Journal of Economics and Sustainable Development www.iiste.org
ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online)
Vol.5, No.28, 2014

Microfinance and Small Loans Centre (MASLOC) as a Model for Promoting Micro and Small Enterprises (MSEs) in the Ashaiman Municipality of Ghana

Oduro-Ofori, Eric Prince Aboagye Anokye Edetor, Mathias
Department of Planning, Kwame Nkrumah University of Science and Technology, Kumasi

Abstract
The purpose of the research was to assess the possibility of using the Microfinance and Small Loans Centre (MASLOC) in Ghana as a model for the development of micro and small scale enterprises (MSEs). The study did this by assessing the contributions MASLOC has made to the development of MSEs. Data gathered from 96 beneficiary MSEs and three institutions revealed that loans from MASLOC have contributed to increasing the beneficiary MSEs' working capital by 120.6%. The business advisory services offered by MASLOC to beneficiaries were identified to have improved the enterprises' customer relations and attractions. All these have culminated into increases in earnings averaging 46.9%. The sustainability of MASLOC is however constrained by the high rate of default. The default rates for individual loans and group loans were 20% and 25% respectively. Overdue payments were estimated at 20% and 30% for individual loans and groups loans respectively. The study concludes that MASLOC should intensively monitor the MSEs in order to address the misapplications of the loans they take which will in turn reduce the rate of loan default.
Keywords: Micro and Small Enterprises, Microfinance, MASLOC, employment, poverty reduction.

1. Introduction

There appears to be a consensus among many authors and experts that microfinance schemes play significant roles in the reduction of poverty (Afrane, 2002; Qureshi, *et al*, 2012; Simanowitz & Brody, 2004; Asiama & Osei, 2007). Annan (2003) provides a good explanation of the nexus between microfinance schemes and sustainable poverty reduction. He maintains that, microfinance schemes create jobs, allows children to go to school, enables families to obtain quality health care, and empower people to make the choices that best serve their needs. Feeney and Riding (1997 in Kongolo, 2010: 2288) and Shetty (2008) posit that microfinance schemes are efficient and prolific job creators, the seeds of big businesses and the fuel of national economic engines. Sievers and Vanderberg (2004) in Quaye (2011: 12) and Mensah (2004) add that, microfinance schemes empower the productive poor engaged in MSEs. The foregoing provides an ample demonstration of the significance of microfinance schemes to the development of MSEs.

The MSE sub-sector has been given prominence in this study owing to its importance to the development of all economies including the developed ones. The sub-sector's relatively lower capital requirement and flexible nature render it better adaptable to changing market conditions, as it brings about efficiencies in domestic markets (Levy and Powell, 2005). Moreover, its cross socio-spatial-sectoral presence fosters fairer income distribution (UNCTAD, 2001). Notwithstanding these kingpin roles, the subsector is bedevilled with several challenges. Mensah (2004) identify the lack of management skills, especially, of women who dominate the MSE sub-sector, to have constrained its growth. Kayanula and Quartey (2000) also identify skills gap as one of the key challenges constraining the subsector from becoming the engine of growth and development of most developing countries. The skills gap is explained by the entrepreneurs' inability to afford the cost of training and advisory services and sometimes, due to complacency or ignorance of the need to upgrade their skills (UNCTAD, 2011). Others cite inadequate finance, poor infrastructure (example, electricity, means of transport, water, etc), huge foreign substitute goods resulting into limited access to markets, limited application of modern technology, and the lack of entrepreneurial skills and know-how, as the factors responsible for the MSEs sub-sectors' poor performance (Asiama & Osei, 2007; UNCTAD, 2011).

Access to capital is one of the key obstacles to the growth of MSEs globally (NCR-SA, 2011;.Grameen Bank, 2010; Brau et al, 2004; Ledgerwood, 1999; Morduch, 1999; CGAP, 2010). The financial constraints of MSEs are however aggravated by capacity challenges such as inappropriate managerial skills and practices crippling their operations and activities. Even the limited funds available are usually squandered through these poor managerial practices or diverted to non-regenerative ventures, rendering the MSE businesses generally unsustainable. Inconsistent monetary, fiscal and industrial policies, multiple taxation and levies add to the myriad problems identified to limit the effectiveness of the MSE sub-sector (UNCTAD, 2011). Owing to these challenges, a robust and dynamic SME sub-sector is absent in many developing countries (UNCTAD, 2011). This holds true for Ghana regardless of the fact that the subsector accounts for 92% of all businesses; 85% of manufacturing employment (Steel & Webster, 1991) and believe to have contributed 70% of the Gross Domestic Product (GDP).

Successive governments in Ghana have implemented policies, programmes and projects in the areas of microfinance and capacity building targeted at enabling the MSE sub-sector realize its full potentials. The Presidential Special Initiative (PSI), Local Enterprise and Skills Development Programme (LESDEP) and the Ghana Youth Enterprise and Entrepreneurial Development Agency (GYEEDA) are some of the central government support programmes aimed at enhancing the effectiveness of the MSE sub-sector. The other central government supports include the Fund for Small and Medium Enterprise Development (FUSMED), Rural Enterprise Project (REP), International Finance Corporation's (IFC's) support for the training and development of SMEs dubbed 'Africa Project Development Facility', and the United Nations Development Programme sponsored programmes such as 'Promoting Private Sector Development' and 'Micro Start Ghana Programme'. Complementarily, institutions such as the National Board for Small Scale Industries (NBSSI) and the Ghana Regional Appropriate Technology and Industrial Service (GRATIS) have been established to support the MSE sub-sector to be effective.

In spite of all the supports, MSEs continue to perform far below expectation (Mensah, 2004). Micro Financial Institutions (MFIs) and schemes targeting MSEs could not salvage them too. Hardly have MSEs grown into large scale businesses. They either fold up or do not expand enough to create more employments with a corresponding increase in income levels. This situation perpetuates poverty among MSE businesses and for this reason the informal economy remains underdeveloped. Mensah (2004) explains that MSEs have failed to take full advantage of Government-sponsored business support services such as NBSSI and GRATIS. He further finds that targeting only access to finance by national SME policies without a holistic approach covering the key developmental constraints of SMEs renders such SME financing schemes ineffective.

Premised on the above, Microfinance and Small Loans Centre (MASLOC) was introduced by the Government of Ghana to assist MSEs to overcome their bottlenecks towards contributing significantly to economic growth and development. MASLOC was set up in 2006 by the Government of Ghana as a microfinance apex body responsible for implementing microfinance programmes aimed at reducing poverty, creating jobs and wealth across the country. The principle underpinning MASLOC is that micro credit serves as a key strategy to achieving the Millennium Development Goals (MDGs) and in building global financial systems that meet the needs of the poor (Littlefield et al., 2003; Simanowitz and Brody, 2004 in Quansah et al, 2012: 3). MASLOC is a scheme which holistically addresses the challenges bedevilling the SME subsector by not only providing micro credits but also business advisory services, training and capacity building for MSEs to manage their businesses profitably. Facilities from MASLOC are principally targeted at the marginalised productive poor who fall mostly within the MSE sub-sector.

