THE VALUE OF SKILLS TRAINING IN THE IMPROVEMENT OF THE SOCIO-ECONOMIC STATUS OF MICROFINANCE BENEFICIARIES A CASE STUDY AT GRAMEEN GHANA

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Abstract

This paper examines the effect of skills training on the beneficiaries of microfinance in the Northern Region of Ghana. The main interest of the study is to look into how skills training combined with microfinance enhances beneficiaries' ability to provide education for their dependents, improve their ability to afford healthcare for their families, and to acquire more household assets as well as enhance their empowerment. The study adopts qualitative and quantitative research designs drawing on both primary and secondary data. The research instruments used to gather data from sampled beneficiaries are interviewer administered questionnaires and focus group discussions. A random sampling technique is used to draw 107 respondents from the clients of Grameen Ghana. The sample consists of 82 beneficiaries enrolled in skills training and 25 beneficiaries without skills training. A total of six (6) focus group discussions were held; four (4) with groups receiving skills training and two (2) with groups without skills training. Skills training refers to educational programs offered to clients in order to improve their business capacity or life skills. The training programs cover topics including business development programs, entrepreneurial skills development, personal development, health, nutrition and sanitation, etc.

The outcomes of the research reveal that skills training complements microfinance services to improve the socio-economic status of beneficiaries, in relation to the education of their dependents, their family access to health care and empowerment. Skills training has no influence on the household acquisition of assets.

Keywords: *microfinance; training; impact.*

JEL Codes: *G21, D13.*

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1. INTRODUCTION

Most developing countries across the globe are faced with many challenges of which poverty is among the top ranked problems. The effects of poverty have destroyed many nations and have been a threat to many more. The fight against poverty is seemingly unending and has bedeviled nations since time immemorial. The UNDP-International Poverty Centre (2006, p. 5) describes people in poverty as "deprived of income and other resources needed to obtain the conditions of life – the diets, material goods, amenities, standards and services- that enable them to play the roles, meet the obligations and participate in the relationships and customs of their society." In both developed and developing nations, several interventions have been implemented by governments, local and international organizations and the international community to avert this menace.

Ghana as a developing country in Africa is not concealed from this menace. Since the adoption of constitutional rule in 1992 (under the Fourth Republican Constitution, 1992), the political climate has been generally stable, setting the grounds for economic development to take off. However, as a developing country, the challenges of unemployment and poverty are still prevalent, and several interventions have taken place to reduce these challenges. Both the government and the private sector have taken initiatives jointly (under public private partnership agreements) and separately to create jobs for the masses, in an effort to reduce poverty.

Since the 1990s, several governmental interventions have been in place to accelerate economic growth and to improve the living standards of the people in the country. In 1995, the Ghana: Vision 2020 program was established to move the country into middle income status by the year 2020. The priorities of this program for the First Medium Term Plan (1997-2000) were human development; economic growth; rural, urban and infrastructural developments, as well as creating an enabling the environment for economic activities to flourish. With the arrival of a new government in 2001, the program was replaced by the Ghana Poverty Reduction Strategy (GPRS I, 2003-2005) and the Growth and Poverty Reduction Strategy (GPRS II, 2006-2009) (IMF, 2012, p. 2). The GPRS I and II were in consonance with the conditions for assistance under the Heavily Indebted Poor Countries (HIPC) initiative of the IMF and the World Bank. The aim of the program was to decrease the incidence of poverty and to restore macroeconomic stability (IMF, 2012). These interventions achieved various levels of success; however, the fetters of poverty are still persistent among the people, especially in the rural communities and among women.

People suffer disproportionately from poverty depending on their geographical location (rural and urban), trade or gender orientation. Hence, government and organizations design and implement their interventions based on these categories. People in the rural communities, women, and those engaged in the agricultural sector experience the most poverty. The rural poor are usually engaged in seasonal subsistence agriculture which is rain-fed, petty trading, selling of provisions and foodstuffs, basket weaving and other activities necessary for their daily survival. They are unable to improve their businesses largely because of the lack of access to funds and/or the lack of entrepreneurial skills. These limitations affect their potential in engaging in income generating activities or managing their businesses well in order to raise themselves out of the poverty cycle.

Women account for much of the labor in food production, combining their traditional household responsibilities with working on their own lands and gardens. The main livelihood activities of women are small-scale agriculture and agro-processing—cultivation of groundnuts, beans, soya beans and maize; the picking of shea nuts and processing into shea butter; the parboiling and processing of rice, and the processing of groundnut oil. Men are engaged in small and medium scale agricultural production, particularly the cultivation of yam, rice, maize, groundnuts, guinea corn, beans, cowpea, as well as animal rearing. Other small-scale industries like blacksmithing, woodwork, block work, metalwork and leatherwork make up additional sources of income to many rural families, but there is generally very little industrialization outside the regional capitals (Amu, 2005). The inability of land and industry to support the growing population means that the regions remain a major supplier of unskilled migrant labor to Southern Ghana, a trend that has deepened over the last two decades. For these reasons, the microfinance initiative and the explosion of microfinance institutions (MFIs) in these regions in Ghana were seen as the right instrument towards poverty alleviation in the country. The main objective of microfinance is to contribute towards poverty alleviation through the provision of sustainable financial services to the economically active poor who otherwise would not have access to such services from the mainstream banking sector (Shetty, 2008).

The focus of microfinance institutions (MFIs) has for a long time been the provision of access to finance to the poor with less or no attention to the skills of micro-entrepreneurs. Many of the MFIs like many other interventionist organizations believe that the ability of the poor to invest and run their own businesses to earn higher incomes is limited by only financial constraints and the poor can optimize their incomes once these constraints are eliminated. Hence, the focus of these institutions is on credit and/or savings services, without any attention to skills training of micro-entrepreneurs (Karlan & Valdivia, 2009). The argument has been whether access to finance alone, without skills training, can contribute positively to eradicating poverty since many of the target beneficiaries lack entrepreneurial skills to run their small scale enterprises.

As part of the interventions, Grameen Ghana (a non-governmental organization) introduced a microfinance scheme in 2005 to complement its capacity building activities in rural and deprived communities in Northern Ghana, specifically in the Northern Region and the Upper East Region. The target groups are the poor women in the rural and peri-urban communities in these regions. Several women have since benefitted from the microfinance scheme, which is mainly the provision of microcredit to the economically active poor. There are currently over 5,000 clients with loans in these two regions. The credit delivery approach adopted by this institution in some of its operational areas is credit with education (CWE) which is aimed at providing access to credit combined with entrepreneurial training to clients. The program uses the solidarity group lending methodology to offer the microfinance services to the rural poor, especially women.

Problem Statement and Research Questions

Several vigorous research projects have been carried out that have reached varying conclusions on the impact of microfinance on poverty reduction. Some researchers believe microfinance needs to be complemented with non-financial services in order to achieve results (Shetty, 2008; Karlan & Valdivia, 2009). In recent times, some development practitioners have actively engaged in pursuing strategies to teach women entrepreneurial skills. However, little can be said of their economic impact on the poor, despite the numerous training programs offered (Karlan & Valdivia, 2009). Few studies have been carried out on how technical assistance can complement the microfinance efforts in poverty reduction. In line with the recent approaches, this study examines the effects of training on the socio-economic development of women beneficiaries. In this regard, the purpose of this study is to seek answers to the following research question: to what extent does microfinance combined with skills training, contribute to the socio-economic development of women clients? Socio-economic development here is operationalized in terms of education of dependents; health care of family members; empowerment; and acquisition of household assets.

The significance of the study is that it focuses on alleviating poverty without going into the larger debate on the impact of microfinance on its beneficiaries. The knowledge gap to be filled is how microfinance combined with skills training can improve beneficiaries' businesses which inturn lead to improvements in their socio-economic development. The study informs business and academic communities whether, by widening the scope of microfinance to include beneficiary skills training can more rapidly alleviate poverty. From a practical perspective the study serves as an evaluation of the microfinance program of Grameen Ghana by indicating how it is performing in terms of eradicating poverty.

Structure of the Paper

The remainder of this paper is organized as follows. Section 2 reviews the literature on conceptual and theoretical issues surrounding the research topic. Section 3 describes the research methodology and the empirical setting of the study. Section 4 presents and discusses the findings of the research. The final section summarizes the study, and provides conclusions and recommendations.

This chapter reviews the literature on microfinance and the major issues surrounding it. It touches on the evolution of microfinance and its contribution towards poverty alleviation. It also looks at the issue of combining microfinance with skills training and how this can effectively contribute to developing clients' capacities in managing their businesses, earning more income, and meeting their daily household challenges. Further, the training models and the challenges of training clients are discussed. The chapter ends with the conceptual model and a review of the components of the model.

