minimal or vital needs and can generally be observed and monitored. Basic needs depend on the individual or household characteristics, whereas *functionings* can be defined for the entire population. Some basic needs may be necessary to achieve *functionings*. Hence, an individual person or household may be considered as "living well" if they enjoy a certain level of *functionings*.

These functionings include food (the state of being adequately nourished), drinking water, and appropriate facilities for hygiene, good health, basic education or access to basic education, as well as involvement in community life, happiness ...

with regard to poverty reduction policies, this approach recommends targeted or selective initiatives that prove to be more effective than global policies. These selective interventions make it possible to meet the entire community's basic needs at per capita income levels that are substantially lower than those required by less selective or focused interventions such as

· Income growth. Decentralization at district or village level, for example, is in line with the basic needs approach if it allows the State to take action to prevent macroeconomic imbalances.



Sen's Capacities Theory

This is the most complex approach. It was also developed in opposition to the welfare approach. It is defined by the capacity to achieve the functionings defined above. Thus in this approach it is important for an individual or a household to have the capacity to function well in society without relying solely on their won functionings. In this context, a person will not be considered as poor even if he/she decides not to fulfill certain functionings for as long as he/she can choose from among the entire lot of available functionings. In this approach, the "thing" lacking is the human capacity that enables individuals or house households to fulfill the complete set of functionings.

Criticism of the non-welfare approach

The main difficulty facing adepts of this trend is how to determine basic needs, functionings and capacity. Indeed, only individuals know what their needs are and it is not obvious that all individuals and households in a population would have the same needs.

Example:if someone does not wish to spend on food, even if he has the means to do so, the basic needs approach may consider he is poor, because food is regarded as a basic need.

Besides the difficulty to determine groups (of basic needs and utilities), the main difficulty "these multi-dimensional approaches is to know different individuals or households should be grouped in order to reduce the analysis to a single dimension: poverty .

Example: if and individual does not meet the minimum requirement for education and the Other for health, who is poorer?

2.5 Current Debate on Poverty

According to Dorothee and Samuel (2005:49) as from the late '80s, the IMF recommended attendant measures to mitigate the impact of adjustment on particularly vulnerable social groups. Even the World Bank, that is an old hand in poverty alleviation, set up a task force , for poverty reduction in 1988. The Bank's 1990 World Development Report focused on this issue. This report proposed a two-pronged strategy: to promote growth centred on



infrastructural investment and the labour force by opening economies, and thus give the poor access to basic health and education services. During the 1990's the focus was on the management of public affairs and on institutions, as well as on poverty at local and national levels.



At the beginning of the 21st Century, the World Bank came up with a strategy aimed at combating poverty on three fronts: building opportunity (employment, credit, electricity, markets, schools, water, sanitation and health services), integration through greater collaboration between the poor and other stakeholders in society, and material security to reduce vulnerability. This strategy was to be delivered taking into account the situation at international community with a view to eradicating poverty by 2015 (Dorothee and Samuel, 2005:49).

According to Cornelius (2003: 17-18) "In recent years, the idea of a regional poverty reduction strategy has engaged the minds of some international bodies. In that regard, the Economic Community of West African States (ECOWAS), in 2001, embarked on processes to draw up and execute a West African regional poverty reduction programme. Consultations have since been held with major stakeholders. Being a new dimension to poverty reduction programmes, preparatory measures have been undertaken as follows:

- a. to give the staff a better understanding of the formulation, content and monitoring of the implementation of poverty reduction strategy papers
- b. to explore the most effective ways of enabling member states to incorporate the regional dimension of poverty reduction into their national programmes
- c. to identify those activities better executed at the regional than the national level"

The orientation of these preparatory tasks embodies the objectives of the regional effort. To achieve these objectives, the ECOWAS plans to employ consultative means to synthesise the national PRSPs and deduce a regional poverty reduction strategy. Some of the actions planned are:

- a. an analysis of national poverty reduction strategy papers
- b. a comparative synthesis of national PRSPs

c. preparation of guidelines on the insertion of the regional dimensions to poverty reduction in the national PRSPs

d. Organisation of a meeting of Heads of national PRSPs to review progress and fix a time-frame for actions

e. harmonization of concepts and methods for addressing poverty

f. conduct of studies on a better understanding of the relation between regional integration and poverty, and particularly, between integration and economic growth

g. formation of thematic groups on poverty related issues.

In effect, the regional strategy will directly benefit from the national participatory processes.

2.6 New Partnership for Africa's Development and International

Millennium Development Goals

The next major platform where decentralised participatory methods for poverty reduction have been amply demonstrated is the processes of the New Partnership for Africa's development (NEPAD). This initiative reflects the belief of African leaders that they have a responsibility, together with the African peoples, to address the lack of development and growth on the African continent. The main objective is to eradicate poverty by meeting the Millennium Development Goals (MDG) of the United Nations.

Currently, NEPAD is at

its formative stages. There is vociferous concern about the limited participation in its conceptualization and formulation. Equally of concern is NEPAD's willingness to imbibe the poverty reduction strategies of the Bretton Woods institutions (Cornelius, 2003:18)

2.7 Evolution of the Microfinance Sub-Sector in Ghana

Studies have shown that micro-finance plays three broad roles in development:

- It helps very poor households meet basic needs and protects against risks,
- It is associated with improvements in household economic welfare,
- It helps to empower women by supporting women's economic participation and so promotes gender equity (Johnson, 2007: 1)

Indeed, the concept of microfinance is not new in Ghana. There has always been the tradition of people saving and/or taking small loans from individuals and groups within the





Context of self-help to start businesses or farming ventures. For example, available evidence suggests that the first credit union in Africa was established in Northern Ghana in 1955 by Canadian Catholic missionaries. However, Susu, which is one of the microfinance schemes in Ghana, is thought to have originated from Nigeria and spread to Ghana in the early twentieth century.

Over the years, the microfinance sector has thrived and evolved into its current state thanks to various financial sector policies and programmes undertaken by different governments since independence. Among these are:

- Provision of subsidized credits in the 1950s;
- Establishment of the Agricultural Development Bank in 1965 specifically to address the financial needs of the fisheries and agricultural sector;
- Establishment of Rural and Community Banks (RCBs), and the introduction of regulations such as commercial banks being required to set aside 20% of total portfolio, to promote lending to agriculture and small scale industries in the 1970s and early 1980s;
- Shifting from a restrictive financial sector regime to a liberalized regime in 1986;
- Promulgation of PNDC Law 328 in 1991 to allow the establishment of different categories of non-bank financial institutions, including savings and loans companies, and credit unions.

he policies have led to the emergence of three broad categories of microfinance institutions. These are:

- Formal suppliers such as savings and loans companies, rural and community banks, as well as some development and commercial banks;
- Semi-formal suppliers such as credit unions, financial non-governmental organizations (FNGOs), and cooperatives;
- Informal suppliers such as susu collectors and clubs, rotating and accumulating savings and credit associations (ROSCAs and ASCAs), traders, moneylenders and other individuals.

Programmes currently addressing the sub-sector in Ghana include the Financial Sector Improvement Project, Financial Sector Strategic Plan (FINSSP), the Rural Financial services

Project (RFSP), the United Nations Development Programme (UNDP) Microfinance Project, the Social Investment Fund (SIF), the Community Based Rural development Programme (CBRDP), Rural Enterprise Project (REP), and Agricultural services Investment Project (ASSIP) Johnson, (2007:1-3)

According to Johnson (2007:4) "Microfinance encompasses the provision of financial services and the management of small amounts of money through a range of products and a stem of intermediary functions that are targeted at low income clients. It includes loans, savings, insurance, transfer services and other financial products and services. Microfinance is thus one of the critical dimensions of the broad range of financial tools for the poor, and its increasing role in development has emanated from a number of key factors.

- The fact that the poor need access to productive resources, with financial services being a key resource, if they are to be able to improve their conditions of life;
- The realization that the poor have the capacity to use loans effectively for income generation, to save and re-pay loans;
- The observation that the formal financial sector has provided very little or no services to low-income people, creating a high demand for credit and savings services amongst the poor;
- The view that microfinance is viable and can become sustainable and achieve full cost recovery;
- The recognition that microfinance can have significant impact on cross cutting issues such as women's empowerment, reducing the spread of HIV/AIDS and environmental degradation as well as improving social indicators such as education, housing and health".

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The literature suggests that micro- finance creates access to productive capital for the poor, which together with human capital, addressed through education and training, and social capital, achieved through local organization building, enables people to move out of poverty. By providing material capital to a poor person, their sense of dignity is strengthened and this can help to empower the person to participate in the economy and society (Otero, 1999).

The aim of micro-finance according to Otero (1999) is not just about providing capital to the poor to combat poverty on an individual level, it also has a role at an institutional level. It seeks to create institutions that deliver financial services to the poor, who are continuously ignored by the formal banking sector.). More recently, commentators such as Littlefield, Murdoch and Hashemi (2003), Simanowitz and Brody (2004) and the IMF (2005) have commented on the critical role of micro-credit in achieving the Millennium Development Goals. According to Simanowitz and Brody (2004:1), micro-credit is a key strategy in reaching the MDGs and in building global financial systems that meet the needs of the most poor people." Littlefield, Murdoch and Hashemi (2003) state "micro-credit is a critical contextual factor with strong impact on the achievements of the MDGs. Microcredit is unique among development interventions: it can deliver social benefits on an ongoing, permanent basis and on a large scale".

However, some schools of thought remain skeptical about the role of micro-credit in development. For example, while acknowledging the role micro-credit can play in helping to reduce poverty, Hulme and Mosley (1996:134) concluded from their research on micro-credit that "most contemporary schemes are less effective than they might be". The authors argued that micro-credit is not a panacea for poverty-alleviation and that in some cases the poorest people have been made worse-off.