Little is however known about the effectiveness of MASLOC in addressing the myriad of problems bedevilling the MSE sub-sector. It is because of this knowledge gap that this study assesses the contribution of MASLOC to the development of MSEs towards ascertaining the extent to which it can be used as a model to promoting MSEs in Ghana using the Ashaiman Municipality as the case. This was achieved by analysing the issues that address the following questions;

- How does MASLOC address the needs of beneficiary MSEs within the Ashaiman Municipality?
- What potentials, opportunities, constraints and challenges are associated with MASLOC as a model for promoting MSEs within the Ashaiman Municipality?
- What can be done to address the identified challenges in order to enhance MASLOC's contribution to the development of the MSE sub-sector of the local economy?

2. The Study Area

The Ashaiman Municipality was used as a case in understanding the contributions of MASLOC to the development of MSEs in Ghana. The Ashaiman Municipal Assembly (ASHMA) was established by the Legislative Instrument (LI) 1889 in 2007. Its mandate is to promote local economic development of the Municipality.

The Ashaiman Municipality is located about 30 kilometers north-west of the national capital, Accra and 4 kilometers north of the Tema Metropolis. It is found within latitude 5’’ 42’ North and longitude 0’’ 01’ West. The municipality has an estimated population of 250,314 people as of 2013 increasing at 4.6% per annum (ASHMA, 2010). The population growth rate is higher compared to the regional population growth rate of 4.4% and national population growth rate of 2.6%. The rapid population growth of the Municipality is mainly attributed to its 'dormitory nature' and the booming commercial activities attracting many migrants. Thus, not only has Ashaiman's strategic location rendered it a dormitory settlement for many industrial workers but also a preferred migrant destination for people from all walks of life. These migrants mostly lack the requisite formal sector qualifications and thus end up in self-employed businesses, mostly MSEs, to earn a living (ASHMA, 2010).

3. Overview of the MASLOC Model

MASLOC pursues the strategic goal of reducing poverty, creating employment and wealth across the country. This is consistent with Kevane & Wydic's (2001) claim that a realistic and worthy goal for microcredit programmes is to bring about moderate increases in employment generation and household income along with improvements in the financial stability of the enterprises it supports. MASLOC accordingly:

- targets the productive poor and the vulnerable in the society who are engaged in micro and small scale businesses to lift them out of poverty;
- reaches out to many clients in the informal sector who are normally excluded from the mainstream formal banking sector; and
- develops a viable, self-sustaining body for effective and efficient disbursement, management and recovery of micro finance and small loans.

The overall objective of MASLOC is to provide, manage and regulate on fiduciary basis, approved funds for microfinance and small scale credit schemes and programmes. In order to attain its overall objective, MASLOC seeks to achieve the following specific objectives:

- engage directly or indirectly in microcredit and small loans business;
- promote and enhance the development of a decentralised microfinance system;
- support the development of small scale business and entrepreneurial skills;
- identify, promote and co-ordinate operations of associate community based programmes; and
- in respect to operations with non-bank institutions and targeted end-users, to promote cooperation, collaboration and complementarities with other non-bank finance institution; institutional development and individual capacity building; as well as savings and deposit mobilisation.

3.1 Typologies of Loans

MASLOC accomplishes the above specific objective by delivering three main credit schemes through micro-credit/group loans, small loans and wholesale lending schemes. MASLOC is thus a hybrid of group loans, individual loans and wholesale loans. The justification is that the advantages of one will compensate for the demerits of the other.

Micro-credit/group loan schemes

The micro-credit/group loan scheme targets mainly, groups/cooperative societies, each consisting of a minimum of five members and a maximum of 25 members. An individual within a group can access a minimum of GH¢ 100.00 (US$ 31.25)[1] to a maximum of GH¢ 500.00 (US$ 156.25). Nonetheless, the group solidarity mechanism applies. Thus, the whole group is held liable for the repayment of the loan; until every member within the group has finished paying. This makes any single member’s terms of repayment conditional on the repayment performance of other borrowers (Ghatak, 1999). Authors such as Maiangwa (2012), Attanasio et al. (2011), Basu et al. (2004) and Ghatak (2000) maintain that the group lending schemes encourage self-selection and group formation while minimizing both asymmetrical information and moral hazards confronted by the schemes, and thereby lowers the overall risk of the group lending scheme. Maiangwa (2012) adds that the group lending scheme reduces administrative costs of reaching dispersed individuals and processing loans. Additionally, the group mechanism facilitates contact with banks which poor borrowers typically are not used to. It is also argued that group lending may be feasible due to lower interest rates as a result of cross subsidisation of borrowers. These result in high repayment rates (Coleman, 1999) and improved cost recovery rate for the microfinance schemes.

Conversely, Basu et al. (2004), point out that the burden of risk borne by an individual member of the group is higher than it would have been under individual credit scheme. They further see the limitations of the group lending schemes to the individual in two other ways; (1) the risk of contagion effect whereby a default by one borrower affects the credit rating of the group as a whole and causes it to default and (2) a coordination failure problem as individual borrowers have an incentive to default when they expect other individual members of the group to fail. Klein et al. (1999) in Maiangwa, (2012: 45) identifies negative group solidarity explaining that individuals, owing to the notion of joint-liability are motivated to apply for the same loan size, rather than fitting loans to their loan repayment capacity. This increases the possibility of the whole group defaulting and/or making it riskier.

The foregoing indicates that despite the numerous advantages that microfinance schemes enjoy in administering group loans, the strategy comes with enormous challenges not only to the scheme but also the members of the groups. Findings from this study seem to highlight the demerits of administering the group loans. The authors identified high default rate of 25% regarding the MASLOC loans administered to groups while overdue payments are estimated at 30%. Lehner (2008) and Attanasio *et al*. (2011) had earlier identified that

[1] US$1.00 = GH¢ 3.20.

many MFIs still offer individual instead of group loans despite the perceived high rate of recovery from group loans. Attanasio et al. (2011) attribute this partly to time-consuming weekly repayment meetings of joint-liability group lending that exerts strong pressure, making it potentially onerous for borrowers. Klein et al. (1999) cited in Maiangwa, (2012: 45) explain that Financial Extension Assistants (FEAs) may have to participate in regular group meetings to attempt to strengthen the loan administration responsibilities of the group, the group cohesion and the sense of peer responsibility amongst the group members.

