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Exploring Financial Inclusion With Village Savings and Loan Associations in Ghana's Wa-West District

Jonathan Lanidune
Walden University

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Walden University

College of Social and Behavioral Sciences

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Jonathan Lanidune

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Walden University
2021

Abstract

Exploring Financial Inclusion With Village Savings and Loan Associations in Ghana's

Wa-West District

by

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CEMPA, Kwame Nkrumah University of Science and Technology, 2014

BA (IDS), University for Development Studies, 2004

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy and Administration

Walden University

May 2021

Abstract

Financial inclusion (FI) has played a significant role in Ghana's economic transformation but is not widespread in rural areas. Lack of access to FI systems in these areas has increased poverty and induced higher rural-urban migration. Researchers have not explored how village savings and loan associations (VSLAs) can bridge the FI gap in the absence of formal financial institutions. The purpose of this qualitative case study was to explore the VSLAs as a FI model for poverty and vulnerability reduction. Sixteen semi structured telephone interviews were conducted with members of three different groups; VSLA members, community stakeholders, financial stakeholders in Wa West District to gain insight on participants experiences' regarding VSLA as a FI model. Participants were recruited using purposive sampling. The sustainable livelihoods framework developed by the Department for International Development was the conceptual framework. The framework allows for the analysis of local realities, livelihood strategies, poverty outcomes, and the interrelationship between the outcomes. Seven major themes were identified. The findings revealed that VSLAs have significantly contributed to FI, reduced poverty, and increased participants' social and economic status. Additionally, VSLAs have had an impact on household livelihoods, making community members more resilient to vulnerability. Central government policy regulations are needed to prevent VSLA facilitators from taking undue advantage of some VSLA groups. Findings suggest an increase in FI in rural areas may reduce the economic disparities between rural and urban areas in Ghana leading to positive social change.

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Chapter 1: Introduction to the Study

Ghana achieved sustained economic growth and development derived from the discoveries of oil in commercial quantities and an increase in investments (United Nations Development Programme [UNDP], 2018) between 2012-2015. For the past 20 years, Ghana's development emerged from one democratically elected government to another, sustained by the existence of peace. The main challenge of Ghana's development is high income and regional disparities, according to UNDP. Also, rural and urban differences continue to widen with the concentration of social services and amenities in urban areas in Ghana.

The Wa-West District in the Upper West Region of Ghana lacks many social amenities and infrastructure. It is the poorest district in the Upper West Region with high poverty indicators. Poverty is high in other rural areas of Ghana as well, according to the Ghana Living Standard Survey (GLSS 7; Ghana Statistical Service, 2018) report. Access to financial services and support is a route to poverty reduction among rural people. However, many rural people are constrained by an ongoing lack of financial services and support. Rural people have limited access to credit facilities due to the lack of collateral and loan guarantees requirements to access financial credit, Begley et al., (2020) noted.

The limited access to credit and savings options in rural areas will require a different mechanism and approach to ensure financial inclusion. Village savings and loan associations (VSLAs) have increased financial inclusion in some developing countries and improved access to financial services, products, and flow of capital in rural areas (Karlan et al., 2017). I explored VSLAs as a financial inclusion model, seeking a broader appreciation of their contribution to reducing poverty and

vulnerability in the Wa West District. This chapter consists of the background of the study, problem statement, purpose of the study, research questions (RQs), conceptual framework, nature of the study, operational definitions, assumptions, limitations, scope and delimitations, significance of the study, and a summary.

Background

Poverty is an age-old problem and a concern to many governments, civil society organizations, development partners, and donors. These stakeholders have proposed numerous strategies and initiatives to address the poverty situation in developing countries UNDP (2017). The income indicator is the primary source of measuring poverty, even though nonmonetary indicators are acceptable (GSS Report 2017). Microfinance and other informal financial services have been found to be effective in poverty alleviation in developing countries (Banerjee et al., 2017). The potential of financial services to reduce poverty sustainably supports the use of microfinance and other financial inclusion models.

The Wa West District has a population of 81,348, with an annual growth rate of 1.7% (Ghana Statistical Service, 2013). The rural district is considered the poorest district in the Upper West Region because of high poverty levels among its people (Ghana Statistical Service, 2013). It was carved out of the Wa Municipality in 2004 by Legislative Instrument (L.I 1751) under the Local Government Act 463 of 1993 with its capital as Wechiau. The district has few urban settlements and lacks many elements of social infrastructure, including motorable roads, among other factors contributing to the high poverty incidence. According to Danquah and Iddrisu (2016), rural savannah regions of Ghana, which include the Wa West District, contribute to the overall high poverty incidence in Ghana.

Wa West District has had no formal financial institution since its creation in 2004, making access to formal financial services a challenge as most of the people travel about 42 km from Wechiau, the district capital, to Wa, the regional capital, for financial services and products. The absence of financial institutions has had a significant impact on the poor, women, and the vulnerable who are unable to travel long distances to access financial services, hence denying them the benefits of financial inclusion. The International Labour Organization [ILO], 2014 (p.23) indicated the importance of using different safety nets and interventions to address poverty incidence, which applies to the Wa West District.

Microfinance institutions (MFIs) are essential avenues for financial inclusion in the absence of banking services. However, MFI leaders are motivated by profitability and reduced cost of operations as key factors in their expansion decisions, particularly to rural areas and locations (Karlan et al., 2017). Many rural communities, such as those in the Wa West District, are not attractive to these institutions, and formal banking institutions deny the people of the benefits of financial inclusion (Egyir, 2010), hence the need to search for alternative financial inclusion models. In the decade plus since the Wa West District's creation, no financial institution has established its presence in the district to provide financial services to the people.

Researchers have found VSLAs to be effective in other jurisdictions in addressing financial exclusion. I explored their contribution to financial inclusion in the Wa West District, where no formal financial institutions exist. VSLAs have existed in the district for the past 15 years facilitated by nongovernmental organizations (NGOs), but their contribution to financial inclusion in the Wa West

District has remained undocumented, and the question of whether VSLAs can serve as a financial inclusion model for poverty and vulnerability reduction in the district is unanswered.

Problem Statement

In the developing world, MFIs are playing critical roles in financial inclusion and the reduction of poverty among the poor, particularly women. Poor people rely on financial services to engage in economic ventures and social activities for better livelihoods. Recent studies have shown that microcredit and savings schemes reaching rural communities, poor people, and women are limited (Brannen & Sheehan-Connor, 2016; Fall, 2017). Poor people in Africa do not have access to formal microfinance institutions (Lonborg & Rasmussen 2014; Lowicki-Zucca et al., 2014). Women, children, and the vulnerable in rural areas are not able to access formal financial systems due to various conditionalities and requirements.

Although there is growing pressure to provide people access to financial services in both rural and urban areas, MFIs often prefer to operate in areas with less risk and higher returns on their investments. Many rural areas are considered risky, and hence MFI leaders have extended their support to urban businesses and people instead (Egyir, 2010). Many MFIs also have limited capital and are unable to satisfy the required financial needs of businesses and people (Fall, 2017), denying rural people the benefits of financial inclusion.

The consequences of limited credit and savings options are contributing to the high rate of poverty and vulnerability among rural people. A UNDP report in 2014 on poverty in the world shows a poverty reduction in other countries by half. For example, in China alone 450,000 million people were out of poverty in 1979 with

evidence of economic growth (Lin, 2003). Poverty underdevelopment remained high in Africa for the past 25 years and needs a solution (DFID, 2008). Past interventions have yielded few results and hence the need to explore other options and widen the safety gap net if poverty is to be addressed holistically.

The MFI sector also has liquidity and management issues, and hence most rural communities in developing countries are having challenges to access services from them. The Bank of Ghana, on May 31, 2019, revoked the licenses of 347 microfinance companies in Ghana for insolvency (Thefinderonline.com, 2018). MFIs that extended their credit facilities to people in rural areas to improve agricultural productivity were affected, with the potential to erode confidence and trust. This development calls for more innovations approaches to ensure that rural communities are able to access a fit-for-purpose credit and saving system that meets their needs.

NGOs have been contributing their quota to increase financial inclusion, and rotational savings and credit associations (ROSCAs), a savings and credit mechanism built on trust and member contributions, was one of its contributions. ROSCAs provide an option for financial services to rural communities; however, the model has been challenged with inadequate funds to lend to members. According to Karlan et al., (2017), ROSCAs' insufficient funds have resulted in a lottery selection of participants to receive proceeds after a meeting, denying some members access to credit.

ROSCAs' inability to meet the financial needs of its members means a more resilient and sustainable financial system is needed in rural areas to provide financial services. VSLAs were introduced by CARE International to replace ROSCA as this

model offers liquidity and flexibility for increased access to financial services (Allan 2002).

Allan (2002) indicated that formal and permanent institutions in rural areas are rare and that financial institutions find it unattractive to extend their services to rural and remote areas. According to Karlan et al., (2017), policy makers have used VSLAs to address the challenges of inadequate credit and saving options for rural people by reforming the ROSCA model. VSLA members pull their financial resources together and make them available for loans to members, who pay them back with interest (Allen et al., 2015). VSLAs continue to rely on the financial contributions of members to sustain the model.

The Wa West District is challenged with access to financial services. As a rural district in the Upper West Region, agricultural production is main stay of the local economy. Women and the poor have difficulty accessing financial services as formal financial institutions are not available. With the introduction of VSLAs, rural people have an opportunity to be part of a financial inclusion system. Akapule (2015) indicated that VSLAs are a safety net for participants in the Upper East Region of Ghana who are financially challenged. The ILO in its findings in 2014 regarding addressing poverty and vulnerability proposed the use of a variety of safety net options. Other research on VSLAs in Northern Ghana provides evidence of improved educational attendance at the lower level as parents can pay school fees and meet the other needs of pupils using their VSLA contributions (Cameron & Ananga, 2015). According to Abubakari et al., (2014), parents who are members of VSLAs showed improved nutrition intake. Musinguzi (2015), concluded that VSLAs have increased

financial access to the poor and considerably improved livelihood for many people in Africa.

Despite the successes of VSLAs in developing countries and rural areas, little research is available on VSLAs in the Wa West District, where no formal financial institution exists. Financial inclusion is the key to poverty and vulnerability reduction, research shows (World Bank, 2014). Its benefits are significant, and, as such, it requires serious attention by governments. To date, there is little documentation that establishes a formal link of VSLA as a strategy for poverty reduction in Ghana.

Purpose of the Study

I explored VSLAs as a financial inclusion model for poverty and vulnerability reduction in the Wa West District in the Upper West Region of Ghana using a qualitative case study approach. The study may increase policy makers and stakeholders' understanding of the VSLA concept as a financial inclusion model for a sustainable poverty strategy among poor people in rural areas of Ghana. Formal banking and mobile phone money platforms are viewed by many Ghanaian as the only financial inclusion mechanism available (Frimpong, 2020). However, VSLAs are an effective mechanism for rural financial inclusion in many developing countries, research shows (Amaning and Paul, 2019), which supports adoption by the Government of Ghana and other stakeholders.

Research Questions

The central RQ for this study was, has the VSLA currently increased financial inclusion and reduced poverty among the people in the Wa West District? The sub questions were

SRQ1: What financial inclusion systems are accessible for poverty reduction?

SRQ2: What strategies will improve and increase financial inclusion?

SRQ3: How have VSLAs improved livelihoods and reduced vulnerability?

Conceptual Framework

The sustainable livelihoods approach developed by Chambers and Conway in 1991 and the Department for International Development (DFID) in 1999 underpinned this research. The approach complements the work of Norton and Forster (2001) and Thennakoon (2012) in identifying a suitable approach for development intervention. The sustainable livelihood framework encompasses the assets (both material and social), skills, and approaches that the individual and communities can use to overcome poverty and survive (DFID 1999). The element of sustainability means the individual and communities can confront and overcome the crisis, maintain or even improve their current and future skills without depleting the natural environment and resources.

To better understand how to develop and maintain their livelihoods, the Swift River Local Advisory Committee with the support of the Institute of Development Studies (IDS) built the tool referred to the sustainable livelihood framework. The framework anchored on sustainable assets, vulnerability context, and intervention techniques, which are the pillars of the concept. For this research, the focus is to explore the financial inclusion systems with VSLA and how members' assets base has improved. It also reviewed the strategies to improve and increase the level of financial inclusion in the Wa West District.

According to Murray (2001), assets form the building blocks of sustainable development, and this includes both material and nonmaterial resources. The human, physical, financial, natural, and social capitals are the five main assets in SLF.

Strategic and practical interventions, according to Murray (2001), are the means to overcoming poverty.

The practical intervention helps low-income households in building a stronger livelihood strategy such as small businesses, education, and training on employable skills and savings options. The strategic interventions are focused on vulnerability building networks and alliances to overcome challenges.

The review of these pillars aligns with the Village Savings and Loan Associations (VSLAs) model. VSLA help members to cope with financial stress, social and economic challenges. Application of the sustainable livelihood framework helps to build resilience among vulnerable people and increases community participation resulting in poverty and vulnerability reduction, according to researchers (Murry, 2001). I adopted the framework to address the main RQs on how has VSLA has increased financial inclusion and reduced poverty among the people of the Wa West District. Poverty is a developmental constraint in the Upper West Upper Region and specifically the Wa West District, which is the poorest in the Upper West of Region, according to the GLSS 7 (Ghana Statistical Service, 2018).

Research Design

In this qualitative case study, I explored the perceptions of VSLA members regarding the potential of VSLAs to increase the financial inclusion of its members. In-depth case studies help researchers to investigate the situation and understand the experience of participants (Creswell & Poth, 2007). Seventeen respondents were targeted, but 16 participated in the semi structured interviews and share their knowledge and experience on VSLA and financial inclusion. Also, observation was planned, but due to COVID-19 this was not done as Walden University's Institutional

Review Board (IRB) approved the virtual interviews. The respondents who participated comprised were grouped into VSLA members, financial inclusion stakeholders, local community stakeholders.

Respondents were purposively selected because of their extensive experience and understanding of VSLA and financial inclusion in the Upper West Region. Interviews with the respondents mostly done virtually, coded and analyzed in line with the emerging themes and the sub research questions (SRQs). Data collected from secondary sources such as official reports and documentations on VSLA and financial inclusion complemented the interviews. Conclusions were drawn from the findings which addresses the research problem.

Nature of the Study

The study used the interpretative case-study approach to engage the VSLA respondents. The study approach focused on the economic and social experiences of the VSLA members. Also, the experience of financial and local community stakeholders was studied. The dissertation documented the experiences and perceptions of VSLA members/stakeholders on the various financial inclusion system within the Wa West District. The participants strategy to overcome poverty with VSLAs were explored in-depth. Interviews, and analysis of relevant secondary data constituted the qualitative methods used in this study.

Definitions

Financial inclusion (FI): The ability of individuals and businesses to have access to financial products and services that are affordable and meet their needs such as transactions, payments, savings, credit and insurance delivered sustainably (World Bank, 2017). FI comprises savings, insurance, payments and remittances, credit,

financial advice, and bank account opening (World Bank, 2017). I focused on services associated with VSLAs such as savings, social funds, loans, payments, and use of VSLA passbooks by members. This study demonstrated how rural communities access financial products and services in the absence of formal financial institutions.

Microfinance (MF): The mechanism through which financial services such as savings, microcredit, microinsurance, micro leasing, and transfers are available to low-income individuals or households (Odoom et al., 2019, p. 78). In some cases, microfinance comes with nonfinancial services such as training on business and entrepreneurship. The concept of microfinance was popularized in 2006 by Dr. Muhammad Yunus as a “banker of the poor” (p. 6) builds on the Grameen Bank model of 1976 from Bangladesh (Yunus, 2007).

Poverty: Inadequate access to necessities of life due to weak financial power. Because I focused on FI, I adopted the United Nations (2000) definition of poverty, which classifies individuals living in poverty as being unable to acquire and utilize \$1 (U.S.) a day.

Village savings and loan association (VSLA): An entity that revolves around a group of people who save together and access small loans from their savings as members. The VSLA activities of the group operate in a cycle of between 6 months to 1 year before accumulated savings, repaid loans, and profits are shared among members. VSLAs incorporate savings, loans, payments at the end of the cycle, membership passbook, and social funds, according to (Allen 2006). VSLAs provides accessible savings and loan facilities to members with low access to formal financial services. Typically, VSLAs have between 15 to 30 self-selected individuals who form their group. The group meets weekly, and members save through the purchase of

shares. The group decides the price of each share at the beginning of the cycle. At each meeting, every member must purchase between one and five shares (Allen and Staehle, 2015).

Vulnerability: The lack of capacity to anticipate, cope with, resist, and recover from the impact of disasters (natural and human-made), according to Kelman et al., (2015). Floods and drought are natural disasters that add to the distressed conditions of the poor. Poor people experience vulnerability in different forms, and depending on livelihood choices, the impact is different (Tewari and Bhowmick, 2014). In this research, vulnerability is the inability of a person to cope with human-made disasters within the shortest possible time.

Assumptions

Assumptions, according to Simon (2011), are somewhat out of the control of the researcher. However, the absence of assumptions will make the study irrelevant. Leedy and Ormrod (2010) indicated "assumptions are so basic that, without them, the research problem itself could not exist" (p. 62). This research has taken into consideration several assumptions for the engagement of respondents. Stakeholders in the financial inclusion sector in Ghana at the local level: MFIs, financial NGOs working with community-based groups, and women association into VSLA will cooperate and provide the needed information required honestly. It is believed that VSLA members have not formal bank account or are illiterate mostly women, established in rural areas which are all assumptions.

Another assumption is, the sample size will be representative of the outcome of all the VSLA members in the Wa West District. Participants' selection criteria will be appropriate, and respondents will provide information to address the research

questions (RQs). The Wa West District Assembly that coordinates development efforts in the district will find the research helpful and if the recommendations are implemented will increase financial inclusion and reduce poverty.