2. LITERATURE REVIEW

The microfinance revolution was started by the founder of the Grameen Bank in Bangladesh, Muhammad Yunus in 1983, to establish economic and social development to the poor through small loans on easy terms known as micro-credit. Regarded as "the banker to the poorest of the poor" Yunus and the Grameen Bank were jointly awarded the Nobel Peace Prize in 2006 for their initiative to "create economic and social development from below"(Nobel Prizes and Laureates, 2013). Yunus was convinced that the poor are capable of improving their own lives if they are given the means with small loans and suitable conditions as well as guiding them on basic financial principles. To him access to credit is a human right that must be fulfilled (Nobel Prizes and Laureates, 2013). The establishment of the Grameen Bank was to facilitate the execution of the microfinance initiative. The success stories of the Grameen Bank and the euphoria after the winning of the Nobel Peace Prize in 2006 has led to the adoption of and huge investments in microfinance by governments, private sector organizations, multilateral institutions and non-governmental organizations the world over.

Microfinance is the provision of financial services to the economically active poor in a society that usually lacks access to financial services from the formal banking sector. The services include credit, savings and insurance (Onyina & Turnell, 2013; Shetty, 2008). According to Belwal, Tamiru, & Singh (2012), microfinace provides financial services to the poor who are usually self-employed. The services include provision of small loans, insurance, savings, technical assistance and more. Hence, micro-credit is a subset of microfinance. De Haan & Lakwo (2010) gave a broader definition of microfinance, as the provision of both financial service and social intermediation provided by formal, semi-formal and informal institutions. Social intermediations are services other than financial, to help borrowers acquire skills and values, needed when starting and sustaining their microenterprises. Most microfinance institutions (MFIs) provide microcredit to clients including components of savings, insurance and training. These financial services are meant to give both economic and social benefits to the poor. The economic benefits are through job creation, increased capital and productivity, assets acquisition, and the social benefits include consumption-smoothing and self-esteem building (Chowdhury A. , 2009; Morduch, 2008; Onyina & Turnell, 2013; Shetty, 2008) as well as family planning (Belwal, et al 2012). In sum microfinance is purported to be a fundamental tool for breaking the vicious cycle of poverty (Berhane & Gardebroek, 2010). According to Hietalahti & Linden (2006), microfinance serves as a "grass root instrument" for reducing the incidence of poverty and ensuring access to financial services in developing countries.

A number of scholars hold that microfinance schemes, when designed properly, contribute to poverty reduction and improvement of living standard. According to Hietalahti & Linden (2006), a suitable microfinance scheme improves clients' businesses and increases their profit- earning potential, which in turn significantly improves their livelihoods. Increased incomes result in higher savings and re-investments thereby increasing the size of clients' businesses. Microfinance has both a direct and indirect impact on the living standards of beneficiaries and their households. This can be the case where beneficiaries possess the requisite entrepreneurial skills to turn around the funds provided by the scheme, make savings for re-investments and make prudent economic decisions that would result in higher earnings from their income-generating activities or businesses. Hence, beneficiaries need not just access to finance and savings but also entrepreneurial skills training to make microfinance work for them (Shetty, 2008). In addition, a client needs to have entrepreneurial skills to be able to better manage a larger business; otherwise, bigger problems might be encountered (Hietalahti & Linden, 2006).

The impact of microfinance can be observed from both social and economic perspectives. From the observations of Onyina & Turnell (2013) microfinance empowers beneficiaries by providing jobs with regular incomes enabling them to acquire more assets, pay for their children's education and improve their businesses. Nangpiire & Inanga (2012) argue that beneficiaries are able to earn higher incomes, improve their businesses, access healthcare, pay for the education of their children, acquire more assets and also participate meaningfully in community activities more than non-beneficiaries. They argue that microcredit increases the self-confidence of beneficiaries and improves their decision-making abilities. Similarly, Chowdhury & Chowdhury (2011, p. 86) postulated that "microfinance has long been associated with generating empowerment of women." In their view, since the inception of microfinance "not only has it offered credit to support self-employment and small business creation in Bangladesh, but it has also established an environment that has led to improvement in the economic and social status of women." It has been established that women participating in microfinance in rural Bangladesh have significant empowerment improvements. They argued further that microcredit promotes family planning and gives opportunities (through women's networks in group lending) for women to share and have access to information on sensitive issues regarding their family life. In addition, it is observed that women participants in Bangladesh have increased their use of contraceptives by 36%.

Microfinance provides credit opportunities to the poor who would have found it difficult to obtain credit from the mainstream formal banking sector, due to their inability to meet the conditions of these formal banks. With microfinance opportunities, the poor create jobs and become economically empowered which leads to improvements in their social lives. In addition, the poor gain lasting economic security and also become participants in decision-making about issues affecting society. Apart from the above social benefits, positive outcomes include increased self-esteem, greater use of contraception, marrying later, and better risk management. Women gain empowerment and their vulnerabilities are reduced through comprehensive microfinance programs (Belwal, Tamiru, & Singh, 2012). Belwal et al however emphasized that most of the jobs created and the economic empowerment through microfinance support were temporary and their sustainability was questionable. Beneficiaries were usually locked-in to a cycle of borrowing, making it difficult to sustain their financial independence which led to future problems.

It is often difficult to examine the contribution of microfinance towards poverty reduction as the benefits can span over a longer time period. According to Berhane & Gardebroek (2010), microfinance credit affects the livelihoods of beneficiaries positively in multiple facets, and thus, a single household result might not capture every facet, and these effects can last longer than a single period. The short term benefits can be observed from the improvement in household food consumption either through self-production or purchases. Some households use the loans to invest in economic activities that generate income. The incomes are used to complement their other activities in meeting their basic needs, especially food and basic medical expenses. On the other hand, the long term impacts of microfinance can be observed from the improvement in the housing of beneficiaries. In some cases, part of the income generated from economic activities is saved towards a long term goal, for instance, acquisition of assets or improvement in housing facilities. These can only be observed over time; hence, the effectiveness of microfinance can only be measured by observing both short term and long term factors.

The argument against microfinance has different dimensions. Beneficiaries use funds obtained for other activities like consumption smoothing and not necessarily in productive ventures. This neither contributes towards business improvements nor increased income (Bateman & Chang, 2009). The biggest burden on microcredit beneficiaries is the high interest rates they pay (sometimes flat rate), higher fees and charges (processing fee, stationery and administrative fees), and unfavorable repayment schedules (often weekly or fortnightly). These factors combine to put pressure on beneficiaries and their businesses leading to future overindebtedness. According to Belwal, Tamiru, & Singh (2012), although credit improves beneficiaries' businesses and increases marginal incomes, most of the extra income is used in settling the high interest rates charged by microfinance institutions. Hence, there is no qualitative improvement in the livelihoods of beneficiaries. Indeed, most of them are unable to settle their medical bills and pay for their children's education independently without the support of close relatives. Most likely, MFIs give loans to the most promising clients, people with higher business skills, the less risk averse, those with strong entrepreneurial abilities, education, or better access to labor and markets (Morduch, 2008).These categories most likely exclude people who are actually suffering from abject poverty. Meanwhile, the focus of any intervention to reduce poverty should be directed towards improving the lives of people in chronic poverty, which microfinance fails to do.

Bateman & Chang (2009) postulated that microfinance services have existed for time immemorial in varied formats, beginning from money-lenders through to more formal financial institutions such as rural banks, state-owned banks for small and medium-sized enterprises (SMEs), cooperatives, credit unions, and so on. What is new is the recent position microfinance services have gained as an important poverty reduction tool. They argued vehemently against the notion that microfinance is an effective tool in reducing poverty among the poor, claiming that it may ultimately result in an institutional barrier to sustainable local economic and social improvements. To support their claims, the following factors were espoused: microfinance ignores the crucial role of scale economies; acts to crowd out industrial microenterprises with prospects of technological upgrading; ignores the need to promote vertical and horizontal connectability; encourages an unsustainable import-dependent and trade-based local economic structure; and ignores the crucial importance of solidarity and local community ownership and control. In addition to the above claims, they opined that microfinance is born out of neoliberalism and the globalization project. Hence, it is strongly supported by the international community because it is in line with their economic and societal model.

Most beneficiaries of microfinance lack the entrepreneurial and business management skills to run successful businesses. It is a general belief that successful entrepreneurs possess skills that enable them to start and manage their businesses in a manner that improves their businesses and increases their incomes. Hence, access to funds needs to be complemented with the requisite entrepreneurial skills to achieve full results (Chowdhury A. , 2009). In recent times, scholars and practitioners of microfinance have realized the importance of business management and entrepreneurial skills in ensuring the success of small and medium enterprises (SMEs). According to Yunus (as cited in Chowdhury, 2009, p5), "micro-credit is not a miracle cure that can eliminate poverty in one fell swoop. But it can end poverty for many and reduce its severity for others. Combined with other innovative programs that can unleash people's potential, micro-credit is an essential tool in our search for a poverty-free world." To the very poor in society, financial services alone are inadequate to enable them to rise above poverty (Freedom From Hunger, 2014). Skills training is one important innovative program that can effectively combine with microfinance to unleash clients' potential.