The Small/Individual Loans
The individual loan scheme allows an individual to access a minimum of GH¢1,000 (US$ 312.50) and a maximum of GH¢10,000 (US$ 3,125.00). Individual borrowers are personally responsible for the full and timely repayment of loans received (Maiangwa, 2012). Basu et al (2004) argues that individual lending is appropriate where individuals have established a credible credit history, or in cases where the group-approach is inappropriate. In line with this, MASLOC requires that, the loan beneficiary provides an acceptable security, have sound knowledge and considerable experience in a viable on-going business/venture/project capable of generating employment. In addition, beneficiaries must have personal guarantor who must be in a position to redeem the loan in case of default.

Many authors have praised the individual loans over the group loans (see: Gine and Karlan, 2006; Madajewicz, 2008). Gine and Karlan, (2006) for instance opine that, by offering individual loans, a MFI can attract relatively more new clients. A justification for individual lending approach by MFIs is also justified by the claim that businesses funded with individual loans grow more than those funded with group loans (Madajewicz, 2008). Thus, individual loan funded businesses would be in a better position to repay their loans. In contrast to group lending, Lehner (2008) argues that individual lending exempts the borrower from the negative effects of group lending schemes such as bearing additional risk, loss of privacy from disclosing their financial situation and investment projects to potential peers, or time spent on group meetings. Evidence from the study seems to suggest that loan recovery from individuals is better than the group loans. The default rate and overdue repayment were estimated at 20% each, while group default rate and overdue repayment stood at 25% and 30% respectively.

Wholesale Lending
Under this approach, MASLOC serves its target beneficiaries through the on-lending method. MASLOC grants loans to Ministries, Departments and Agencies (MDA), Rural Banks and MFIs for on-lending to small and micro businesses. These institutions are required to be recognised registered entities under the laws of Ghana, committed to poverty reduction. The implication is that MASLOC capitalises institutions to extend credit facilities to borrowers to expand their business.

3.2 Assessment of the Eligibility Criteria for MASLOC Loans
MASLOC supports economic actors who are into food crop cultivation, agro-processing, agro-marketing, poultry, livestock, fishing and aquaculture. The others are fish mongering, petty trading, farm inputs, vocations, handicrafts and alternative livelihoods. Generally, MASLOC loans are for a period not exceeding 12 months. Thus crops whose gestation periods exceed one year are not supported. Additionally, only groups/cooperative societies with a membership of between five and 25 qualify for the micro-credit/group loans. Other requirements for the group loan include existence of internal rules and regulations, group leadership comprising chairman, secretary, and the treasurer. Requirements for the individual and the wholesale lending schemes are as indicated in the preceding sections. MASLOC does not support individuals whose businesses fall within the medium and large scale categories.

MASLOC does not require tangible securities like buildings, cars, land, and others owing to its poor-friendliness. Personal guarantors of good financial standing, who can redeem the loan in case of default, are all that is required. On reasonable terms, MASLOC goes by the type of security proposed/offered for the loan and the type of title to the business land and whether it is encumbered or not. The scheme has thus attempted to address MSEs' limited access to credit by relaxing the stringent requirements about collateral security where tangibles such as land, housing and cars among others are often required. Such render MASLOC pro-poor, and provides micro entrepreneurs great opportunity to increase capital in support of business growth.

4. Research Methodology
4.1 Research Design Approach
The research adopted the case study design approach. Adelman et al. (1977), cited in Amponsah (2010: 40), view a case study as an umbrella term for categories of research designs having in common the decision to focus on an inquiry around an instance. Case study is also an ideal methodology when a holistic, in-depth investigation about a phenomenon is needed within a limited period where a large scale survey may not produce the true

results.

4.2 Key Variables of the Research and Unit of Analysis
In achieving the objectives of the study, the variables indicated in Table 1 were used.

Table 1: Research Variables, Definition and Purpose

Variables	Definition/Indicators	Purpose
Amount and types of needs of client MSEs	The study lists needs for respondents to choose from, using a likert scale ranking of 0-4. • Credit • Training in accounting & book-keeping; marketing (selling) strategies to increase customers and profit; how to expand business and: adopt new technologies at low cost etc.	Helped to identify specific credit and non-credit needs of client MSEs and relate it to how and whether MASLOC addresses them or not
Goals or Objectives of MASLOC for the Study Municipality	This is measured using: • Changes in beneficiary MSEs working capital • Changes in business income • Jobs opportunities and Employment Generated • Effects of Business Advisory Services on MSEs • Promotion of women entrepreneurs	This served as the basis for determining the effects of MASLOC's efforts/facility on beneficiary MSEs
Amount of MASLOC credit to a client	Measured by average loan benefited by a client	Helped compare amount of credit need gaps of MSEs and credit provided by MASLOC.
MASLOC's non-financial supports	Measured by identifying the kinds of non-credit needs of MSEs that MASLOC satisfies.	Helped the study to identify whether MASLOC provides non-credit supports to its clients and the effect it has on business performance and credit repayment
Ability to secure and repay MASLOC loans	This is measured in terms of perceptions of clients, loan requirements, interest rate and repayment period.	Measured how long it takes and the cost involved in securing and repaying for MASLOC services

Source: Authors' construct 2014

Unit of Analysis
The units of analysis considered in this study were micro and small enterprise owners who were beneficiaries of MASLOC's services in the Ashaiman Municipality. This involves the eight main occupational types identified through the survey; Trading, Hairdressing, Dress Making, Food Vending/Chop bar Operation, Mechanics, Shoe Making (Ashaiman Shoe Makers Association), Catering and/or Bakery; and Farming (Ashaiman Irrigation Farmers' Cooperative Association). Other units of analysis were MASLOC, NBSSI and ASHMA.

4.3 Sample Frame and sample size determination
The sample frame was the total number of beneficiaries of MASLOC services in the Ashaiman Municipality who fall within the MSE sub-sector. This was however dependent on the list of client made available to the researcher. Thus, 92 groups with 25-membership each and 6 individual borrower's list totalling 2306 clients were used as the sample frame (see Table 2). Other sample items were the institutions on the MASLOC Wholesale Lending Scheme. The survey however, identified only NBSSI on this scheme. The sample frame is therefore defined by three strata; small loans, group loans and wholesale lending schemes.