Scope and Delimitations

This study is limited to the Wa West District of the Upper West Region of Ghana. The district is currently the poorest in the Upper West Region (Ghana Statistical Service, 2015, p. 37) and has no formal financial institution in the district. Access to formal financial services is a challenge for the people in the district, and this has contributed to the high poverty levels. Participants were VSLA members in the district, local community and financial stakeholders. Participants are people with adequate knowledge on financial inclusion or is currently a member of a VSLA group.

Delimitation, according to Rouleau-Carroll (2014), are the thing that the researcher can manipulate in the study and all the participants or people that can be persuaded to participate in the research. The research contributed to the literature on broadening the financial inclusion scope, which applies to other localities with similar conditions.

Limitations

The limitation encountered was the limited literature on VSLA operations in the Wa West District, as no prior studies are available in the study location. It limited the use of direct secondary data within the district, and I relied on VSLA secondary data from other areas and Northern Ghana. By triangulation, data collected from the Wa West were compared with the other districts in the region where studies are

available to validate the data. This approach addressed the limitations since multiple sources of information were obtained for inferences.

The advent of COVID-19 has a major limitation on the study. The interviews were initially face to face but due to the pandemic, I had to conduct the interview via phone calls and the social interaction and facial expression were missing. Also, planned observations of VSLA meetings was not done because of COVID-19 restrictions and protocols.

Significance

This study is significant as it contributes to the achievement of Sustainable Development Goal 1 of ending extreme poverty. Ghana has a high rural population engaged in the micro medium small-scale enterprise and will require financial support to expand. The role of the financial sector in the development of Ghana is enormous. The benefits of financial inclusion are vast and include businesses access to credit, available funds for investments in other sectors of the economy.

An informal financial system like the VSLA is flexible and contributes to poverty alleviation among women. The Banking Act, Act 2004 (Act 67) in Ghana, provides guidelines for the operations of formal and informal banking operations in Ghana for which the VSLAs are part but not fully recognized. Access to sustainable financial services will help drive the growth of the local rural economy, enterprise development, and promote sustainable financial inclusion.

VSLAs have the potential to empower rural people and reduce poverty and hence require an in-depth research. This research, has provided available data of VSLA contributions to financial inclusion in the Wa West District, and policy makers can leverage on it to increase financial inclusion in Ghana.

Summary

Chapter 1 provided an introduction of the study and gave highlights of the microfinance sector with the focus on the village savings and loan associations (VSLAs). Also, the sustainable livelihood framework, which is the conceptual framework, was identified, and operational terms defined. In exploring financial inclusion through the VSLA, I sought to answer the following central RQ: Has the VSLA currently increased financial inclusion and reduced poverty among the people in the Wa West District? The sub questions were as follows:

SRQ1: What financial inclusion systems are accessible for poverty reduction?

SRQ2: What strategies will improve and increase financial inclusion?

SRQ3: How have VSLAs improved livelihoods and reduced vulnerability.

The chapter concluded by discussing the assumption, limitation, scope and delimitation, and significance of this entire research to the Wa West District. Chapter 2 discusses relevant literature on financial inclusion, microfinance sector, VSLAs and how it contributes to poverty and vulnerability reduction in the Wa West District.

Chapter 2: Literature Review

Introduction

Financial inclusion plays a crucial role in bridging poverty gaps and reducing vulnerability among poor people in developing countries. Globally, financial inclusion has received the attention of governments and development partners because of its role and impact to address poverty and vulnerability among the poor. The World Bank, in a 2015 report, estimated that 2 to 2.5 billion adults do not use formal financial services worldwide (p. v) and called for more aggressive efforts to address the problem. The term *financial inclusion* gained policy recognition in 1997, even though efforts at providing financial services to the poor predates the policy (Hendricks and Chidiac 2011). The World Bank in 2017 defined financial inclusion as “individuals or businesses who have access to affordable financial products or services that meet their needs – transactions, payments, savings, credit, and insurance – delivered in a responsibly and sustainably way” and an enabler to achieving 7 out of the 17 SDGs (World Bank, 2017).

Furthermore, the World Bank (2013) viewed individuals’ and firms’ use of financial products or services as promoting financial inclusion. Financial inclusion helps improve poor people’s resilience to shocks and enables them to better cope with risk and poverty, as well as boosts growth at the macro level through savings mobilization, taxation, protections, and benefits for eligible workers (Jha et al., 2014). Although microfinance improves financial access to the poor, various constraints limit access to financial services to the poor and those in rural areas.

Access to financial services in Ghana is limited and worst in the Wa West District of Ghana, where no formal financial institution exists. Most rural areas have

limited access to financial institutions, or the distance to these institutions are far (Egyir, 2010). A low-saving culture is another challenge that people encounter in accessing financial services (Egyir, 2010). The number of people without financial services are high, as about 14 million of the 28 million Ghanaians do not have access to formal financial services (Idun & Aboagye 2014). Researchers and humanitarian agencies have developed different models to address the challenges of accessing financial services. CARE International initiated the VSLA model in the 1990s according to Allen (2002). Even though the concept of VSLA first originated from Bangladesh by Muhammad Yunus in 1976 in support of a group of women weavers (Yunus 2003), CARE international propagated the idea worldwide.

VSLAs are self-managed, community- and member-based groups that pull their financial resources together through regular savings during their meetings, offer credit facilities to members, and collaborate with members to ensure transparency and repayments (Allen, 2002). VSLAs have a minimum of 15 to a maximum of 30 members (Allen, 2002). The leadership of VSLA includes a chairperson, secretary, box keeper, money counter, and three members who keep the keys to the lockable metal box (Anyango et al., 2006). VSLA Associates defined VSLA as a group of self-selected people savings together and can access small credit from its savings. VSLAs run in cycles of between 6 months and 1 year before it reaches maturity for share out (Allen, 2002). They provide simple savings and loan facilities in communities that do not have easy access to formal financial services. Members purchase one to five shares during their weekly meetings. The share-price is set by the members at the beginning of the cycle and used for the entire cycle (Allen, 2002).

The existence of VSLAs has provided options for improved access to financial services at the local level (Ksoll et al., 2016). In rural areas of Ghana, efforts towards financial inclusion revolve around the VSLAs and other informal banking systems. The Upper West Region in 2016 was the poorest in Ghana, according to the GLSS 7 (Ghana Statistical Service, 2018, p. 17), and will require a financial inclusion intervention such as VSLA, among others, to overcome poverty. VSLAs are of paramount importance to the Wa West District since its creation in 2004, as no formal financial institution exists. VSLAs are contributing to increasing financial inclusion among the people and particularly women in the region.

Despite the contribution of VSLAs to financial inclusion in other parts of the world (Burlando and Canidio 2015; Ignatovski, 2019; Lal 2018), not much has been documented in the Upper West Region. No research exists with regard to the Wa West District, according to my review of the literature. The available research on VSLAs in the Upper West Region has focused on their impacts on education and nutrition and the livelihoods of people involved on VSLA (Abubakari et al., 2014). Hansen (2012, p. 9) indicated that academic literature on the operations of VSLAs and self-help groups in rural areas are limited.

The purpose of this research was to qualitatively explore VSLAs as a financial inclusion model to reduce poverty among the people of the Wa West District. The literature review will emphasize poverty reduction in the Upper West, the microfinance sector in Ghana, financial inclusion efforts in Ghana, and VSLA operations in the Wa West and Upper West Region. This research contributes to the literature on VSLAs as a financial inclusion model in the Wa West District of Upper West of Ghana. The study also provides evidence of VSLA stakeholders' experiences

relate to poverty and vulnerability reduction. The main RQ was, has the VSLA currently increased financial inclusion and reduced poverty among the people in the Wa West District? The sub questions were

SRQ1: What financial inclusion systems are accessible for poverty reduction?

SRQ2: What strategies will improve and increase financial inclusion?

SRQ3: How have VSLAs improved livelihoods and reduced vulnerability?

Literature Search Strategy

I accessed Walden University ProQuest, Google Scholar, Thoreau Multi-Database Search, and PDFDrive.com to find relevant literature search of the study. The following keywords were used in the literature search: *financial inclusion, microfinance, village savings and loan association, sustainable livelihood, and vulnerability in the Wa West District and Upper West Region*. Special attention was paid to journals that relates to the conceptual framework of the study, the sustainable livelihood framework, the topic of poverty, and vulnerability. The search had some delimiters, such as peer-reviewed journals and articles published within the last 5 years. I also sought to identify authors cited in dissertations related to microfinance, financial inclusion, and village savings and loan association. Forty-five VSLAs and financial inclusion sources were reviewed to obtain the relevant literature for this study. The review ensured adequate saturation of the needed literature within the study location as study site had no literature.

Conceptual Framework

The sustainable livelihood framework was the conceptual framework that underpinned this research. The DFID in 1999 promoted sustainable livelihood as a strategy for vulnerable people to recuperate from stress and shocks. The sustainable

livelihood framework enhances the capacity and assets base of the weak to overcome their vulnerability (DFID 1999). The framework is anchored on sustainable assets, vulnerability context, and intervention techniques (DFID 1999). In this research, my focus was on assessing the financial inclusion systems in place to increase VSLA members' assets base and the strategies to improve and increase the level of financial inclusion. I also sought to determine if VSLA has in any way improved the livelihoods and reduced poverty in the Wa West District.

According to Murray (2001), assets form the building blocks of sustainable development, and this includes both material and nonmaterial resources. Assets help to improve the livelihoods of VSLA members in areas such as human, physical, financial, natural, and social capitals. The sustainable livelihood framework brings out ways to reduce poverty sustainably, and VSLA as a financial inclusion model has the potential to reduce poverty as well (Murry, 2001).

By applying the techniques and interventions associated with the sustainable livelihood framework, VSLAs are able to assist people to cope with stress and shocks. Strategic and practical interventions, according to Murray (2001), are the means to overcoming poverty. The practical intervention helps low-income households in building a strong livelihood strategy such as small businesses, education, and training on employable skills and savings options. The strategic interventions focused on building networks and alliances to overcome challenges.

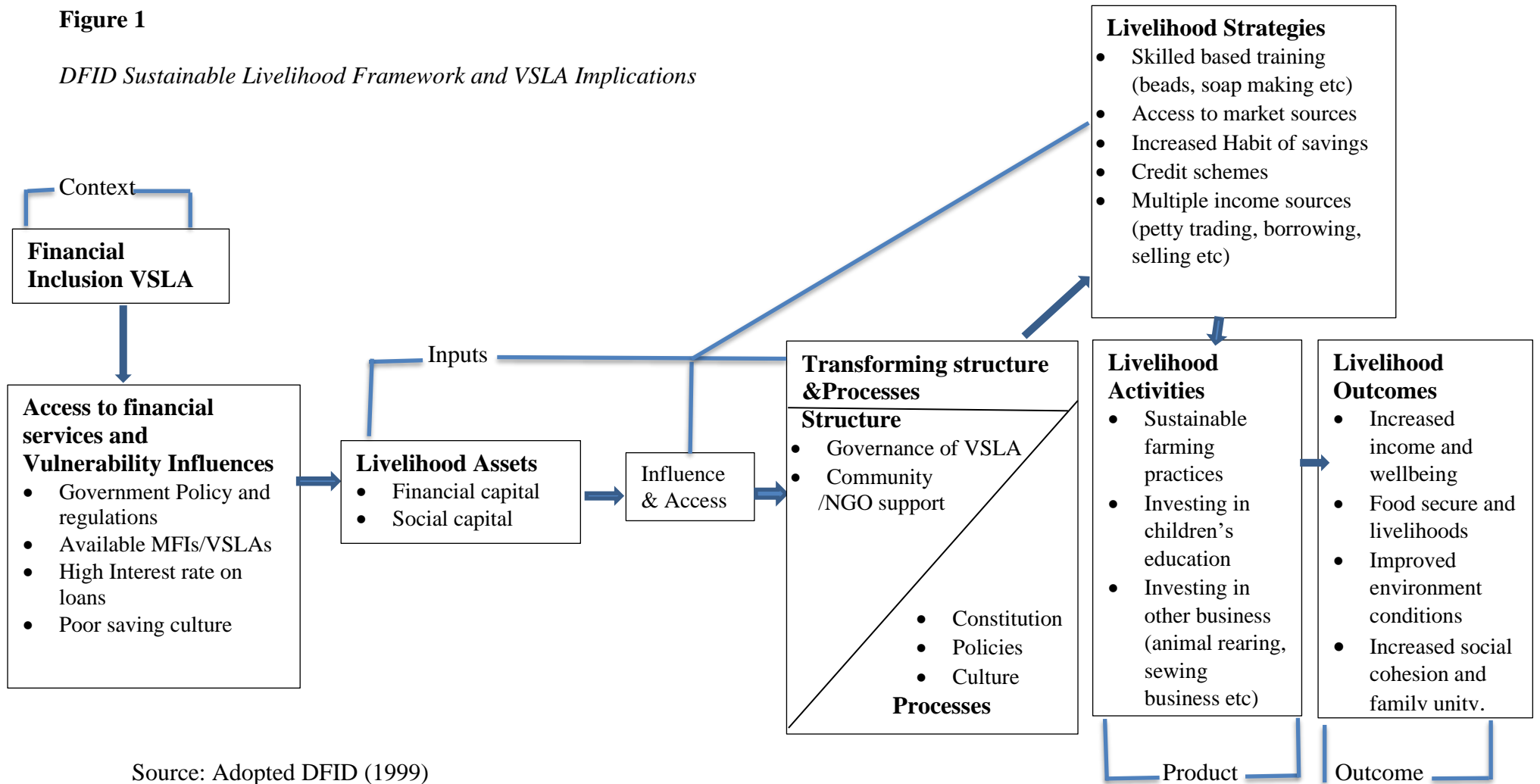
The sustainable livelihood framework aligns well with the VSLA model. VSLAs help members cope with financial stress, social and economic challenges. SFL makes people resilient, particularly vulnerable people and increases their economic participation resulting in poverty reduction.

The conceptual framework I used to support this research was the sustainable livelihood approach. The framework addresses the issue of poverty and vulnerability, which was the focus of the RQs. The sustainable livelihood approach first came up in the mid-1980s and propagated by DFID in 1999 as a strategy to address vulnerability and poverty among poor people in developing countries. DFID used the sustainable livelihood approach as a mechanism for eliminating poverty, and this research is focusing on VSLA as a financial inclusion mechanism for the elimination of poverty and reducing vulnerability. The sustainable livelihood framework builds on the participatory approaches aimed at eliminating poverty. The various aspects and levels of the analytical framework which focus on the contexts, resources, institutions, organization, livelihood strategies, and outcomes are essential (Kollmair and Gamper 2002). The framework depicts how to address vulnerability and poverty issues. The sustainable livelihood approach has departed from the traditional income view to the promotion of livelihoods.

Based on the usefulness of the framework, major development organizations started using the sustainable livelihood approach and advocated for its use by other development organizations. Murry (2001) identified the five livelihood assets that form the blocks of the sustainable livelihood framework. Carney (2003) critiqued the approach and suggested the inclusion of empowerment, multi-level partnership, and disaggregation based on gender, socioeconomic status, race, and ensuring long term flexibility. Figure 1 depicts SFA and the linkages of the conceptual framework.

Figure 1

DFID Sustainable Livelihood Framework and VSLA Implications



Source: Adopted DFID (1999)

Figure 1 depicts the conceptual framework in the form of context, inputs, products, and outcomes in analyzing financial inclusion with VSLA in the Wa West District of the Upper West Region.

Context

The context under this research is financial inclusion with VSLA, which examines how people access financial services and what influences their choice and makes them less vulnerable as pertaining in Ghana and particularly in the study location. Government policy and regulation: all over the world, governments have played a critical role in regulating the financial sectors. The Bank of Ghana monitors all financial and nonfinancial transactions in the financial inclusion sector in Ghana. In 2011, the Bank of Ghana introduced new guidelines and regulations which categorized the industry into formal, semi-formal, and informal financial sectors.

The informal financial sector comprises of savings, lending, and borrowing among members in the form of 'Susu' and daily contributions and cooperative mobilizations (Asiama and Osei, 2007; Nair and Fissha, 2010). VSLA is part of the informal financial institutions.

Available MFIs/VSLAs: financial inclusion increases when MFIs, banking institutions, and VSLA and other savings options are available. Three recognized microfinance companies exist in the Upper West Region, namely: Mwinturi Microfinance, Utak and Delax Microfinance Company. These MFIs operate in the urban areas and undertakes mobilization in other rural places including Wa West District. VSLAs are in all the districts and rural areas in Upper West implemented by various local

and international NGOs. The challenge with many VSLAs in the region and particularly Wa-West District is the lack of coordination and documentation of its contributions to poverty reduction. For this research, 10 VSLA groups mobilized by WHAT Foundation in the Wa West District participated. VSLAs are comparable with microfinance and empower women according to Sarumathi and Mohan (2011), Karlan et al., (2017), confirms the importance of VSLAs to women.

High-interest rate on loans and poor saving culture: Interest on loans affects the individual decision to apply for loans for investments. In Ghana, the average interest on commercial loans ranges between 25-35% per month in 2018, according to thefinderonline.com (2018). In 2019, the commercial monthly bank interest rate was about 27%, which appears high and has the potential to discourage savings. In the case of VSLAs, a typical monthly rate for loans by members is 10% per month with a 3-month repayment period. The significant difference between the bank and VSLA loan is that members have a share of the credit paid under VSLA, which is not the case with the bank loans. In this light, many rural people are saving with VSLA and taking loans from them compared to the banks or MFIs.

Inputs

The resources that are needed to overcome poverty and vulnerability are inputs. As indicated in Figure 1, inputs encompass various aspects.

Livelihood Assets. there are five livelihood assets in the sustainable livelihood approach, as postulated by DFID. However, this research will focus on the financial and social capital asset as these two are relevant to the study. Reducing poverty is critical in

addressing vulnerability, and in this research, the sustainable livelihood approach and its components align with the VSLA concepts. The more a household acquires and maintains its productive assets, the less vulnerable they become. When families have access to various forms of capital, it increases their level of resilience.