This notwithstanding, microfinance has emerged globally as a leading and effective strategy for poverty reduction with the potential for far-reaching impact in transforming the lives of poor people. It is argued that microfinance can facilitate the achievement of the Millennium Development Goals (MDGs) as well as National Policies that target poverty reduction, empowering women, assisting vulnerable groups, and improving standards of

living. As pointed out by the former UN Secretary General Kofi Annan during the launch of the International Year of Micro Credit (2005),

“Sustainable access to microfinance helps alleviate poverty by generating income, creating jobs, allowing children to go to school, enabling families to obtain health care, and empowering people to make the choices that best serve their needs.” (Kofi Annan, December 2003).

Although microfinance is not a panacea for poverty reduction and its related development challenges, when properly harnessed it can make sustainable contributions through financial investment leading to the empowerment of people, which in turn promotes confidence and self-esteem, particularly for women. The main goal of Ghana's Growth and Poverty Reduction Strategy (GPRS II) is to ensure "sustainable equitable growth, accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralized, democratic environment". The intention is to eliminate widespread poverty and growing income inequality, especially among the productive poor who constitute the majority of the working population.

According to the 2000 Population and Housing Census, 80% of the working populations are found in the private informal sector. This group is characterized by lack of access to credit, which constrains the development and growth of that sector of the economy. Clearly, access to financial services is imperative for the development of the informal sector and also helps to mop up excess liquidity through savings that can be made available as investment capital for national development. It is known that loans advanced by microfinance institutions are normally for purposes such as housing, petty trade, and as "start up" loans for farmers to buy inputs for farming and this includes rice seeds, fertilizers and other agricultural tools.

Some of the loans are used for a variety of non-crop activities such as: dairy cow raising, cattle fattening, poultry farming, weaving, basket making, leasing farm and other capital machinery and woodworking. Of course, funds may be used for a number of other activities, such as crop and animal trading, cloth trading and pottery manufacture. There are



other instances where credit is given to groups consisting of a number of borrowers for collective enterprises, such as: irrigation pumps, building sanitary latrines, power looms, leasing markets or leasing land for cooperative farming.

2.8 Poverty Alleviation Programme

The Ghana government's poverty alleviation programme is a six pronged approach. The various aspects of the programme identified in the Policy focus for poverty reduction prepared by the Technical Committee on Poverty in 1996 are:

- 1) Economic growth, employment and access to productive assets. Under the heading for Economic growth the focus is on agricultural sector and small and medium scale enterprises.
- 2) Food security and nutrition
- 3) Improvement of household food security through the possible targeting of subsidies, to small holders and the provision of inventory credit to farmers
- 4) Population management
- 5) Good governance and decentralization. The Assemblies are to be encouraged to direct their activities towards creating an environment for employment generation, as well as provide support for the provision of social services
- 6) Needs of women, Institute of Statistical, Social & Economic Research {2001: 15}.

Objectives/ Purpose of Poverty Alleviation Fund

Productivity and Income Generating Fund, popularly known as the Poverty Alleviation Fund (P AF) is a portion of the Common Fund which all districts are mandated to set aside as microcredit for small-scale economic activities towards poverty reduction and wealth creation. A maximum of 20% of the Common Fund is expected to be used for this purpose. The fund operates in all the districts in the country as a revolving credit where a managing institution, such as a bank, microfinance institution or NGO with proven ability for dispensing micro credit, manages the fund on behalf of the Assembly. The District Assemblies Common Fund was established in 1993 by Act 445 relating to Article 252 of the Constitution. The DACF is directly under the Office of the President and the sector ministry is the Ministry of Local Government and Rural Development. Five percent (7%) of the annual tax revenue is disbursed to District Assemblies. Under the scheme credit and



loans are made available to enterprises for use as working or startup capital and seasonal cash advances for: Agriculture: farming and fishing activities Cottage industries in agro processing Traders in farm produce (indigenous agro processed products) Procurement and repair of machinery, vehicles and equipment Private sector initiatives to provide services in health, tourism and education, ICT and housing (Bertha and Annie, 2005:24)

The purpose for the fund was to provide funds for District Assemblies to disburse for local human and physical development activities in line with government agendas e.g. vision 2020 and the GPRS. The objectives are to enhance productivity, create employment and improve incomes of the population and to remove the obstacle of lack of access to credit for the informal sector, self-employed and the development of micro, small and medium scale enterprises. Those eligible included Members of the community in each district engaged in small to medium scale activity specifically:

- 1) · women in the informal sector,
- 2) · unemployed youth who have completed various kinds of training
- 3) · subsistence and peasant producers in agriculture
- 4) · vulnerable groups and disabled persons (Bertha and Annie, 2005:25)



According to Sagre and Al-hassan (2005: 18) all 4 districts under study; Bongo, Bolgatanga, West Mamprusi and Tamale revealed that the Poverty Alleviation Fund financed by 20% of the District assemblies Common Fund (DACF) is the main credit allocation programme for Assemblies.

They further found out that the fund operated under serious controversies. Some of the bureaucrats of the Assemblies observe that the PAF's guidelines are too general. This subjects the fund to various forms of abuses. The PAF is also supposed to be a revolving fund. However, the major problem faced by all the 4 District Assemblies has been low recovery of the funds loaned out to beneficiaries. Thus, the fairness principle has been infringed since earlier beneficiaries deprive potential beneficiaries from accessing the fund.

It is the perception of many people that the structures in place for the disbursement of the PAF exist in theory but that it is the District Chief Executives (DCEs) who direct the



allocation most often ignoring the objective criteria advertised by the committee. In this regard, about 86% of the beneficiaries argued that partisan and nepotism considerations are paramount in matters concerning credit disbursement. They explained that opposition party strongholds are often ignored and relatives of political authorities given undue favours in credit disbursement. The bureaucrats on the other hand stated that it might be that some Assembly members are not in touch with their constituents and so create information gaps that deprive some communities from such benefits or opportunities. Nevertheless, the gender dimensions of the allocation of P AF have been commendable. In line with the popular notion that households tend to benefit more from micro credit when it is passed through women all the districts give more priority to women. About 70% of loan beneficiaries in each of the districts are said to be women. People with disabilities are also treated with special consideration Sagre and Al-hassan (2005: 18)

According to the Administrator of the District Assemblies Common Fund (DACF), Mr Joshua Magnus Nicol, Provisional figures submitted by various District Assemblies in 2006 have revealed that the Poverty Alleviation Fund (PAF) has been plunged into a massive debt in excess of ₵45 billion by recalcitrant borrowers. The fund grants soft loans to small-scale entrepreneurs to finance their own ventures but its sustainability has been threatened by the failure of beneficiaries to pay back. To avert the threat of its total collapse as a result of this low recovery rate, the standard for accessing money from the fund will soon shift from individual applications to membership of groups and associations. The District Assemblies Common Fund Administrator added that the provisional figures could be more staggering because many of the affected districts were now compiling the exact amounts owed them by individuals. He stated, for instance, that the Tolon- Kumbungu District Assembly had as of December 31, 2004, given out ₵856.6 million as micro credit to individuals, but had recovered ₵83.4 million, representing 10 per cent recovery rate, while the Obuasi Municipal Assembly gave out ₵231 million and had recovered ₵80 million representing 35 per cent. He indicated that Cabinet had given approval for a review of the methods of disbursing the fund as part of measures to improve its recovery rate. Under the new strategy, instead of giving money to individuals, people would be encouraged to form groups and associations to qualify for the loans. District Assemblies would also be encouraged to shift from micro financing to undertake joint ventures with private

enterprises. He said the Ministries of Employment and Manpower Development, Local Government and Rural Development and Private Sector were currently mapping out strategies for the resumption of the disbursement of the fund.

Mr Nicol emphasised that District Assemblies had the responsibility to recover the moneys. He also encouraged beneficiaries to make strenuous efforts to pay back the loans they were given to enable others to also benefit. Despite the hiccups, Mr Nicol disclosed that the DACF had released ₵30.4 billion to district assemblies for disbursement, while the DACF was waiting for the submission of the new modalities for disbursement in order to benefit a larger section of society instead of few individuals Graphic Ghana (January 19th 2006)

Following GPRS I which was implemented over the period 2003-2005, Ghana formulated and is implementing GPRS II to cover the period 2006-2009. GPRS II seeks to operationalise various International agreements which are relevant to the poverty reduction objectives and of which Ghana is signatory. Principal among these are the Millennium Development Goals (MDGs), the New Partnership for African Development (NEPAD), the African Peer Review Mechanism (APRM), the Convention on the Elimination of all forms of Discrimination Against Women (CEDA) and the African and Beijing Platforms for Action GPRS II (2005:5).

Population and Poverty Related Issues in Gushegu District

Majority of the people of this district are poor with women and children being the hardest hit. The main economic activity of the people in this district is agriculture, which is highly dependant on rainfall. The rainfall in most cases is erratic and insufficient for good harvests thus worsening the poverty situation in the district. The issue of poverty is of great concern to the district authorities and other development partners.

Characteristics of Poverty Pockets Based On Composite Map of the Gushegu District.

The definition of a poverty pocket in our context is an area defined from the point of view of the availability of facilities and income or the lack of which, to support the socio-economic life of the people, and how this goes to affect the development of the community or the people. Results of the poverty mapping indicated widespread deprivation in terms of



facilities and income in most of the Area Councils. The capital of Gushegu was found to be relatively better though the area cannot be said to be faring well since people of the area are equally poor, lacking reasonable quantities and qualities of the basic necessities of life; food shelter and clothing.



CHAPTER THREE (3) RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides the framework to guide data collection, recording, synthesis, analysis and presentation. It includes the research approach, research design, data collection methods, sampling procedure and background of the study area.

3.2 Research Approach

Research methodology is an important component of any study and provides the framework upon which the whole process is depended on (Brown, 1996). Every scientist outlines the stages involved in his work; he states the data-collecting procedure and the steps he will use in the analysis of his data. A research design serves as a model for the research work to help the scientist to seek information and analyse his evidence. It is a field strategy (Twumasi, 1986: 11, 12).

