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Effects of microfinance and small loans centre on poverty reduction in Wa West District, Ghana

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ABSTRACT

Poverty, a pervasive and consequential global issue, has garnered significant attention due to its wide-reaching prevalence and profound implications. Various strategies, including microfinance, have been implemented to tackle this pressing concern. One such strategy is the Microfinance and Small Loans Centre (MASLOC) in Ghana, which aims to reduce poverty. However, despite its potential, MASLOC's role in poverty reduction has yet to be thoroughly examined, leading to inconclusive findings, and necessitating this study. A single case study design addressed this research gap and provided valuable insights. A comprehensive dataset was compiled through interviews and observations involving 40 MASLOC beneficiaries and officials. Thematic analysis was utilized to dissect the collected data, revealing noteworthy patterns and trends. The study's outcomes shed light on MASLOC's effectiveness in mitigating poverty. Specifically, it was found that MASLOC played a pivotal role in poverty reduction by bolstering income levels, amplifying consumption patterns, facilitating access to fundamental necessities, and enabling the accumulation of valuable assets. Nevertheless, the analysis also highlighted specific challenges. Issues related to loan repayment and staffing emerged as constraints within the MASLOC framework. In essence, the study established that MASLOC contributes to the overarching goal of poverty reduction. The findings are helpful because fostering a positive attitude towards loan repayment is crucial, and this endeavour should be complemented by the strategic recruitment of competent staff members who can effectively navigate the intricacies of the scheme to ensure the sustainability of MASLOC. What sets this study apart is its innovative exploration of the impact of MASLOC on poverty—a primarily overlooked facet. By delving into this uncharted territory, the study enriches the ongoing discourse surrounding government microfinance schemes' influence on its beneficiaries. This research contributes not only to the academic realm but also to the practical realm, as it offers actionable insights for policymakers in poverty reduction.

1. Introduction

Poverty reduction, a pressing global concern, has garnered a central position within the framework of the Sustainable Development Goals (SDGs). Spearheading this mission, the inaugural SDG aims to eliminate all forms of poverty worldwide [1]. In 2015, using the benchmark of $1.9 per day, an estimated 10 % of the global population existed in extreme poverty. Although this percentage had diminished to 8.4 % by 2019, the unprecedented upheaval caused by the COVID-19 pandemic triggered an unfortunate resurgence to

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9.4 % in 2020 [2]. Traversing to 2022, a staggering projection of 667 million individuals worldwide was anticipated to remain entrapped in the clutches of extreme poverty [3]. Zooming in, a poignant juxtaposition emerges among the Organisation for Economic Co-operation and Development countries. Costa Rica emerges as a stark example, recording a poverty rate eclipsing 20 %, followed by Hungary at 17.6 %. In contrast, the ranks of the least-affected countries are claimed by Czechia (5.6 %), Finland (5.7 %), and Denmark (6.5 %) [4]. Amidst this global panorama, the plight of Sub-Saharan Africa and South Asia is underscored, as their stride towards poverty reduction was outpaced by the persistence of extreme poverty, even when considering the poverty lines of $3.20 for lower middle-income economies and $5.50 for upper-middle-income economies. The World Bank [2] paints a grim picture in the aftermath of COVID-19, prognosticating the regression of 115 million individuals back into poverty, an unfortunate about-face after decades of development, with the weight of the repercussions disproportionately borne by the global South. Abdulai et al. [5] contended that COVID-19 contributed to a poverty spiral, while Ha [6] reported that the Korean government's COVID-19 poverty mitigation measures proved ineffective. Additionally, the studies by Abdulai et al. [5] and Siddique et al. [7] highlighted the various effects of COVID-19, including morbidity, fatalities, layoffs, reduced demand, and decreased income.

Ghana's narrative aligns with the broader struggles of the global South. Throughout its timeline, the poverty rate in Ghana exhibits fluctuations—a stark reminder of the complex battle against impoverishment. Starting at 51.7 % in 1991/92, the rate steadily receded to 24.2 % in 2012/2013, and further dwindled to 23.4 % in 2016/17 [8]. Despite these strides, pockets of poverty persist. An illuminating perspective is provided by Abbasi, Daneshmand-Mehr, and Kanafi [9], underscoring the economic intricacies intertwined with the fight against COVID-19. As the state and individuals grapple with the costs imposed by this global crisis, the strain on already limited resources exacerbates the plight of the vulnerable, potentially exacerbating their living conditions. The narrative of poverty reduction is multi-dimensional, intricately interwoven with global dynamics, economic shifts, and unforeseen crises. The quest to reduce poverty remains a persistent challenge, demanding continued efforts, resilience, and strategic interventions to uplift lives and create a more equitable world.