Financial Capital. Financial capital help the family to grow, reduce vulnerability, and forms the building block of household livelihoods. The resources that people use to attain a livelihood strategy is financial capital (UNDP, 2017). The availability of funds will enable people to adopt livelihood strategies that will increase their resilience. The livelihood strategy such as multiple income sources, skilled-based training (beads and soap making), savings, supplier of credit and remittances are essential in poverty reduction among the asset's categories of financial capital (DFID, 2001).

In rural communities' livestock, cooking utensils, clothes among others form part of the assets held to protect households and individuals against shocks. Among all the asset categories, funds are the most easily convertible assets depending on the transformational structure and processes involved in converting.

Despite the critical importance of the financial capital, it is the asset that is mostly less available to the poor and disadvantaged. In the Wa West District of the Upper West Region, most of the financially improvised people are women who lack financial capital. The introduction of VSLA seeks to achieve the goal of increasing financial capital to women and the poor.

Social Capital. Social cohesion is increasing social capital and ensuring better and available resources. The value that comes with social capital is the networks and

benefit individual members could not have achieved without social capital. Social capital within the sustainable livelihood's context is social resources that households will rely on in times of need, such as social networks, connections, and things of common interest. Social capital also includes mutual trust and cooperation among people. VSLAs ensure the growth in social networks, mutual trust, and connections among members. It also serves as a platform for mutual support to meet members' emergencies and challenges. A social fund is often established among the VSLAs to assist members in times of emergencies such as funerals and other social events like marriage, naming ceremonies, among others. The social component could be one of the reasons why most members stay longer and gain trust among themselves. Hansen (2016) examined the potential of social capital to secure the financial inclusion of the poorest as they participate in VSLA. Hansen (2016) found a general cognitive dimension, cooperation, solidarity, generosity, and appreciation for the poorest inclusion in VSLAs. There are structural features of social capital present in collective action and mutual benefits and that social relations have benefits for the poor in society. Musinguzi (2016), also examined the rewards or not from VSLAs participation as mediated through a network of friendship and other social relations. Musinguzi (2016), found two networks from female participants, namely "silence in" and "silence through networks." The finding further underscores the importance and influence of friendships and family relations in shaping the impact of VSLAs beyond just financial inclusion. It is important to note that social and financial capital are interconnected through VSLAs and hence the decision to focus on these two-livelihoods assets for analysis in this study. With the advent of COVID-19, many rural

people might lose their primary source of livelihoods and VSLAs could be one of the ways of overcoming poverty and vulnerability.

Transforming structure and processes: the aspect involves checks and way that will ensure the functional operations of the VSLA systems within the mutual trust and solidarity that exist among them. A constitution is a tool guiding and ensuring conformity with laid down rules of the group or the association. Most of the VSLA constitutions are supported by NGOs or community volunteers to design their guiding principles. Others also adopted the generic constitution in the VSLA manual designed by Allan Hughes on VSLA operations. For VSLA members to achieve the ultimate benefits, they will have to follow the processes and rules involved in the savings, loans, and share out processes. In communities where social support for the traditional authorities are required, VSLAs participants can obtain such support to enable them operates effectively.

Products. In Figure 1, the product is the result of the suggested strategies used by VSLA members to achieve the outcome. The products in Figure 1 are livelihood activities such as sustainable farming practices, investing in the education of children and nutrition, investing in other businesses to shore up income, and reduce their vulnerability. Research conducted by Abubakari et al., (2014) on VSLAs in the Sissala district of the Upper West Region provided a link between VSLA, and an improvement in education, and nutrition outcomes.

Also, according to Watkins and Biniyam (2018), VSLA reduced poverty in Northern Ghana as they found that over 950 women involved in VSLAs were able to buy fertilizer and seeds and other farm inputs to expand their small business.

Outcomes: The overall outcome which will reduce poverty and vulnerability among people is the livelihood outcome. For poverty to reduce, people must have the following: increased income and wellbeing, food security and livelihoods, stable environmental system, and social cohesion in the communities and families. Increased income and wellbeing promote household stability for the participants. According to Kesanta and Andre (2015), VSLA has impacted significantly on poverty reduction among disadvantaged women. It has also provided an opportunity for people to increase their income, thereby reducing their vulnerability level. An increased income will mean the empowerment of participants and its multiple trickle-down effects on the family.

Food security and environmental sustainability. Food security is critical to the sustenance of the human being. In developing countries, insufficient food and environmental degradation have contributed significantly to an increase in poverty and vulnerability. Evidence abounds that VSLA can increase food security in the provision of funds to acquire agricultural inputs. According to Watkin and Biniyam (2018), VSLAs have enabled members to buy fertilizers, seeds, and other farm inputs to expand their farming business for food security and improve livelihoods. Watkin and Biniyam also alluded to the fact that VSLA makes it possible for members to pay school fees of their children as indicated by Stuart et al., (2015). VSLA also increased participants' role in decision making at the household and family level. The level of participation has improved social cohesion, community participation, and harmony in the family.

Adams et al., (2014), research reveals that 72.2% of the participants who accessed loans invested the money into economic activities. While 20% of the respondents got

loans before joining VSLAs; however, after joining, 86% got loans from VSLAs supported by Jaksally Development Organization (JDO) in the Bole district. They concluded that majority of the respondents experienced an improvement in their lives and business since joining VSLA showing how useful VSLAs are to members.

Literature Review Related to Key Variables and/or Concepts

The Poverty and Vulnerability Situation in the Upper West Region

The Upper West Region is one of the 16 regions in Ghana. Before the 2019 referendum in Ghana that added additional regions, the Upper West Region was considered the youngest and less developed region with the highest poverty indicators. Poverty is a demeaning stage of humanity and the inability of the person to meet his/her basic needs. It can be a denial or failure to utilize available resources effectively for the benefit of all. Poverty in Ghana has different dimensions, and according to Bhasin (2012), these dimensions could be low malnutrition, low income, ill-health, and insecurity. The World Bank (WB) defines poverty using the income indicator of which those living with less than US\$ 1 are in extreme poverty, and less than US\$ 2 or US\$ 5 each day as moderately poor (World Bank 2007).

In some literature, poverty and vulnerability are interchangeable. Vulnerability is the lack of adequate support or assets exposing the person, household, or community to increased risk or shocks. In reviewing vulnerability, it is vital to take into consideration the ability to overcome now or soon. According to Duflo (2005), cited by Nonvignon et al., [2012] vulnerability is the risk a family will fall into poverty at least once in the next few years". Vulnerability is future-oriented, and the changes in household conditions may

increase or decrease the vulnerability levels of the household or person. Households' ability to respond to risk will vary depending on their peculiar situation.

The Upper West Region is agrarian with one raining season and prolonged dry harmattan and hot season. It is prone to bush fires, infertile land, poor sanitation, snake bites, among other hazards increasing its level of risk and vulnerability. Financial inclusion, such as MFIs and VSLAs have the potential impact in reducing vulnerability and poverty alleviation. Hartley and Rijali (2003), conducted an evaluation of CARE's Zanzibar project and found Group Savings and Loans (GSLs) to have contributed significantly to income generation activities of households, thereby increasing their assets and financial awareness of managing capital. Credit from MFIs and other financial services is a good avenue for people to access financial services and products that will alleviate their poverty levels.

Financial Inclusion

FI plays a pivotal role in the development of any nation. Through FI, individuals, women, and the vulnerable can participate in the financial space and invest in sectors such as health, education, business, among others, to transform their lives. There is a direct relationship between poverty reduction and the growth of the economy (Bruhn and Love, 2014). Financial Inclusion ensures that everyone has access to a range of financial products and services at an affordable price with convenience, respect, and dignity. When individuals and businesses have access to financial products and services to addresses their needs, financial Inclusion is achieved (World Bank, 2019). This definition is adopted because it fits within the context of the research which seeks to demonstrate how

rural communities can access financial products or services that meet their needs, affordable and sustainable.

FI has brought significant benefits to the people in both rural and urban settings. FI brings about inclusive growth and according to Frimpong (2020), such growth ensure members are able to participate and contribute in the growth process regardless of the individual status. A key component to achieving sustainable development goals is how financially included the people are (Fimpong, 2020). FI therefore plays a significant to the achievement of sustainable development goals. Policy maker are keen to ensuring a financially inclusive society to drive the benefits for the society. Many researcher, stakeholders and donors are showing consideration interest in FI (Bank, 2014).

The level of FI reforms has increased in the last two decades. However, credit, savings, and payment services remain low. Globally bank accounts opening is on the ascendancy, with 62% of adults owning bank accounts in 2014 (Demirguc-Kunt et al., 2015). In the developed world with higher incomes, about 94% own a bank account, which reduces to 54% in the developing world. In sub-Saharan Africa, access to financial services, and Inclusion is worst as not many people do not have bank accounts (Demirguc-Kunt et al., 2015).

In Ghana, FI has been on the ascendancy even though on uneven with more men having access to financial services than women. According to the World Bank (2019), in its fourth Ghanaian economic update on enhancing FI in the Africa region, it alluded to the rapid growth in the financial sector since 2010. This growth has provided access to

financial services to Ghanaians. However, access to financial services varies and is low across demographics and regions.

Rural access to financial services remains low in Ghana, and according to the World Bank (2019), women in Ghana have lower financial access compared to men. The implication of women's exclusion is a lost opportunity for many households and the economy in general. The poor have lower access to formal financial services in rural areas than the urban settlers in Ghana, and this has a long-term effect on financial Inclusion. Omojolaibi et al., (2019) found women excluded from financial services because of the low level of education, and this will exclude them from the use of various financial services. Also, older people are less interested in financial Inclusion due to the use of technology and mobile internet services.

Women tend to have less financial Inclusion than men, and rural dwellers have higher financial exclusion than their counterparts in urban areas (Isukul, 2019). The role of financial Inclusion in the economic and financial sector is of interest to those in academia and practitioners. Development partners such as the World Bank, International Monetary Fund, G20, Bank of Ghana, and AFDB are driving the discourse of Financial Inclusion.

With the benefits of financial services, it will require designing appropriate financial products that are women-friendly to increase women's participation. According to Yadav and Saxena (2019), women with the necessary support from stakeholders will increase their involvement, income level, and social status when financial services and products are available to them. Financial Inclusion is beneficial in strengthening poor

household resilience, particularly the downtrodden (Swamy, 2019). Poverty will reduce, and women will be empowered to increase financial Inclusion. Economic empowerment is critical for sustainable poverty eradication (Kesanta and Andre, 2015).

Lal (2018), study revealed a significant impact on rural development by cooperative because of its financial inclusion model. Financial Inclusion is promoting inclusive growth and a better strategy for development. Various financial inclusion models are available such as MFIs and VSLAs model. For this study, the focus is on the VSLA as a financial inclusion model.

Financial Institutions in the Upper West Region

The presence of financial institutions plays a significant role in how women can access financial services. Inadequate financial institutions mean low women's access to financial services. The Upper West Region of Ghana has a population of over 668,000 people, according to the population census projection for 2016. The Upper West Region has nine commercial banks, four rural banks, four MFIs, and six credit unions in the region. These financial institutions are in urban districts, making it difficult for those in rural areas to access financial services. Clients who access the services of formal financial institutions face various challenges, including high-interest charges, bureaucracies in account opening.

Many people, particularly women, are unable to access financial services because of the high interest and other requirements in the financial sector. Omojolaibi et al., (2019), in their research on financial literacy for stability, found that women were excluded from financial services due to their level of education, age, and the kind of

technology application. They concluded that for women to have access to financial services, products designed should take into consideration their specific needs. Also, financial institutions should embark on roadshows to marketplaces, where many women congregated to sensitized them on financial products, and services.

Microfinance Operations in Ghana

The concept of microfinance has existed in Ghana for some time, with its trickle-down impact on rural people. Traditional savings and self-help groups have helped many people overcome poverty. Microfinance scheme traditionally referred to as ‘Susu’ existed in Nigeria and spread in the twentieth century to Ghana. The Canadian Catholic Missionaries in 1955 established the first credit union in Jirapa in the Upper West Region of Ghana.

However, MFIs proliferated in the 2000s, increasing financial inclusion for the unbanked and informal sectors in Ghana. According to the World Bank in 2016, MFIs reached an estimated 8 million people with more outlets than commercial banking systems. The proliferation of MFIs in the late 2000s resulted in some unregulated MFIs engaging in fraud, insolvency, and loss of funds compelling the Bank of Ghana in 2011 to introduce further guidelines to regulate the sector. The regulations categorized the financial systems in Ghana into formal, semi-formal, and informal. The Bank of Ghana, Ghana Stock Exchange, Universal Banks, Non-Bank Financial Institutions, among other financial institutions, forms the formal financial sector. Credit unions and financial NGOs are part of the semiformal industry of financial institutions in Ghana. The final section is the informal financial system, which comprises of savings, lending, and borrowing

among members in the form of ‘Susu’ and other types of daily contributions and cooperative mobilizations (Asiama and Osei, 2007, Nair and Fissaha, 2010).

Ghana experienced severe financial challenges in the banking sector with low liquidity issues resulting in the closure of some MFIs in Ghana. According to Frimpong (2019), 347 MFIs had their license revoked by Bank of Ghana, as most of these MFIs were in rural areas and providing financial inclusion to the poor and vulnerable. The effect of such closure is the loss of jobs and savings of poor and vulnerable people. Many VSLA funds saved with formal financial institutions are locked up and loss, reducing the confidence in the formal financial sector.

Despite the challenges in the MFIs sector, it has contributed significantly to addressing poverty through the provision of capital for business and other economic activities. The contribution of MFIs to reducing vulnerability and poverty is recognized. MFIs have increased access to financial services and brought about inclusion in rural areas. Ngofa (2014), research found that women who used microfinance products saw an improved living standard for themselves and their families, which suggested a positive impact on livelihoods. Ihugba et al., (2014), a positive relationship exists between microfinance and livelihoods for eradicating poverty which Ngofa (2014,) study confirms.

Access to formal financial services increases access to credit for rural people’s income with a high probability of poverty reduction. Apart from that, there is evidence to suggest that microfinance has the potential to increase financial security, improvement in nutrition, family health, increase children’s education and self-esteem of members

(Ngofa, 2014). There is no doubt that MFIs have not only increased access to financial inclusion, but it has contributed to the improvement of rural livelihoods and reduce the level of vulnerability.

Despite, the successes of MFI not much have been achieved to address the needs of the poor. A peculiar criticism is how microfinance favours the rich and neglect the poor in rural areas. Hulme and Mosley (1996) revealed how credit from MFIs impact positively on people above poverty as compared to those below the poverty line. The poor cannot be investing in risky ventures when their necessities like food and other essential needs not met. Other critics are of the view that the poor will be inextricable stack in debts as they are fewer investment opportunities for them. Many will borrow rather than investing in increasing their debt profile (Rajasekhar et al., 2017).

Other critiques of traditional microfinance indicate its inability to reach the poor and the tendency for poor people accumulating debts, sustainability challenges and failure to consider the different financial needs of the people (Hermes and Lensink, 2011).

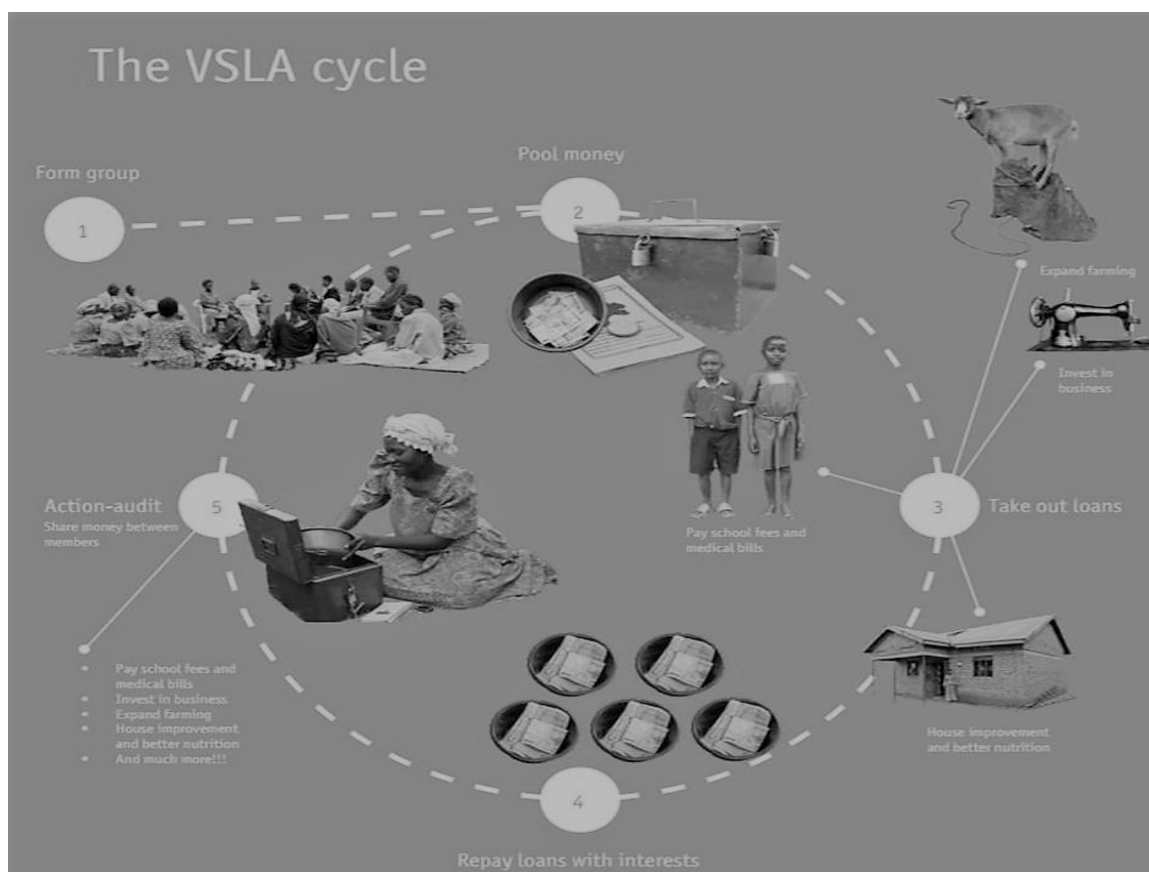
The challenges in the microfinance sector require different models of microfinance that will address the needs of the poor. The model adopted by many development practitioners and donors is the VSLA model, which has been propagated by CARE Niger in the 1990s.