The sample size is determined at a 90% confidence level of sample frame (see Table 2). As indicated in Table 2, the sample size is determined through the application of mathematical formula illustrated below to each stratum:

Journal of Economics and Sustainable Development www.iiste.org
ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online)
Vol.5, No.28, 2014

$$n = \frac{N}{1+N(\alpha^2)}$$

Where; n is the sample size
N is the total number of clients (client-groups)
α is the margin of error defined at 90 percent confidence level ($\alpha = 0.1$)

Table 2: Sample Sizes for the Three Clusters of MASLOC Clients

SN.	Client Category (Strata)	Population of Clients	Sample size	Number of Questionnaire distributed	Response Level
1	Individual	06	06		
2	Group Loans	2300	96	96	96
3	Wholesale Lending (NBSSI)	01	01	2	2
Total		**2307**	**103**	**98**	**98**

Source: Authors, 2014

4.4 Sampling Technique, Sources of Data and Methods of Data Collection

A multi-stage sampling methodology was adopted in selecting respondents. The choice of multi-stage sampling was driven by the need to establish objective, valid and reliable findings and recommendations from the study. These included interplay of simple random, purposive, stratified and cluster sampling techniques applied at different stages in soliciting responses from the different stratum of respondents.

First, purposive sampling technique was used to identify MASLOC which later made available the list of the beneficiaries in the three strata referred to in Table 2. Using the 96 clients for the group loan stratum, the researchers applied the simple random sampling techniques to select each respondent. The simple random sampling technique worked this way: first by assigning numbers to the clients as found on the list provided by MASLOC. The assigned numbers were kept in a box and handpicked till the sample sizes were exhausted for each stratum. As a result, each client had an equal chance of being selected. The actual identification and interviewing of respondents was aided by contact information provided by MASLOC, group leaders and phoning.

It is relevant to mention that the actual interviewing of the specific respondents for each sample was purposively done. Thus, heads of relevant institutions (or other personnel with fair knowledge about the operations of the institution), leaders of loan groups and the particular beneficiary clients (not representatives) were interviewed using questionnaires and interview guides where appropriate. Eight types of MSE were represented in the sample. Approximately 91.7% of the enterprises selected were micro scale while the remaining 8.3% were small scale (see Table 3.). Data obtained from these activities were triangulated with responses obtained from MASLOC, NBSSI and ASHMA. The research findings were also discussed with literature.

The study also depended on both secondary and primary sources of data to provide the required responses to the research questions. The secondary sources included both published and unpublished reports, journals, articles and other documentary materials on issues relevant to the roles and relationship between microfinance and micro enterprises development for poverty reduction and job creation. The primary data gathered formed the basis for empirical data analysis of the efforts of MASLOC towards the promotion of MSEs.

Table 3 Client-Respondents by IGAs and MSE Categories

MSEs Surveyed / Characteristics		Farmers	Traders	Hairdressers	Dress Makers	Food Vendor/Chop Bar Operator	Mechanics	Shoe Makers	Caterers and/or Bakers	Sub-Totals	%
Micro	<5	7	64	2	1	5	2	6	1	**88**	91.7
Small	5-29	0	5	0	0	0	0	1	2	**08**	8.3
TOTALS		**7**	**69**	**2**	**1**	**5**	**2**	**7**	**3**	**96**	**100**

Field Survey, 2014

4.5 Methods of Data Analysis

The contributions of MASLOC to the promotion of MSEs were both quantitatively and qualitatively assessed. The quantitative analysis, aided by Statistical Package for Social Scientists (SPSS) estimates the trend of credit satisfaction gap and employment creation rate per enterprise. The trend of credit satisfaction gap was determined by ascertaining the difference between total loans received and needed by the beneficiary respondents. Also, the paper estimated additional workers engaged and/or needed by beneficiary MSEs as a result of expansions in business owing to MASLOC's loan. This gave rise to estimation of job opportunities and actual employment generated through MASLOC loans. The others include percentage increases in working capital and incomes of beneficiary MSEs and Loan Diversion Index. The above was complemented by qualitative analysis. This looked at statements from stakeholders including beneficiary MSE owners, MASLOC and NBSSI focusing on ways and the extent to which MASLOC has been promoting beneficiary MSEs. It is relevant to mention that, both analyses were guided by the following variables: the set goals and objectives of MASLOC for the study Municipality. This is measured along: increases in beneficiary MSEs' working capital and income; jobs and employment generated; provision of business advisory services and; promotion of women entrepreneurs. The other variables include:

- Amount and types of needs of client MSEs;
- Amount of MASLOC credit given to a client;
- MASLOC's non-financial supports;
- Factors affecting MASLOC's operations defined by its potentials, opportunities, constraints and challenges, thus, POCC Analysis.

Findings from the foregoing were triangulated with the effects of other microfinance schemes and institutions across board.

5. Data Analysis and Discussion

5.1 Background and Characteristics of Beneficiary MSEs

Scholars have indicated that starting a business is a risky venture and warn that the chances of small-business owners making it past the five-year mark are very slim (ILO, 2005 in Olabisi et al , n.d). The study however, identified MSEs that are in operation for over forty years. In all 96 client-MSEs cases analysed, 66.66% had been in operation between 11-40 years, while 31.25% and 2.08% had operated for less than 11 years and over 40 years respectively. But for constraints, the mere long existence could lead to tremendous improvements in growth of the enterprises. This could be complemented by the fact that the MSEs are owned and managed by committed individuals comprising 92.7% active labour force within the ages of 20-64 years and only 7.3% above 64 years. Gender-wise, 80.2% women are engaged in the sampled MSEs. Evident by the fact that these women are directly empowered economically, the MSEs also serve as source of employment, income and livelihood to 5.3% divorced and 11.5% widowed respondents. Others include 76% married and 5.2 % single respondents. The economic activities covered in the survey were petty trading, hairdressing, dressmaking, food vending/canteen operation, auto mechanics, shoe making (Ashaiman Shoe Makers Association), catering and/or bakery; and farming (Ashaiman Irrigation Farmers and Cooperatives)

Characteristics of MSEs Surveyed

In view of the fact that the study focuses on micro and small scale enterprises, the size of the enterprises (number of employees criterion) was used as the major criteria in examining the MSEs. Per the number of employee criterion, 91.7% of total MSEs surveyed were micro and 8.3% small businesses. This is in line with Regional Project on Enterprise Development, Ghana's definition of MSEs stipulates that a micro enterprise employs less than 5 employees; small enterprise, 5-29 employees; medium enterprise, 30 – 99 employees. The micro dominance of the enterprises may limit expansion and consequent creation of large employment and income. The MSEs are usually owned and managed by independent individuals or households (Bolton, 1971). Consistent with this assertion, the study realised that all MSEs surveyed are personally owned, managed and are primarily self-financed through personal savings of owners and business profits with limited external credits.