The importance of microenterprises in the economic development of developing countries cannot be overemphasized. However, these microenterprises face major challenges apart from access to finance. These call for a paradigm shift by interventionists from a total microcredit focus to an integrated approach that includes a combination of credit and enterpreneural skills development. According to Shetty (2008), the pollinators of the development process are the rural micro enterprises, but most of these enterprises lack the basic access to finance and technical assistance or incentive packages for sustainability. He argued that financial intermediation alone contributes marginally to the well-being of beneficiaries; accordingly, it must be complemented with other social and entrepreneurial intermediations to achieve bigger results. Shetty referred to microfinance as a “minimalist approach” to reducing poverty which would not yield any meaningful results and that a holistic or integrated approach referred to the “maximalist approach” should be adopted to eradicate poverty (Shetty, 2008, p. 89). This maximalist approach combines both financial services, social services (training on group dynamics, health and nutrition facilities, educational training) and entrepreneurial services (training on business, production and marketing). Microenterprises not only need funds to develop but they also require the technical sense or non-financial services to lubricate their growth rates.

Related to the maximalist approach, Credit with Education (CWE) is an integrated or value-added credit delivery methodology that combines financial services with other essential non-financial or development services to beneficiaries: business and cash flow managements, health protection, education and others. The concept is a signature-service delivery innovation developed in 1988 by Freedom from Hunger (a US based international non-governmental organization) (Freedom From Hunger, 2014). Participants are provided with small scale loans (less than $300) as working capital, a place for savings deposits and skills development tailored to their unique needs (Global Hand, 2014; MkNelly & Dunford, 1998). The program is aimed at combining the components to synergistically improve household food security and individual health status and nutrition, through improvements in beneficiaries’ incomes and savings, thereby increasing their empowerment and self-confidence and bettering their health and nutritional practices (Freedom From Hunger, 2014). Since the inception of the credit with education methodology, it has proven to be effective in building program participants’ capacities and improving their living standards. Owing to this, many MFIs across the world, especially in Asia, Africa and Latin America, are adopting the methodology to deliver credit to a large number of poor women beneficiaries in rural communities.

According to the ILO (2014), skills development is an essential element in improving the employability and potential productivity of the working poor and can be an important tool for reducing poverty and exclusion and enhancing competitiveness and employability.

The MFI can benefit directly or indirectly from the training support it offers to clients. If clients are able to improve their businesses as a result of the training, then it is possible that the MFI stands to benefit from higher repayment rates (MkNelly & Dunford, 1998). The constant interaction between the MFI officers and the clients builds the MFI-customer relationship leading to client loyalty and goodwill. On the part of the beneficiaries, skills trainings offer entrepreneurs the opportunity to learn better ways of production through the effective management of productive resources and better management of the production processes, leading to higher quality and quantity of productivity. In addition, business development training improves the business practices of the working poor. They are able to better plan, market and sell their produce through the knowledge they acquire. They also improve their communication competence, enabling them to build business relationships, mobilize their workforce and direct them to produce in order to earn more revenue. Finally, training enhances the ability of beneficiaries to consider various investment options and make choices that would yield better returns. For instance, some of the businesses of the beneficiaries are seasonal and training on basic environmental, seasonal and product analysis assists them to decide which product or activity to engage in and during which season.

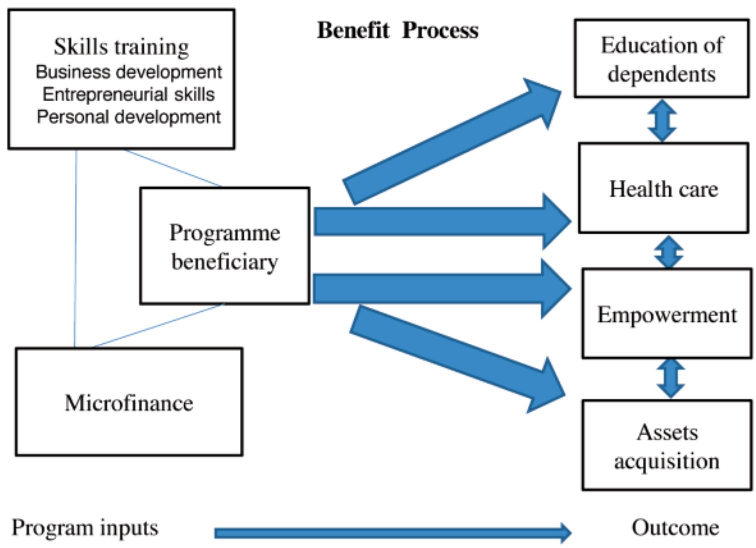
3. METHODOLOGY

Based on the literature review, the research model used in this study is presented in figure 1.

The independent variables in the model are microcredit and skills training. In this study, the focus is the skills training component rather than the microfinance component. The dependent variables are education of dependents; family healthcare; empowerment; and household assets acquisition. The independent variables are assumed to have a direct impact on the dependent variables. The individual variables are discussed below.

The MFI offers microcredit and voluntary savings to clients/beneficiaries. The beneficiaries use the funds to invest in their businesses and grow them to earn more income and make weekly, fortnightly or monthly repayments with interest to the MFI. The terms of the loans are usually flexible depending on

Figure 1:
Conceptual Framework (Adapted from Freedom from Hunger, 1999)



the loan product or the methodology of the MFI. The loan terms are usually between four to nine months, sometimes with a grace period of up to three months. The interest rate is between 30 percent and 36 percent per annum. Beneficiaries also get the opportunity to deposit savings with the MFI. Savings can sometimes be voluntary or compulsory, which also dependent on the MFI. All clients undergo compulsory group development training which covers areas such as group dynamics (leadership selection, by-laws, attendance to group meetings, etc.) and loan appraisal.

A large percentage of beneficiaries are self-employed women engaged in informal activities like petty trading, sale of foodstuff, rice processing and so on. Generally, beneficiary businesses are relatively small with the number of employees being less than five. The businesses are solely owned and require an average initial capital of less than US$100 (Grameen Ghana, 2011). The small nature of most businesses allows some owners to move easily from point to point and from market to market without basing the business from a fixed location. Others form clusters at fixed market locations. It is common for women to engage in two or more activities or even combine several products at a point in time. Most of the entrepreneurs have little or no education at all and they learn their trade from their family or community or through government and other interventions. The business capital, like any sole-proprietorship business, is gained through family and friends, personal savings, borrowing and inheritance. Most married women get their initial capital from their husbands and buy on credit and or borrow to expand the business (Grameen Ghana, 2008).

The main objective of a skills training program is to offer entrepreneurial skills to the poor beneficiaries who usually lack these capabilities. It is expected that that the training programs offered would have a direct impact on the dependent variables. It should be noted that the teaching of entrepreneurial activities would lead to improved business outcomes only when the entrepreneurial spirit is at least partly related to trainable skills as opposed to personality traits (Karlan & Valdivia, 2009).

Microcredit and skills training is indirectly aimed at improving the education of dependents of beneficiaries. The education ignites changes in the clients' businesses and processes which improves the marginal productivity of labour. It is expected that an increase in the wealth of beneficiaries would enable them to properly care for their dependents in school. Additionally, training can inspire them to see the value of education and hence, give more attention to and invest more in the education of their dependents (Karlan & Valdivia, 2009; MkNelly & Dunford, 1998).

The hypothesis is:

H_1: Skills training has a positive effect on the education of dependents

Household Access to Health Care

Influence on this variable can be observed in two ways. On one hand, the effects of the health, nutrition and sanitation models offered to beneficiaries are expected to improve the quality of health of the beneficiary and the household. Training topics such as the use of mosquito nets, breast feeding, and family planning among others can lead to the prevention of diseases such as malaria, diarrhea that commonly affect household members (MkNelly & Dunford, 1998). Health education can also lead to the use of contraception and delayed marriages which all go to improve the quality of life for beneficiaries (Chowdhury & Chowdhury, 2011). On the other hand, beneficiaries can have better access to health care through improved incomes and education. They would be in a good position to send their children to well established hospitals and clinics instead of engaging in self-medication or resorting to crude means of treatments to ailments (Chowdhury & Chowdhury, 2011; Nangpiire & Inanga, 2012). The focus of this study would not be on the former, it would however focus on the business related aspects of training.