The research was broadly designed based on a case study approach. According to Yin (1993) case studies are appropriate for investigating problems especially because they allow the researcher to define topics broadly (and not narrowly), cover contextual conditions (and not just the phenomenon of study), and rely on multiple and not single sources of evidence. The process involved exploratory field visits, identification and classification of different characteristics into similar units in the field from which cases will later be selected as well as designing and pre-testing of the field tools.

The study combined qualitative and quantitative approaches in data collection and analysis. Strauss and Corbin (1990); Brannen (1992); Brown (1996); Twumasi (2001) all seem to agree that, in so far, two distinct approaches (qualitative and quantitative) can be said to exist but the most important difference is the way in which each tradition treat data. Researchers and academicians have both accepted the fact that quatitative and qualitative methods of enquiry can be used complementarily in social research (Neuman, 2003; Bryman, 2001; Hakim, 2000).





Proponents of the qualitative approach contend that human behavior in the social sciences, just as physical phenomena in the natural sciences, is quantifiable in attributes and subject to generalization that have universal application (Bacho, 2001). Hence it seeks to test the correlation between variable while enumerative inductive social science is concern with observation and descriptive and, at best generating hypothesis (Silverman, 1993 as cited in Bacho, 2001). A counter attack of the analytic inductive social sciences argue that quantitative researcher looks through a narrow lens, searching for patterns of interrelationships between a previously unspecified set of concepts. They further argue that in a quantitative tradition, the instrument is a predetermined and timely tuned technological tool which allows for much less flexibility, imaginative input and reflexivity. Brown (1996) concludes that, where the research issue is clearly defined and the questions put to requires unambiguous answers, a quantitative approach may be appropriated. On the other hand, where the research issue is less clear-cut and the questions to responds likely to result in complex, discursive replies, qualitative methods are appropriate. The question therefore, is whether there are ideal or pure situation of exclusively "qualitative and "quantitative" data. One might use qualitative data to illustrate or clarify quantitatively derived findings; or, one could quantify demographic findings or, use some form of quantitative data to partially validate one's qualitative analysis (Strauss and Corbin, 1990). While quantitative research mainly involves surveys and experiments for data collection and mathematical analysis and presentation of issues in the form of percentages, tables and distributions, qualitative research is more explanatory and descriptive (Bebelleh, 2008). Summarily, qualitative research refers to the meanings, concepts, definitions, characteristics, metaphors, symbols, and descriptions of things while in contrast quantitative research deals with the counts and measures of things (Brockington and Sullivan, 2003; Mayoux, 2006; Berg, 2001).

Therefore both quantitative and qualitative methods of data collection were employed in the study for their combined advantages of both methods. Social phenomenon is better investigated, if both methods are used effectively (Strauss and Corbin, 1990; Neuman, 2003; Fm, 2005).

The methodology encompasses the following:

- Research Design
- Sampling procedures,
- Methods of data collection,
- Data presentation and analysis, and
- Organization of the work.

3.3 Research Design

For any investigation, the selection of an appropriate research design (form or structure that provides complete guidelines for data collection and analysis) is crucial in enabling one to arrive at valid findings. Hence, the research design that will be adopted for the study is the Descriptive and Quantitative survey Research Design (Yin, 1993; Brown, 1996). This survey Research Design looks at small population (samples) to discover the relative incidence, distribution and interrelations of variables. It relied upon the questioning of a selective group (sample) of a population and analyzing data in order to answer or describe set characteristics (Saunders et al; 1997). Two main sample techniques/means (probability sampling and non-probability sampling) were adopted and applied for the study. In this study, the entire population was not worked with but a sample which is a representative of the population.



3.4 Study Coverage and Sampling Procedures

In research the rationale is to make generalization or to draw inferences based on samples about the parameters of population from which the samples are taken (Yin, 1993). It is further argued that a study based on a representative sample is often better than one based on a larger sample or on the whole population for there is no need interviewing large number of people saying the same thing (Yabepone, 2008). Sampling is the process of selecting a subset of population for the purpose of study (Panneerselvam, 2007; Dooley, 2007). The size of a sample should neither be excessively large, nor too small. It should be optimal. This however, according to Karma (1999) should be at the discretion of the researcher. While deciding on the size of a sample, the researcher must determine the desired precision and also acceptable confidence level for the estimates (Saunders et al, 1997). An optimal sample is one which fulfills the requirements of efficiency,



representativeness, reliability and flexibility. According to Twumasi (1986:16). "Sampling technique is important in any social research. The issues involved are: How wide a coverage is acceptable? What type's respondents will be able to give answers to the research question? Will the selected group of respondents be adequately representative of the community? What typical groups of respondents are available? Can we select a typical village or a community? All these are relevant questions which come to mind when an investigator begins to select a sampling design". Michael and Paul (1978:19) stated that "sampling involves the selection of time, cases, subjects' measures, events and variables for the purpose of describing causal links".

In considering a sampling design, the research scientist must first of all determine his population universe. He must be able to outline the parameters of the population he wants to study Twumasi (1986:16). Kish in his *survey sampling* mentioned that, the first step in the selection of a sample is to consider a sampling design. It denotes all the stages and the processes involved in reaching the respondents (Twumasi, 1986:16). Sampling approaches include probability sampling in which all segments of the population have equal chances of selection normally gotten from a sample frame (Panneerselvan,2007; Osuala,2005), and non probability sampling in which subsets of population to be studied are selected on unequal chances basis like snowballing (Dooley,2007; Schweigert,1998). According to Maxwell (2007) "in non probability sampling, sampling units are chosen not by chance but for a purpose".

The two main sample techniques used in various research studies were adopted and applied for this study. They are Probability sampling and Non-probability sampling.

Probability sampling, also known as 'random sampling' or 'chance sampling' gives every item in the universe an equal chance of inclusion in the sample. Examples includes simple random and cluster sampling. Simple random sampling would be employed in this study. This technique is chosen because it ensures "the law of statistical regularity which states that if on an average the sample chosen is a random one, the sample will have the same composition and characteristics as the universe" (Yin, 1993:74).

It is often, impossible to do strict probability sampling in the field. Other alternatives are appropriate under different circumstances. The Non-probability sampling such as the "deliberate sampling", "purposive sampling" or "judgmental sampling" procedures which will also be used (Bernard, 1988). In this sampling procedure, the researcher purposively choose the particular units of the universe to constitute the sample on the basis that the small mass that they so select out of a huge one will be typical or representative of the whole (Yin, 1993). Thus the judgment of the researcher plays an important part in this sampling technique. The importance of adopting this design is the relative advantage of time and money inherent in the sampling. Maxwell (1997:87) defines this type of sampling as one in which "particular settings, persons, or events are deliberately selected for the important information they can provide that cannot be gotten as well from other choices".

The Gushegu District consists of eight (8) Area Councils with over 300 communities. Purposive sampling was used to select Gushegu District as the study area. Purposive sampling was also used to select beneficiaries of Poverty Alleviation Fund in the eight (8) communities. This sampling procedure was also used to select opinion leaders, Management and some staff members of the Assembly for interview. Sotirios (2005: 164) stated that "in this technique the researchers purposely choose subjects who in their opinion are relevant to the project. The choice of the respondents is guided by the judgment of the investigator. For this reason it is also known as judgmental Sampling. There are no particular procedures involved in the actual choice of subject.

Simple random sampling was employed to select one community each from the eight (8) Area councils. The names of the communities in each Area Council were written on pieces of papers. A community was randomly selected from each area council to be included in the sample. The communities selected included; Wantugu, Galwei, Nayugu, Nyensung, Bogu, Nachem, Zanteli and Namongbani.

Twumasi (1986:18) has this to say about simple random sampling. "By definition, simple random sampling takes into account the fact that all the element or individuals in the population get the chance of selection. The investigator must give numbers to all the elements in the selected area. The basic assumption underlying simple random sampling is

that the elements or the individual in the population, are judged to be homogeneous. The individuals, for example, have similar characteristics or attributes". Following from above discussions the samples for the study area is as follows:

The District under study is Gushegu District in the Northern region of Ghana. The Gushegu District was purposefully selected in view of the fact that, the poverty level of 9 out of 10 persons can be described as very high. GPRS I stated the overall poverty of the Gushegu/Karaga District at 92 per cent (GPRSII, 2005:72). The District was also selected because it benefited from the application of the Poverty Alleviation fund since 1999 as part of government intervention to reduce poverty and to create jobs. The sample size for the study was one hundred (100) made up of seventy (70) women and thirty (30) men in the eight (8) selected communities. An average of twelve (12) questionnaires was administered in each of the eight (8) communities during the study. Fourteen (14) individual questionnaire were administered in, Galwei, thirteen (13) in Wantugu, thirteen (13) in Nayugu, twelve (12) each at Nyensung, Bogu, NACHEM, Zanteli and Namongbani. A total of 100 structured questionnaire and 30 semi-structured questionnaire were successfully completed during the study.

3.5 Methods of Data Collection



"In entering the field, the researcher introduces himself properly to the local authorities, to the chiefs of the area, to the prominent people, to informal leaders and to members of the local development committee, so as to gain a legitimate entry into their community. It may be necessary for him to inform the leaders about the aim of his project. His stated objectives must be made clear. If these are not clarified, the community leaders and opinion setters may tend to be suspicious of him and as an "intruder" (Twumasi, 1986).

According to Twumasi (1986:24) "In social research, we collect data from the social world. The researcher develops field strategies to enable him to find answers to research questions. To get answers to his questions, he must go to the field. In a household survey, for example, his strategy may be to use a questionnaire for his respondents to answer". He again pointed out sampling procedures can enable us to get to the specific operational

world and to find our respondents. After the sampling selection, the researcher starts his fieldwork.