Initial endeavours to combat poverty primarily followed traditional channels, involving governments receiving grants and loans to confront this pervasive issue [10]. However, the outcomes yielded by these attempts proved far from satisfactory, falling short of producing the desired impact [11]. As a response, a paradigm shift occurred with the introduction of microfinance into the equation, offering a novel approach to address the challenge of poverty [12]. A trailblazing example is the Grameen Bank in Bangladesh, which pioneered the utilization of micro-loans as a potent tool for poverty alleviation [13]. In this transformative landscape, microfinance institutions emerged as pivotal players, extending a lifeline to both modest enterprises and those living in poverty, granting them access to financial capital that had remained elusive [13,14]. Echoing this sentiment, Adjei [15] underscores the instrumental role of loans as tools for orchestrating poverty reduction. Elaborating on this concept, the United Nations Capital Development Fund articulates that microcredit serves as a buffer for those grappling with poverty, adeptly smoothing consumption patterns and absorbing the reverberations of economic shocks. Over time, microfinance has evolved into a catalytic force, accelerating the trajectory of poverty reduction [16]. The impact has been profound, with advocates asserting that it has left an indelible mark on the global landscape of impoverishment. As a result, both governmental and non-governmental entities have stepped into the arena, disseminating microfinance as a strategic instrument to dismantle the barriers of poverty and elevate the prospects of livelihoods. In essence, the journey from conventional approaches to the dynamic realm of microfinance signifies a momentous shift in the discourse surrounding poverty. It demonstrates how innovative strategies can revolutionize the landscape of poverty reduction, transcending limitations, and unlocking opportunities for those long constrained by financial exclusion.

The horizon of Ghana's financial sector underwent a profound transformation with the advent of financial liberalization and the enactment of the Financial Institutions (Non-Banking) Law, 1993 (PNDC Law 328). This pivotal juncture marked the unfurling of the financial industry's doors to non-Bank Financial institutions, thus augmenting their role within the sector. This heralded the emergence of Savings and Loans companies, financial NGOs, and Credit Unions, which have emerged as instrumental players in the orchestration of credit delivery to individuals straddling the boundaries of poverty. The timely intervention of these microfinance institutions, in response to the reticence of traditional commercial banks to extend credit to microenterprises [17], filled a critical void that hindered progress. This transformative landscape paved the way for a watershed moment in 2006 when the government of Ghana introduced the Microfinance and Small Loans Centre (MASLOC)—a beacon of hope for microfinance initiatives. MASLOC's inception emerged as a strategic response to the dire absence of financial backing for the micro, small, and medium enterprises (MSMEs) sector. Beyond its immediate impact, MASLOC seamlessly integrated itself into the larger fabric of the government's comprehensive strategy for both growth and poverty reduction [18]. Standing as a sentinel of fiscal prudence, MASLOC assumed the mantle of safeguarding the government's micro and small-scale credit programmes, ensuring their astute management and prudent execution. At its core, the establishment of MASLOC underscores a profound recognition by the government—a realization that microfinance stands as one of the most potent and enduring avenues to reduce poverty. By affording access to financial services for individuals with untapped productive potential, MASLOC encapsulates the government's commitment to fostering sustainable change at the grassroots level. This recognition of microfinance as an instrumental, long-term tool to reduce poverty attests to a visionary approach, grounded in the understanding that empowering individuals with financial agency can indeed create a ripple effect that transforms not only individual lives but also the broader socio-economic landscape.