About 61.5% of businesses were self-financed while 22.9% depended on money from family/friends. None of the respondents got financial support from any institutions (banks, MFIs) or money lenders in starting their businesses. However, the study found that 11.5% of client-respondents were supplementing their own fund with credit purchases as starters, whereas 4.2% relied wholly on credit purchases.

The MSEs were further constrained in financing their operations. Their sources of business working capital before benefiting from the MASLOC facility revealed that the MSEs continued to be heavily self-financed through plough-back profits. Also, 58.3% of MSEs are supported to grow through their plough-back profits alone (*PbP only*) and 10.4% each were supplementing their plough-back profits with credit purchases (*PbP and Credit Purchases*) or money lenders (*PbP and Money Lenders*) whereas 13.5% also do so with loans from financial institutions. Clients however did not discontinue their dependence on these extra sources of finance even after benefiting from the MASLOC facility. This led to instances of multiple loans. Whereas this is owed to inadequacy of MASLOC loan amount, Karlan & Zinman (2009) justified that microcredit complements but does not crowd-out other mechanisms of business finance. Such nevertheless increases chances of defaults, overdue repayments and eventual collapse of microfinance schemes and institutions.

5.2 MASLOC's Promotion of MSEs Growth

Underpinned in the fact that microfinance seeks to promote business growth and improve well-being by expanding access to credit (Karlan & Zinman, 2009), the study assessed MASLOC's efforts along with changes in beneficiary MSEs' working capital, changes in business income, job creation and employment generation, effects of MASLOC's advisory services on MSEs' growth and promotion of women MSE entrepreneurship. These criteria were also determined in line with MASLOC's set target for the Municipality and the research objectives.

Increasing Beneficiary MSEs' Working Capital

MASLOC is motivated to increase the working capital of its client-MSEs within the Ashaiman Municipality particularly due to the fact that lack of access to finance to start up or to scale up enterprises has been a major problem for micro-entrepreneurs (Pathak & Gyawali, 2010). With a total of GH₵ 143,700.00 disbursed to client-respondents, the study found 120.65% increment in the working capital of MASLOC beneficiary MSEs. The increased culminated into varying levels of small, moderate to large improvements in business performance as indicated by 34.3%, 30.2% and 35.4% of respondents respectively.

Before joining MASLOC, client-MSEs were heavily self-financed and/or slightly dependent on money lenders/financial institutions. Their average working capital was estimated at GH₵1240.625 per client-MSE. This subsequently increased to a current average working capital of GH₵2737.50 per client-MSE due to MASLOC loans. The impact of MASLOC loans on beneficiary MSEs are however differentiated across clusters of GH₵100-1000, GH₵1001-GH₵2000, GH₵2001-GH₵3000, GH₵3001-GH₵4000 and GH₵4001-GH₵5000 working capitals that beneficiary MSEs were found to be operating with before benefiting from MASLOC loans.

It emerged that beneficiary MSEs with working capitals ranging GH₵100-1000 and GH₵1001-2000 clusters experienced the greatest impact of the MASLOC loan. While this is owed partly to the fact that the majority (57.29% and 30.21%) of beneficiary MSE's surveyed fall within these clusters and so numbers could be a factor, it was originally of an issue of the less interest of enterprises already operating with higher capital in the MASLOC loan. They perceive the MASLOC loans as having negligible effects on their businesses due to its meagreness and delays. Again, this validate the assertion that the higher the working capital the higher the likelihood of the firm falling outside the target beneficiary groups of MASLOC due to the possibility of the firm being a large enterprise. Hence MASLOC clientele is dominated by low working capital MSEs.

The credit satisfaction gap was 59%. The 25% of client-respondents who benefited from the loan in 2010 experienced the highest loan gap of 86.3% of loan amount needed and the 50% client-respondents in 2011 faced the least credit gap of 43.22% of total loan needed at the time. Also, in 2012, 69.79% of client-respondents could not satisfy 51.86% of their total loan amount needed. This increased to 53.23% in 2013 for the 90.63% client-respondents who benefited from the MASLOC loan.

Coupled with the credit satisfaction gap is the fact that, money is fungible. This study established that not all the MASLOC loans were invested in the intended MSEs. Khaleque(2010) observed that diversion of loan use is usually found among loan receivers since money is fungible. This reduces the working capital for the intended IGA that the loan is meant for and increases risks of defaults. It emerged from the survey that 17.7% of client-respondents expended GH₵2700.00 representing 9.09% of total loan they benefited from (GH₵29,700.00) on items such as payment of school expenses, health care and household energy.(*NB. Loan diversion is at 1.88% of total loan received by respondents (GH₵ 143,700)*

Causes of Loan Use Diversion

Loan diverters justified that delayed loan processing renders the loans less needed at the time of release citing the lapsed in the peak returns periods of their IGAs such as getting to Christmas or after the field preparations and planting. Others were due to the pressing demands of need. For instance, a 23 year-old petty trader respondent could not but to simply let go of all the GH₵600.00 2nd tranche of her MASLOC credit for her brother's school fees at an examination period when he was to be sacked for non-payment of fees. MASLOC's Loan Diversion Index, LDI of 0.0188 is however, better relative to 68% (0.68 LDI) of loan diversion found by Khaleque (2010) to be associated with the Ultra-poor oriented program in Bangladesh that aimed at creating some income source for these Ultra-poor households through credit support. Whereas the survey identified only one client-respondent to have fully diverted the MASLOC loan amount of GH₵600.00 into paying a brother's school fees, Khaleque in his study found that, out of the 68% loan diversion, there was 48% full loan diversion among the Ultra-poor household loanees. While it is suggested that every use of loan has its own benefits, Girma (1996) in Khaleque (2010: 7) argue that diversion of loan from the proposed IGA increases chances of default and disqualification for a repeat loan.

Similar relationship between default and loan use diversion was found with MASLOC. Statistics from MASLOC on the study Municipality estimated default rate at 20% (individual loan) and 25% (group loan) as well as incidence of over-due repayments at 20% (individual) and 30% (Group) both owing to factors including loan use diversion. Another emerging alleged cause of overdue-repayment is on the part of the conduct of some very few group leaders who re-use the monies paid them by members for onward payment to MASLOC before finally paying to MASLOC. Contrary to what clients normally indicate, defaults seem to be crippling MASLOC's operations. The NBSSI also, on MASLOC Wholesale Lending Scheme, in 2007 benefited GH₵250000.00 and on-lent to promote IGAs such as soap making, kente weaving, food processing, and other value addition activities nation-wide. It however, experienced a default rate of 50% after disbursing the loans to 40 SMEs owners in 2008 and 3 in 2009. The reasons are unestablished.