There are two major approaches used in social research to gathering data (Miller, 1991 as cited by Yabepone). These are the Primary and Secondary sources. In selecting a method of data collection, the socio-economic and demographic characteristics of the study population play an important role. Some population for a number of reasons may not feel either at ease with a particular method of data collection or comfortable to express opinions in a questionnaire for example (Yabepone, 2008:34).

Many methods are used in social research to collect data. It is, however, important to note that the selection of a particular method to collect data must be decided upon in the light of one's problem. In making this decision, the researcher must keep in mind the type of people he is dealing with, the nature of the social situation, the mood of the social environment and the psychology of the people. It is also necessary to use more than one method to collect data. Using various suitable methods to collect data will help the researcher to evaluate his data source and to detect inconsistent answers Twumasi (1986:24). According to Twumasi (1986:24) "The commonly-used methods are questionnaire, interviewing, direct observation, participant observation, case studies, life history, the use of documentary evidence, letters, personal memoranda, diaries, public records, panel discussions and group discussion".

It is opined that various sources, tools and techniques should be employed by researchers to collect, validate and detect inconsistencies in data (Twumasi, 2001). Both primary and secondary were collected for the purpose of this study. Primary data collection processes made use of Focus Group Discussions (FGD) and in-depth interview with key participants using semi-structured or open-ended questions which allow respondents the liberty to give any answers by freely expressing themselves (Karma, 1999; Twumasi, 2001).

Interview, questionnaire, focus group discussions and observation methods were adopted to collect information during the course of the study.



3.5.1 Interviews

According to Twumasi (1986:29) Interview is a method of field investigation whereby the researcher meets his respondents and through the interaction he asked specific questions to find answers to his research problem. This method is used when respondents are willing to talk and have knowledge of the research problem. The researcher structures specific questions. Some questions may also emerge from the field discussions. These are usually unstructured". Twumasi (1986:29) added that the interviewing technique is an appropriate method for all of the population. The only point is that the interviewer must speak the language of the people and must be able to communicate with the various people he meets ... the interviewing situation creates a learning environment in which the two, the researcher and the respondent, are involved in a purposive discussion ... We find the interviewing method a suitable device in collecting data from rural and illiterate people".

Karma (1999) defined interview as any person-to-person interaction between two or more individuals with a specific purpose in mind. Interviews are classified into unstructured and structured.

Interviews were held with opinion leaders such as, chiefs and elders, Assembly persons, leaders of beneficiary groups and some staff from the district Assembly who played certain key roles in the application of the fund. Both the structured and unstructured interview method were adopted in the study. According to Yin (1993), a good interview is one in which the interviewee takes over the control of the interview situation and talk freely.

3.5.2 Questionnaires

Formal questionnaire are framed and written down for the respondents to provide answers to. As a method for data collection, the questionnaire method is an efficient way to collect statistically quantifiable information. It is an efficient method in the sense that many respondents can be reached within a short space of time. But whether it helps the investigator of collect reliable data is an open question" Twumasi (1986:30). Questionnaire consists of well-formulated questions to probe and obtain responses from respondents (Twumasi, 2001; Karma, 1999; Panneerslevam, 2007). Questionnaire consists of structured and semi-structured questionnaire. While structured questionnaire provide predetermined



closed-ended answers for respondents to choose from, in semi-structured questionnaire, open-ended questionnaire are used and respondents are at liberty to give any answers (Karma, 1999; Twumasi, 2001).

In constructing a questionnaire Twumasi (1986:30) noted that, the field problem must be outlined and the objectives specified. Each objective should give the researcher a clear focus in order to formulate relevant questions. They must be clearly stated and functionally specific. The language must be clear; ambiguity must be avoided. The question must be framed in socially-acceptable way. Some of the questions may be framed in a pre-coded format or in an open-ended form.

In a pre-coded form of a questionnaire construction, the investigator sets questions, and, provides all the possible answers he expects to obtain from his respondents. In this way, it is easy for his respondents to respond to the appropriate answers.

Saunders et al (1997) argued that the choice of using a questionnaire is influence by a variety of factors as follows:

- Characteristics of the respondents from whom you wish to collect data;
- Importance of reaching a particular person as respondents;
- Importance of respondents answers not being contaminated or distorted;
- Size of sample you require for your analysis, taking into account the likely response rate;
- Type of questions you need to ask to collect data and;
- Number of questions you need to ask to collect your data

During the course of the study questionnaire were designed to collect data necessary to analyse the impact of Poverty Alleviation Fund in the District. Structured questionnaire were designed for individual beneficiary as respondents from eight (8) communities, while a non-structured question was design to gather specialized information from key informants such as chiefs, Assembly persons, leaders of groups and some key staff of the district Assembly.



3.5.3 Focus Group Discussions (FGDs)

Focus group discussions were held to solicit views of chiefs and opinion leaders, men groups and women group on specific subject matter relating to the implementation of Poverty Alleviation Fund in the Gushegu District. They were used in this study as support to questionnaire surveys and were also used to clarify issues not mentioned in the questionnaire. Focus groups helped to rationalize as well as being confirmatory methods to research findings from the questionnaire survey. The FGD meetings were attended by those "purposefully selected few" participants who had a stake in Poverty Alleviation Fund in their respective communities and the District. Chiefs and opinion leaders constituted one focus group. Women beneficiary constituted another focus group while males beneficiaries of the Poverty Alleviation Fund, constituted yet another group. The group members ranged from six (6) to eleven (11) in all eight (8) communities.

According to Simeon J. Yates (2004) "Focus groups can be seen as a form of 'group in-depth interviewing'. The main difference as compared to personal interviews include: firstly, they are a group rather than one-to-one interactions. Getting the participants to talk, discuss and debate among themselves in part of the reasoning behind focus groups. Secondly, focus groups are used by a range of social researchers but historically have become associated with such things a market research and political opinion research. Very often they are used as the 'qualitative element' within a larger 'quantitative' study such as a survey. Thirdly, as with in-depth interviews focus groups should have a topic, an object, a text or some other 'focus'. They are not simply a general discussion. Unlike in interviews, focus groups have one or more 'moderators' or facilitators rather than an 'interviewer'. Focus group Discussions (FGD) are deep interactions with people of a homogenous group of between 6 and 12 persons, which enable the researcher to obtain information in a particular area of interest that would be difficult if not impossible to obtain using other methodological procedures (Krueger, 1998; Kumekpor, 1996). It allows the researcher greater insights into why people think or hold certain options.

Focus groups are often described as being a fast and easy way to collect qualitative data ('quick and dirty' is the less charitable description). It is true that focus groups take less time and 'effort' to generate a similar amount of qualitative data to that of in-depth interviews.



By including a range of participants a range of views can be collected in less time than would be needed for individual interviews. Focus groups also generate discussions that can bring a variety of issues to the fore and are possibly less influenced by the 'interviewer/moderator' than one-to-one interviews. At the same time, by being fast and easy they also have disadvantages. They may not provide in-depth and personal information as interviews. Also group interactions have to be well managed or some participants dominate discussions. Group interactions produce different data than individual interviews ... Focus groups should not be a cheap replacement for individual in-depth interviewing. They should be used where the group aspect is useful or important to the research questions at hand.

Focus Group Discussion (FGDs) are deep interactions with people of a homogenous group of between 6 to 12 persons which enable the researcher to obtain information in a particular area of interest that would be difficult if not impossible to obtain using other methodological procedures (Krueger, 1998; Kumekper, 1996). It allows the researcher greater insights into why people think or hold certain opinion (Kruger, 1988: 18) outlines the features of a FCD as interviews with people numbering between seven (7) and twelve (12) who possess certain characteristics (relatively homogenous and unfamiliar but knowledge on the topic concern). According to Lloyd-Evans (2006, FGDs are good methods of assessing groups' viewpoints and perceptions heightening.

3.5.4 Observation

Karma (1999) defined observation as a purposeful, systematic and selective way of watching and listening to an interaction or phenomenon as it takes place without asking the respondent. He further outline the basic conditions under which is most appropriate to observe as: learning about interactions, functions and behaviours in a group. This is more so relevant in situations where accurate information cannot be elicited by questioning.

Field Observations would be selectively applied in the data collection (Karma, 1999). This would be made to collect information that otherwise cannot be captured by questionnaire. The rationale for using observation was to enable me collectively engage with group of respondents within which questions can be formulated and asked spontaneously as the



interview progressed. This approach also allowed the respondents to freely express their opinion. During the study the researcher employed this method to assess the impact of Poverty Alleviation Fund on the lives of beneficiaries.

3.5.5 Secondary Data

For the purpose of the study information has been collected from document, especially from documents which are of relevance to the subject matter of the study. Secondary information was also collected on the profile of the Gushegu District, list of all beneficiaries from 1999 to 2004.

In addition to this, documents, reports, books, journals, newspapers and the internet constituted sources from which secondary data was taken to be able to review literature and provide additional information for the analysis and conclusions arrived at from primary data. In general, data generated from these sources were largely qualitative but some quantitative measurements involving counts of locations, population numbers and socio-demographic characteristics of respondents were also taken.

According to Twumasi (1986:44). "All research workers start from the known to the unknown. The researcher does not operate in a vacuum. He must orient himself to the field situation, to research objectives and to methods of social investigation. For these reasons, the field investigator normally consults and reads existing documents. He does not rush into the field without consulting relevant documents".

Documents can be used as a source of data. This method is called secondary data source (Twumasi, 1986:44). If the problem warrants it and the data exist, the use of documentary sources alone may suffice. Such data may be obtained from public institutions, hospitals, records, census and statistical offices. Also the researcher may visit relevant institutions to get materials. These data can help him to answer part of his questions. These materials from well-established institutions are usually reliable, because they have been collected with much care and patience. For the reason, researchers can benefit greatly from the judicious use of institutional secondary data. Hart (2001: 1) stressed that 'the use of literature review



is to justify the particular approach to the topic, the selection of the methods, and the demonstration that this research contributes to something new'.