The hypothesis is that:

H_2: Skills training has a positive effect on household access to health care

Social Empowerment

The World Bank (2011) defines empowerment as "the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this process are actions which both build individual and collective assets, and improve the efficiency and fairness of the organizational and institutional context which govern the use of these assets." There is a direct and straightforward link between the program and the decision making of beneficiaries. The motivation for training is to empower beneficiaries especially women micro entrepreneurs to make effective decisions regarding their husbands, family, community members, and business partners through self-control over finances (Freedom From Hunger, 2014; Karlan & Valdivia, 2009). Women are among the poorest and most vulnerable; hence, the need to assist them is paramount. Investing in their capabilities gives them the power to make choices which in itself, is a worthy goal; additionally, it will allow women to contribute to larger economic growth and development (Sarumathi & Dr. Mohan, 2011).

The hypothesis is that:

H_3: Skills training has a positive effect on empowerment

Household Assets Acquisition

As stated earlier, this study examines the effects of skills training on the acquisition of assets and allied amenities of beneficiaries. Microfinance with skills training is expected to empower beneficiaries to acquire more assets from increased incomes and better business practices. Improved incomes of beneficiaries are often reflected in the kind and number of assets they acquire, hence the effects of the appropriate skills training and credit would result in more assets acquired by the individual. This variable can be a good indicator of the well-being of the individual. Past studies have shown that clients who have taken loans for a longer duration are able to acquire more assets (Onyina & Turnell, 2013). Beneficiaries are more likely to acquire more assets than non-beneficiaries (Nangpiire & Inanga, 2012).

The hypothesis is that:

H_4: Skills training has a positive effect on household assets acquisition

Research Setting

Grameen Ghana (GG) is a non-governmental organization established in 2001 as a capacity building institution. As early as 2003, GG realized the need to complement the capacity building activities with microfinance in a bid to increase its efforts in reducing poverty among the vulnerable groups and deprived communities in the Northern part of Ghana. The organization has 9,500 clients making it one of the biggest financial NGOs in Northern Ghana.

GG uses the solidarity group methodology concept of the Grameen Bank in Bangladesh tailored to suite local conditions. The organization does not require any form of collateral for loans to clients other than the group guarantee.

New groups are taken through a group development process while existing groups are strengthened. Then they are given a series of four to six week pre-loan training classes in group dynamics and loan management. After the pre-loan trainings the group qualifies and applies for a loan. Repayments are combined with skills training in business development, entrepreneurial skills, health and sanitation, education and so on.

In 2007 the Board of Directors realized the need to expand the training programs and to combine them with the microcredit delivery services offered to clients. A pilot of the credit with education model was installed by Freedom from Hunger, Ghana in 2008 in 3 communities in the Northern Region. The pilot project proved successful as the portfolio quality was significantly higher (high repayment rate) and a majority of the clients were happy with the methodology. By the end of 2008, the CWE programme was implemented and administered to groups that opted for it. GG initially adopted the training models offered by Freedom from Hunger and later modified and expanded them to include areas that resolved the unique needs of its clients. The package included the training of field officers and other relevant officials charged with the responsibility of ensuring the success of the program. Moreover, officers were trained on the different models by experts to be able to effectively deliver the models to clients. The training models offered by GG to its clients are categorized into group development, personal development, business development and entrepreneurial skills development, health, nutrition and sanitation, and education.

First, group development trainings include group dynamics, leadership skills, communication skills, loan appraisal and so on. Personal development trainings are offered to facilitate progress, reinforce entrepreneurial thinking, build self-confidence and ignite the will of entrepreneurs to achieve with appropriate action (University of Cambridge Judge Business School, 2009). Business development trainings are aimed at improving business practices such as cash flow management, cost and profit management, product marketing and communication. Finally, entrepreneurial skills development provides participants with social skills, building linkages, innovative problem solving, searching for opportunities, setting of short, medium and long term goals and so on.

These training models are divided into sessions and credit officers spend between 30-45 minutes at every meeting with the group to carry out a session. Depending on the topic, some sessions include up to 3 or 4 meetings. In some instances, a session can be repeated twice or more times in order to enable participants to properly digest what is taught so that they can effectively implement the learnings. In another instance, training sessions can be suspended due to social events in the clients' community or the schedule of the credit officer. Sometimes a module can take as long as a whole loan cycle to be completely exhausted. The education sessions engage participants during their group meetings using a dialogue-based approach, combining practical knowledge and experiences of group members with current developments. Participants need not be literate as the mode of training delivery are discussions, role-plays, demonstrations, songs, pictures and stories. This enables them to interact with each other, share their knowledge, and assist each other to venture into new things that enhance their lives (Freedom From Hunger, 2014).

It is important to emphasize that the focus of this study is on the impact of business development, entrepreneurial skills development and personal development training. This is because group development training is offered to all categories of clients, and it would not make any difference between the respondents' categories of those with training and those without training.

Research Design

The task of MFIs is to take individuals below the poverty line and grow them out of poverty. Hence, the need to track the growth of clients from the point they joined the MFI program(s) to their current state is necessary in accurately determining the achievements of the MFI. This would imply a longitudinal study. Due to the constraint of time, this study adopted a cross-sectional approach, taking pre and post data from microfinance beneficiaries who receive credit with and without skills training. A cross-sectional design is appropriate for shorter research duration; therefore, the data collection tool used for this study is a cross-sectional tool in which beneficiaries are surveyed using defined social performance indicators to track their pre and post membership status (Jayashankar, 2012).

The authenticity of findings on social performance relying wholly on information on pre-membership and post membership might be questionable, as there is the likelihood of bias in an upward trend similar to the Hawthorne Effect, regarding changes in economic and social indicators. Most participants may feel advantaged to have been part of the program and as such would inflate the impact the program has on them. To reduce the effects of this bias, a control group study is used as part of the research (Jayashankar, 2012).

Research Units; Dependent/Independent Variables, and their Indicators

The women beneficiaries are the unit of analysis of the study, to whom the independent variables are administered. The independent variables are the skills training and microcredit services given to the program beneficiaries. These variables are expected to improve the business activities and the entrepreneurial traits of the beneficiaries. The dependent variables are education of dependents, access to family healthcare, empowerment and household assets acquisition. The indicators reflect the outcomes of the independent variables. For instance, the indicator for education reflects changes in the ability of beneficiaries to pay their children's' tuition fees as well as changes in their abilities to buy school uniforms and books. Similarly, an asset indicator shows changes in the number and type of assets beneficiaries buy, including cooking utensils, clothing, iron pots and bicycles. Further, an indicator for empowerment reflects changes in beneficiary self-confidence, participation in household decision making and so on. Finally, health care indicators depict changes in beneficiary ability to pay for the medical expenses of family, mode of treatment and registration in health insurance (Nangpiire & Inanga, 2012). For a summary, see table 1.

Table 1:
Dependent Variables and Indicators

Dependent variables	Indicators
Assets	Change in the number and type of assets
	Changes in the range of assets
Empowerment	Change in influence in household decision.
	Change in influence in household decision making
	Change in self-confidence level
	Change in awareness of local politics
Health care	Changes in places of health services and
	Change in ability to pay medical bills
	Changes in the ability to register for health insurance
	Improvements in healthcare
Education	Change in number of dependents attending school
	Change in total expenditure per year on dependents education
	Source: Adapted from Nangpiire & Inanga, 2012

Data Collection and Sources

The research employed interviewer administered questionnaires to gather data from respondents. The questionnaires were in two categories; one for the experimental group (those receiving both skills training and credit) and another for the control group (those beneficiaries receiving only credit). The questionnaire for the experimental group was divided into three sub-categories, questions on effects of training, pre-program and post-program status of the socio-economic indicators. The questions for the post-membership status of the experimental group were the same questions administered to the control group, except for some questions regarding their non-participation in the skills training programs of the MFI. The questions are largely dichotomous requiring a yes/no answer. The adoption of the interviewer administered questionnaires and the usage of dichotomous questions are necessitated by the high level of illiteracy by respondents (Jayashankar, 2012). Hence, more complex questions on a Likert scale would prove impossible to administer effectively. The questionnaire for the experimental group was divided into five sections with section I, questions 1-3 containing the demographic data of respondents. The level of income and venture generation makes up questions 4-9 in section II. Section III contains questions 1-6 containing information on training and its impact on business practices and income. Section IV, questions 1-4 are questions on the socio-economic status of beneficiaries before joining the program. Section V contained questions 1-4, which are questions on the socio-economic status of beneficiaries after joining the program. Finally, section VI contained questions 1-4 which concerned the control group. Questions on the socio-economic profile of beneficiaries were adapted from Jayashankar (2012), while some of the questions on training were standard questions adapted from MVP 2014 (Mentors, Ventures & Plans, 2014).