5.3 Effects of MASLOC Credit on MSEs' Income Levels

Microfinance has gained the approval of being a key interventional strategy designed to alleviate poverty, generate income and promote employment (Grameen Bank, 2010, Pathak and Gyawali, 2010, Fant, 2010, Yunus & Jolis, 1998 in Schicks, 2007: 555). The study found that 97.9% client respondents improved in business income earnings with the exception of 2.1% who experienced insignificant reductions in business income owing to relocation and loss of customers. While about 13.54% of clients improved their incomes from less than GH₵ 200.00 weekly into the higher income earning groups, 52.08% also experienced increases in businesses income that shifted them upwards from their various income cohorts. However, 34.38% have had increases in their weekly business income but were not significant enough to graduate them upwards from the respective income intervals of GH₵ 200.00 (that the research adopts).

Despite the improvements in income levels, respondents severally attributed the limited effect of MASLOC credits on their business growth to the inadequacy of the loan amounts and 5-8 months delays in the release of the loans. According to the respondents, this has been their biggest challenge as MASLOC clients regardless of its 2% per month competitive interest rate and easily affordable loans. Others (56.3%) registered their discontentment with the biweekly repayment instalment arrangement and the stipulated 6-month full repayment period as being too short. None however cited the repayment period as a reason for non-repayment or partial repayments (*indeed they all claimed to have been repaying their loans timely through strategies such as daily personal savings; hard work and commitment; through efforts of group monitoring team and due to factors such as good market and expectation of repeat loan)*. Nonetheless, according to them, the repayment arrangement could not allow them make maximum use of the loans before they are taken back.

'*Loan delays rendered the credits effect on our business incomes un-sustainable resulting into a back-and-forth kind of business growth' - one respondent indicated.*

Nevertheless, as evident by the causes of decrease in business incomes of the 2.1% client-respondents, it is relevant to mention that business income earnings are influenced by complexity of factors ranging from business location, pricing, product quality, production methods, marketing strategies, weather conditions and others.

5.4 Jobs and Employment Generation

The underpinning principles of microfinance schemes and for that matter MASLOC, have been to reduce poverty, create employment and provide income generating opportunity for the poor (Pathak and Gyawali, 2010). However, the study established that 62.5% of beneficiary MSEs did not engage any additional worker or did not need additional workers after benefiting from MASLOC. While some explained that their businesses did not expand that much to warrant additional worker, others cited labour costs and its implications for business operating cost, profit and repayments as a deterrent for employing additional workers. In another study, Karlan and Zinman (2009) observe that some micro entrepreneurs with access to credit even shed unproductive employees, as a result. Regardless of these reasons, 20.8% of respondents engaged one additional worker as a result of the boost in their working capital, 13.5% employed 2 or 3 workers each. On the other hand, 41.6% were ready for additional 1 to 3 workers to assist in their business operations. In effect, the MASLOC facility has maintained all 96 client-respondents in business as well as generated employment for 55 people and 55 job opportunities created putting the job creation rate at 1.15 persons per enterprise and actual employment rate of 0.56 persons per enterprise. The proportions of employments and jobs opportunities resulting from the MASLOC are distributed across the three sectors as services/commerce sector (72.73% & 87.27%), followed by the agriculture (18.18% & 7.27%) and the industry (9.09% & 5.45%) sectors. This is yet lower compared to the Nepalese Microfinance Program of Paschimanchal Grameen Bikash Bank with employment creation rate of 1.5 persons per enterprise established from survey of 115 respondents (Pathak & Gyawali, 2010: 37)

5.5 Effects of MASLOC Business Advisory Services

Girma (1996) in Khaleque, (2010: 8) established that when borrowers are specially trained in the business they are running (such as tailoring, hair dressing, shoe making etc.), they tend to utilize their funds effectively and the loans are used for the true purpose. The study however, found no designed or customised training programme being organised for MASLOC beneficiaries, aside the loans they benefit. Instead, the weekly and the biweekly meetings of the various groups are used by the MASLOC FEAs to abreast clients with the terms and conditions of MASLOC facility, and provide other business advisory services such as on savings culture, record keeping and business-mindedness skills such as customer care services. According to MASLOC, these services are provided the clients to enable them better manage their businesses, keep proper business records, take care of their employees and to determine if their businesses are growing or not. Quaye (2011) also added that provision of non-financial services like business training, financial and business management helped to improve the capacity of clients to manage the loan resources granted them.

Although, all clients interviewed valued these services as beneficial, majority however, did not place much value on the need to be trained on how to keep business records. They justified that even without having accounting and book keeping knowledge they were able to run their businesses. The few who recognised accounting and book-keeping as important explained that it is necessary so as to monitor their workers to ensure that nothing untoward happens to their business money. The impression created therefore is that since the majority of MSEs are owner-managed only, accounting and book-keeping is not of much need to their enterprise growth. Client-respondents however attested to the fact that the business advisory services particularly, the customer care services have improved their customer relations with a resultant increment in customer attractions for a corresponding increase in business income.

Client-respondents also cited daily personal savings as the key strategy adopted in achieving effective repayment. In addition, all the groups surveyed have in place Group Monitoring Team (GMT) mechanism that educate and encourage members to commit to effective repayment. Not all, the GMT also goes round on weekly or bi-weekly basis collect monies from members for the repayment instalment. While these measures might have been necessitated by the group solidarity and joint liability clause governing all the groups, they are also actual indications of positive impact of the business advisory services being provided by MASLOC FEA.

5.6 Promotion of Women Entrepreneurship

MASLOC aims at directly assisting women micro-entrepreneurs with micro-credits within the Ashaiman Municipality. This is underscored by the fact that women entrepreneurs are increasingly venturing into ownership of small scale enterprises either on their own or in partnership with male entrepreneurs regardless of the inherent problems associated with SMEs' growth. Similar is the female microfinance clientele. The study identified 80.2% of total MASLOC client-respondents to be women. These women are taking care of some number of children ranging from 1 to 5 and other dependents ranging from 1 to 4. This situation is not different from their men client counterparts. In all, 62.5% of total client-respondents claimed having been supporting dependents other than their children. These supports vary from food, education, clothing, health expenses to shelter. The female-dominated clientele of MASLOC considered together with dependents they support reinforces the assertion that women are more likely to invest in desirable areas that improve family welfare, such as education and nutrition (Woller, 2004; UNCDF, 2006). Khandker's (2005) estimates revealed that each additional 100 'taka' of credit to women increased total annual household expenditure by more than 20 'taka' (Khandker, 2005 cited in Silva, 2012).Women's access to financial resources contributes significantly to their empowerment and gender equality which are prerequisites for achieving political, social, economic, cultural and environmental security among all people (Cheston and Kuhn, 2002).