Village Savings and Loan Association Operations

The VSLA concept has existed over a decade in the form of Susu. In the Susu system, as it exists in the Wa West District of Ghana, money is mobilized and given to a

member without any repayment and interest payments. Susu collectors were prominent until the 1990s when CARE International in Niger, escalated the operations of VSLAs after modifying the Susu and the model used by Mohammad Yunus. CARE played an important role in the roll-out of VSLAs in other African countries. The VSLAs concept picked up quickly in Africa because it builds on the traditional Susu that exists in various countries. Other international and local NGOs are replicating VSLA and increasing financial access to many rural people. The World Bank acknowledges the contribution of VSLA to financial inclusion in Africa, particularly among women in rural areas, as shown in Figure 2.

Figure 2: VSLA Cycle



Adopted from Surmont (2017)

Group Formation

VSLAs are often self-selected groups of between 15-30 who are mobilizing their funds either weekly or biweekly and kept in a lockable metal box. The keys to the metal box are held by three people who are not part of the executives of the group. The self-selected group elected their leaders, who are Chairperson, secretary, box keeper, and two money counters.

Savings/Share Purchase

With the composition of the group, weekly savings enable members to accumulate funds. Each member of the group has a passbook for the record of weekly contributions. A member can buy up to 5 shares per week. The group may also decide to have a social/emergency fund, which is a separate contribution to address social and other community challenges the group may want to support or encounter.

Loans

Loans are a crucial component of VSLA existence, and members are encouraged to take loans. The group agrees on the monthly interest rate ranging between 10-20%. A member not on loan can guarantee for a loan which should not be more than thrice the loan amount requested.

Repayments. Repayment is quarterly when the loan repayment date is due. Members are, however, encouraged to make monthly repayment if they can. The monthly payment of interest is mandatory for those on loans. There are systems in place to ensure repayment by using share out of members who default, or the guarantor is held liable at the end of the cycle.

End of Cycle/Share Out

The share out is an essential stage of the VSLA process. Some prefer to call it graduation; it provides an opportunity for new members to join or those who want to leave. The VSLA cycle is between 6 months to one year of continuous savings. The share-out ensures members receive their funds with any interest accumulated from the loans provided to members. Globally, there are 3,072,896 VSLA members grouped in

590,248 groups with an accumulated savings of USD 328,711,943 as at October 17, 2020 (SAVIX Dashboard, 2020).

VSLA Operations in the Upper West Region

As microfinance could not fully expand to cover the Upper West Region because of various constraints such as higher operational cost, the default rate among others, other credit, and lending schemes such as VSLAs became popular in promoting financial inclusion. Village Savings and Loan Association has limited literature because of the structure and the nature of operations. In Ghana, Plan Ghana started the implementation of VSLA in the Sissala West District of the Upper West Region in 2006. With Plan Ghana partnership model, other NGOs and stakeholders received training to scale up the model to other districts and regions in Ghana. Donors and development partners realizing its impact mainstreamed VSLAs into their programming in the Upper West Region and Ghana in general.

Globally, VSLA has spread across Asia, Latin America, and Africa, providing financial inclusion to many people and used by many, NGOs development partners and donors. About six million people in more than 400,000 VSLAs in Africa are accessing financial services provided by VSLAs (VSLA Associates, 2014). VSLA operates in 26 African countries, including Ghana, as a model is supporting rural communities to save and access credit (Allen, 2002). Some governments in Africa accept VSLA as a model with the potential to impact on rural livelihoods. Beyene and Dinbabo (2019), found high utilization of VSLAs and concluded on the need to engage more with improvised non-participants VSLA and assist them to rise above the poverty line. In Ghana, there are

24,175 VSLA groups with a membership of 632,505 members and an accumulated savings of USD 20,218,013 as at October 17, 2020 (SAVIX Dashboard 2020).

The Wa West District is the focus of this study because it is the poorest district in the Upper West Region, according to the GLSS 7 2017 report (Ghana Statistical Service, 2018). Statistically, nine out of every 10 people are considered poor in the region, with Wa West having the highest poverty incidence rate in Ghana (Ghana Statistical Service, 2018, p. 22). Since VSLA started in 2006 in the Upper West Region, there has been no research on how VSLAs are increasing financial inclusion in the Wa West District, a district with no formal financial institution and the poorest in the region. Abubakari et al., (2014), indicated that VSLAs had better outcomes on nutrition and education in the Sissala district of the Upper West Region. Also, VSLAs increased women's participation in community and household decision making processes. According to Hardi (2019), VSLAs increased the socioeconomic outcome of participants in the Nadowli-Kaleo district in the Upper West Region.

The VSLAs model has a significant impact on poverty reduction among disadvantaged, particularly women (Kesanta and Andre, 2015). In effect, VSLAs as a financial inclusion model could be a strategy for financial inclusion resulting in poverty and vulnerability reduction in the Upper West Region and Wa West District in particular with no documentation to support and for further research.

Role of VSLA in Poverty and Vulnerability Reduction

The world is experiencing an increase in inequalities, and income disparities between countries, men and women. Oxfam GB has indicated that inequality is persistent

in Ghana despite efforts to address the phenomenon. Poverty reduction interventions have been unevenly between the southern and northern parts of Ghana and between men and women. Oxfam GB further estimated that one of the richest men in Ghana monthly earnings would take around 1,000 years for the poorest women to earn (Oxfam GB, 2019). The disparities demonstrate the level of inequalities that exist has worsened the poverty situation.

The Government of Ghana, NGOs, and development partners are concerned about the rising poverty and inequalities levels in Ghana. The Government of Ghana has rolled out policies and interventions to stem the growing poverty and inequality levels. The Microcredit and Small Loan Centre, Planting for Food and Jobs, Livelihood Empowerment Against Poverty, and National Health Insurance are some of the policies promoted by the Government of Ghana. These policies have yielded some results, and Ghana came close to achieving the Millennium Development Goal 1 of halving poverty in sub-Saharan Africa. Poverty levels were approximately 56.9% in 2016, a decline of 3.6% from 2012 (Cooke et al., 2016).

Despite these gains, poverty remains a challenge in the Wa West District. Access to financial services and the benefits remain low and affects women and the poor. Yeboah et al., (2015), found that unfavourable weather conditions, exploitation, and other risks that women encounter in their push to overcome poverty increase their vulnerability. Financial inclusion presents an opportunity to reduce poverty, inequality, and brings sustainable development. In developing countries, informal microfinance

schemes such as VSLA has gained importance in poverty reduction. VSLAs offers financial respite to overcome difficulties in access to savings and credit by poor people.

Women are the majority in the composition of VSLA membership, and this is critical to household food security as people rely on VSLA for their financial services. CARE International, in its 2014 policy brief in Uganda, indicated that about 74% of poor people use informal financial services, most of which are community-led, self-help, received loans, and save for their future.

VSLAs has promoted to enterprise development among its members, increasing participants' resilience and ability to cope in times of shocks and difficulty. Sibomana & Shukla (2016), has indicated that VSLA funds are capital for the growth of SMEs' in rural Rwanda. Where VSLAs exist, SMEs have access to capital to expand and grow their business (Sibomana and Shukla, 2016). VSLA has also played a role in reducing vulnerability and has a direct positive socioeconomic impact on participants (Lowicki et al., 2014).

Beyene and Dinbabo (2019), further confirms the impact of VSLAs on women's participation and the link to poverty reduction in Ethiopia. VSLA has positively impacted on household poverty indicators such as household diet and monthly income, children education, and women decision. Cameron and Ananga (2015), confirms that VSLAs had addressed poverty among participants. According to Nabbona (2018), VSLAs has resulted in the empowerment of women in Uganda, confirming how VSLAs are useful in different countries. Silungwe (2017), found VSLAs helping to accelerate and provide financing to income-generating businesses, diversification of sources of income, and

improvement in the education and health of participants. VSLA has further strengthened female agency, enabling them to be more economically and socially active as compared to none VSLA participants (Amaning and Paul, 2019). The effectiveness of VSLA is its ability to bring about growth and ensure local capacity strengthening (Shukla 2016).

With the various research on VSLAs, not enough evidence is available on financial inclusion with VSLA for poverty reduction in the Wa West District. The study will review VSLA as a financial inclusion model for reducing poverty and vulnerability with the focus on 10 WHAT Foundation Organization-supported VSLA groups.

Summary

In this chapter, the literature available showed VSLAs had practically supported and benefited rural people to have access to savings and credit systems. Microfinance and formal financial institutions have demonstrated a significant impact on poverty reduction in both urban and limited impact on rural areas. Financial institutions incur costs on mobilization, operations, among others, transferring these costs to customers attributing to the low intake of formal financial institutions. To address the financial gaps, informal financial institutions became avenues in most rural areas in developing countries to address poverty. Donors and international and local NGOs are using VSLAs as the popular financial inclusion in rural areas. The roll-out of VSLAs has made some governments in Africa to support VSLAs formation and training.

Despite some governments' and NGOs' commitments to roll-out VSLAs in rural areas, not much has been achieved, particularly in the Wa West District in the Upper West Region to promote VSLAs as a financial inclusion strategy for poverty and

vulnerability reduction. Chapter 3 will demonstrate the data collection methods and analysis to show how VSLAs can be a viable financial inclusion strategy in the Wa West District.

Chapter 3: Research Method

Introduction

VSLA is not a new concept in the Upper West Region. In 2006, Plan Ghana first piloted the VSLA concept in the Sissala West District of the region. Other NGOs later rolled out the VSLA concept in the remaining districts, including the Wa West District.

Since 2004, no financial institution has opened and sustained a branch in the Wa West District, and people have to travel about 42 kilometers to the regional capital for formal financial services. GN Bank opened a branch, but it closed due to Bank Ghana directives in 2018-2019 to shut some financial institutions in Ghana (Frimpong, 2019). The people in the district have had to find an alternative financial inclusion options in the absence of formal financial institutions. VSLAs provide the opportunity for increased financial inclusion in places where financial institutions are limited and poor people have difficulty in accessing savings and credit services (Eneh et al., 2019).

In this study, I explored financial inclusion with VSLAs in Wa West District for poverty and vulnerability reduction. Sixteen participants with knowledge on VSLAs and financial inclusion were interviewed using qualitative approaches. The use of qualitative methods and approaches enabled me to document the experiences of VSLA members and explore the contribution of VSLAs to financial inclusion in the district. In this chapter, I focus on the research design, population and sampling procedure, my role as a researcher, data collection procedure, IRB approval processes, and trustworthiness and ethical issues.

Research Design and Rationale

The selection of an interpretive qualitative case study design influenced the development of the RQs. According to Merriam (2015), qualitative research requires an in-depth study of the phenomena in its natural setting. Qualitative research also produces a holistic and rich understanding of participants within their natural settings and generally in unstructured, nonnumeric data (Mason, 2002). Creswell further affirmed that the perceptions and stories of the participants can lead to the development of new theories and concepts.

There are four main design of qualitative research: interpretive case study, ethnographic, phenomenology, and grounded theory (Creswell, 2009). I used the interpretive case study approach because it is flexible and because it provided an opportunity to analyze the behaviors and perceptions of VSLA members within the Wa West District. The interpretive case study approach is also suitable for analyzing small groups and assists researchers in interpreting small social phenomena in their natural settings (Creswell, 2009). "How" and "why" questions are the defining feature of case study research (Myers, 2009) and are appropriate for descriptive and exploratory research (Mouton, 2001).

In this research, I explored financial inclusion through VSLAs, to address the main RQ, Has the VSLA currently increased financial inclusion and reduced poverty among the people in the Wa West District? The sub questions were

SRQ1: What financial inclusion systems are accessible for poverty reduction?

SRQ2: What strategies will improve and increase financial inclusion?

SRQ3: How have VSLAs improved livelihoods and reduced vulnerability.

The interpretative case study approach was appropriate and suitable to explore VSLAs as a financial inclusion model because of its flexibility (see Yin, 2009).

Researchers who use this approach find it helpful in eliciting information and making meaning in the natural setting, which strengthens the quality of the research (Patton, 2015). Interviewing VSLA participants and stakeholders observing VSLA meetings and interactions constituted the main interpretative case study approach of this research.

Role of the Researcher

In a qualitative study, the researcher is directly involved in the collection of the data. Determining whether VSLAs can be leveraged as a financial inclusion strategy required a greater understanding of the operations of VSLAs. According to Kvale and Brinkmann (2009), a qualitative researcher is involved in designing the tools, collecting and transcribing data, and analyzing and interpreting data. As the researcher, I developed the overall process, as outlined by Kvale and Brinkmann, engaging participants to provide their perspectives. Previously, I worked with VSLA groups and acquired some experience of their operations in Ghana. Holliday (2007) agreed that a researcher with previous knowledge or experience of the study phenomenon will enhance the quality of research. Furthermore, my understanding of the local language improved my interaction with members while observing their activities with the context of COVID-19.

Although previous experience and understanding of VSLAs could lead to bias during the data collection, I minimized biases with the use of multiple data sources. I also had other VSLAs practitioners validate the initial results. Smyth and Holian (2008)

confirmed the need for researchers to eliminate any form of bias by providing the themes of the data collected.

Prior to collecting data, I obtained approval from the Walden IRB (approval number: 09-24-20-0540574). I conducted the study in accordance with the guidelines provided by Walden IRB. All participants received invitation letters and a consent form that emphasized the voluntary nature of the study and participants' ability to withdraw at any time if not comfortable. No payments or gifts were provided to participants except to thank them for participation.

Due to the COVID-19 pandemic, I performed the interviews and collected most of the data via phone calls. I maintained the confidentiality of the information provided by the participants by assigning codes rather using the names of the respondents. Participants were interviewed at different times and via phone as indicated in Table 1 to ensure privacy. All data collected are secured in an external password-protected document and on my Google Drive account for security.

Table 1*Study Participants' Interview Dates*

Participant code	Mode of interview	Date of interview
P1	Telephone	October 1, 2020
P2	Telephone	October 1, 2020
P3	Telephone	October 2, 2020
P4	Telephone	October 2, 2020
P5	Telephone	October 5, 2020
P6	Telephone	October 5, 2020
P7	Telephone	October 6, 2020
P8	Telephone	October 6, 2020
P9	Telephone	October 7, 2020
P10	Telephone	October 8, 2020
P11	Telephone	October 8, 2020
P12	Telephone	October 9, 2020
P13	Telephone	October 9, 2020
P14	Telephone	October 10, 2020
P15	Telephone	October 10, 2020
P16	Telephone	October 11, 2020

Methodology

Participant Selection Logic

VSLA members, local community and financial stakeholders, are the target group for this study. This provided me diverse information and different perspective on VSLAs operations and financial inclusion. The sample included 10 VSLA women participants in the Wa West District, three financial stakeholders, and four community stakeholders who have experience in VSLAs and financial inclusion in the Wa West District. The collection of data from these groups ensured data saturation on VSLAs and financial inclusion for generalization.

According to Patton (2015), determining sample size in qualitative research has no stringent rules to be obeyed by researchers. Britten (1995), indicated that in determining the sample size, it should be saturated and within the available time frame for the researcher. Murphy et al., (1998), indicated that to determine the sample size, researchers should use a sample number that they can cope with within the time allotted for that purpose. For qualitative research, detailed information collected from the respondent requires a manageable size not lower than five and exceeding fifty (Dworkin, 2012).

The purposive and nonprobability sampling technique helped in the selection of the participants. Patton (2015), said that nonprobability sampling is ideal in qualitative case study research as rich and detailed information is obtained. Purposive sampling is useful as it helps to identify the leads and critical pattern ascribed to the phenomena under investigation (Suri, 2011). Selected participants had adequate knowledge of

VSLAs and financial inclusion and provided the needed information to address the main RQ.

A total of 17 respondents familiar with VSLAs and financial inclusion with more than three years' experience in the Wa West District were invited of which 16 participated in the study by accepting the invitation. The selected respondents received personal visitation letters and consent forms to seek their permission and acceptance. Respondents were grouped into three categories: VSLA members, local community stakeholders (district assembly staff, traditional chief and magazia) and financial stakeholder (bank/MFO and financial NGO). The number of respondents for each category was 10 VSLA leaders, two Wa West District Assembly staff, one traditional chief, and one magazia. The formal financial stakeholders constitute the last category, which includes one bank and one financial NGO working with VSLAs.

Instrumentation

The instrumentation used for data collection was telephone interviews with VSLA leadership (chairpersons and secretaries), financial and community stakeholders. The interviews used included the Kallio et al., (2016) model of semi structured, open ended interviews that inquired about the five phases areas of the main research question and the three sub research questions. The interview conversations centered around pre-established questions for each of the stakeholders.

Interview Protocols

Participants received a copy of the summary interview questions before the interview conversations. Each telephone session was conducted in a location free from external interference and any unwanted distractions. Consent form, summary and the agenda for the interview were shared and discussed before the interviews. Participants were reassured of the voluntary nature and their free will to withdraw from any question if they feel uncomfortable. Also, respondents were informed about the strict confidentiality requirements. Participants were informed of no payments for their support in data collection.

The Intent of Interview Data

The interviews were to collect information on stakeholders' experiences on VSLA as a financial inclusion model in the absence of formal financial institutions. The experiences of VSLA participants on financial inclusion, VSLA contributions to poverty and vulnerability reduction. Data from the interviews showed a pattern of recognition of VSLA and its contribution to uplifting the status of beneficiaries and increasing participants access to financial services.

The Validity of the Instrument

In this study, two forms of validity were utilized, namely (a) validity of the content and (b) validity of the construct. The content validity focused on the instrument's ability to collect the appropriate data to address the research questions. The construct validity measures how the instruments align to the conceptual framework of sustainable livelihood framework.