3.5.6 Stages of Data Collection

The study was conducted in three stages; the reconnaissance survey, main survey and in-depth survey (Millar, 1996). The study started with a reconnaissance survey which involved reading and discussing broad issues on poverty and interventions to reduce poverty, which afforded the opportunity to choose a topic and the study area. Preliminary visits were also paid to beneficiary groups to identify members to be included in the sample. This phase started in December 2008.

The main survey stage involved collection of data from identified groups and institutions in the Gushegu District. This covered the period from December 2010.

The last stage of data collection to deepen the understanding of specific issues that came up in the previous two phases is In-depth study. In this study supplementary information was collected through the use of case study and discussions. This stage took place from January, 2011.

3.5.7 Presentation and Analysis of Data

"When the scientist returns from the field he must settle down to analyse the data. The process (of data analysis) is a continues one, it involves many stages. At every stage, the researcher must ask questions relating to his objectives in order to obtain meaningful answers. In this regard, the principal concepts in the study's objectives must be used to examine the data" (Twumasi, 1986:54).

According to Twumasi (1986:62), "Analysis means a critical examination of material in order to understand its parts, and its relationship and to discover its trends. It means the separation of the research data into its constituent parts. After the separation, the researcher must study the nature of the material to determine its essential features and their relations. There are two common types of analysis; qualitative and quantitative analyses. In qualitative analysis, the researcher, after the collection of qualitative data, must examine the





main features of the material. The other analysis has to deal with quantitative material. Usually this material is processed by the computer. A typical example of this type of material is obtained through the use of questionnaire". Karma (1999) referred to data analysis as the computation of certain measures along with searching for patterns of relationship that exist among data-groups. In analyzing data in general, Yin (1993) also agrees that a number of closely related operations are performed with the purpose of summarizing the data collected and organizing them in such a manner that they answer the research question.

Data have been presented in the form of frequency tables, percentages, graphs and charts. Descriptive tools and techniques were used to analyze qualitative data. On the other hand quantitative data was analyzed using statistical tools and techniques available on the Statistical Package for Social Sciences (SPSS) which generated computer based outputs from which inferences were drawn.

3.6 Research Location

The study area is the Gushegu District of Northern Region. Gushegu District was purposely chosen in view of the fact that (i) it is one of the districts which benefited from the Poverty Alleviation Fund, (ii) a large percentage of the inhabitant of the District find it difficult to meet the basic necessities of life, (iii) it is the District in which I work and know very well.

Gushegu District is one of the twenty (20) administrative districts of the Northern Region of Ghana. The District, together with Karaga town was previously recognized as Gushegu/Karaga District which was established by PNDC Law 207 under the Legislative Instrument of 1988. On August 19th 2004, Karaga District was created out of the District thus virtually dividing the District into two.

3.6.1 Location and Size

The district is located in the North-eastern portion of the Northern Region between latitudes $9^{\circ}30'$ and $10^{\circ}30'$ North and longitudes 0° and $45'$ West. It shares boundaries with East Mamprusi and Bunkpurugu/Yunyuo Districts to the North, Yendi District to the South, Saboba and Chereponi District to the East, Karaga and Savelugu Nanton Districts to the

West. Its approximate land area is 3,864 square kilometers. The district capital is about 14km North-East of Tamale, the Regional capital.

3.6.2 Geology and Soils

The District lies entirely within the Voltaian basin dominated by coarse lateritic upland soils and soft clayey soils in the valley bottoms.

3.6.3 Drainage

The land is strewn with numerous streams most of which are tributaries of major rivers in the Northern Region such as the Nasia, Daka, Nabogu and Oti rivers. The major river identified is the Nasia, which flows between Namburugu and Bagli. Its tributaries include Duakulga and Kulbila which enters it from the south. The headwaters of the Daka River are found in the district. Tributaries of the Oti River include Nakua and Tanga to the east of Gbogu, Lorse and Kembu at Nawuhugu and Makpe at Katani. The main river Nasia and the other streams can also be described as intermittent. The Nasia only reduces in volume during the long dry season, whereas all the other streams dry up completely. In the rainy season however, all the streams increase in volume and flood the immediate surrounding land thereby cutting off most communities during the period. Most roads are also rendered unmotorable.

3.6.4 Climate

The climate reflects a typical continental climate experienced in Northern Ghana. There is a rainy season that lasts from May to October; peaking in August and September. The rest of the year is virtually dry. Rainfall amount is between 900 and 1000mm per annum. Temperatures are high throughout the year with the highest of 36° or above in March and April. Low temperatures are experienced between November and February (the hamattan period).

3.6.5 Vegetation

The vegetation is a typical guinea savannah type, characterized by tall grasses interspersed with drought resistant trees such as the shea and dawadawa trees.



3.6.6 Demography

The current population of the district is about 104,634 (Estimate). The ethnic composition of the population is about eighty percent (80%) Dagomba and about twenty percent (20%) Konkomba and other ethnic groups, who are mostly settler farmers, found in the north-eastern portion of the district. The district has over 362 settlements. These settlements are more scattered and relatively smaller.

About thirty percent (30%) of the population reside in settlements that can be classified as towns. These are Gushegu and Kpatinga, with population of 13,693 and 3,855 respectively. This means about seventy percent (70%) of the population is rural.

3.6.7 Communication

The District has been connected to MTN, Tigo and Vodafone networks. This has improved the communication system. Another means of sending and receiving urgent messages is by Wireless. There is only one post office at Gushegu which does not effectively serve its purpose.

3.6.8 Water

Sources of potable water are through boreholes and hand-dug wells. Only 46% of the entire population of the district has access to safe drinking water. About 54% still depend on other sources such as dugouts, dams, streams and rivers, which are unsafe for consumption. Apart from this, water from these sources often dries up during the dry season and communities, which depend on them, have to walk long distances in search of water. Gushegu is the only settlement that has a pipe system from two mechanized boreholes.

3.6.9 Economic Potentials:

The only viable opportunity open to the District is in the area of agriculture. The District is endowed with vast productive agricultural lands with a potential for the production of cereal crops, root and tubers, legumes, industrial crops and also rearing of livestock. The District exports grains and yams to other regions especially Upper East. Cultivation of non-traditional export crops such as cashew is also gaining ground. Cotton is also



produced on a large scale. It also has a large concentration of economic trees such as shea and dawadawa.

3.6.10 Livestock Production:

Cattle, sheep and goats are reared on a large scale in the District. On the average almost every household in the District rear some animals of a kind. The District capital can boast of the largest cattle market in the Region. Gushegu has one of the largest and busiest markets in the region with a wide sphere of influence. Traders attend it from many places including Tamale, Yendi, Bawku, Bolgatanga, Techiman and Burkina Faso.

3.6.11 Industry:

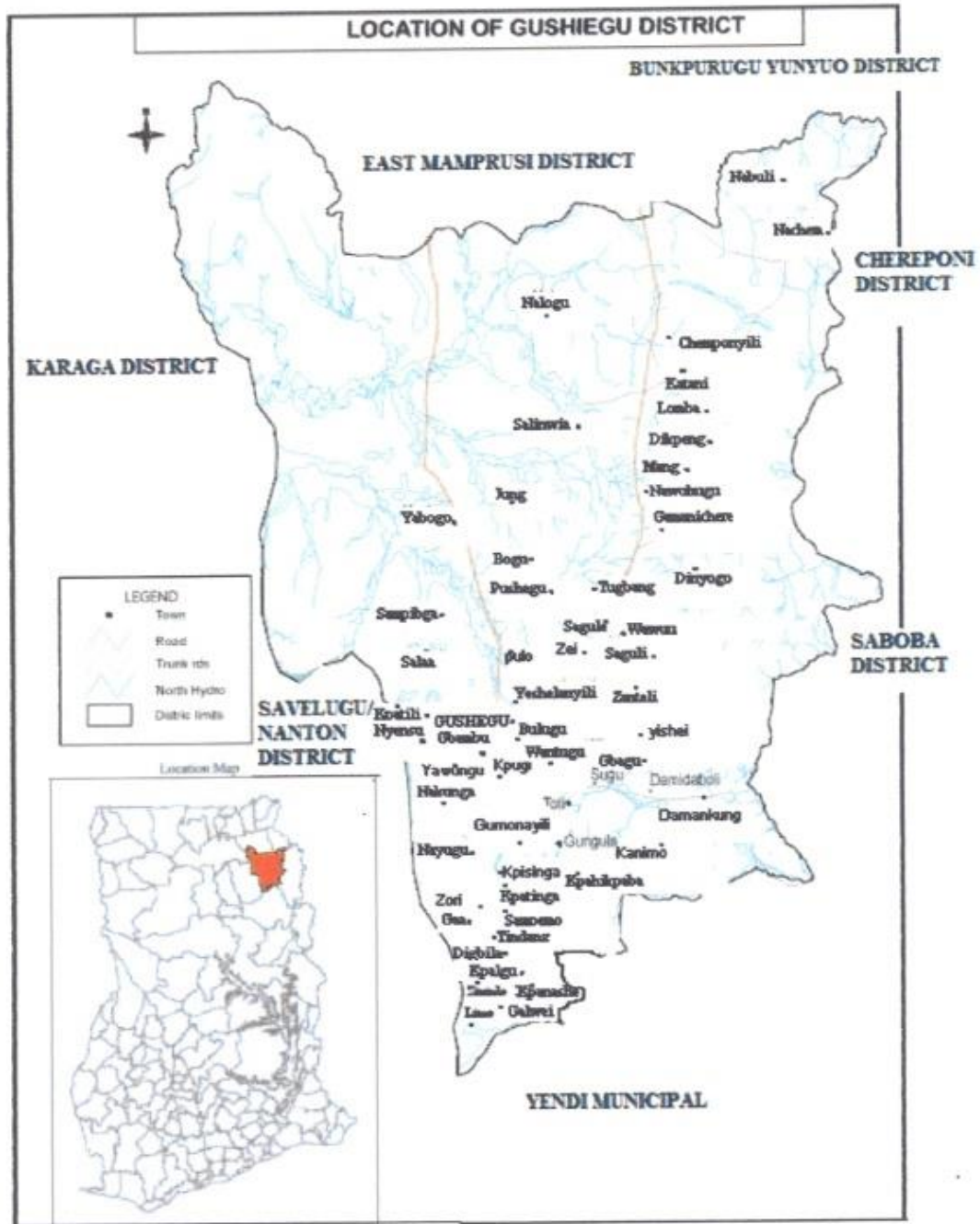
There is no established industry in the District. However, there are over one hundred groups engaged in various income generating activities. Income generating activities include shea-butter extraction by women groups and smock weaving by men.