The research used focus-group discussions (FGDs) to get more insight into the real effects of skills training on the socio-economic status of beneficiaries (Blumberg, Cooper, & Schindler, 2011). The research team met with four (4) experimental groups as well as two (2) control groups with an average of 25 members.

Sample Size and Sampling Techniques

A total of 107 respondents were randomly selected for administration of the questionnaires from the existing total clients of Grameen Ghana. This was divided into 82 respondents for the experimental group and 25 respondents for the control group. The division was proportional to the number of clients of the MFI receiving credit with skills training and those receiving only credit, which are approximately 77 per cent and 23 per cent respectively

(Grameen Ghana, 2014). The process began with the stratification of the total client groups into the two categories. Out of each category, groups with at least 3 years membership were selected and from the general lists of these groups random samples were chosen up to the total sample for each category. A similar process was followed for the groups used for the focus group discussions. The decision to choose the respondents from selected groups was taken because of the complexity and cost implications of a direct random selection methodology. The selection process took into consideration different characteristics including, ethnicity, culture and rural or urban location. This was necessary to avoid homogeneity.

4. DATA ANALYSIS, FINDINGS AND DISCUSSIONS

Socio-economic profiles of respondents

The study covers respondents who have spent a minimum of 3 years with the MFI. This is enough time for them to participate in the skills training program and benefit from more loans from cycle to cycle. The analysis of the data indicates that a substantial number, 44% of the respondents with training and 56% of respondents without training, have participated in the program for at least 5 years. Table 2 provides a description of the socio-economic characteristics of the respondents with and without training.

The findings indicate that about 40% of the sampled respondents with training are in the age brackets of 41-45. Few of the respondents are below the age of 30 (4% and 12% for those with training and those without training respectively). The reasons expressed during the FGDs session for this lower number of young women participants was that most of them plan to further their education, learn other professions, or are simply risk averse.

The majority of clients are uneducated with the highest education level being senior high school. Most of the respondents did not have the privilege of further education either due to poverty or the cultural beliefs of the people. Hitherto, the belief was that a girl would be married out of the household and that educating her would not bring any return to the parents, and hence, the boy child was preferred to the girl child in terms of education (Amu, 2005). This belief, according to the respondents, has denied the female gender from attending school for decades and continues to make them poorer and vulnerable in the society. About 60% of the respondents with training are uneducated while 48% of those receiving only credit are uneducated.

A substantial number of respondents had income generating activities (IGAs) before getting involved in the GG programs. 85% of the respondents with training had their IGAs before enrolling into GG programs. Similarly, 80% of the respondents without training had their own IGAs. The respondents are engaged in business activities such as petty trading, basket weaving, shea processing (nuts and butter), rice processing, selling of foodstuffs and others.

The majority of respondents with training (38%) are within the monthly income bracket GHC[3] 51-100 while half of those without training have monthly incomes below GHC 50. A substantial number of trained respondents (31%) have incomes falling between GHC 101-150 while only few, 4% have incomes above GHC 250; 32% of the untrained respondents have incomes between GHC 51-100, 16% have incomes falling within GHC 101-150 and only 4% have monthly incomes above GHC 250.

74 out 82 (that is 90%) respondents agree that their incomes have improved since they joined the program while only 8 out of 82 (10%) disagree to improvements in their incomes. 18 out 25 (72%) of the respondents without training have reported improvements in their incomes while the rest of the 7 (28%) respondents disagree to improvements in their incomes.

The extended family system is practiced in the rural and peri-urban communities in northern Ghana. The household usually consists of people who eat in the same port, literally meaning the members of the house who are catered for by the landlord or the household head. The household members in the study communities usually extend beyond the nuclear family to include the siblings, nephews and nieces, aunties, grandparents and other members of the extended family. Thus, household sizes are usually large. 83% of the respondents with training reported having household size between 5-10 members and none has reported as having below 5 members. Similarly, 52% of the respondents without training have household size falling in the brackets 5-10 with no household having a size below 5 members. The discussions with respondents revealed that the household size has both positive and negative impact on the socio-economic development of beneficiaries. The positive aspects include a source of free or cheap labor, sense of security and support, capital contribution from able members, support for children education and health and sense of belongingness. On the other hand, the negative aspects include over burden on assets, incomes and other social pressures from family events.

Respondents have spent a minimum of 3 years given them enough time to participate in the skills training program and benefit from more loans from cycle to cycle. A substantial percentage (32%) of the respondents with training has been with the program for at least 5 years. The figure for respondents without training is 40%.

[3] At the time of writing, 1 GHC=0.24€, or 0.26US$

The training programs offered to clients are divided into sessions (business development; entrepreneurial skills; and personal development). 53% of respondents have participated in all training sessions and the rest have participated in one or two or three of the training modules. Some reasons that accounted for the inability of clients to participate in all training sessions included health problems, participation in social events (outdooring ceremony, wedding, funeral, etc.), weakness on the part of the MFI to offer all modules, a member joining the group midway, and so on. Respondents were randomly selected without reference to number of training modules they participated in.

Table 2 shows a summary of the socio-economic profiles of respondents.

Table 2:
Socio-economic profiles of respondents

Item	Category	Respondents	
		With training	Without training
Age distribution	Below 30 years	4%	12%
	Between 40-45 years	39%	40%
	Above 45 years	31%	24%
Level of education	Uneducated	60%	48%
	Up to Senior High Sch.	5%	8%
	Basic level	35%	44%
With IGA before program		85%	80%
Income level	Below GHC 50	27%	48%
	Between GHC 51 -100	38%	32%
	Between GHC 101 -150	31%	16%
	Above GHC 250	4%	4%
Household size	Below 5 members	0%	0%
	Between 5-10 members	83%	52%
	Above 10 members	17%	48%
Length of time with program	3 years	34%	24%
	4 years	22%	20%
	At least 5 years	44%	56%

Tetrachoric Procedure and Factor Analysis for Training Variables

For purposes of regression analysis, the 15 training variables were reduced to two scales; training 1 (**tr1**) and training 2 (**tr2**), using factor analysis based on tetrachoric correlations. Tetrachoric correlations are appropriate in cases where binary coded data and an underlying metric scale is assumed (Bartholomew, Steele, Moustaki, & Galbraith, 2008). The initial number of factors (3 factors) was based on a *scree plot*; factors with eigenvalues <1 were dropped (Acock, 2012).Table 2 shows the questions excluded, out of the 15 impact of training questions (see Q4, i – xv, in Section III of appendix A) in the process and the reasons.

Table 2:
Items excluded during factor analysis

Question no.	Reason for exclusion
Item i	100% score of yes, no variation
Item ii	Perfectly correlated with item 1 (p3q4_1), excluded arbitrarily. Deleting Item 1 could have also worked
Items iii and vii	No clear logic, iii is about customer and vii is about information generation and accessibility
Items v, vi and viii	Correlation not very clear, grouped under factor3 including items iii and vii

The final items; items xi – xv are grouped as training 1 (**tr1**), and items i; ix and x are grouped as training 2 (**tr2**) to run the regressions. Intuitively, the items under **tr1** have to do with general (long term) orientation skills while **tr2** items have to do with immediate decision making. Hence the independent variable, skills training, has been categorized into two components that are regressed on the dependent variables (the socio-economic variables).

A reliability test was run using Cronbach's alpha after applying factor analysis and tetrachoric correlations procedures to the training variables and extracting two factors which coded the variables into **tr1**(5 items) and **tr2**(3 items). The Cronbach's alpha model is used to check internal consistency of questionnaires using the average of inter-term correlation (Hays, 1994). The alpha scores of 0.74 and 0.69 for **tr1** and **tr2** respectively are acceptable indicating that the items show internal consistency.

The majority of the items on the dependent variables are based on the Progress out of Poverty Index (PPI) for Ghana (Schreiner, 2010).

Analysis of the Socio-Economic Variables (Pre and Post Program Participation)

Here we discuss the socio-economic profiles of beneficiaries receiving skills training in addition to the loans offered by the MFI, comparing their statuses before and after their participation in the training programs. It begins with the impact of the skills training on beneficiaries' business practices followed by analysis of impacts on beneficiaries' socio-economic profiles. We look at the impact of the program on the beneficiaries' dependents' education, their family health care, empowerment and finally on their assets acquisitions.

The purpose of the various training programs offered by the MFI is to improve different aspects of the entrepreneurship businesses of beneficiaries.