Published Data Collection Instruments

The Kallio et al., (2016) model of a semi structured open-ended interview developed in 2016 for qualitative research contributes to the studies' objectivity and trustworthiness, making the result plausible. The model complements the Schensul and LeCompte 1999 model on ethnography studies with semi structured open-ended questions to address a specific issue. I believe the interviewing process addressed the central research question and explored the sub research question contributing to deepening financial inclusion with VSLA.

Procedures for Pilot Study

During the questionnaires' development, I tested the questions on non-participants to gauge the duration, quality and potential accuracy of the phone interviews. I also tried the audio recordings and ensured alignment to the COVID 19 and interviewing protocols. The processes helped determine potential pitfalls in the questions and introduce mitigating measures for the smooth data collection process.

Recruitment of Respondents

The process of recruiting the respondents to every research is essential as it removes biases and ensures ethical compliance. In this study, three categories of respondents with adequate knowledge of the subject matter and more than three years of experience on VSLAs and financial inclusion were recruited. Detailed recruitment procedures include:

VSLA Members

The VSLA members constitute the core group of this research, and 10 VSLA group (five secretaries and five chairpersons) formed and supervised by WHAT Foundation an NGO were purposively selected to participate in the study. WHAT Foundation have a decade experience facilitating VSLAs in Northern Ghana with over 100 of which 20 VSLAs are located in the within the study location. The invitation was sent to all the 20 VSLAs of which 10 responded and were included to participate in the study. Each participant received an invitation letter and consent form to seek their confirmation and participation. The invitation letter was sent out and upon confirmation of willingness to participate, the consent form was sent for the participant to affirmed participation. The invitation is in Appendix A.

Wa West District Assembly

The district assembly is the local government authority responsible for development in the district. No meaningful development intervention can take place without the involvement and supervision of the district assembly. Under the Local Government Act, 1993 Act 462, the Metropolitans, Municipal and Districts Assemblies (MMDAs) are the center of development coordination at the local level. An invitation letter (see Appendix A) and consent form were shared with selected individuals to obtain their consent to conduct the interview.

Traditional Authority

Traditional authority includes the chief and elders and the women's leaders called 'Magazia'. Traditional authorities provided their perspective on the social and economic

benefits of VSLAs in the district. The traditional authorities received a consent form and invitation letter (see Appendix A).

Financial Stakeholders

Financial institutions are essential to financial inclusion. Absa Bank formerly Barclays Bank was purposively selected because of their many years' experience in financial institution and participation on the Banking on Change (BoC) project implemented in Ghana. The BoC was a collaboration between Barclays Bank, CARE International and Plan International UK to drive financial inclusion with VSLAs in Northern Ghana. In the recruitment of the financial stakeholders, the staff involved on the BoC received an invitation letter (see Appendix A) a consent form to participate in the interview process.

VSLA Nongovernmental Organizations

WHAT Foundation is a local NGO with over a decade experience working with VSLAs in the Wa West District. WHAT Foundation facilitates the formation of VSLA groups for decades with significant experience on formation, training and financial linkage. An invitation letter and consent form were sent to affirm the participation of the leadership in the interview sessions. The invitation letter (see Appendix A) and consent form served as the means of recruiting WHAT Foundation members.

After recruiting the participants and them signing the consent forms, interviews were conducted virtually through phone interview as approved by Walden University and also in accordance with the COVID-19 guidelines. The interviews and the secondary

data collected complemented the research and saturate the data for replication (O'Reilly and Parker, 2013).

Procedures for Recruitment, Participation, and Data Collection

The collection of case study data requires an in-depth and detailed description of the information about the cases or entities been collected, analyzed and interpreted in a narrative format (Marrelli, 2007). Data collected from this study came from multiple sources. Firstly, I conducted phone interviews with VSLA secretaries and chairpersons selected and visited to VSLA groups to observe meetings. Phone interview was also conducted for financial stakeholders and the community stakeholders. Secondly, relevant VSLAs documentation were reviewed to support the literature review. The collection of multiple data contributed to data saturation and enriched the quality of the research. Yin (2009), indicated the use of multiple data collection to enhance credibility and make the study credible and transferrable. For this research, three main data collection methods were used and namely: interviews and secondary documents were the primary sources. Observation of VSLA meetings was planned but due to COVID-19 pandemic, this was not done which was approved by Walden IRB.

Interviews

Interviews was one of the methods of collecting data for this study. Interviewing respondents are ways through which researchers gather more data and an effective strategy of data collection (Punch and Oancea, 2014; Petty et al., 2012). The consent form ensured the acceptance and participation of the respondents. Also, the research purpose and the needed protocols, including confidentiality and protection of individual

data briefly were explained to all the participant via phone. Patton (2005), indicated that an interview guide ensures the researcher stays within limits and ask the relevant questions within the research scope. All interviews on phone lasted 60 minutes however, I had 10 minutes break after 30 minutes to enable participate take some rest.

I structured the interview questions around the RQs. Semi structured and open-ended questions enabled the respondents to provide relevant information without deviating from the purpose. The questions are into three categories of between three to six questions per sub-RQ. The interviews questions and responses were cross checked for validation by other NGOs practitioners of VSLA in Northern Ghana. Respondents during the interviews were made aware of follow up interviews if during analysis gaps were found in the study. Respondents with gaps were called on phone for between 10-15 minutes to address the gap identified. The interview guide with sub-RQs were open-ended as shown in Appendix B.

Secondary Documents

The use of the relevant document referred to as secondary data provided adequate support to the interviews conducted. Reports, journals and relevant VSLA and financial inclusion documents were requested and reviewed. WHAT Foundation annual reports on VSLA complemented the interviews with the VSLA members. Also, the end of project report of the Banking on Change, a project implemented by Plan International, Care International and Barclays bank was consulted. Furthermore, newspapers and other online publications relevant to VSLAs and financial inclusion served as secondary data. According to Mahajan (2018), secondary data are the primary research source and forms

the basic research principles which many researchers rely on when time and resources are limited. Extensive data collection, archiving all over the world by researchers are a significant source of data collection.

Data Analysis Plan

The data collected from the phone interviews in 11 days from the 16 participants were documented and analyzed to address the RQs and the outcome of the study. According to Corbin and Strauss (2008), data gathered for the needed information help to address the current inquiries and qualitatively strengthened studies from multiple sources. Good data collection and analysis makes it easy for interpretation, deriving the desired outcome.

Interview responses were coded, transcribed and sorted out within a specific pattern. According to Yin (2003), in qualitative data, when patterns emerge in case studies, it can be confirmed or refuted by the researchers' proposition. In research, various stages are involved, such as data collection and compilation of research materials, assembly, interpretation of the data, and drawing of the conclusions. The quantity of data collected in qualitative research is extensive and from multiple sources, which requires sorting out and grouping.

In analyzing qualitative data, coding helps in grouping the patterns. McNabb (2008), indicated that meaningful patterns are grouped with the help of coding and categorized into various themes. The thematic coding strategy was used for this research. According to Creswell (2007), a thematic approach in qualitative data is used in grouping and categorizing the data. The quantity of data collected in qualitative research is huge

and from multiple sources, which requires sorting out and grouping. I used the NVivo 12 software to analyze the themes and patterns.

Walden University believes in high standards and adherence to globally and ethically accepted research procedures. The protection and the wellbeing of the human subjects to be studied and the researcher must be guaranteed. This study took into consideration the necessary protocols as prescribed by Walden University in conducting this research. The data collection instruments were approved by the IRB (approval number 09-24-20-0540574) and will be kept for 5 years as required by Walden University IRB. Szanron et al., (2013) confirmed the need to ensure the protection of human respondents and prevent unethical practices.

Issues of Trustworthiness

Trustworthiness in qualitative research is indispensable, and researchers are required to pay attention to the credibility, transferability, dependability, and confirmability of their study. Qualitative case studies are subjective in nature and base on the interpretation of the researcher (Christensen & Carlile, 2009). I ensured that all that protocols were in place, and concerns in the research process are addressed (Amankwaa, 2016).

Credibility

Credibility helps to validate the research internally to increase the level of acceptance. According to Ravitch and Carl (2016), credibility is the internal validity and processes which seeks to address the research design, instrument and data collection. For the credibility of this research, relevant stakeholders provided adequate data on VSLAs

and financial inclusions in the study. I also consulted experts and other nonprofit organizations working on VSLAs in Northern Ghana. Interviews were documented and referred to during the transcriptions and interpretation. Documented phone interviews were cross checked with other VSLA practitioners which validated the accuracy. Triangulation, feedback mechanisms and validation ensured the quality of the data analyzed (Leedy & Ormrod, 2005). According to Houghton et al., (2013), triangulation helps in data confirmation and ensure completeness of the data.

Transferability

Transferability ensure that relevant results can be replicated outside the study area, and the integrity of the data remains intact (Ravitch & Carl, 2016). VSLAs is not only implemented in Wa-West District but across several places in Ghana, and the outcome of the study is applicable to other places with similar settings. The methodology and the data collection instrument make it possible for other researchers to repeat the procedure for future studies in similar locations.

Dependability

Dependability means the study is reliable, and according to Ravitch & Carl (2016), dependability ensures the stability of the research data. I provided and maintain a detailed methodology and described the data collection procedures and analysis. The NVivo software used in the generation of the themes and visualization ensure dependability and reliability. A peer debriefing and validation of the data with experts and other stakeholders ensured accuracy and increase reliability. Other NGOs working with VSLAs with over decades in experience reviewed the methodology and findings.

Confirmability

Confirmability increases the level of confidence in the researchers' finding by ensuring that participants narrative and words reflect the findings rather than the researchers' opinion or biases. The participants shaped the findings rather than the researcher to ensure confirmability apart from the member checking technique which confirmed and ensured opinions and observations reflect the views of the participants. Participants quotes were extracted from the questionnaire for the analysis without any bias or prejudice in interpretation. Addressing the level of bias helps confirm the accurate of the research as included by Kisely and Kendall (2011).

Ethical Procedures

Qualitative research involves a lot of human contact and data collection from multiple sources by the researcher. The collection of data is prone to biases, and researchers must adopt an approach to reduce bias. Addressing this bias early enough will help improve trust and remove all unethical practices. According to Kisely and Kendall (2011), integrity and bias issues must be dealt with quickly before carrying out the research. A researcher is required to disclose any interest or previous engagement with the participants. The researcher's understanding of the potential ethical issues will lead to the adoption of appropriate mitigation measure to address the ethical concerns and ensure research quality.

The National Academy of Sciences (2009), indicates the various protocols a researcher can use during research to reduce the risk of ethical violation. With Walden University, researchers will have to seek the approval of the Walden University IRB

before embarking on data collection. The IRB provided approval and ensured that I met all the compliance criteria and addressed all critical concerns before data collection. The current study involves collecting data from women participants of village savings and loan association and other stakeholders in the financial sector. A research plan was submitted and approved by IRB of Walden (09-24-20-0540574) which ensured compliance with the guidelines and prevented any harm to me and the participants during data collection.

Participants also signed the informed consent forms where all necessary information concerning the research, including the right for withdrawal if not comfortable, were provided. According to Qu and Dumay (2011), the use of consent forms should explain the interview purpose to the participants and their right to withdraw from the study if they feel not protected. The informed consent form was shared and affirmed by participants before data collection.

The recruitment of participants was based on those that can provide adequate information and answer the questions. Respondents were not coerced to participate in the study, as they received adequate information stating the purpose of the study, the name of the researcher, information and contacts at Walden University. The consent form provided enough information to gain the confidence participants and legitimacy of the study. Respecting the rights of the participant is key to gaining trust and creating a conducive atmosphere to access data.

Confidentiality is key to successful research, and participants need assurance of protection for the information and opinions expressed at the interview. The consent form

further provided assurance to respondents of their protection and the right to withdraw from the interview at any time if they feel uncomfortable (Qu and Dumay, 2011). Due to COVID-19, phone interviews were conducted to reduce the level of physical contacts. Personal information collected are secured in a password-protected document on my laptop and in Google Drive.

Data Security and Storage

Data security and storage are essential not only to the participants but also to the researcher as data lost will mean a repeat of the entire exercise with its attended cost and time. For this reason, interviewee data and the general work are protected in a computer with a password and back up online in google drive account. In the event of data loss or computer system malfunction, data stored online will be available for processing and analysis.

Another critical step I took into consideration was the Walden University policy of data/dissertation storage and retention to ensure conformity. Opinions expressed by participants in the research were not shared with any other third party but supported in the data analysis and content enrichment

Summary

In Chapter 3, I described the research design for this study and the selected method. A qualitative case study was selected because of the in-depth data collection procedure and the detailed understanding it will provide on the VSLA model. The sustainable development framework (SFL) designed and used by the DFID was adopted as the conceptual framework for the study.

As the researcher, my primary role was the collection, analysis and interpretation of required information on the VSLA and financial inclusion. The targeted population are VSLA members in the Wa West District of the Upper West Region, financial and local community stakeholders. Purposive sampling technique was used to identify the specific respondents and invitation letters and consent forms provided to the respondent. Data collection began after approval was obtained from the IRB of the Walden University. Participants answered the semi structured and open-ended questions on VSLAs and financial inclusion. All interviews were conducted virtually through phone calls to adhere to the COVID-19 protocols and notes written.

The data collected were groups, coded and the patterns of themes established. The NVivo software was used to analyze the data collected and interpreted in line with the RQs. Ethical concerns of participants were ensured for data confidentiality and protection of human subjects. Chapter 4 discussed the settings, the demographics, data collection and analysis, evidence of trustworthiness, the results arranged in categories and themes and an overall summary of the results.

Chapter 4: Results

Introduction

The purpose of this qualitative study was to explore VSLA as a financial inclusion model for poverty and vulnerability reduction in the Wa West District in the Upper West Region of Ghana. In Chapter 4, I present the findings of the 16 semi structured interviews conducted with the research participants in the Wa West District. The central research question was, has the VSLA currently increased financial inclusion and reduced poverty among the people in the Wa West District? This question and three sub-RQs underpinned the development of the data collection instruments.

In this chapter, I provide information on the research setting, the RQs, and the demographics of the study participants. I also discuss the data collection methods codes used and present the emerging themes as a result of the data analysis. In addition, I provide evidence of trustworthiness, within the context of credibility, transferability, dependability and confirmability. I conclude the chapter with a summary of the findings in relation to the main RQs.

Setting

I conducted an interpretative case study to obtain an in-depth and personal perspectives of participants on VSLAs and financial inclusion in the Wa West District. The VSLA groups are active for over 5 years and WHAT Foundation facilitated their formation and training. Due to the COVID-19 pandemic, I conducted the semi structured interviews via phone calls to reduce the level of contact with participants. Participants were grouped as VSLA members and financial and local community stakeholders, and

appropriate time for the interview via phone call set up. Participants were made aware before the start of the interviews that their participation was voluntary and that they could withdraw at any time of the interview if they felt uncomfortable.

Demographics

The study participants were diverse with different levels of experience in either VSLAs or financial inclusion in the Wa West District. Participants had to be a VSLA leader in the Wa West District and have knowledge of VSLA operations to be included in the study. WHAT Foundation, which operates in the study location, provided a list of 20 VSLAs. Ten VSLA leaders and groups responded to the invitation and were included in the study, which is 50% of the main eligible participants. The other six participants were purposively selected and included two traditional authorities, two district assembly representatives, and one representative each from financial institutions and NGOs, the latter because of their vast knowledge and experience on VSLAs. In total, I conducted 16 in-depth interviews. Participants age range from 18 to 60, understood the VSLA concept, and could read and comprehend the interview questions. The participants were assigned codes from P1-P16 to protect their specific identity. Table 2 shows the demographics of the various stakeholders who were interviewed.

Table 2

Study Participants' Codes and Demographics

Participant code	Category	Gender	Experience (years)	Position
P1	VSLA member	Female	8	Chairperson
P2	VSLA member	Female	5	Chairperson
P3	VSLA member	Female	4	Secretary
P4	VSLA member	Female	4	Secretary

P5	VSLA member	Female	4	Secretary
P6	VSLA member	Female	4	Chairperson
P7	VSLA member	Female	5	Chairperson
P8	VSLA member	Female	6	Secretary
P9	VSLA member	Female	6	Chairperson
P10	VSLA member	Female	4	Secretary
P11	Community stakeholder	Female	4	Traditional leader
P12	Community stakeholder	Female	5	Magazia
P13	Community stakeholder	Male	4	Assemblyperson
P14	Community stakeholder	Male	6	Wa West District Assembly
P15	Financial stakeholder	Male	3	Financial institution
P16	Financial stakeholder	Male	3	VSLA facilitator

Data Collection

I administered 16 semi structured interviews virtually via phone call instead of the 17 participants I initially targeted. This was due to the study's adherence to the COVID-19 safety protocols. One participant did not respond to the invitation and hence was not included. As discussed in Chapter 3, the participants were grouped into VSLA members, financial stakeholder, and community stakeholder categories. The main targets of the research were the VSLA members of which the key leadership (chairpersons and secretaries) were interviewed. Each interview lasted for an hour with an in-between break of 15 minutes. The interviews were arranged in line with the sub-RQs, and each stakeholder was asked three to six open-ended questions. Data collection procedures followed the description in Chapter 3 as approved by the Walden IRB during the proposal stage.

The participants through the consent form indicated acceptance to engage in the study. I informed them before and during the interview of their ability to withdraw or decline to answer a question if not comfortable. Participants also indicated times that were convenient for them for the phone interview with less or no interference. All interviews were conducted between October 1-11, 2020. I used the semi structured questionnaire to administer and document the responses from the participants. Responses were recorded on phone and notes taken with follow-up questions asked during the call. The data are secured in a password-protected file and, as mandated by Walden University, will be kept for 5 years before disposal. Some respondents received the data transcript and reviewed it for accuracy through WHAT Foundation referred to as NGO facilitator. I reached out to the participants to validate the data. Also, through the other NGOs implementing the VSLA model, they validated the responses provided during the individual interviews.