3.6.12 Water and Sanitation

Water and sanitation situation in the District is appalling. Although many organisations had and continue to implement water and sanitation programmes the situation is still not the best as many communities (less than 50% have potable water and safe sanitation facilities. The only community that enjoys pipe borne water is Gushegu from a mechanized borehole.

Most of the settlements depend on dams, streams and boreholes, which usu8'ly dry up in the long dry season. Drilling of boreholes by some organizations in many communities have not been successful.





Source: Gushegu District Assembly, 2009

**CHAPTER FOUR (4)
FINDINGS AND DISCUSSIONS**

4.1 SOCIO-DEMOGRAPHIC CHARACTERISTICS

4.1.1 Introduction

The focus of this chapter is the presentation and analyses of the socio-demographic characteristics of the respondents. The data gathered relates mainly to the socio-economic activities of beneficiaries of Poverty Alleviation Fund in the Gushegu District from 1999 to 2004. These characteristic includes; the age and sex structure of respondents, occupation and educational attainment of respondents. This chapter analyse the perception people have about the fund. The analyses of these factors are presented below.

4.1.2 Age and Sex Characteristics of Respondents

Age and sex plays a major role in determining the economic activity, which an individual may engage in. The segregation of economic activities by sex is largely shaped by socio-cultural factors. For instance, in the Northern region of Ghana the predominant activity for men is farming. A lot of women however are found in agro processing industry and petty trading. All the respondents in the study are youthful and energetic men and women within the age bracket of 15 to 55 who are contributing to the socio-economic development of the District. In this part of the nation men have more access to credit facilities than women, by virtue of the fact that, they find themselves in decision making processes and also have a greater control over the family's assets.

4.1 Age and Sex Characteristics of Respondents

AGE GROUP	MALE	FEMALE	TOTAL
15-25	10	22	32
26-35	8	37	45
36-45	5	13	18
46-55	2	3	5
Total	25	75	100

Source: Field Survey, 2009



From the study and as demonstrated in table 4.1 female constitute the bulk of the beneficiaries of the fund. Seventy five (75) out of the hundred (100) respondents were women. Women also dominate in all the age groups. The dominant age group of beneficiaries is the ages 26-35.

4.1.3 Organizational Supports for Poverty Alleviation Groups in the Area of Capacity Building and Additional Funding

Table 4.2 Poverty Alleviation Fund and other sources of funding for groups

SIN	QUESTIONS ASKED	RESPONSES		
		Yes	No	Total
A	Did you benefit from the fund?	35	65	100
B	Do you have any other source of funding for the group?	5	95	100
C	Did you pay back the loan?	0	100	100
D	Did your group receive any form of training?	53	47	100

Source: Field Survey, 2009



The respondents mentioned the District Assembly as the main organization supporting them in their income generation activities especially under the poverty Alleviation Fund. Individuals and groups who benefited from the Poverty Alleviation Fund depended largely on the District Assembly for funding and for capacity building. As depicted in the Table 4.2 above only 5 per cent of the respondents had other sources of funding beside the District Assembly. The remaining 95 per cent had the Assembly as the only source of funding. For capacity building as many as fifty three (53) respondents out of the hundred said they had at least one form of training.

4.1.4 Level of Education of Respondents.

Education is perceived as the key to development; hence it enables the individual to realize his or her full potential so as to contribute to the overall processes of community and national development. The uneducated is often frowned upon in formal sector leadership and decision making structures.

Table 4.3 Level of Education of Respondents

LEVEL OF EDUCATION	MALE	FEMALE	TOTAL
Primary	2	-	2
JBS	2	11	13
SHS	8	22	30
Tertiary	2	-	2
No formal Education	10	43	53
Total	24	76	100

Source: Field survey, 2009.

The level of education of the respondents ranges from Primary education up to Polytechnic education. However, the number of respondents who did not have any formal education was far more than those who had some form of formal education. As shown in the table above, out of the hundred respondents only 47 of them had some form of formal education the remaining 53 had no formal education. The situation is even worse among the female. Only 33 out of the 75 female respondents had some form of formal education, the remaining 43 had not seen the inside of the classroom.

The low level of educational attainment among the respondents is the major drawback to the successful implementation of the Poverty Alleviation Fund in the Gushegu District. The table revealed that, the highest level of educational attainment among the respondent is Polytechnic education. Even with that only 2 respondents out of a hundred had Polytechnic education.

According to Adam (2002:41-42) "The implications of wide spread illiteracy are varied and wide. Firstly, a low level of education is associated mostly to poverty. Such categories of people therefore have no access to funds needed to develop or promote their economic





activities. They therefore depend on external sources to promote their economic activities. Secondly, the respondents, by virtue of their illiteracy have not got the relevant skills to develop and manage their economic activities beyond the traditional methods. Thirdly, the respondents are not able to keep proper accounts of their activities. They are not able to differentiate between their personal money and money from their economic activities. Fourthly they are not able to take advantage of new technology even when they are introduced. Most importantly they find it difficult to access credit even when it is available, since they do not know the processes involved in accessing this facility. Again they may not even use the funds for the purpose for which it was given, when credit is advanced to them".

4.1.5 Occupation of Respondents

The types of occupation pursued by the beneficiaries of the Poverty Alleviation Fund to a large extent have an effect on their ability to pay back the loan. It is therefore necessary to do an analysis of the occupation of respondents and the rate of loan recovery.

Table 4.4 Occupation and Gender of Respondents

OCCUPATION	MALE	FEMALE	TOTAL
Farming	18	27	45
Trading	2	48	50
Agro-processing	-	2	2
Others	3	-	3
Total	23	77	100

Source: Field survey, 2009.

As depicted in table 4.4 forty five (45) respondents reported farming as their major occupation. Of the hundred respondents, 50 are petty traders. Only 5 per cent of the respondents are engaged in agro-processing and others such as blacksmithing and carpentering which has the potential to be developed into industries. As has been the practice for many years, farming in the Ghana, is largely rain fed agriculture. As a result in times of flood and drought many farmers are left with nothing to feed their families on. In



such a situation paying back a loan becomes absolutely impossible. The beneficiaries in petty trading on the other hand face a challenge of making any profit on the loan taken. This is mainly due to the fact that, their businesses are so small that they hardly sell anything at all. Besides, petty traders find it extremely difficult to separate business activities from private activities. At the end of the day's business they cannot tell how much sales have been made since part of the sales have been used to purchase something else or to pay a debt.

4.2 Poverty Alleviation Fund Implementation in the District

The first disbursement of the Poverty Alleviation Fund in the Gushegu District was made in 1999. Twenty four (24) groups benefited from a total amount of sixty seven million, eight hundred thousand cedis (¢67,800,000), equivalent to six thousand seven hundred and eighty Ghana cedis (GH¢6,780). There are no records to show the disbursement and the allocation for the period 2000 to 2002. In fact there is no file created for the disbursement of the fund. In 2003 one hundred and seventy seven (177) groups benefited from an amount of four hundred and eighty five million, four hundred thousand cedis (¢485,400,000.00), equivalent to forty eight thousand five hundred and forty cedis (GH¢48,540.00). The number of groups rose from one hundred and seventy seven (177) to six hundred and thirty six (636) in 2004. The total allocation for Poverty Alleviation Fund for 2004 stood at seven hundred and seventy two million, six hundred and five thousand, two hundred cedis (¢772,605,200.00). This amount is equivalent to seventy seven thousand, two hundred and sixty one cedis (GH¢77,261.00).

Table 4.5 Disbursement of Poverty Alleviation Fund in the Gushegu District

Year	Groups	Amount GH¢
1999	24	6,780
2000	-	-
2001	-	-
2002	-	-
2003	177	48,540.00
2004	636	77,261.00

SOURCE: Gushegu District Assembly, 2009

The 2005 and 2006 allocation for the Poverty Alleviation Fund was used to procure three (3) tractors to support farmer groups at a subsidized price.

Majority of the beneficiaries were engaged in agriculture. Others were operating in the small scale industrial sector such as blacksmiths, women in agro processing, tailoring, petty trading and carpentry. Since 2004 after the disbursement of the last funds under Poverty Alleviation Funds most of the groups became dysfunctional, especially those operating in the small scale industrial sector. The few groups that remained continue to benefit from the Fund by way of subsidized ploughing by the District Assembly.

4.3 Perceptions About The Poverty Alleviation Fund

4.3.1 Introduction

The success of an activity, a programme or a project is determined largely by the way people perceive that activity, the programme or the projects. The essence of this section therefore is to analyse the perception of the respondents about the Poverty Alleviation Fund. These perceptions are demonstrated by the uses to which people put the loan to.

Table 4.6 Utilization of Poverty Alleviation Fund

Application of the fund	Number of Respondents
In the Business	37
In providing food for the Family	43
In paying children's school fees	5
Provision of Health care for the family	5
Total	100

Source: Field Survey, 2009

The study revealed that people did not see the Fund as a source of improving their productivity or expanding their income generating activity. By and large they see it as a relief from burden of their daily activities of life. This is illustrated in the table 4.5. Only 37 per cent of the respondents said they applied the loan to their income generating activities.