6. Summary of findings

The paper sought to examine the efforts of MASLOC towards addressing the problems of beneficiary MSEs, analyse factors affecting MASLOC's performance and suggest possible actions to improve MASLOC's contribution to the development of the MSE sub-sector of the local economy. About 120.65% increment in working capital of average client-respondents culminated into varying levels of small, moderate to large improvements in business performance as indicated by 34.3%, 30.2% and 35.4% of respondents respectively. Which the respondents indicated has led to purchase of more good/inputs for business and production. These clients were before MASLOC mainly self-financing their business operations through plough-back profits only (58.3% respondents) as well as supplementing their plough-back profits with credit purchases (10.4% respondents) or money lenders (10.4% respondents) whereas 18.8% also did so with loans from financial institutions.

From the perspectives of respondents, business advisory services provided them broaden their knowledge on customer care techniques, increased customer attraction and improved customer relations with a corresponding increase in sales turnover and business income. This, in addition to MASLOC loans caused increase in business incomes of 97.9% of clients interviewed. About 2.1% however, experienced immaterial reductions in business income due to relocation and loss of customers. The effects of the business advisory services also manifest in strategies such as daily personal savings and GMT mechanisms respondent groups claimed to have adopted to ensure effective repayment. However, the study identified no designed or customised training programme being organised for beneficiaries, aside loans they benefit. It is thus realized that MASLOC was responding mainly to the strongest immediate business need of respondents. Thus, the majority of respondents (94.80%) value credit as their strongest immediate business need, whereas 13.54%, combine credit with either of the remaining business needs as their strongest immediate business need.

It also emerged that the MASLOC credits maintain all 99 client-respondents in business, generated additional employment for 55 people and created 55 job opportunities. This results into employment creation rate of 0.56 persons per enterprise. Yet this was not encouraging as the majority (62.5% client-MSEs) failed to employ any additional worker. The additional employment and job opportunities impact were distributed across the sectors as the services/commerce sector (72.73% & 87.27%), followed by the agriculture (18.18% & 7.27%) and the industry (9.09% & 5.45%) sectors. Gender-wise, MASLOC's target at promoting women entrepreneurship reflected through the 80.2% women respondents.

Additionally, factors affecting MASLOC's operations as revealed through the POCC Analysis indicate a competitive interest rate of 2% per month, no pre-deposit (cash collateral) and flexible repayment arrangements as unique potentials to MASLOC that enhance its chances of reaching out to many clients in the informal sector. Others include experienced staff and the effects of the business advisory services it provides clients. The study also identified subsidies from GoG and development partners, the collaboration from NBSSI, MFIs and ASHMA, the media and the various MSEs/MSE groups as opportunities for MASLOC to harness together with the available potentials. Yet, the study observed a weak collaboration among MASLOC, NBSSI and ASHMA despite their related roles towards the promotion of MSE sub-sector and the development of the local economy.

Notwithstanding the available potentials and opportunities, MASLOC's efforts have been significantly challenged by delays in the release and inadequacy of funds for disbursements to the beneficiaries. These dovetailed into five to eight months delays in release of loans to qualified applicants and high loan amount gap averaging 59% less total loan amount needed by client-respondents. Other challenges confronting MASLOC include political interference, perception of MASLOC credit by some clients as a "payback time for voting for a particular political party", clients multiple loans and diversion of loan use. These are coupled with logistical constraints and lack of office accommodation for MASLOC within the study Municipality. In addition, MASLOC is faced with a high default rate of 20% and 25% for individual and group lending schemes respectively and estimated over-due repayments rates at 20% (individual) and 30% (Group).

7. Recommendations and Conclusion

The paper suggests that MASLOC invest in special project financing to augment its funds, develop the right advocacy capacity to impress upon its donors and the government to increase funding for its activities, intensify efforts to block all leakages, diversion of funds and loan use as well as over-due repayments and defaults. Also, not a single institution may succeed in addressing the developmental constraints of MSEs holistically. MASLOC should therefore strengthen collaboration between NBSSI, MFIs, ASHMA and relevant bodies. MASLOC should design and implement customised training programmes for beneficiary MSEs. Considering the peculiar characteristics of the MSEs, the training programmes could broadly embrace appropriate technology applications, technical and vocational training, packaging and marketing strategies all of which would inure to MSEs growth and effective repayments. Not all, considering the capacity of MASLOC to cope, there should be timely release of loans, possible increase in loan amount and repayment period to promote maximum use of loan.. Others include making budgetary allocations for the procurement of the necessary logistics and office unit for the MASLOC within the Municipality. The paper argues that MASLOC should confront the development constraints of MSEs in an integrated manner, so as to sustain beneficiary MSEs' growth performance for the development of the local economy.

References

Afrane, S. (2002). Microfinance Interventions in Ghana and South Africa A Synthesis of Major Impacts and Lessons. Journal of Microfinance, 4(1), 37–58.

Amponsah, O. (2010). Towards a Reliable and Sustainable Sources of Electricity for Micro and Small Scale Light Industries in the Kumasi Metropolis. Kumasi, Kwame Nkrumah University of Science and Technology (KNUST).

Annan, K. (2003). In press release on the International Year of Microcredit. December, 2003

ASHMA. (2010). District Medium Term Development Plan (2010-2013),Ashaiman, ASHMA.

Asiama P. and Osei V. (2007) Microfinance in Ghana: An overview. Accra, Research Department - Bank of Ghana, Economic Web Institute.

Attanasio, O., Augsburg, B., Haas, R. D., Fitzimons, E., & Harmgart, H. (2011). Group lending or individual lending? Evidence from a randomized field experiment in Mongolia , Working Paper No. 136, European Bank for Reconstruction and Development.

Basu, A., Blavy, R., & Yulek, M. (2004). Microfinance in Africa : Experience and Lessons from Selected African Countries No.174) 1–23.

Bell, J. (2004). Doing Your Research Project, A Guide for First-time Researchers in Education and Social Science, 3rd edn. Berkshire, UK, Open University Press.

Bolton, J. E. (1971). Report of the Committee of Inquiry on Small Firms, London: HMSO.

Brau, James, C., Woller, & Gary, M. (2004). Microfinance: A comprehensive review of the existing literature, Journal of Entrepreneurial Finance, JEF, ISSN 1551-9570, Vol. 9,(1),1-27. Retrieved from http://hdl.handle.net/10419/55971

CGAP. (2002). Helping to Improve Donor Effectiveness in Microfinance "MICROCREDIT : One of the many Intervention Strategies."

Cheston, S., and L. Kuhn (2002) Empowering women through microfinance.In: S. Daley-Harris, comp. & ed. Pathways out of poverty: Innovations in microfinance for the poorest families, pp. 167-228. Bloomfield, CT, USA: Kumarian Press.