Even though it was clearly stated that no payments would be made and this study was for academic purposes only, some participants enquired if the study would lead to direct support to them and their families or communities. I reiterated that the study was purposely for academic work, though I noted the potential to contact institutions that find the report useful and ask for support for their activities. The District Assembly may, for instance, use the finding in the report for planning purposes and interventions on financial inclusion and poverty reduction.

Data Analysis

The analysis of the raw data collected enabled me to identify all the important themes and described their characteristics. I used manual coding and NVivo 12 software for the qualitative data analysis. Participants were assigned a unique code ranging from P1 to P16 and this helped to sort out their responses during the review process. The notes and the recordings were reviewed to check for consistency and alignment with transcription of the audio recordings. All the 16 interviews conducted, notes and recordings were repeatedly reviewed several times to understand the patterns. Once this was achieved and I fully understood the pattern I began the open coding of the dataset.

With open coding, I manually coded the responses from each of the 16 participants which captures the questions, the responses and the frequency of occurrence to determine the thematic identification. I also captured codes related to the RQs from the various interviews and generated patterns until saturation was reached where new quotes and patterns were unavailable. I targeted 17 participants but only 16 responded but this did not affect the level of saturation as the financial institutions were two, and one responded. The participant that responded had implemented VSLA and provided the need information.

Using the NVivo 12, software and the manual coding, I generated the quotes for the respected participants codes (P1-P16). From the dataset, I referenced the detailed quotes with participants views. The NVivo 12 software used in my qualitative research aided in putting together the multiple data collected while the manual coding provided me an opportunity for in-depth understanding of the data in reference to my conceptual

framework. In the analysis, I identified themes against my conceptual framework of sustainable livelihoods framework as proposed by the DFID (1999). I explored participants perception of VSLA as financial inclusion model along the sub-RQs of the study.

Evidence of Trustworthiness

In chapter 3, I outlined the evidence of trustworthiness as has been adhered to in this study. In achieving trustworthiness, the study was viewed in line with the tenets of credibility, transferability, dependability and confirmability.

Credibility

To maintain credibility of the findings, interviewers are not biased in terms of the interviewee's understanding of the issues (Saunders et al., 2003). Also, internal validation of the research processes is addressed (Ravitch and Carl, 2016). The interview questions asked in the semi structured interview guides were drafted based on the literature from past studies, and this added more strength to the credibility of those questions. The study methodologies and tools were assessed and approved by the IRB of Walden University. To achieve more credible results, the study matched findings against previous literature and pre-study results (Cooper and Schindler, 2006; Saunders et al., 2003). Also, I used purposive sampling to target participants with adequate knowledge and experience to response to the questions. WHAT Foundation, the NGO facilitator provided the VSLA lists for selection and inclusion as respondents for the study.

Transferability

It is possible to replicate this study and even with higher sample size employed in subsequent studies, the outcomes would be much clearer. However, it should be noted that exact replication is not possible to arrive at (Bryman and Bell, 2015) as qualitative studies are very wide and frequently transforming in unstructured interviews. VSLAs principles are the same which can be transferred to another location. The data collection instrument, methodologies and NVivo 12, makes it possible for other researchers to repeat my procedure for future studies in other locations and achieve similar outcomes.

Dependability

To ensure the accuracy of the study process and findings, the interviews were documented with the permission of the respondents. The data derived from them were then transcribed manually and analyzed to arrive at the same conclusions without any errors or biases (Bryman & Bell, 2015). As stated by Bryman and Bell (2015), dependability refers to the trustworthy assessment of the study for other researchers by providing some explanation about its context. Ravitch and Carl (2016), viewed dependability in research on stability of data collected and how that is interpreted appropriately.

Confirmability

It is useful that viewpoints of the study participants are retained without the researcher trying to interpret them in ways that are different and intended to fit into a particular narrative (Bryman & Bell, 2015). This implies that study findings are derived from the responses gathered from the participant and not those emanating from the

researcher's individual judgement. During triangulation of the secondary data, I confirmed the information provided during the participants interviews.

To maintain objectivity, I prepared the interview guide ahead of the data gathering, reviewed it several time so as to improve it, which reduces the likely errors to solicit very useful data (Saunders et al., 2003). To enhance neutrality, I did not interfere in the interview process and allowed respondents to express their opinions independently (Cavana et al., 2001). Bryman and Bell (2015) argued that confirmability remains the extent of neutrality in the findings by assessing if the personal judgement of the researcher had any influence in the data collection and analysis at all. In this research, I expressed views of the respondents as captured and presented in the study results and findings.

Results

I explored the experiences of VSLAs participants and stakeholders as a financial inclusion model for poverty and vulnerability reduction. The study focused on the Wa West District where no formal financial institutions exist with VSLAs established by NGOs. I sought to answer a central RQs and three sub-RQs. The central research question for this study was, Has the VSLA currently increased financial inclusion and reduced poverty among the people in the Wa West District? The sub questions were

SRQ1: What financial inclusion systems are accessible for poverty reduction?

SRQ2: What strategies will improve and increase financial inclusion?

SRQ3: How have VSLAs improved livelihoods and reduced vulnerability

The analysis of the 16 participants were grouped into three stakeholders mainly VSLA participants, community stakeholders and financial stakeholders and the results are presented in that manner. Each of the stakeholders had three to six questions along the sub-RQs. Responses are provided by stakeholders to reflect their perspectives and opinions of VSLAs along the sub-RQs.

SRQ1: What Financial Inclusion Systems Are Accessible for Poverty Reduction?

Financial inclusion (FI) is used as one of the means to reduce poverty and the more accessible a person is to financial services, the likelihood of a reduced impact of poverty on the person. In the study the following results were obtained:

- 100% of all the 16 participants interviewed, had access to one or more financial inclusion system either through VSLA, formal financial institutions, mobile money/susu. 80% of the participants rely solely on VSLA as their only means of accessing financial services in the Wa West District.
- 20% of the participants uses other mode of financial inclusion but admits VSLA are important avenue for financial inclusion in rural areas who need a simple FI system. They indicated that banks and other formal financial inclusion systems are their preferred choice and because they live at places with high concentration of formal financial institutions.

Three themes emerged from the RQ on what financial inclusion systems are accessible for poverty reduction:

- The VSLA System
- The Susu/Money Lenders system

- The Financial Institution system

Theme 1: The VSL System

Village Savings and Loan Association (VSLA) offers various services to members ranging from savings, loans and social fund support and entrepreneurial training. Many rural areas lack formal financial institutions, VSLAs existence have ensured that people in rural location receive financial service such as savings, loans and social support. All the 16 participants (100%) shared their experience regarding the various services VSLA has provided toward financial inclusion in the Wa West District. 80% who have experienced VSLA over the years were very appreciated of the services provided by VSLA and how it has improved their wellbeing. Excerpts of the interviews and experiences of some of the participants are:

- Participant 1: “VSLAs are a blessing to many of us when it comes to financial services in my community. For the past 8 years I have been a member, I received all forms of financial services from my VSLA group such as credit, savings, social support/fund, share out. In addition, VSLAs provide credit to members every four weeks when savings have commenced by the members. Savings in VSLAs are weekly contribution or purchase of shares of a minimum of one and maximum of five shares by each individual member which is recorded in the passbook of the member”. The Social support are token contribution at each meeting to support emergences encountered by members. The excerpts from the participant confirms the conceptual framework adopted as indicated in DFID (1999) where the availability of

MFIs/VSLAs showed access to financial access and has the potential to reduce poverty and vulnerability among participants.

- Participant 3: “Many of us in the community do not have bank accounts and our only means to financial inclusion are the VSLAs formed in community. VSLAs are useful and relevant to not only the members but the entire community. We provide financial services to the entire community as people bring larger denominations for small denominations/notes which we support with as VSLAs. Without our presence and some of these services we provide, life would have been difficult for people”.
- Participant 5: “In our community, the only means we access financial support or services is through the VSLAs. Since no financial institution exist, mobile money service points are very limited because of network instability and hence our reliance on VSLAs to provide us the needed financial services”.
- Participant 11: “VSLAs have brought financial inclusion to people without bank account and this has improved the savings and credit culture of the people. Previously, people kept money under their sleeping pillows or bury money which sometimes are lost or destroyed by insects and other rodents”. “These practices have stopped completely or reduced to the barest minimum level due to the presence of VSLAs’. This opinion aligns with the conceptual framework of ensuring that poor saving culture which can result in increase in poverty is addressed and with VSLAs, the culture of savings has improved.

- Participant 12: “In my community, when it comes to financial inclusion, what everybody knows or comes to mind is VSLA. This is evident to the lack of other alternative forms of financial inclusion in the community and the district at large. Therefore, VSLA is providing all the services needed or would have been provided by financial institution in this community”.
- Participant 13: “When I interact with VSLAs, I am confident they have some level of financial knowledge and understands the concept of savings, credit and basic financial rule which is good for financial inclusion”...In fact, VSLAs have brought financial services to the door steps of many rural people which confirms the availability of VSLAs bringing about financial inclusion in the conceptual framework.
- Participant 16: “The Wa West District have VSLAs formed in the district by NGOs who have provided training on financial literacy and entrepreneurship. This has contributed to financial inclusion in the district. Since there are no established formal financial institutions, VSLAs are providing the needed financial services and inclusion required by the people”. According to the World Bank on its definition of FI...it has to be flexible and acceptable by the people.

Theme 2: The Susu/Money Lenders System

The Susu/Money Lenders system emerged as a theme on the financial inclusion system accessibility by the people of the Wa West District. 43.75% of the 16 participants indicated, susu/money lenders have provided financial services and increased the level of

access to financial inclusion in the Wa West District. Excerpts from the participants include:

- Participant 2: “The only means I access financial support in this community is through VSLAs with a few susu and money lenders also providing financial services such as loans and savings options”.
- Participant 7: “I use VSLAs, money lenders for all my financial transactions. In this community, banks are not available and VSLA, susu and money lenders provide us the opportunity to save our money and received loans. In the past, I have borrowed money from money lenders to support my farming business and other activities”.
- Participant 8: “Money lenders have provided me loans in the past to expand my grain banking business. Since I became a VSLA member, my saving and loans are gotten from VSLA but some of my family members rely on Susu and Money lenders to address their financial needs”.
- Participant 9: “Before VSLA came to our community, most of us rely on Susu, Money lenders to transact financial services. In the susu we will collect money together and give to one-person and later mobilise money for the next person until it gets to all of us. With my experience on the Susu, VSLAs, I used any for my financial need based on the situation”.
- Participant 12: “My fellow women and I don’t have bank accounts to save. The Susu collectors and Money lenders have been one of the ways we access financial services in our community. They provide us money within our

means to address our petty financial challenges. I am also a member of the VSLA group in my community and this has further strengthened my resilience to poverty and vulnerability”.

Theme 3: Financial Institution System

The financial institution system theme emerged to indicate what financial services or product are available in the study location and its accessibility by the participants.

According to the World Bank, FI is key to poverty reduction and brings prosperity to the people. The participants view on financial institutions accessibility to the people in the Wa West focus on how financial institutions can reduce poverty and bring about prosperity. Since formal financial institutions are not available in the Wa West District, it made accessibility difficult to many participants and people in the district. 31.25% of the 16 participants indicated they use formal financial institution for their financial services.

Excerpts of the participants response include:

- Participant 11: “In my traditional areas, the banks are not available, but we have this small savings groups called VSLAs that my people are using for financial services. I travel to Wa to save money in my personal bank account since I believe that banks are more secure than the VSLA”.
- Participant 13: “VSLAs are important financial services providers in this district since no bank exist. Money lenders, susu collectors are available but VSLAs are dominant and many people are involved in it. For me, banks are my preferred financial inclusion for savings and loans. I travel about 42 kilometers to Wa the regional capital to bank with a formal financial

institution. I am a salaried worker and I receive my monthly payments through the banks”.

- Participant 14: “The district assembly has provided the enabling environment yet no bank has opened its branch here. GN bank opened a branch but was closed down in 2019 due to central government policy”. As indicated in the conceptual framework, government policies and regulations can play a major role in financial inclusion which was evident in the directive in 2019. VSLAs are the main source of financial inclusion for many of the people in the district however other travel outside the district for formal banking services. “I use formal financial institutions like the banks for my salary, save and take loans as my means of accessing financial services”.
- Participants 15: “Banks are providing financial services to people and as a banker, I will go for that option because that is where I save and applies for loans. Financial institutions are more secured and trusted universally than any other financial system and hence, it should be the first choice for any individual for financial inclusion”.
- Participant 16: “Over a decade of my work as a development facilitator, VSLAs, mobile money and money lenders have provided financial services to many people in rural area. I personally use banks for my financial services such as savings and credit because those networked makes it possible to access your money anywhere. Technology and internet banking has brought

banking services to the door steps of the people and that is why I will go for it any day”.

SRQ2: What Strategies Will Improve and Increase Financial Inclusion?

People are attracted to participate in any financial system based on certain things they see, experience or have heard of to make a decision. As a result of that various financial and non-financial institutions embark on a lot strategies to attract clients or customers. Two themes emerged in response to SRQ2: flexibility of the VSLA system and low-interest rate on VSLA loans.

Theme 2: Flexibility of the VSLA System

FI is effective if it is able to attract people to it because of the perceived benefits and support it provides to its members. Therefore, participants provided their perspectives on the benefits and support that VSLAs or any financial institution will provide to attract them to be members. Of the 16 participants, 56.25% believed that the flexibility of the financial institution whether VSLA or banks are main drivers or motivation.

- Out of the 16 participants interviewed, 87.5% of the participants indicated they will save with an institution or group with flexible and understandable financial group. Financial institution that understood members financial circumstances and livelihood patterns are key to them. In rural areas members receive money in an irregular manner either through remittance or sale of some assets or livestock. This is quite different from urban areas where salaried workers have a predictable income source. The general perspective is

that financial group should design systems that is flexible and acceptable to the customers/clients.

- Participants will access a financial service that is near and available to them. Convenient was key to financial inclusion of the participants. 100% of the participants will choose a financial institution or group that they can walk to easily and access their funds without any difficulty. Also, participants want financial institutions that can bring its services closer to them. VSLAs are formed operates within the communities that the people live.
- 25% of the participants, viewed promotions, discounts, availability of cheap credit as key strategies to improve financial inclusion. These are mostly common with formal financial institutions.

Key excerpts from the participant on their perspectives on the RQ include:

- Participant 4: “When I borrow money and not able to pay, I get harassed by the lender in public. VSLAs have removed that disgrace by providing loans with flexible payment terms. I like the flexibility in the repayment of the loan when I am not able to pay in time, the VSLA group will extend the time for repayment which are spelt out in our constitution”. In the conceptual framework, a key process in the transformation of financial institutions are the guiding principles, regulation and constitution. The VSLA has a constitution that guides its operations and is design to take into consideration the circumstances of the members.

- Participant 10: “VSLA gives credit to members and at flexible repayment terms. I accessed a loan and paid over three months in bits which was good for me. In fact, should I have defaulted in payment, the group will extend the repayment without any penalty for additional month or two. These principles are spelt out in our constitution which we all participated in putting together”.
- Participant 11: “In my traditional area, VSLA members receive payments and loans in a more easy and flexible terms. A friend who is a member informed me how he received loan and the way the repayments was structured which fits what he wanted”. This confirms the fact that people are more willing to be members of financial groups they feel are easy to work with and provide their needs particularly loans without any challenge.
- Participant 12: “I am a VSLA member and a women’s leader in this community. My group constitution was designed by us and we made sure it fits into our condition as group members. Because all of us do not money have equally, we made sure each member can buy at least a share through the minimum share price we fixed for the share”.
- Participant 13: “The members of the VSLA understand themselves based on the self-selection of members”. The constitution they develop makes it possible for them to operate the VSLA on their own will and direction. This flexibility is what make the system unique.
- Participant 14: “VSLAs are designed and implemented by self-selected members, the approach for implementation meets members’ expectations. The

constitutions and all the bye-laws are developed by the members. They can easily change the bye-laws if members feel it's not helping them. This makes the system very flexible and effective for the members”.

- Participant 15: “I have interacted with VSLA groups and I think the systems make it easy for them to understand and operate. The system makes it possible for both the literate and illiterate to follow and buy shares. What is particularly interesting is non-literate are able to participate in the system without major challenge. In rural areas, where illiteracy is high and usual among the female population, it is understandable why majority of the participants are women”.
- Participant 16: VSLAs are controlled by the group, the constitution developed by members, the system of payments and operations are flexible. Members are able to adjust the rules to suit their peculiar conditions by adhering to the dedications of their constitution.

Theme 2: Low Interest Rate on VSLA loans

Loans play an important role in business expansion and to most people particularly those into business, loans are the main reasons for selecting a financial institution. In this research, a theme that emerged during the analysis on what strategies will improve and increase financial inclusion, was low interest rate on VSLA/financial institution loans. Of the 16 participants interviewed, 50% of the participants indicated that a strategy for them is the low interest rate available to them for their business.

Excerpt from participants include:

- Participant 1: “I am in this VSLA group because of the low interest rates offered compared to others sources that gives out loans. In my VSLA, the interest is 10% for the duration of the loan which is 3 months to repay in full with the interest”. During the share out at the end of the cycle, the interest of the loan is shared the members. The loan interest varies from one VSLA to the other as prescribed in the constitution which typically ranges between 5-10% per loan duration.
- Participant 2: “VSLA gives loan to members without high collateral which attracts other members to come and join for the loans. This has increased the number of people accessing financial services. For this reason, I am a member to enjoy the low interest charged on loans. My business depends on loans to expand and a higher interest rate will affect my profit margin. In this light, I search for loans with lower interest rate to expand my business.”
- Participant 3: “Before I became a VSLA member, it was difficult to access loan with such high interest not even from family members but with our VSLA, loans are available at a cheaper rate and this attracts people to join us”.
- Participant 4: “When I borrow money and not able to pay, I get harassed by the lender in public. VSLAs have removed that disgrace by providing loans with low interest rate for its members. I also like the flexibility in the repayment of the loan when not able to pay in time, the VSLA group will extend the time for repayment”.