In the landscape of research, earlier investigations [18–20] have delved into the realm of MASLOC, attempting to understand its role in the context of poverty reduction, as well as grappling with operational challenges and other pertinent facets. However, an intriguing void exists: the Wa West District, despite housing the programme and grappling with elevated poverty levels [21], has not been the focal point of such inquiries. This absence amplifies the significance of probing into MASLOC's contributions. This is particularly underscored by the staggering amount of loans—approximately GH₵298 million—dispersed to 182,328 beneficiaries nationwide from 2017 to 2020 [22]. With Ghana navigating an economic crisis, the astute management of funds assumes paramount importance. Furthermore, previous investigations have predominantly taken a mixed-methods or quantitative trajectory, leaving the tapestry of nuanced information untouched. This void in comprehensive understanding necessitates a pivot toward a qualitative approach, to unearth the intricacies that might have evaded prior examinations.

Compounding the complexity, the chronicles of microfinance are woven with divergent narratives. While some studies [20,23, 24] extol its role in poverty reduction, others offer a contrasting perspective, asserting limited or negligible positive impact [13,25,26]. A prime example is Chikwira et al.'s [13], assertion that while microfinance institutions thrive on profits, the poverty levels of their clientele spiral upward. This incongruity casts a spotlight on the substantive contribution of microfinance entities toward uplifting the living standards of their beneficiaries. Given this intricate backdrop, the impetus to scrutinize the nexus between MASLOC and poverty reduction gains traction, coupled with an exploration into the tapestry of challenges encountered within the programme in the Wa West District. The architecture of the study is elegantly divided into five segments. Commencing with the introduction, the narrative segues into the comprehensive panorama of the literature review. Here, the theoretical, conceptual, and empirical aspects of microfinance interplay to create a rich context. Subsequently, the methodology, a meticulous roadmap of data collection and analysis, charts the course. As the sails of investigation unfurl, the results and ensuing discussions navigate through the uncharted waters of MASLOC's impact and the challenges it grapples with. Ultimately, the journey culminates in a realm of conclusions and reverberating policy implications, encapsulating the significance of the entire study.

2. Literature review

2.1. Theoretical and conceptual perspectives

The assessment of MASLOC's impact on poverty reduction is examined through the lens of theoretical empowerment. Kabeer [27, 28] conceptualizes empowerment as the transformative process through which individuals, historically denied the agency to make strategic life choices, gain the capacity to do so. These strategic choices, pivotal for crafting lives aligned with personal aspirations, encompass vital determinants like livelihood selection. Batliwala [29] adds further dimensions to this notion, defining empowerment as encompassing facets such as welfare enhancement, upliftment, community engagement, and poverty alleviation. Batliwala [29] outlines a triad of interlinked approaches to empowerment, each possessing distinct contours: integrated development programs, economic advancement, and the elevation of awareness through consciousness-raising and women's organizing. The integrated approach holistically addresses the multifaceted challenges faced by women, facilitating empowerment by addressing practical gender-specific needs. This framework positions practical gender needs as potent instruments of empowerment. In essence, the lens of theoretical empowerment facilitates a nuanced evaluation of MASLOC's role in diminishing poverty. By fostering the acquisition of strategic life choices, enabling welfare enhancement, and propelling community participation, MASLOC's interventions align with the multi-dimensional constructs of empowerment articulated by Kabeer and Batliwala. This synthesis of theoretical perspectives serves as a prism through which the comprehensive impact of MASLOC's efforts in empowering individuals to escape the clutches of poverty can be discerned.

Regarding economic development, the focus is on women's access to income-generating opportunities and services in the hope that, once they achieve economic empowerment, the advantages will trickle down to improve other crucial aspects of women's liberation. The third and final component, the critical consciousness-raising dimension, is framed along a more nuanced understanding of the gendered relations, ideologies, and structures of oppression and inequalities that women must contend. In order to analyse how much MASLOC empowers its beneficiaries, Batliwala's approach will be applied.