The remaining 63 per cent either used the fund to provide food for the family, to pay children's school fees or to provide health care for the family.

Another perception people held about the Poverty Alleviation Fund is that the Fund is a reward to them for being faithful to a particular political party which has won power. As a result of these perception people apply the loan to other uses either than business since according to them, is not a loan.

These two perceptions served as serious setbacks to the success of the Poverty alleviation Fund not only in the Gushegu District but throughout the length and breadth of Ghana, hence the abysmal recovery rate of the fund. In the Gushegu District, the study revealed that no efforts were made to retrieve the loan from the beneficiaries. No records exist to identify the groups and individuals who benefited from the Fund since 1999. Therefore there are also no records on the indebtedness of beneficiaries to the District Assembly. The Gushegu District Assembly did not put structures in place for proper management of the fund, and for the repayment of the fund.

4.3.2 Challenges Faced by Beneficiary Groups

The challenges faced by groups that were formed to take advantage of the Poverty Alleviation Fund were numerous. Among them included lack of training, lack of other sources of financing their activities, inadequate financial support from the Poverty Alleviation Fund. During the discussions it came up that on the average, each beneficiary received one hundred Ghana Cedis in 2004 (GH¢100), which is inadequate to run any successful business venture. Forty seven (47) respondents out of the hundred (100) mentioned the lack of training as a major challenge. People were just given money, how to utilize the money was not made any body's business. In the end beneficiaries applied the fund to different uses either than the reasons for which they were given the fund.

As has been confirmed by the study, women are the major beneficiaries of the Poverty Alleviation Fund and yet they are constrained by some other factors besides the inadequacy of the fund. The gendered nature of their cultural rights limits the extent to which they can use land and other resources. To a very large extent, they do not have access to land to



enable them produce in large quantities. At best they can only cultivate a small piece of land belonging to their husbands or fathers.

4.3.3 Assessment of the Impact of Poverty Alleviation Fund on Beneficiaries

To assess the impact of the application of P AF on beneficiaries the following questions as appeared on the table were put to them. Out of a total of a hundred respondents ninety seven (97) respondents responded to the question as to whether they considered themselves poor or not before they received the funds and after utilization of the fund. Nineteen (19) out of the hundred respondents did not have children before the implementation of the Fund, but now eleven (11) of them have children. All the hundred (100) respondents answered to the questions about the ability to provide health care and nutritional needs of their families before and after they benefited from the P AF.

Table 4. 7 Performance of Beneficiaries in the Provision of Basic needs for their families before and after the application of P AF

INDICATOR	BEFORE PAF					AFTER PAF				
	Yes	%	No	o/o	Total	Yes	%	No	%	Total
Are you Poor	93	95.9	4	4.1	97	90	92.8	7	7.2	97
Were you able to pay Children's school fees	3	3.7	78	96.3	81	7	7.6	85	92.4	92
Were you able to pay for health care of your family	11	11	89	89	100	11	11	89	89	100
Were you able to provide three square meals for your family	23	23	77	77	100	21	21	79	79	100

Source: Field Survey, 2009

As much as 95.98/o of the respondents considered themselves to be poor before they received funds from the Programme. This percentage reduced to ninety-two percent 92.8%



after they benefited from the Programme. From the table, only 3.7% of the respondents said they could feed their families on three meals a day before they benefit from the fund. This percentage increased to 7.6% after they benefited from the Fund. To the question of being able to provide the health needs of the family only 11 % of respondents answered yes to the question. The response was the same even after they benefited from the project. As much as 77% of respondents stated they could not provide three square meals for their families before they benefited from the fund. This number further deteriorated to 79% after the respondents benefited from the fund. From the table it could be seen that the number of respondents who perceived themselves to be poor reduce marginally from 95.9% to 92.8%. The situation also improved when it came to the number of respondents who could feed their families on three meals a day from 3.7% to 7.6%.

It could therefore be concluded that respondents were not better off, from the implementation of the Poverty Alleviation Fund in the Gushegu District. In some cases the situation even deteriorated after the implementation of the fund.



CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary and conclusions

The study revealed that females are the larger beneficiaries of the Poverty Alleviation Fund in the Gushegu District. They constitute 75 per cent of the beneficiaries. Males make up only 25 per cent. Majority of the beneficiaries fall in the age bracket 26-35 constituting 45 per cent of all age groups.

The findings also revealed that majority of respondents have no formal education. Out of the 100 respondents, as much as 53 per cent had no formal education. Women are the hardest hit in this direction. Of the 75 women interviewed only 33 had some form of formal education.

Trading constitutes the main occupation of the respondents with 50 respondents being in this sector, no wonder the Gushegu market is said by many to be next to the Techiman market.

The respondents mentioned the District Assembly as the main organization supporting them in their income generation activities especially under the Poverty Alleviation Fund. Individuals and groups who benefited from the Poverty Alleviation Fund depended largely on the District Assembly for funding and capacities building.

Most beneficiaries did not receive any form of training before, during and after receiving the fund. As many as 47 respondents out of the 100 respondents said they did not receive any form of training before, during and after receiving the loan.

5.2 Discussion of Research Questions

The Gushegu District is one among many Districts that benefited from the Poverty Alleviation Fund introduced by the Ghana Government in 1998. The application of the Fund started in 1999 in the then Gushegu/Karaga District with twenty four (24) groups benefiting and continued up to 2004. The size of the fund also grew from six thousand, seven hundred and eighty Ghana cedis (GH¢6,780) in 1999 to seventy seven thousand, two



hundred and sixty Ghana cedis (GH¢77,260) in 2004. I therefore set out to find out about the impact of the loan on the lives of the beneficiaries in particular and the District as a whole as demonstrated in my research objectives and research questions.

The first research question had to do with the question of whether the incomes of beneficiaries of the Poverty Alleviation Fund have improved, and drawn from the research objective "to determine whether incomes of beneficiaries of Poverty Alleviation Fund have improved. Major findings under this objective revealed that only 37 out of the 100 respondents used the funds to promote their business activities. The remaining 63 respondents did not use the fund to promote their economic activities. The size of the fund given to individuals or groups was too small to be invested in any meaningful business venture. The amount of the loan ranged from GH¢20 to GH¢ 100 per person in 2004. Beside this, the groups did not receive any form of training before, during and after the disbursement of funds. As a result many beneficiaries did not know what to do with the fund given the size of the loan. This situation was worsened by the lack of education among the beneficiaries of the Poverty Alleviation Fund. The incomes of beneficiaries therefore remain practically the same. Again it was revealed during the study that they were no other organization to complement the role of the District Assembly to make loans available to small businesses that were supported under the Poverty Alleviation Fund. The finding also revealed that, the disbursement of fund took a political dimension. It became very difficult to benefit from the fund if you were not identified with a certain political party. This resulted in the very abysmal recovery rate for the loan throughout the country.

Majority of the beneficiaries were found in petty trading (50 out of the 100 respondents), which has little impact in the economic growth and development of the District. They were very few beneficiaries involved in sectors such as agro processing, tailoring, blacksmithing, animal rearing, and land cultivation which has a greater potential to propel the industrial development of the District.

The second research question had to do with whether beneficiaries have been able to pay back the loan and also drawn from the objective "to determine whether beneficiaries of Poverty Alleviation Fund have been able to pay back the loan". Key findings revealed that,





none of the 100 respondents paid back or made an effort to pay back the loan. The District Assembly did not make deliberate efforts to recover the loan. It is difficult if not impossible to obtain records on beneficiaries of the Fund. Most of the records existed on computers which are currently out of function. The Assembly did not follow up on any group after the disbursement of the fund. Identification of the groups is a major challenge to the Assembly. Groups were only formed to take advantage of the loan. The groups had no constitutions that spell out their relationship with each other in the group, with the Assembly and with other individuals outside the groups. Even though all the groups interviewed had leaders, there were no meetings held by these groups. There were no minutes of meetings held. Again none of the groups could show evidence of their existence. They had no certificate of registration from the registrar of companies. All the beneficiaries had some form of affiliation with the ruling political party at any given time. This situation therefore did not change when political power changed hands in 2001.

The third research question borders on whether the standard of living of beneficiaries have improved in terms of payment of children's school fees and providing for nutrition and health care for the family, this deals with the research objective "to examine whether the standard of living of beneficiaries of Poverty Alleviation Fund have improved. The application of the fund did not contribute to an improvement of the standard of living of the beneficiaries. Sixty three out of the hundred (100) beneficiaries did not invest the funds in their economic activities. They rather used it in the provision of food and health care for the household and in the payment of children's school fees. The funds could therefore not yield any interest.

The final research question relates to whether beneficiary groups still exist in the District which relates to the objective to ascertain whether the beneficial groups still exist. Findings revealed that beneficiary groups for the Poverty Alleviation Fund no longer exist. It is easier to identify individual beneficiaries rather than the group. This is mainly due to the fact that groups were merely formed to take advantage of the fund. The groups become inactive as soon as funds were disbursed. There were no evidence of group meetings and reports on group activities.



The study confirmed the four research hypotheses in the proposal. The first research hypothesis, “Absence of feasible organizational structures at the community level was confirmed. As at the time of disbursement of the loan, Gushegu had only one financial institution. The Bonzali Rural Bank. Besides the Bonzali Rural Bank, there were no other financial institutions such as Susu groups, None Governmental Organisations (NGOs) and local institution existed to assist the District Assembly to recover the loan. Due to lack of capacity of the Assembly especially in terms of staffing, retrieving the loan became very difficult as a result of improper record keeping among other inefficiencies.

5.2 RECOMMENDATIONS

Drawing from the above conclusions and also re-visiting research questions, objectives and problem, the following recommendations have been made.