Coleman, B. E. (1999). The impact of group lending in Northeast Thailand. Journal of Development Economics, Vol. 60, 105–141. Retrieved from www.elsevier.comrlocatereconbase

Fant, E. K. (2010). Fighting Poverty with Micro-credit: Experiences from Micro-Finance and Small-Loan Center (MASLOC) in Savelugu/Nanton District of Northern Ghana. Norwegian University of Life Sciences (UMB).

Feagin, J., Orum, A., & Sjoberg, G. (Eds.). (1991). A case for case study . Chapel Hill, NC: University of North Carolina Press.

Ghatak, M. (1999). Group Lending, Local Information, and Peer Selection, Journal of Development Economics Vol. 60, 229-248.

Ghatak, M. (2000). Screening by the company you keep: Joint liability lending and the peer selection effect , The Economic Journal , Vol.110, 601-631.

Gine, X., & Karlan, D. (2006). Group vs. Individual Liability: A Field Experiment in the Philippines, Policy Research Working Paper 4008 , World Bank, Washington, DC.

Grameen Bank. (2010). Banking for the poor: A short history of Grameen bank . Retrieved from www.grameen.com on 22/07/2014

Hulme, D., & Mosley, P. (1996). Finance Against Poverty, vol. 1. London: Routledge.

Karlan, D., & Zinman, J. (2009). Expanding Microenterprise Credit Access : Using Randomized Supply Decisions to Estimate the Impacts in Manila.

Kayanula, D., & Quartey, P. (2000). The Policy Environment for Promoting Small and Medium- sized Enterprises in Ghana and Malawi" , an article published in Finance and Development Research Programme working paper series 15, IDPM, University of Manchester.

Khaleque, A. (2010). Diversion of loan use: who diverts and why? Daka, Institute of Microfinance

Kongolo, M. (2010). Job creation versus job shedding and the role of SMEs in economic development. African Journal of Business Management, 4(11), 2288–2295. Retrieved from Available online at http://www.academicjournals.org/AJBM

Ledgerwood, J. (1999). Microfinance Handbook: An Institutional and Financial Perspective (Washington: The World Bank).

Lehner, M. (2008). Group Versus Individual Lending in Microfinance , Munich Discussion Paper 2008-24, Department of Economics, University of Munich.

Levy, M & Powell, P. (2005). Strategies for growth in SMEs, The role of information and information systems,. British Library Cataloguing in Publication Data.

Littlefield, E., Morduch, J., & Hashemi, S. (2003). IS MICROFINANCE AN EFFECTIVE STRATEGY TO REACH THE MILLENNIUM DEVELOPMENT GOALS ? Retrieved from www.cgap.org.

Madajewicz, M. (2008). Joint liability versus individual liability in credit contracts " ,Journal of Economic Behaviour and Organization, 107-123.

Maiangwa, M. G. (2012). Group versus Individual Lending: A Review. Production Agriculture Technology Journal (PAT June), Vol 8(1), 40–51 ISSN: 0794–5213. Retrieved from www.patnsukjournal.net/currentissue

Mensah, S. (2004). A Review of SME Financing Schemes in Ghana. In a paper presented at the UNIDO Regional Workshop of Financing Small and Medium Scale Enterprises, Accra, Ghana, 15-16 March 2004.

Morduch, J. (1999). The microfinance promise, Journal of Economic Literature Vol. 37, 1569- 1614.

NCR-SA. (2011). Literature Review on Small and Medium Enterprises' Access to Credit and Support in South Africa. Pretoria, Underhill Corporate Solutions (UCS)

Olabisi, S. Y., Olagbemi, A. A., & Atere, A. A. (n.d.). Factors affecting small-scale business performance in Informal economy in Lagos State-Nigeria: A Gendered Based Analysis.

Pathak, H. P., & Gyawali, M. (2010). Role of Microfinance in Employment Generation : A Case Study of Microfinance Program of Paschimanchal Grameen Bikash Bank. The Journal of Nepalese Business Studies, Vol. 7(1), 31–38.

Quansah, P., Amankwah, E., & Aikins, E. (2012). Influence of Micro Finance and Small Loan Centre (MASLOC) on the Development of Small Scale Enterprises in the Wa Municipality. European Journal of Business and Management Www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online), 4(1), 1–11.

Quaye, D. N. . (2011). The Effects of Micro Finance Institutions on the Growth of Small and Medium Scale Enterprises (SMEs); A Case Study of Selected SMEs in the Kumasi Metropolis. A Thesis submitted to the Institute of Distance Learning, Kwame Nkrumah University of Science and Technology in partial fulfillment of the requirements for the degree of COMMONWEALTH EXECUTIVE MASTERS OF BUSINESS ADMINISTRATION.

Qureshi, M. I., Saleem, M. A., Khan, G. U., & Ali, M. I. (2012). A CONCEPTUAL FRAMEWORK : ROLE & IMPACT RELATIONSHIP BETWEEN MICRO FINANCE AND POOR ' S ACCESS A case study of D . I . Khan District Khyber Pakhtunkhwa , Pakistan Introduction :, 717–732.

Schicks, J. (2007). Developmental Impact and Coexistence of Sustainable and Charitable Microfinance Institutions : Analysing BancoSol and Grameen Bank. The European Journal of Development Research, 19(4), 551–568. doi:10.1080/09578810701667573

Shetty, N. K. (2008). Microfinance for Micro Enterprise Development : An Inquiry for a New Paradigm. The Icfai Journal of Financial Economics, Vol I(1), 89–98.

Silva, I. De. (2012). Evaluating the Impact of Microfinance on Savings and Income in Sri Lanka: Quasi-experimental Approach Using Propensity Score Matching. Margin : The Journal of Applied Economic, Vol 6(47), 48–74. doi:10.1177/097380101100600103

Simanowitz, & Brody. (2004). Realising the potential of microfinance, id21 insights, December, Issue -51.

Steel, W. F., & Webster, M. L. (1991). Small enterprises in Ghana: responses to adjustment industry , Series Paper, The World Bank Industry and Energy Department, Washington DC ., (33), 1991.

UNCTAD. (2001). Best Practices in Financial Innovations for SMEs. In background paper presented at the Intergovernmental Expert Meeting on Improving the Competitiveness of SMEs in Developing Countries: the Role of Finance to Enhance Enterprise Development , UNCTAD/ITE/TEB/Misc.3, Geneva, 22-24 October. (pp. 22–24).

UNCTAD. (2011). Growing Micro And Small Enterprises in Least Developed Countries; The "missing middle" in LDCs. UNCTAD/ITE/TEB/5