- Participant 5: “I struggled to get a loan from the bank some time ago because the interest on the loan was high. However, upon becoming a VSLA member, I accessed the loans easily and at a lower interest rate. I participated in my group’s decision to fix the interest”.
- Participant 6: “The VSLA members in my group are happy as the loan interest rate was fixed by us during our VSLA meeting unanimously. Those interested in loan finds the interest rate easy to cope with and repayment is without much difficulty”.
- Participant 7: “I received four loans when I become a member five years ago and I completed all the payments without much stressed. The interest rate on each of the loan was low for me to repay and I did that without any challenge. The low interest on the loans was what made me to join the VSLA group”.
- Participant 8: “Loans are very important to grow our petty business in this community. If the loan interest is high, our profit is affected and so we look for places with lower interest rate. The VSLA group I belong has low interest rate of 5% for the loan repayment duration in three months. I find the low interest rate good for my business”.

The analysis above has direct correlation to the conceptual framework where high interest rate on loans has a negative impact on financial inclusion. The poor and vulnerable are discouraged and not able to benefit from financial inclusion where the processes and loan acquisition are challenging to individuals.

SRQ3: How Have VSLAs Improved Livelihoods and Reduced Vulnerability?

Improvement in livelihoods and reduction in the level of vulnerability is key to the general wellbeing of the human being. Financial inclusion has no meaning if it cannot improve the livelihoods and reduce the vulnerability of participants. In analyzing the interviews, the following themes emerged: business expansion and multiple income sources and socioeconomic support to VSLA members.

Theme 1: Business Expansion and Multiple Income Sources

VSLA participants are encouraged to engage in business and other income generating activities so as to grow their funds. In VSLA groups, members are mandated to take loans as they provide entrepreneurial and business training. The loans taken are invested into income generating venture that will make it possible to pay back and still make some profit. Out of the 16 participants, 14 (62.5%) of them are engaged in some form of petty business or income generating activities using VSLA loan. Majority of VSLA members are engage in some form of business activity as entrepreneurial training coupled with the advance of loans from the group facilitates the business activities.

Excerpt from participants on this theme include:

- Participant 1: “I had a small kiosk in the community where food ingredients are sold to the entire community. Last year the demand increased and through the loan from VSLA, I expanded the kiosk and made it bigger not only for my current business but I went into grain banking where grains are stored and later sold when the prices are high for profit”.

- Participant 4: “The presence of VSLAs has improved the local economy as petty business established by members are contributing to the growth of the community. I started selling cooked food in my community to earn additional income. The local economic development and poverty reduction are directly linked to the growth of the local economy and with VSLAs, there is a gradual improvement and growth in the local economy”.
- Participant 7: “VSLAs have transformed the lives of women and given us voice in the community and households. Before VSLAs, our voices were not heard but now we are involved in all the activities not only in the household but at the community. VSLAs are bridging gender gaps and empowerment of members”.
- Participants 9: “Most of us are in various forms of trade and micro businesses with the loan from the VSLA contribution. The expansion of farm size to increase crop production, grain banking, poultry and livestock rearing, piggery, table top food ingredients and selling of cooked food are all linked to VSLA loans”. Engaging in these businesses has helped members to pay back the loans and expand their set up with the profit. Members who are engaged in such activities have gained recognition and their financial status has improved significantly. Women members through their businesses are contributing to the household and family sustenance. Family cohesion and harmony has improved due to the activities of married women engaging in businesses with loans from VSLAs.

- Participant 10: “I used to farm one acre from my own resources, with VSLA, I am doing two acres because I am able to pay for the associated cost such as tractor ploughing cost, weed control, sowing costs among others due to the loan I took from our VSLA. This has increased my income to cater for my family thereby reducing the insecure nature of my family”.
- Participant 13: “Working with VSLAs over a decade, I observed how the life style of participants has changed from their dressing, confidence level and assets they are able to acquire due to their membership in a VSLA compared to non-members. Many of them are engaged in various income generating activities which has provided them extra income and making the members financially and economically stable”.

The analysis of excerpts above goes to support the conceptual framework livelihood strategies and activities component. It is evident that VSLAs have helped to reduced poverty and vulnerability. The expansion of business and other livelihoods activities as indicated by participants confirms the conceptual framework adopted for this study.

Theme 2: Socioeconomic Support to VSLA Members

The emergence of this theme demonstrated the social settings that most rural areas in Africa are connected. The sustainability of any financial inclusion is guaranteed if it's linked to the social and economic settings of the locality. In this study 75% of the participants interviewed agrees that socioeconomic support of VSLA by members have contributed to its existence, acceptability and sustainability. Excerpts of the participants interview includes:

- Participant 2: “Last year, my maize farm got burnt due to bushfires and the harmattan, I was surprise that my group members brought me 4 bags of maize to feed on and also gave me a loan to start a business with extended period of interest and loan repayment”.
- Participant 6: “As a VSLA member through the social fund in our group we are able to provide support not only for our members in emergency situations but the entire community. Last year when our community borehole broke down, my VSLA repaired it using our social fund”.
- Participant 7: “VSLAs are changing the social dynamics of the communities and empowering women. Previously ownership of animals and livestock was forbidden in some communities but that social and cultural norm is becoming a thing of the past as VSLAs membership are engaged in these activities without any restriction. Furthermore, women were are relegated to the background because we don’t owe property or assets to gain recognition. VSLAs have changed that narrative and those of us who are VSLA participants have assets such as landed and movable properties due to access to credits from VSLA group which they have invested in assets, granting them higher recognition in the community”.
- Participant 9: “When any of our members fall sick or have funeral, we rally around the person to provide comfort and support to the person. Recently, when I lost a relative my VSLA members were there through out and I felt comforted and was happy for their support”.

- Participant 10: “VSLA members are very supportive to each other in times of need. Members who had crop failures due to drought or bushfires and are verified receive support from other members and VSLA group to cope till they are able to recover. I received support during the destruction of my farm land by flood last year and I am grateful for the assistance”.
- Participant 12: “Many VSLA members are resilient financially due to the savings and credit facilities which are contributions from other members at the VSLA meetings. When members are financially stressed, they know they can depend on other members of their VSLA group for support. The self-selected nature of participant might be contributing to this bond that exist between members”.
- Participant “13: People who are not members of VSLA struggle to expand their businesses and activities at the community level. The communal support of VSLA members in time of sowing and harvesting of members farm, helps to reduce the cost of those activities”.
- Participant 14: “The presence of VSLAs have improved the local economy as businesses established by members have helped in various ways. VSLA members are selling fertilizer and seeds which others buy for their farm crops. The economic activities that members are engaged on has reduce the burden on the community since some necessities of life are available”.
- Participant 15: “VSLA members support each other in communal work and the acquisition of assets. Some members were able to acquire property such as

land, bicycle and corn mill because they are VSLA members and through the loan contribution were able to acquire these assets”.

- Participant 16: “The VSLA groups facilitated by NGOs are into petty businesses such as grain banking, selling food ingredients and buying at least one shares weekly. Their children are in school and health insurance renewed annually due to the support they received from their VSLA group”.

The themes and excerpt from the participants above supported the livelihood assets of social and financial capital of the conceptual framework. In formal financial institution, there is more financial capital available than the social capital which is what is offered by VSLAs and makes the model unique. There is no perfect financial inclusion system and VSLAs will require constant modifications and adjustments to ensure relevance and sustainability. VSLAs have existed in Ghana for about 15 years when the concept was rolled out by Plan International Ghana. Over the years lesson has been learnt and things has changed over the period. VSLAs are generally successful in rural areas or places they are formed because of the self-financing model. Despite these successful stories, there are various dynamics that affects the model just like any other system with its own peculiar challenges. As more rural areas become urbanized with its demand for higher credit for bigger investments, VSLAs are unable to cope to provide adequate credit to its members. Also, the issue of theft of the box has come up. Due to urbanization, more criminals, petty thieves target to steal the box with the savings of VSLA members. VSLAs also operate more in loosed groups and do require some form of regulations or guidelines at the local authority level.

Summary

In chapter 4, I presented a review of the qualitative case study methodology of exploring VSLA as a financial inclusion model for poverty reduction in the Wa West District, Ghana. Sixteen semi structured interviews were conducted to obtain in-depth and contextual VSLA data from participants. Manual coding and NVivo 12 were the qualitative data analysis approaches.

Codes were generated and with inductive identification the various major study themes emerged which answered the research and sub-RQs. The main RQ was, has the VSLA currently increased financial inclusion and reduced poverty among the people in the Wa West District? The following results provided answers to address the main RQ.

- Fourteen out of the 16 participants (87.5%) attributed the reduction of poverty and vulnerability levels among them to the existence and their participation in VSLAs at the community level. Members are engaged in multiple income generating activities, assets and business to increase their income base and keep them less vulnerable.
- All the 16 participants (100%) indicated VSLAs has indeed increased financial inclusion among the people in the Wa West District. The benefits of financial inclusion have contributed to poverty and vulnerability reduction since the absence of formal financial institution is an avenue for the thrive of informal models like VSLA.
- Thirteen out of the 16 participants (81.25%) shared that VSLA model is good and should be maintained however, they indicated the need for some

modification to prevent any form of theft and increase the capital base of the VSLAs.

Seven major themes emerged and were generated from the analysis of the 16 semi structured interviews and these are (a) The Village Savings and Loan Association (VSLA) System (b) The Susu/Money Lenders System (c) Financial Institution System (d) Flexibility of the VSLA system (e) Low Interest Rate on VSLA Loans, (f) Business Expansion and Multiple Income Sources (g) Socio-economic support to VSLA members. In Chapter 5, the focus is to interpret the study findings, provide recommendations, implications for social change, and any opportunities for future research.

Chapter 5: Discussion, Conclusions, and Recommendations

Introduction

In Chapter 5, I considered the key findings, their alignment to the literature and conceptual framework. I also presented the study's limitations. Recommendations for further studies and the positive social change implications of the research.

I conducted this qualitative case study to explore the experience of stakeholders on VSLAs as a financial inclusion model for poverty and vulnerability reduction in the Wa West District. In the study, I sought to understand VSLAs from various perspectives of the stakeholders, specifically the potential of VSLAs to reduce poverty and vulnerability in the district. Because financial inclusion has policy implications, I provided policy recommendations to improve the VSLA system.

The sustainable livelihood framework was the conceptual framework of the study. I selected this framework because it addresses various aspects of poverty, vulnerability reduction and therefore aligns with the principles of VSLAs. The study had a central question and three sub-RQs. The central RQ was, has the VSLA currently increased financial inclusion and reduced poverty among the people in the Wa West District?

The results provide answers to address the main RQ. Fourteen out of the 16 participants (87.5%) attributed a reduction of their poverty and vulnerability levels to the existence and participation in VSLAs in their communities. Members are engaged in multiple income-generating activities, with assets and business to increase their income base and keep them less vulnerable. All 16 participants (100%) shared that VSLAs has indeed increased financial inclusion among the people in the Wa West District. The

benefits of financial inclusion have contributed to poverty and vulnerability reduction because, in the absence of formal financial institutions, informal models like VSLA can thrive. Thirteen out of the 16 participants (81.25%) indicated the VSLA model is good and should be maintained. However, it needs some modification to prevent any form of theft for an increase in the capital base of the VSLAs. Seven major themes emerged from the analysis of the 16 semi structured interviews. Arranged according to the sub RQs, these include

- VSLA system
- Susu/money lenders system
- financial institution system
- flexibility of the VSLA system
- low-interest rate on VSLA loans
- business expansion and multiple income sources
- socioeconomic support to VSLA members

I also seek an alignments of the literature and the conceptual framework to the major themes in the interpretation of the study findings.

Interpretation of the Findings

As I noted in Chapter 2, although literature is available on VSLA, financial inclusion, poverty, and vulnerability, a gap exists in regard to research that is directly applicable to the Wa West District. This can largely be attributed to the rural nature of the district and that lack of adequate development actors to facilitate sustainable development in the district. As a result, the findings of this study may serve as blueprint for the Wa

West District Assembly and policy makers on how to approach poverty alleviation programs and ensure that the benefits of financial inclusion are realized.

Theme 1: The VSLA System

The major theme that emerged from the study is VSLA system as a financial inclusion option in the Wa West District. VSLA systems are those services that have been provided to attract a client or customers to join and participate in the model. Basic financial services are provided such as savings, loans, insurance (social fund), social networks, and share-out at the end of the cycle. All the 16 (100%) of the participants indicated that VSLA services are the main reasons for them being members or having heard of the VSLAs in the Wa West District. This finding is consistent with literature on services that financial institution provides to its clients.

According to Asiana and Osei (2007) and Nair and Fissaha (2010), the basic services provided by financial and nonfinancial institutions comprise savings, lending, and borrowing among members or clients. Allen (2002) asserted that VSLAs are supporting African countries including rural communities in Ghana to save and access credit. The sustainable livelihood framework (Murry, 2001) indicates that available MFIs and VSLAs increases access to financial inclusion thereby reducing poverty and vulnerability of individuals.

VSLAs are predominately found in rural areas where formal financial institutions are limited, which enables members to be financially included (Allen, 2002). According to the World Bank in 2017, financial inclusion occurs when an individual or business has access to affordable financial products or services that meets their specific needs and is

delivered in a responsible and sustainable manner. This is consistent with my findings that VSLA systems provide services that meet the needs of members, and these needs are savings, loans, and emergency support in a sustainable manner.

The finding also fits into the sustainable livelihood framework, which postulates that within a given context, different livelihood strategies such as VSLAs have the potential to improve the livelihoods of people (Kollmair & Gamper, 2002). Furthermore, Hansen's (2016) finding on social capital to secure financial inclusion for the poorest are consistent with my finding that the social fund (insurance), which is one of the key VSLA services provided to its members. According to Hansen, the social component could be one of the main reasons why most people stay longer and gain trust among themselves in a VSLA. The findings are also consistent with literature on social networks and the services provided by VSLAs. According to Musinguzi (2016), social networks and other social relations are shaping the impact of VSLAs beyond just financial inclusion.

Loans to women for economic activities are some of the services that VSLAs provide to its members. This is helping to bridge the financial and economic gaps that exist particularly between men and women. Available literature from Adams et al., (2014) reveals that about 72.2% of members who access VSLA loans do so for economic activities. Adams et al., further said that as little as 20% of its survey respondents had access to loans before joining VSLAs. However, after joining VSLAs, 86% had access to loans from the associations, which confirms the findings on VSLA services in this study.

Theme 2: The Susu/Money Lenders System

Theme 2 demonstrates how in the absence of financial institutions in the Wa West District, VSLAs, susu, and money lenders are able to provide savings and lending services to the people. As forty-four percent of the 16 participants indicated, susu/money lenders have provided financial services and increased the level of access to financial inclusion in the Wa West District. This finding conforms with the sustainable livelihood framework, which stipulates that the informal financial sector access to savings, lending, and borrowing among members in the form of Susu and daily contributions and cooperative mobilizations (Asiama & Osei, 2007; Nair & Fissaha, 2010). It further suggests that savings and loans are critical for promoting livelihood at the individual level and economic growth on the national stage. Informal financial institutions such as the susu/money lenders are prevalent in deprived rural settings (Frimpong 2020). Also, savings and loans are part of financial capital within the sustainable livelihood framework and specifically fall under inputs. Hence, the results under this theme are also consistent with the sustainable livelihood framework, which argues that financial resources such as savings and loans support the growth of the family and reduce its livelihood vulnerabilities (UNDP, 2017).

Theme 3: Financial Institution System

The Financial Institution System theme emerged and was generated to indicate assess the financial inclusion systems are available in the study location and its general accessibility by the participants. According to the World Bank, formal financial institutions provide financial inclusion which is key to poverty reduction bringing about

prosperity to the people. Five of the 16 participants indicated they use formal financial institution for their services. The low utilization of formal financial institution could be due to the absence and non existence of banks or formal financial institution in the Wa West District.

Financial inclusion through financial institution or VSLA according to Jha et al., (2014) helps boost growth at the macro level through the savings, taxation, protection and benefits that accrue to eligible worker. This is consistent with the study where the local government authority admitted to the taxation of local businesses established with support from financial institutions.

The Wa District Assembly has indicated the important role of financial institutions within its jurisdiction toward the promotion of financial inclusion (FI). This is consistent with the literature which identify FI as a facilitator to achieving seven of the 17 sustainable development goals (Frimpong, 2020). The finding from the study reveals that many of the participants were women and the more women become financially inclusive the better the rate of growth and poverty reduction. Literature available in chapter 3 support this fact when it indicated that FI ensures everyone has access to a range of financial products and services at an affordable price with convenience and dignity (World Bank, 2019). Bruhn and Love (2014) stated the direct relationship that exist between poverty reduction and the growth of the economy when FI is achieved. According to Yadav and Saxena (2019), when women received the necessary support from stakeholder their level of FI will increase ensuring they achieve the benefits of financial inclusion.

Theme 4: Flexibility of the VSLA System

For any financial systems to survive, it must be able to attract and retain its clients or customer/members. VSLAs are able to attract people to become members because of the perceived flexibility and support it provides to its members. Of the 16 participants, 56.25% believed that the flexibility of the financial institution whether VSLA or banks are main drivers or motivation for them.

The study findings confirm with the literature in chapter 3 which demonstrated the enormous flexibility and support systems that VSLAs offered to its members. VSLA makes it access to loans and credit due to the group collateral system and the flexibility of the VSLA system. Many members have access to money/loan available to households for secured food and investment by its members to expand their businesses. Literature has supported this claim as Watkins and Biniyam (2018) observed that VSLA enables women for instance to afford farm inputs such as fertilizer and seeds to expand their farms thereby reducing their vulnerability to poverty. Also, Kesanta and Andre (2015) evidenced that improved financial inclusion by way of better access to savings and loans implies that participants are empowered and the benefits of such trickle down to other members in the family.