Oakley [30] delineates five key contexts in which the term "empowerment" is applied within development studies. These encompass facets like "empowerment through economic enhancement" and "individual empowerment." A significant avenue through which empowerment is actualized is by employing strategies rooted in economic betterment. This approach finds extensive application among individuals grappling with poverty. Operating under the premise that poverty significantly contributes to the relative vulnerability of disadvantaged populations, interventions such as microfinance and small-scale business endeavours are harnessed to bestow upon them the capacity to reshape their communities. Central to this empowerment journey is the concept of human capital, nurtured through education and training, and social capital, cultivated through the establishment of local organizations. This tandem is facilitated by the mechanism of microcredit [21], offering individuals the means to break free from the shackles of poverty. As material capital is extended, an individual's sense of dignity is fortified, granting them the self-assurance to actively engage in both the economy and society [31]. The influence of microfinance is twofold: it operates at both an institutional level and an individual level, underscoring its multifaceted impact. While it serves as a conduit for individuals ensnared in poverty to access vital capital, it concurrently functions on an institutional plane. It seeks to forge organizations that extend crucial financial services to the marginalized individuals often overlooked by the traditional banking sector [31]. This holistic approach is exemplified in microfinance institutions like MASLOC. Such entities do not merely extend financial aid; they bridge chasms, level disparities, and fortify local communities and their establishments. By channelling capital toward individuals navigating poverty, microfinance fosters not only personal empowerment but also engenders a ripple effect of community-level resilience and transformation. Ultimately, this redefines the trajectory of possibilities for those once ensnared by the grasp of poverty, rendering the seemingly impossible transformation into a tangible reality.

Microfinance encapsulates the provision of both financial and non-financial services to marginalized individuals, enabling them to initiate new income-generating ventures or expand existing enterprises—a means to secure livelihoods [32,33]. Schreiner and Colombet [34] illuminate microfinance as a conduit to bridge the gap, granting access to modest loans and deposits for underserved households that often find themselves sidelined by conventional banking institutions. Echoing this sentiment, Dzisi and Obeng [23]

Table 1
Summary of empirical reviews.

Author and Date	Focus of Study	Methodology	Findings	Gaps
Fant [21]	Contribution of MASLOC to poverty reduction in Savelugu/Nanton District of Ghana	-Data collected using questionnaire and interview guide -Respondents were beneficiaries and MASLOC staff -Data analysed using descriptive statistics and thematic analysis	-Led to increased levels of incomes, saving, expenditures on consumption and acquisition of assets -Financial management training organised for their clients -Female clients repay their loans more than their male counterparts -Challenges were political interference, inadequate credit to clients, and lack of education	-Effects of microfinance on poverty are inconclusive -Appears no study in on MASLOC in the Wa West District -Most studies are quantitative or mixed
Oduro-Ofori et al. [18]	The effects of MASLOC on MSEs in the Ashaiman Municipality, Ghana	-Data collected using questionnaire and interview guide -Respondents were beneficiaries and MASLOC staff -Data analysed using descriptive statistics and thematic analysis	-Contributed to increasing the beneficiary MSEs' working capital -Business advisory services improved the enterprises' customer relations -Increased earnings -Challenge was high default rate for individual and group loans	
Samer et al. [16]	Role of Malaysian microfinance Amanah Ikhtiar Malaysia on household income	-Cross-sectional design -Data collected using questionnaire - Data analysed using descriptive statistics and logistic regression	Microfinance positively affected the household income of women borrowers	
Bhuiya et al. [26]	Effects of microfinance on the economic welfare of member households in Bangladesh	-Quasi-experimental survey -Experimental and non-experimental respondents -Data collected using questionnaire -Data analysed using descriptive statistics and regression	Microfinance members remain poorer than non-members but that participation in microfinance is associated with a lower probability of being poor by seven percentage points	
Nyaaba et al. [20]	Effects of MASLOC on poverty in the Tamale Metropolis, Ghana	-Single case study -Data collected using questionnaire and observation -Data analysed using descriptive statistics	-Increased income -Challenges were uncoordinated stakeholder action and decision-making, limitation in capacity to utilise loans and political interference	
Prathap et al. [43]	Impact of micro finance on poverty alleviation in India	-Quantitative approach -Respondents self-help groups -Data analysed using descriptive statistics	Microfinance had positive impact on living standards, empowerment and poverty alleviation among the poor	
Sulemana et al. [44]	Role of microfinance in poverty reduction in the Ashaiman Municipality	-Questionnaire, interview and observation guides were used for data collection -Descriptive statistics, parametric, non-parametric methods and thematic analysis were used in analysis	-Income, savings, and food consumption increased significantly compared to the circumstances before receiving microfinance services	
Abu [45]	Comparative study between microfinance institutions and the wider banking sector in Bangladesh, examining their macroeconomic impact on poverty	-Least Squares Regression was used for analysis	-Microfinance positively impacts gross domestic product growth but does not impact poverty -Conversely, the banking sector reduces poverty whilst not impacting economic growth -Poverty leads individuals to take loans	
Kasali [46]	Effect of microloans on reducing poverty in Southwest Nigeria	-Cross-sectional data -Propensity Score Matching was used for analysis	Microfinance loans have a positive impact	
Chomen [47]	Impact of Oromia Credit and Saving Share Company microfinance institutions on reducing poverty in Ethiopia	-Questionnaire, direct observation, and key informant interviews were used for data collection -Binary logistic regression	Positively contributed to income improvement	
Kyerewaa and Saben-Fosu [19]	Contribution of MASLOC to poverty reduction in the Sunyani Municipality, Ghana	-Respondents were MASLOC beneficiaries -Questionnaire was used to collect data -Multiple linear regression, ANOVA and descriptive statistics were used for the analysis	-Beneficiaries status improved -Beneficiaries could afford basic needs -Started or expand businesses -Improve product and customer services -Challenges are high-interest rates on loans, lack of collateral security to secure loans, stringent credit conditions, administrative costs associated	