The various training models target different sections of the operations of the entrepreneurship activities and the entrepreneurs themselves. It is thus expected that after undergoing such trainings, participants would improve their ways of conducting business and their general attitude towards it. The majority of respondents have reported improvements in their business practices. Specifically, respondents have reported engaging in most of the precise activities they were taught including determination of the actual cost of their products, managing cash flows, building customer loyalty, communication, and planning among others. According to a participant in a discussion,

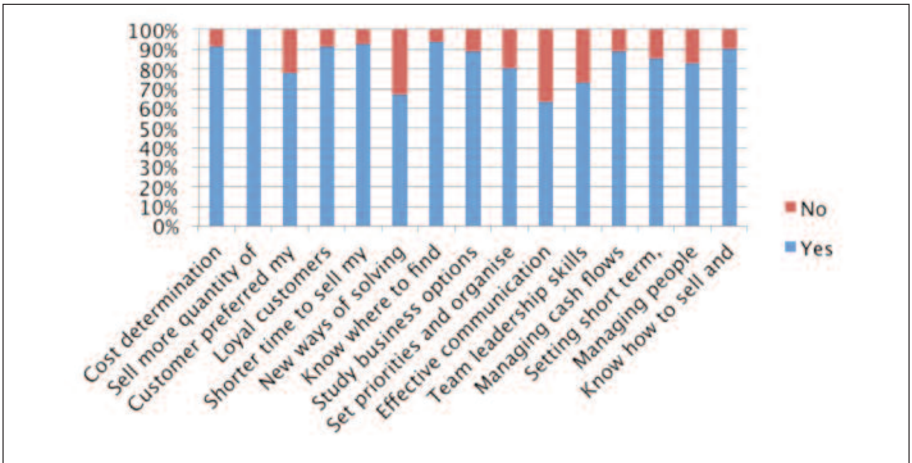
> *"we used not to include all the expenses we incurred in production to our cost of production, for example, carriage of stock; because we carry most of our goods on our heads to the market, and all expenses related to this were not recorded; the cost of using our own assets were not also included in our cost determination. We no longer do that because of the training we received" (FGD).*

Another participant indicated that they used to just spend cash on other activities, without taking time to determine which part of the cash is profit that they can spend.

> *"Because we spend in small amounts, we finally consumed part of our capital; that was bad. Now we are better off. We have so many stories to tell about the trainings, besides the interesting moments" (FGD).*

It can be deduced from above that, the implementation of the strategies seemed to have indeed assisted beneficiaries to improve their business practices.

Figure 2:



Pre and Post Analysis of Beneficiaries' Socio-Economic Profiles

We begin with the analysis of the beneficiaries' status to determine whether there have been changes since they joined the program of GG. We compare the means before and after joining the program for each socio-economic variable. The scores are a simple count of yes answers for all the items belonging to the variable; that is, if a variable has 15 items (like household assets) the scale runs from 0 to 15, while 5 item variables (health; education)form a scale from 0 to 5. The changes are based on a paired t-test in which the sum scores on the four variables are compared for the 82 respondents who have reported on their socio-economic status before and after getting the loan.

Table 3:
Summary of changes in beneficiaries' socio-economic profiles (n=82)

Variable	Mean		Change (%)	Significance	Interpretation
	Before	After			
Education of dependents (5 items)	1.66	3.43	+107%	P=0.000	There are significant improvement in beneficiaries, ability to afford education for their dependents
Health of family members (5 items)	2.63	2.74	+4%	P=0.374	There is a 4% improvement in the affordability of health care of family members. This change is insignificant
Empowerment (7 items)	2.76	4.48	+62%	P=0.000	An increase in empowerment of beneficiaries by 62% is significant
Household assets (15 items)	9.11	6.27	+45%	P=0.000	Improvements in the beneficiaries' ability to acquire more assets

The results in table 3 above show that there have been significant improvements in the **education** of the dependents of beneficiaries. This implies that beneficiaries are better able to pay for the tuition fees of their dependents, buy their school books and uniforms now compared to before they joined the program. The improvements of 107% could result from the program participation and/or such other factors as government intervention and direct support from other NGOs. The p-value indicates high statistical significance.

Regarding the **health care** of beneficiaries' family members, there is only a slight improvement of 4% from their previous status. This improvement is statistically insignificant given the p-value of 0.374. This overall does not give a clear picture of the improvement in the health status. A further analysis of the items under health care indicates that there have been (89%) improvements in the ability of beneficiaries to register for health insurance and their ability to pay for medical expenses (79%). On the other hand, they still rely on their old ways of accessing health care (in a negative trend) including buying drugs from drug stores and local drug peddlers (-52%),as well as seeking treatments from herbalists (-40%) instead of going to qualified health practitioners, clinics and hospitals.

Empowerment of beneficiaries has been one of the major improvements in the socio-economic profiles of respondents. A 62% improvement implies that beneficiaries are able to make decisions on their own, have control over the families' finances, have self-confidence, are able to participate in local politics and participate in community activities. The p-value of 0.000 indicates statistical significance. Significant improvements were made regarding self-confidence, participation in household and community decisions and an appreciable level for control over household finances.

Another important improvement in beneficiaries' socio-economic profiles is the increase in **household assets acquisition** with a p-value of 0.000 which is statistically significant. Beneficiaries are able to increase their number and type of assets. Notable among these increased assets are mobile phones, bicycles, TV set and clothing.

Analysis of Socio-Economic Variables – Regression Analysis

Though the analysis of the pre and post program participation indicated various levels of improvements in beneficiaries' socio-economic profiles, much less can be said about the causes of the changes. Hence, a regression model is employed to identify the causes of the changes in the socio-economic profiles of beneficiaries. The variables are analyzed in turn below but first is a summary of the regression analysis in table 4.4.

Table 4:
Summary of regression analysis (N=82)

Variable	Education	Health	Empowerment	Assets acq.
tr1	1.311*	0.322	-0.068	1.146
tr2	0.582	0.051	1.250*	0.097
Age	0.042	0.259	0.219	1.006*
Education	-0.499	0.658*	-0.556	1.014*
Experience	-0.162	-0.400	0.712*	-0.655
Constant	0.458	-0.478	0.562	0.969
R^2	0.139	0.117	0.157	0.125
Legend: * p<0.05; ** p<0.01				

The regression of the change in education of dependents on training 1 and training 2, controlled for age of respondents, educational level and number of years with the program at a 95% confidence level yielded an output with an overall p-value of 0.041 ($p < 0.05$) and R^2 of 13.9%. The results indicate that overall there is a statistical significant relationship between the dependent variable and its predictors. However, examining the independent variables and the control variables individually, only **training 1** causes the change in education with a p-value of 0.048 ($p<0.05$). The rest of the independent and control variables are insignificant.

The regression of the change in health care affordability of respondents on the independent variables and the control variables at a 95% confidence level produced an overall p-value of 0.085 ($p>0.05$) and R^2 of 11.7%. However, examining the individual variables indicates that only the educational level of respondents has a statistically significant relationship with the change in the health care of beneficiaries. This shows a p-value = 0.012 ($p < 0.05$) (refer to table 4. above).

The overall output of the change in empowerment of beneficiaries regressed on the independent variables and the control variables generated a p-value = 0.021 and R^2 of 15.7%. This indicates that overall, there is a statistical significant relationship between the dependent variable and its predictors. A closer look at the individual variables indicates that two of the variables, **training 2** and years with the program, have a statistical significant relationship with change in empowerment. These show p-values of 0.015 and 0.024 respectively ($p<0.05$) (see table 4 above).

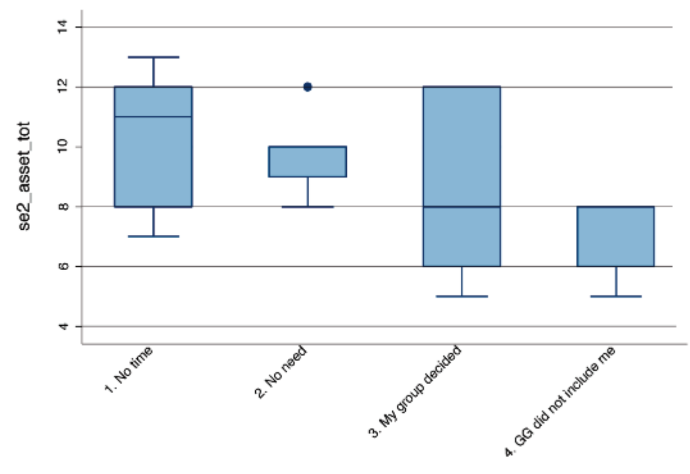
The regression of change in assets on the independent variables and the control variables generated a p-value=0.065 ($p >0.05$) and an $R^2$of 12.5%. These imply that overall there is no statistical significant relationship between household assets acquisition and training. It is observed that household assets acquisition depends on the age and the level of education of beneficiaries. The output yielded a p-value of 0.05 ($p<0.05$) for age and a p-value of 0.04 ($p <0.05$) for the level of education. This shows that the nature, type and number of assets acquired by a beneficiary depend on the level of education and to some extent on the age of the beneficiary. This is in order, as certain assets are sometimes seen as reserved for some categories of individuals in rural and peri-urban communities in the study area.