Theme 5: Low Interest Rate on VSLA Loans

The emergence of this theme indicates people who access loans are interested in lower interest rates. Whilst this is debatable which interest rate is higher, whether VSLA or banks, the important thing is the ability of the individual to repay the loan without

relapsing into vulnerability. About 50% of the 16 participants interviewed indicated that low interest rate is a strategy to get them accept be part of any financial inclusion system.

The loan interest rate may vary from one VSLA group to another based on the dictates of their constitutions and other bye-laws, generally VSLA interest rate go for between 5-10% per month or duration of the loan which is within three months. Mathematically, VSLA's loans per annum is about 120% for VSLA member which appears higher than most banks in Ghana that charges between 20 to 40% per annum. However, the VSLA member will prefer a loan from VSLA because, the member has a share of the loan interest taken since at the end of the cycle, all interest payments are shared according to the number of shares/contributions purchased or bought.

The level of interest rate has the possibility of influencing the decision of people who are interested in loans to be included financially. The conceptual framework confirms that high interest rate on loans is an influencing factor that can impact on vulnerability negatively.

Theme 6: Business Expansion and Multiple Income Sources

The results indicated that VSLA encourages the establishment of businesses among participants and this suggests that the survival of VSLAs depends on members' ability to engaged in different economic ventures. VSLA loans are invested in business ventures to enable member generate additional income. Out of the 16 participants, 14 (87.5%) of them are engaged in some form of petty business or income generating activities. Most of the participants are engaged in farm size expansion, grain banking, poultry, livestock rearing, piggery, and selling of cooked food farming.

According to a study by Abubakari et al., (2014), VSLAs have ensured that beneficiaries start up and expand their businesses in the Sissala district of the Upper West Region. This has consequently guaranteed improved access to education and nutritional needs. Watkins and Biniyam (2018), indicated VSLAs have significantly reduced poverty of participants in Northern Ghana where a study of 950 women involved in VSLA was conducted and members found to be able to buy fertilizer, seeds and other farm inputs to expand their small farming business. The ability to buy improved seeds and fertilizer resulted in an increase in yields for the VSLA participants increasing their income and reducing poverty.

In Southern Africa, an earlier study by Hartley and Rijali (2003), corroborates the study where Group Savings and Loans (GSLs) have significantly improved income generation activities of households. As a result, their assets and level of financial literacy have greatly increased, making it easy for them to manage their business capital. Also, Kesanta and Andre (2015), found similar results of improvement in income and wellbeing of households. Women and the disadvantaged were impacted positively as their conditions improved. Results across Africa assert to the impact of VSLAs linked to poverty reduction and participation in Ethiopia (Beyene and Dinbabo, 2019).

VSLA has become an important financial avenue for the people of Wa West District, as people access financial services and products to alleviate their poverty levels. Consequently, the step that was taken by the Bank of Ghana in 2011 which led to the crafting of new guidelines and regulations in which it categorized the industry into formal, semi-formal, and informal financial sectors was indeed in the right direction. In

other words, business expansion and multiple income sources is a product in the sustainable livelihood framework, which demonstrates how local informal financial institutions support livelihood for its members. This gives some credence of how VSLAs are linked to livelihoods in the Wa West District of the Upper West Region of Ghana.

Theme 7: Socioeconomic Support to VSLA Members

In rural areas, the social environment plays an important role in the economic growth of the people which is not different in the Wa West District. VSLA members are attracted to join and remain with VSLA not for the social connections and support but the other economic support they receive from VSLA group. In this study, 75% of the participants interviewed agrees that socioeconomic support of VSLA by members have contributed to its existence, acceptability and sustainability.

In Uganda, VSLA participants are revered because of its contributions to empowerment of women and support to family and households according to Nabbona (2018). This was found applicable in the study location where women gained respect and recognition. Many of VSLA members have increased their livelihood assets through the acquisition of assets such as livestock, increase in farm size and production reduces the poverty and vulnerability levels of households. The improvement in people's resilience through VSLAs has made participants better able to cope with risks, shocks, poverty and are respected in their households and communities.

Furthermore, VSLAs have not only improved livelihoods and economic activities but promoted social cohesion and family harmony. According the Population and House Census (PHC) 2000 report of Ghana, 51.50 % of the total the population are women and

majority are not involved in any form of economic activity. With the introduction of VSLAs, economic status of members has improved and their recognition at the household and community have increased. VSLAs also have better outcomes in areas such as nutrition and education as indicated by Bawa et al., (2014), in the Sissala West District of the Upper West Region. Hardi (2019), also found improvement in the socioeconomic outcomes of VSLAs participant in his study within the Nadowli-Kaleo district in the Upper West Region.

Furthermore, Akapule (2015), found in the Upper East Region that VSLA served as safety net to its participants who are financially challenged. Governments in developing countries will need to access critically the contributions of VSLAs and enact policies that will promote VSLAs growth and sustainability.

Limitations of the Study

As stated in chapter 1, this study has no previous literature reference as secondary data was difficult to come by in the study location. Literature from other locations was relied on with different context which may not adequately reflect the situation in the Wa West District. The advantage is that the VSLA principles are the same and no modification was observed in the study location.

The collection of data was designed as face to face however, during the data collection, COVID-19, pandemic coupled with the Government of Ghana's restrictions made it impossible for a face-to-face interview. As a result, and with approval from Walden IRB, interviews were conducted virtually through the phone calls which affected

made it impossible to observe body language and other expressions which could have been documented.

In addition, 16 participants were involved in this study and focusing on their experience with VSLAs as a financial inclusion model instead of the 17 that was initially planned due to nonavailability. The sample size did not cover the whole district due to resource constraints. The study also did not also focus on other financial inclusion models that could be applicable to rural areas or complement or negatively affect the VSLA model that is currently practiced in large scale in most rural communities in Ghana.

Recommendations

Following the findings and limitation of this qualitative study, it will be important to consider a mixed method study on VSLA as a financial inclusion model in rural areas where formal financial systems are limited. Many rural areas in developing countries are left out in the financial inclusion space even though its benefits are enormous and has multiple effects in poverty reduction.

VSLAs are constrained with low level of security and hence some participants are not comfortable with the current systems. Many of the literature available did not dwell much on the challenges of the VSLAs as model. Other NGOs have piloted linkages with banks, mobile money companies in Ghana with promising results. While VSLAs have tremendously transformed lives of participants and households, concerns of security will require further in-depth research to determine how to better improve the security and trust of participants.

Also, further study is needed on developing a fit for purpose linkage between formal financial institutions and informal institutions such as the VSLAs. A further research on creating a flexible financial inclusion linkage between VSLAs, formal banking institution and mobile money companies will provide evidence for policy formulation and direction. This calls for a well-coordinated mechanism to ensure that VSLAs are contributing to broader financial inclusion in Ghana and benefiting rural areas.

As at October 17, 2020 total VSLAs in Ghana was over 23,000 groups with membership of 630,000 and an accumulated capital base of 20,218,013 USD. This means a lot of capital is at the disposal of VSLA groups and will require some sort of government support or regulations. The Government of Ghana through the Bank of Ghana and various district assemblies should set up a regulation board that will provide oversight responsibility and support to ensure that VSLAs facilitators do not take undue advantage of their participants. Also, the Bank of Ghana through the regulatory body should provide capacity building support and ensure basic checks and balance for sustainability.

Implications

The results of this study indicate profound social change in the stud location which is applicable in other areas within the financial inclusion space using the VSLA model for sustainable poverty and vulnerability reduction.

The United Nations in 2030 proposed to eradicate poverty in all countries which cannot be possible without sustainable financial inclusion and poverty eradication

mechanism. The World Bank believed that through financial inclusion, a poverty free world is possible (Barbier and Burgess 2019; Beegle et al., 2019). This will require the adoption of various strategies and coordinated approach to achieve financial. The VSLAs should be adopted by the local government authority of Ghana as a poverty reduction tool incorporated into its medium-term development plan as a strategy with allocated resources to bring about financial inclusion in their locality.

Financial inclusion has a multiplier effective on other sectors of society such as nutrition, education, health, sanitation and water and the environment. Government and stakeholders will require collaborative effort to increase the level of financial inclusion through policy friendly systems and enabling environment particularly in underserved areas.

VSLAs have significantly increased financial inclusion in many developing countries and the Government of Rwanda for example have supported the expansion of VSLAs to deprived and rural areas in Rwanda according to Sibomana and Shukla (2016). This has bridged the financial disparities between urban and rural areas of the country and turn to increase inclusion of the poor and women. The model can be replicated in Ghana and other developing countries where government can provide some form of support without necessarily interfering in the activities of the VSLAs.

Conclusion

Through this qualitative case-study interview process, I explored VSLAs as a financial inclusion model for poverty and vulnerability reduction in the Wa West District. VSLAs is an important financial services model in the Wa West District since there are

no formal financial institutions for the women and vulnerable. The 16 stakeholders that participated provided enough perspectives of VSLAs from various angles to support its key role and use as poverty reduction strategy and a financial inclusion model for the people in the Wa West District.

It can be concluded as indicated by the 16 stakeholders that VSLA is a financial inclusion model with significant benefits that needs policy direction and regulation from central government. The findings offer local government authorities an opportunity to tap into this opportunity for sustainable poverty reduction and vulnerability in the Wa West District.

Also, NGOs operating in the district and other places can rely on this document to expand and target their development funding to alleviate poverty and bring holistic and sustainable development to the people. While VSLAs have tremendously transformed lives of participants and households, there are concerns of security and this will require further research to determine how to better improve the security and trust of participants. Also, further study is needed on developing a fit for purpose linkage between formal financial institutions and informal institutions such as the VSLAs.

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Appendix A: Participant Invitation Letter

Dear Potential Participant,

I am a doctoral student at Walden University's Public Policy and Administration Program. I am kindly requesting your participation in a doctoral research study titled: Exploring financial inclusion with village savings and loan associations (VSLAs) in the Wa-West District of the Upper West Region. The research is to explore financial inclusion with VSLAs for poverty and vulnerability reduction in the Wa-West District. The study involves sharing your perspectives and experiences on VSLAs and knowledge on financial inclusion. Participation is completely voluntary, and you may withdraw from the study at any time. The study will not disclose your personal information will not require you to provide your name or any other identifying information. If you would like to participate in the study, please read the Informed Consent form below and sign to indicate acceptance to participate. Your participation in the research will assist in understanding if VSLA qualifies as financial inclusion model and has any impact on poverty and vulnerability reduction.

Sincerely,

Jonathan Lanidune

Doctoral Student, Walden University

Appendix B: Semi structured Interview Guide

Semi-Structured Interview Guide

Topic: Exploring Financial Inclusion with Village Savings and Loan Associations in the Wa-West District.

Main Research Question: Has the VSLA currently increased financial inclusion and reduced poverty among the people in the Wa West District?

VSLA Member

Date

Code: Interview #

Gender of Participant

Interview Start time:

Starting protocols

- I hope you can spend between 60 minutes responding to these questions as part of my dissertation, but I recognize it may go beyond that.
- You have the right to decline, responding to any question you feel uncomfortable.
- Your responses will help generate new information on the subject matter and improve financial inclusion and practice with VSLA.

- Please contact me on [xxx] if you want further clarification on any of the questions. The line will be active day and night.

SRQ1: What financial inclusion systems are accessible for poverty reduction?

1. Can you tell me about yourself and your VSLA group?
2. Can you please explain the different ways people have access to a loan in the VSLA group?
3. Follow-up question: In what ways is the process you described above monitored for effectiveness?
4. In your opinion, how adequate or not do you think those loans people accessed aid in reducing poverty. Please explain.
5. What category of people accesses financial services, and for what purpose?
6. What can be done to make people want to save money, access credit, and take insurance cover?

SRQ2: What strategies will improve and increase financial inclusion?

7. In your experience and observation, can you please describe how people who were awarded the VSLA loans save and utilize it for themselves?

8. Do you think the process (strategies) utilized by the VSLA leadership in awarding the loans for the people are adequate or not? Please explain.
9. What suggestions can you proffer to increase financial inclusion for the citizens

SRQ3: How have VSLAs improved livelihoods and reduced vulnerability?

1. In your experience and observation, do you think the economic activities of VSLA members who were awarded loans increased or decreased? In what ways?
2. Do you think increase or decrease in this economic activity impacts the livelihood of the people? Please provide examples.
3. In your opinion, do you think members who have accessed loans are less vulnerable or not? Please explain.
4. Describe the economic activities of VSLA members?
5. Have the economic activities made VSLA members better, and how?
6. Why do people like to use VSLAs for financial inclusion?

7. How do VSLAs members cope during drought and desertification?

Closing Protocols

Thank you for the time and the responses provided. I hope during the analysis of the data, if I need further clarity or information, you will be available to support.

Yes No

Do you have any questions for me? Or do you want to add anything else?

Interview End Time

Local Community Stakeholder

Date

Gender

Code: Interview #

Interview Start time:

Starting protocols

- I hope you can spend between 60 minutes responding to these questions as part of my dissertation, but I recognize it may go beyond that.
- You have the right to decline responding to any question you feel uncomfortable.

- Your responses will help generate new information on the subject matter and improve financial inclusion and practice with VSLA.

Please contact me on [xxx] if you want further clarification on any of the questions. The line will be active day and night.

Local Community (District Assembly)

SRQ1: What financial inclusion systems are accessible for poverty reduction?

1. How do people in the district access financial services?
2. What regulations in the district ensure financial inclusion?
3. What incentives are available to make financial services accessible?
4. What are the financial services available in the district?

SRQ2: What strategies will improve and increase financial inclusion?

1. What measures are in place for people to benefit from financial inclusion?
2. What strategies have the assembly put in place to improve financial inclusion?
3. How recognized are VSLAs as financial inclusion strategies in the district?

- SRQ3: How have VSLAs improved livelihoods and reduced vulnerability?
1. What has been the major cause of poverty in the district?
 2. What has been done to reduce poverty and vulnerability?
 3. Has financial inclusion reduced poverty and vulnerability, and how?
 4. How has VSLAs promoted economic and livelihood activities in the district?

Closing Protocols

Thank you for the time and the responses provided. I hope during the analysis of the data, if I need further clarity or information, you will be available to support.

Do you have any questions for me? Or do you want to add anything else?

Interview End Time

Local Community (Tradition Leaders and ‘Magazia’)

- SRQ1: What financial inclusion systems are accessible for poverty reduction?
1. Describe how people in your traditional areas access financial services?
 2. What financial services are within your traditional area?

3. What support is available to make financial inclusion accessible?

SRQ2: What strategies will improve and increase financial inclusion?

1. How will financial inclusion in your communities improve?
2. What is the traditional authority doing to ensure its people benefit from financial inclusion?
3. How recognized are VSLAs as financial inclusion strategies in the traditional area, any reason?

SRQ3: How have VSLAs improved livelihoods and reduced vulnerability?

1. What has VSLAs done to improve livelihoods in your traditional area
2. What have you done to support VSLAs operations?
3. Has VSLAs contributed to poverty reduction and vulnerability, and how?

Closing Protocols

Thank you for the time and the responses provided. I hope during the analysis of the data, if I need further clarity or information, you will be available to support.

Do you have any questions for me? Or do you want to add anything else?

Interview End Time

Financial Stakeholders

Date

Gender

Code: Interview #

Interview Start time:

Starting protocols

- I hope you can spend between 60 minutes responding to these questions as part of my dissertation, but I recognize it may go beyond that.
- You have the right to decline responding to any question you feel uncomfortable.
- Your responses will help generate new information on the subject matter and improve financial inclusion and practice with VSLA.

Please contact me on [xxx] if you want further clarification on any of the questions. The line will be active day and night.

Financial Stakeholder (WHAT Foundation)

SRQ1: What financial inclusion systems are accessible for poverty reduction?

1. What kind of financial inclusion systems are in place, and why?
2. How accessible is the financial inclusion model to the people?

3. How will financial inclusion reduce poverty among the people?

SRQ2: What strategies will improve and increase financial inclusion?

1. What have you observed as the strategies for increasing financial inclusion in the district?
2. What financial inclusion models are accessible and tell me the reasons?
3. What strategies will you recommend for increasing financial inclusion?

SRQ3: How have VSLAs improved livelihoods and reduced vulnerability?

1. With your experience working with VSLA, has it improved people's livelihoods, and how?
2. What are the livelihood activities of VSLA members?
3. How has VSLAs reduced poverty and vulnerability of its members?

Closing Protocols

Thank you for the time and the responses provided. I hope during the analysis of the data, if I need further clarity or information, you will be available to support.

Yes No

Do you have any questions for me? Or do you want to add anything else?

Interview End Time

Financial Stakeholder (Formal Financial Institutions)

Date

Gender

Code: Interview #

Interview Start time:

Starting protocols

- I hope you can spend between 60 minutes responding to these questions as part of my dissertation, but I recognize it may go beyond that.
- You have the right to decline responding to any question you feel uncomfortable.
- Your responses will help generate new information on the subject matter and improve financial inclusion and practice with VSLA.

Please contact me on [xxx] if you want further clarification on any of the questions. The line will be active day and night.

SRQ1: What financial inclusion systems are accessible for poverty

1. What systems are in place to make financial inclusion accessible to rural areas?
2. What conditions will a financial institution require to extend services to rural areas?
3. How will financial institutions increase people's access to financial services in rural areas?

SRQ2: What strategies will improve and increase financial inclusion?

1. What will financial institutions require to extend financial services to people in a rural area?
2. What financial services/models will work for people in rural areas?
3. Have you heard of VSLAs, and do you think it can help increase financial inclusion?

SRQ3: How have VSLAs improved livelihoods and reduced vulnerability?

1. How can VSLAs improve financial inclusion?

2. Can VSLAs can improve the living conditions of its members, and how?
3. How can VSLAs improve the livelihoods of its members?
4. What kind of livelihood activities are VSLA members involved
5. How will VSLA livelihoods reduce the vulnerability of its members?

Closing Protocols

Thank you for the time and the responses provided. I hope during the analysis of the data, if I need further clarity or information, you will be available to support.

Yes No

Do you have any questions for me? Or do you want to add anything else?

Interview End Time