5.2.1 Identification of Groups Based on Common Interests and Objectives

During the research study it was revealed that most members of the various groups had no common interests and objectives. The only common interest among all group members was just to have access to the loan. After the disbursement of the loan, the individual groups’ member’s pursued their individual and varied interests. Members of the group did not pursue the same economic activities.

My first recommendation therefore is that groups to be assisted with funding; must have common interest and objectives. Members of a group should be engaged in economic ventures as a group not as individual. It is only when you identify a group with common interests and objectives, that they can be better assisted. The group must have a constitution governing the conduct of all members.

6.1.2 Support for only Existing Groups

Groups to be assisted must be in existence for at least two years before qualifying for any form of loan. Evidence of such existence must be demonstrated by their constitution and minutes of meetings, financial statement, a bank account and an audit report on the operation of the group.

I recommend also for the Assembly to encourage existing groups to register as cooperatives to enable them have legal status to be able to access credit from a variety of sources to enable such groups expand their operations and become more viable. Assembly should also establish collaborations other organizations to provide funds for groups within the Assembly's area of jurisdiction.

6.1.3 Disbursement of Funds through credible organization with recommendation from local Association

To divorce the fund and other such funds from politics, there is the need to disburse such fund through credible organizations such as the National Board for small scale industries, the Association of Ghana Industries to mentioned but a few, with recommendation from local associations such as Tailors and Dressmakers Association, Hair dressers and Beauticians Association, Association of Market women and the Association of Small Scale Industries among such other associations. This will reduce the risks of groups formation just to take advantage of the loan.

6.1.4 Step-up Advocacy on Gender Issues

It is recommended also that the government of Ghana, the Assemblies, Gender Activists, Non-governmental organization and other well being individuals should step-up their efforts to bring the issues on gender to the fore front of every discussion, especially the inclusion of women at all levels of decision-making starting right from home and the traditional set-up.

6.1.5 The need for Assemblies to keep proper records on Beneficiaries

To be able to hold people accountable and have a higher recovery rate for funds disbursed Assemblies need to keep proper records on all beneficiaries of any such funds. The creation of a Desk for such matters will not be out of place.

6.1.6 Capacity Building of Beneficiary Groups

Part of such funds should also be reserved for training and education on relevant topics such as record keeping, group dynamics, development of proposal, communication and advertising and marketing among other topics.



6.1. 7 Persecution

I also recommend the persecution of such funds to serve as a detriment to others who may want to chart the same path.

6.1.8 Making Education Attractive

Government and the Assembly should make education at places that have a history of higher illiteracy rate attractive to encourage more of the illiterate population send their children to school. Scholarship schemes should be instituted for brilliant but needy children to enable the pursue education to the highest level. The Assembly and the Ghana Education service should also encourage all schools .to have annual Speech and Prize given day to motivate others to work hard in order to win awards.



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INDIVIDUAL QUESTIONNAIRE

This interview is being done by Braimah Adam Asumah, and being assisted by research assistants for the purpose of a study in partial fulfillment for an award of a Master of Science degree in Development Studies (Msc Development Management). The questionnaire seeks to gather information on the application of the Poverty Alleviation Fund in the Gushegu District of Northern Region of Ghana

Information gathered will be strictly confidential.

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SECTION A

GENERAL INFORMATION

Time started

Time ended

Name of Interviewer

Questionnaire No

Date of Interview



District

Community

Name of Interviewee

SECTION B

SOCIO- DEMOGRAPHIC CHARACTERISTICS



1. Sex

01=Male { }

02= Female { }

2. Age

01= 15-25 { }

02= 26-35 { }

03= 36-45 { }

04= 46-55 { }

05= 56+ { }

3. Marital status

01=Married { }

02= Not married { }

4. Residential status

01=Native { }

02= Migrant/ Settler { }

5. Occupation

01=Farming { }

02= Trading { }

03= Agro processing { }

04= others specify { }

6. Level of Education

01 = Primary School { }

- 02= Middle School { }
- 03= JSS { }
- 04= Vocational /Technical { }
- 05= Secondary School { }
- 06= Post Secondary { }
- 07= Tertiary { }
- 08= None of the above { }

SECTION C

POVERTY ALLEVIATION FUND

1. When was your group formed

- 01= 1998 { }
- 02= 1999 { }
- 03=2000 { }
- " { }
- 04= 2001 { }
- 05= 2002 { }
- 06=2003 { }
- 07= 2004 { }

2. When did your group receive support from the District Assembly

- 01= 1998 { }
- 02= 1999 { }
- 03= 2000 { }
- 04=2001 { }
- 05= 2002 { }
- 06= 2003 { }
- 07=2004 { }



8. Did you receive the loan at the time that you needed it?

01=Yes {}

02=No {}

9. Did you consider yourself to be poor when you received the funds?

01= Yes {}

02=No {}

10. Did you consider yourself to be poor after using the funds?

01=Yes {}

02=No {}

11. Has your group any other source of funding besides the poverty alleviation fund

01=Yes {}

02=No {}



If yes name the organization

SECTION D

GROUP LEADERSHIP AND RELATIONSHIP WITH THE DISTRICT ASSEMBLY

1. Can you say whether your group has leaders?

01=Yes {}

02=No {}

2. If yes what relationship exist between the group members and the leaders?

3. What role do you play in the group?

- 01 = Chairman { }
- 02= Secretary { }
- 03= organizer { }
- 04= ordinary member { }
- 05= others specify { }

4. How regular do your leaders visit the District Assembly?

- 01 = No visits after receiving the loan { }
- 02= When the group hears about disbursement of loans { }
- 03= To repay the loan { }
- 04= whenever the group has some challenges { }

5. Has your group ever received training on how to manage the loan and your fund?



- 01=Yes { }
- 02=No { }

6. Have you paid your part of the loan to the group?

- 01=Yes { }
- 02=No { }

7. Has your group paid its loan to the District Assembly

- 01=Yes { }
- 02=No { }

SECTION E

CHALLENGES

1. Has your group faced any challenge?

GROUP QUESTIONNAIRE

A. IDENTIFICATION OF INTERVIEWER:

Name of interviewer Women/Men Group

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District

Village/ community

Date of interview

B. IDENTIFICATION OF THE GROUP:

1. Name of Group

2. Date of establishment

3. Whether registered with District Assembly



4. Whether registered with Department of Social Welfare

5. Number of members

6. Number of women

7. Number of men

8. Funding sources

C. INTERNAL GOVERNANCE

1. Existence of Constitution: Yes/No

2. Existence of an organizational structure:

3. Does the group hold meetings: Yes No

If yes, how regular?

Weekly Monthly Quarterly

If No, why?

4. What is the composition of the group leadership?

Men

Women

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D. GROUPS FOR THE POVERTY ALLEVIATION FUND



1. How do you perceive your group?

.....
.....
.....
.....

2. Has the formation of this group helped you achieve the aims of the group?

.....
.....
.....

3. When did your group first receive the fund?

4. How will you describe the size of the loan? Was it adequate or not?

.....

.....

5. How do you resolve conflict within members of the group with respect to disbursement of funds and repayment of loans?

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6. Do you have difficulties in paying back loans?

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7. What challenges do you face as a group?

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	<ul style="list-style-type: none"> ▪ Inadequate drinking water because of low water tables ▪ Guinea worm endemic area 	
<p><u>Pocket 3</u></p> <p>Eastern parts of district covering Zantelli and parts of Kpugi/Yuwungu Area Council</p>	<ul style="list-style-type: none"> ▪ Low enrolment levels in schools ▪ Sources of drinking water is a problem throughout the year – women have to travel long distances to look for water instead of picking sheanuts ▪ High levels of guinea worm infestation ▪ No health facility ▪ No market ▪ Poor road network and conditions which make it difficult to transport foodstuff to marketing centres ▪ Very high illiteracy levels but very few schools 	<ul style="list-style-type: none"> ▪ Abundant fertile land ▪ Dam and dug-outs for livestock and human use ▪ Abundant pasture land for livestock grazing ▪ Abundant shea trees
<p><u>Pocket 4</u></p> <p>Whole area covering Galwei – south-western part of district</p>	<ul style="list-style-type: none"> ▪ Poor road network ▪ Leading guinea worm endemic area in the district ▪ Poor access to potable water especially during the dry season (it has only 9 boreholes). Water table very low therefore drilling doesn't yield much water ▪ Poor educational infrastructure – temporary school structures which makes teaching and learning difficult especially during the rainy season 	<ul style="list-style-type: none"> ▪ Two health facilities including a guinea worm containment shelter ▪ Land very fertile for all crops especially yam, sorghum and other grains ▪ Rivers for fishing ▪ Green pastures for livestock ▪ Shea trees and other wood species
<p><u>Pocket 5</u></p> <p>Kpatinga area</p>	<ul style="list-style-type: none"> ▪ Some parts not accessible during the rainy season ▪ Educational facilities are not adequate – mostly temporary structures – this results in low enrolment 	<ul style="list-style-type: none"> ▪ High yielding bore-hole in a nearby area ▪ Road network is averagely better ▪ Viable market



	<ul style="list-style-type: none"> ▪ Some communities isolated ▪ Difficult to get water ▪ Soils are poor ▪ Limited access to fertile land for farming – land taken over by government as forest reserves 	
<p><u>Pocket 6</u> Central portions of the district, covering greater portions of the Gushegu area,</p>	<ul style="list-style-type: none"> ▪ High illiteracy levels ▪ Do not have enough teachers to teach in schools ▪ High unemployment rates for the school drop-outs who do not have any skills ▪ Under-developed livestock market which results in revenue loss to the District Assembly 	<ul style="list-style-type: none"> ▪ Presence of a health centre with two doctors – health center in the process of being upgraded to a poly clinic ▪ Weekly market which is well patronized by traders in and outside district and beyond (esp. the livestock market) ▪ Girls Vocational Inst.

SOURCE: Gushegu District Assembly 2009