The tests of the hypotheses based on the regression analyses can be summarized as follows.

Alternative Hypothesis	**Result**
H_1: Skills training improves education of dependents	Confirmed
H_2: Skills training improves household access to health care	Rejected
H_3: Skills training empowers beneficiaries	Confirmed
H_4: Skills training improves household asset acquisition	Rejected

Reasons for Non-Participating in Training against Assets Acquisition

Comparing the means of the reasons for not participating in the training programs to the assets acquisition of the respondents without training reveals interesting results. Respondents who have indicated that they have *no time* to participate in training programs have the highest mean score of 10.25. This is followed by those who indicated there is *no need* to participate in the training programs with a mean score of 9.57. These results imply that those who by their own choice do not participate in the training programs were still able to acquire more assets despite their non-participation in the training programs. The other category of the respondents without training who were excluded from the training programs either by their group action or by the action of the MFI had lower mean scores. Those whose groups opted out of the training had a mean score of 8.6 whilst those the MFI excluded had a mean score of 7. This means that those excluded from the training program were not able to increase their assets. The mean assets score of those who had training was 9.12, higher than those excluded from training but less than those who opted out. Figure 5 shows a box plot of the means of the opinions of the respondents without training against their assets acquisition.



Discussions of Socio-Economic Profiles

This section discusses the findings of the study, relating the findings on the each socio-economic variable (education, health, empowerment and household assets) to the study area.

Firstly, education of dependents has been one socio-economic factor that has strongly improved over time. 107% improvement and a p-value = 0.000 meant that beneficiaries were able to afford tuition fees, books and uniforms for their dependents of school going age to attend school. They are currently positioned to better deal with issues related to their dependents' education than before. As stated earlier, the improvements could have resulted from other factors such as government intervention and direct interventions by other NGOs. However, the regression analysis indicates that this improvement can be attributed to training given the p-value of training of 0.048 and R^2 of 13.87%. This is in line with the findings of Nangpiire & Inanga (2012) and Onyina & Turnell (2013).At a group discussion, respondents indicated that they no longer spend their incomes on some kinds of assets but instead invest in their dependents' education. They also noted that since they started the training programs they are better able to properly run their businesses increasing the incomes they use to invest in their children's education. According to one respondent, since they came in contact with the field officers of Grameen Ghana, their attitudes towards business have changed; they are able to separate business activities to a large extent from family activities; they are able to determine their cost; manage cash flows; negotiate for better prices from intermediaries and plough back profits to grow their businesses. Besides business practices, there has been increasing awareness of the need to provide quality education for dependents. A participant remarked that since she and her group joined the program they have realized that their children can be *like you* (that is, like the researchers) or even become the president of Ghana if we give them the education. It can also be a reliable estate for them to inherit from. These statements buttress the fact that training has an impact on the education of the respondent's dependents. The researcher can therefore conclude that training improves the education of beneficiaries' dependents.

Secondly, the comparison between the pre and post program participation of the health care profiles of beneficiaries indicated only a slight improvement with a 4% change and a p-value of 0.19, implying a statistically insignificant change. A thorough analysis of the individual items under the health care variable showed that those items related to affordability registered increases. These items are registration of health insurance and paying medical bills. On the other hand, items related to availability did not register improvements. These items included seeking treatment from herbalists and buying drugs from local drug stores and drug peddlers rather than seeking medical services from qualified health personnel and health centers. These factors are understandable considering the fact that in most of the communities in the study area, the only available medical services are from drug peddlers who move from community to community on their bicycles or motorbikes, licensed chemical stores (usually managed by untrained medical practitioners) in larger communities and traditional herbalists found almost in every family. Regarding the purchasing and usage of mosquito nets, respondents at the FGD session indicated that it is discomforting to sleep under the mosquito nets and they usually do not buy them, because the government distributes mosquito nets in most of these communities.

This means that though beneficiaries are able to improve their incomes from better business practices and are able to register for health insurance and pay for family medical expenses, they are still caught in the web of unavailability of qualified medical services which is a problem prevalent in most developing countries. In addition, it is worthy of note that in most communities, seeking treatment from herbalists is rooted in the cultural beliefs of the people. There is the general belief in these communities that certain kinds of diseases are better treated traditionally (locally) than conventional treatment. For instance, bone fractures, mental related sickness, convulsions and many more conditions are believed to have better treatments from the herbalists than from hospitals. People only turn to the hospital as a last resort.

The regression analysis demonstrated that the level of education of beneficiaries has a positive relationship with the health care of family members. This gave a p-value of 0.012 indicating educational level has influence on beneficiaries' approach to health care of their families. Considering the fact that those beneficiaries who have attained at least basic level education (primary and junior high school), have acquired some knowledge on the dangers of self-medication, drugs and delayed treatments; as well as the problems associated with seeking health care services from unqualified medical practitioners; these categories of people would prefer and demand qualified medical services more than their counterparts who are illiterate. It is therefore not unusual to have no statistical significant relationship between business related skills training and family healthcare, except for the level of education of the beneficiaries.

In order to arrive at an acceptable conclusion, the health variables are divided into two; those items related to affordability (health insurance, purchases of mosquito nets and medical bills) and those related to availability of health facilities and attitudes (drugs from drug stores and drug peddlers, and seeking herbalist treatments, usage of mosquito nets). The latter reveals the lack of adequate health care facilities and the influence of tradition and culture in most of the rural communities in the study area, which is an external factor to the study. The researcher can therefore conclude that training has minor improvement on the affordability of health care to beneficiaries holding constant adequacy of health care and allied infrastructure and traditional beliefs. This is in line with the findings of Nangpiire & Inanga (2012).

Another key variable was empowerment. Empowerment of beneficiaries has been one of the major improvements in the socio-economic profiles of respondents. The general outlook of the ability of beneficiaries to influence household and community decisions has shown tremendous improvements after they have participated in the program. The 62% improvement with a p-value of 0.000 implies that beneficiaries are able to make decisions on their own, have control over their families' finances, have self-confidence, participate in local politics and participate in community activities. Control over household finance is a remarkable source of empowerment to beneficiaries. According to respondents in the focus group discussions, they no longer wait for their husbands to decide when to send their children to school and to which since they can incur all the associated costs with little or no support from their husbands. In addition, they are now invited to participate in community development meetings; they demand their right from duty bearers (government agencies at the local district assembly level) and also speak out boldly to issues affecting the life of the rural woman. From the researchers' point of view (coming from the area), the boldness and the approach to issues by most respondents at the FGDs were obvious and admirable, which is uncharacteristic of women in the study area; this showed the extent of their empowerment.

It was expressed at the FGD that three (3) of the beneficiaries have run for local district assembly elections and won, with two of them presently in their second term, to represent their communities at the district assembly. According to the third assembly woman, "I contested against two strong men, one of them being the incumbent, argued out my points clearly and convincingly to voters of the assembly area and won." It is important to know that hitherto, by the traditional beliefs of these communities, women were not expected to speak at public gatherings, and they also did not have the power to make decisions except for those approved by the husbands or their family heads. In addition, their roles were confined to home keeping cooking, cleaning, taking care of children and also helping in the farm activities (Amu, 2005). Women were not allowed to acquire certain categories of assets such as own a plot of land or a house; buy a vehicle or some kind of animals like cattle unless they reach a certain age or status (even so, they did that in the names of their husbands, sons, brothers, etc.). They could only influence decisions indirectly through their male counterparts. These restrictions made them vulnerable and discriminated against, violating their basic rights.

Similarly, the findings above are supported by the regression analysis which produced an overall p-value=0.021 and R^2 of 15.73% suggesting a statistically significant relationship between the dependent variable and its predictors. Undoubtedly, a closer observation of the regression analysis indicates that aside from training, the length of time (years) being in the program also has a significant causal effect on empowerment. This implies that the more a beneficiary stays with the program, the more empowered the individual becomes. This is true in a case where the training models and the mode of delivery allows participants to demonstrate among their peers their understanding of models, lead group activities and independently review, criticize and recommend training activities. This makes participants grow out of the fetters of fear, shyness and tentativeness over time and take bold actions to ensure that they carry across their grievances to those in charge with power.

In conclusion, similar to the findings of Chowdhury & Chowdhury (2011), Nangpiire & Inanga, (2012) and Onyina & Turnell, 2013, the researcher can confortably conclude that training has a positive impact on empowerment of beneficiaries.

The final aspect looks at households' assets acquisition. The comparison between the pre and post household assets acquisition produced a 45% improvement with p-value=0.000. This suggests a statistically significant improvement since respondents joined the program. Household acquisition of mobile phones has witnessed remarkable improvements with almost all respondents who did not have mobile phones previously now possessing one. Some of the respondents say they use the mobile phones just for the basic purpose of making and receiving calls, since many of them are incapable of using the advanced features due to illiteracy. A more daring category of respondents use the other features of FM radios and cameras on their phones. Other assets that recorded improvements were bicycles and clothing. Most beneficiaries have acquired bicycles for their children, which the children use as means of transport to school, errands and also to carry loads both to and from farms to their houses or to the markets. Furthermore, a few respondents acquired some assets like refrigerators, tricycles and also mobile phones for business purposes. Respondents in petty trading (specifically sale of provisions) buy refrigerators to store soft drinks and other stocks that need cooling while others buy tricycles for carriage of goods and transportation purposes. Additionally, very few respondents (largely old women) indicated that they either acquired a piece of land or own a house. At the FGD sessions, respondents made it clear that they no longer buy many non-productive assets because their focus has shifted towards the education of their dependents which serves as a better option for inheritance.

In contrast to expectations, the regression of change in assets on the independent variables and the control variables generated a p-value=0.0651 ($p>0.05$) and an R^2 of 12.54%. These imply that overall there is no statistically significant relationship between household assets acquisition and training. Surprisingly, the regression output shows a relationship between household asset acquisition and age and level of education of respondents. The output yielded a p-value of 0.05 ($p<0.05$) for age and a p-value of 0.040 ($p<0.05$) for the level of education. These findings reflect the cultural beliefs of the people in the study area that individuals (especially women) need to reach a certain age before they can own certain assets like a piece of land or a house, or cattle. Again, there is the belief that certain assets are meant for the educated. Though the influences of these beliefs have drastically decreased, their effects can still be felt in the communities. In conclusion, the researcher is unable to gather enough evidence to support the claim that skills training improves the household acquisition of assets.

5. CONCLUSIONS, RECOMMENDATIONS AND FUTURE RESEARCH

Conclusions

The issue of microfinance as an effective tool towards poverty reduction among beneficiaries in developing countries has created a lot of debate among development practitioners. A number of researchers including Amu (2005), Shetty (2008) and Karlan & Valdivia (2009) suggested that microfinance needs to be complemented with technical assistance in order to achieve substantial results. The purpose of this research was to examine the extent to which skills training (the business aspects) can impact the socio-economic development of microfinance beneficiaries. The study evaluated the effects of skills training on the education, health care and assets acquisition of the beneficiaries' households as well as their empowerment. The study adopted the case study approach by looking in depth into the socio-economic profiles of clients of Grameen Ghana in the Northern Region of Ghana. The research methodology adopted was both qualitative and quantitative using interviewer administered questionnaires and FGDs to gather data. A purposeful randomized sampling was used to draw a total sample of 107 respondents from Grameen Ghana's clients. This was divided into 82 respondents for clients who received skills training and 25 respondents for those without skills training. A total of six FGDs were held with four for the former and two for the latter group.

The data gathered were coded into Stata and then used for descriptive statistics and to run a series of tests including paired t-tests and regression analysis. The results from these tests were analyzed and combined with information from the FGDs to arrive at the findings of the research. The summary of findings is shown in section 5.3.

Summary of main findings

The outcome of the study has shown that skills training has improved the business practices of beneficiaries. They are able to make better decisions regarding their businesses, improve their selling and marketing capabilities, determine their costs, mobilize human resources and effectively manage their cash flows. This has resulted in higher incomes which are used to resolve problems related to household education, health care, assets as well as empowerment.

Overall, outcomes of the research have revealed that skills training complements microfinance services to improve the socio-economic profiles of beneficiaries. Microfinance offers beneficiaries with access to finance the opportunity to improve their businesses. This provides working capital injections for beneficiaries to grow their businesses. Skills training on the other hand, equips beneficiaries with the right technical know-how to properly manage the working capital injections and to run larger businesses successfully. To ensure sustainability of growth and successful businesses, skills training in entrepreneurship and business management comes in handy. It is therefore imperative for access to finance to be complemented with skills training which together would have a bigger impact on the socio-economic development of the beneficiaries. These findings are in line with the propositions of Amu (2005), Shetty (2008) and Karlan & Valdivia (2009).

The research findings regarding education demonstrate substantially that skills training has improved the education of dependents of beneficiaries. Beneficiaries are able to afford tuition fees, purchase school uniforms and books for their dependents in school.

In addition, regarding health care of families of beneficiaries, the research has shown improvements in relation to the ability of beneficiaries to buy drugs and mosquito nets and minor improvements in their ability to afford medical expenses. It has been able to establish a relationship between the educational level of beneficiaries and their family health care. In contrast to these findings, it has also revealed that the majority of beneficiaries still seek treatments from traditional healers as well as buy drugs from unqualified shops. The latter reveals the lack of adequate health care facilities in most of the rural communities in the study area, which is an external factor to the study. The researcher can therefore conclude that training has minor improvement on the affordability of health care to beneficiaries holding constant adequacy of health care and allied infrastructure.

Furthermore, the outcome of the research also demonstrates strongly that skills training significantly empowers beneficiaries. They gain control over household finances, take part in decision-making at household and community levels and also gain self-confidence, to mention just a few.

Also, regarding household assets acquisition the research outcome is not able to establish a link between assets acquisition and skills training. It has shown that assets acquisition depends on such other factors as the age and the level of education of beneficiaries.

Implications for Theory

This study has added to literature and can serve as a source of reference for future research by academic and development practitioners. It has contributed to the body of knowledge regarding the value skills training can add to microfinance services as an effective tool for poverty reduction. The findings go in line with the maximalist approach suggested by Shetty (2008) and the belief of Freedom from Hunger (1998), Amu (2005), Karlan & Valdivia (2009) that if microfinance services are complemented by entrepreneurial skills training and business development trainings, they can be an effective tool in poverty reduction among the poor and vulnerable in society, thereby allowing them to live a life with dignity.

Implications for Practice and Recommendations

The findings of this study have implications for governmental agencies, NGOs, the private sector and other developmental institutions and practitioners whose main concerns are to implement strategies towards poverty reduction. The study provides a basis for government agencies to allocate their limited resources into interventions that would yield positive results. In the same vein, private companies operating in this era of social entrepreneurship can adopt some of the key findings of this study and implement them with business activities in order to solve social problems and to do business. Similarly, other NGOs like Grameen Ghana can modify and implement the methodology to suite their interests and areas of operations.

In addition, though there is a plan by GG to expand the skills training programs to cover all its clients, the current pace is slow. Hence, management should fast track their efforts to include all the clients especially those who are excluded.

Furthermore, it is important to expand the training models to include other areas like record keeping, time and stress management and information technology. These are basic important requirements for successful businesses in contemporary times. The issue of information technology is necessary to enhance information dissemination among women entrepreneurs and their business and trading partners. This would help to improve access to raw materials, access to new markets and bank linkages and to get better prices for their produce.

Finally, women entrepreneurs play a very important role in driving the economic development of Ghana. However, most of them lack the entrepreneurial skills to run successful businesses. They do not have access to formal institutions that provide skills training either due to information asymmetry or the lack of basic entry requirements to these institutions. Hence, government should make skills training of the women entrepreneurs a priority and include them on the national development agenda, in order to equip them with the needed skills to run successful businesses, thereby enhancing economic growth and development.

Limitations of the Research

The study was conducted within a very limited time and in a few communities of the operational areas of Grameen Ghana in the Northern Region. In addition, the sample size of 107 respondents drawn from the total clients of GG was small and the random selection of individuals from non-randomly selected groups could be weak, to be representative of the entire women beneficiaries of micro-finance in Northern Ghana. Considering the large geographical spread of northern Ghana and the diversity among the different cultures and ethnic groups in the area, it would be far from possible to generalize the findings of this study to represent the entire beneficiaries of skills training in the area. This is further compounded by the multiplicity of institutions engaged in different forms of microfinance and skills training models in the area. That notwithstanding, the study better still gives an indication of what to expect at least for a start to plan a development intervention in the area or to carry out other research in the area.

Suggestions for Future Research

This current study did not close the doors of research especially in the study area. But rather the findings revealed issues that are worthy of more investigation, opening the doors for more research. Firstly, there is the need to conduct similar research in the study area that would consider the geographical spread and the diversity of the people living in the area, drawing in a larger sample size and covering all sections of the area. Secondly, future research should be conducted to identify which training models have the highest impact on clients' businesses and their socio-economic profiles. Another important area for future research is to look into how modern technology can be applied to ensure effective and efficient delivery of skills training to the illiterate clients. Findings from these research projects would go a long way to assist policy makers to design interventions that would help reduce the menace of poverty in their areas.

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