(*continued on next page*)

Table 1 (*continued*)

Author and Date	Focus of Study	Methodology	Findings	Gaps
			with processing loans, and biases of MASLOC staff	
Chikwira et al. [13]	Investigated the impact of microfinancing on poverty reduction in Zimbabwe	-Quantitative approach using purely secondary data sourced from World Bank economic indicators, the Reserve bank of Zimbabwe and the ZIMSTATS databases -Econometrics Vector Autoregressive (VAR) model and descriptive statistics	-Led lead to increased poverty in the long run -SME growth and agricultural development were linked to reduced poverty in the long term -In the short term, the results revealed that growth in SMEs contributes to poverty reduction, while poverty itself drives the growth of microfinance loans	

Source: Authors Compilation (2023)

paint a more intricate picture, characterizing microfinance as an intricate network of financial services tailored for low-income clients, meticulously managing modest financial resources through an array of products and intermediary roles. Against this backdrop, this investigation delves into the catalytic role played by MASLOC's microfinance services in propelling individuals entrenched in poverty toward improving their quality of life.

The elemental definition of poverty, in the eyes of Grusky and Kanbur [35], has perennially been rooted in monetary dimensions, with income or consumption serving as symbolic stand-ins. When individuals' earnings dip below the established poverty line, they find themselves ensnared in poverty's grasp [36]. Conversely, the multidimensional perspective of poverty casts a broader shadow, encompassing the deprivation of fundamental human necessities—ranging from sustenance, shelter, education, clean water, sanitation, and health—to limitations on personal freedoms and participation in societal realms [37]. Framed through this multidimensional lens, the trajectory of poverty reduction emerges as a deliberate and orchestrated endeavour. It entails expanding the array of alternatives individuals have for earning income, ensuring security, access to healthcare and education, and fostering empowerment, thereby furnishing the means for their emancipation from poverty's clutches [38]. Ogwumike [39] previously outlined four distinct approaches to combat poverty: the economic growth paradigm, the basic necessities approach, the rural development strategy, and the targeted approach to poverty. Anchored in this nuanced understanding of poverty's multifaceted nature and the plethora of causes and consequences it engenders, this study sets forth to unravel the intricate tapestry of MASLOC's influence on poverty reduction within Ghana's Wa West District. It undertakes this exploration cognizant of the intricate interplay between the myriad factors shaping poverty and the strategies that hold the potential to counteract its insidious grip.

2.2. Microfinance's contribution to poverty reduction and its challenges

The discourse surrounding the impact of microfinance on poverty reduction has yielded a tapestry of divergent findings. Amidst this landscape of varied perspectives, certain studies assert that microfinance exacerbates poverty, while others uphold its potential to alleviate it. COVID-19 assumed a pivotal role in shaping the impact of microfinance on poverty reduction, as underscored by a body of research [5–7,40]. Bai and Yan [41] and Khoa and Huynh [42] posited that a firm's proficiency in leveraging social media resources positively influences performance and consumer engagement. Consequently, microfinance loans utilized for investments hold the potential for substantial dividends. To illustrate, the investigation conducted by Malaysia's Samer et al. [16] delves into the influence of Malaysian microfinance Amanah Ikhtiar Malaysia on household income. Employing a cross-sectional design, their study unveils a positive correlation between microfinance and increased household income among women borrowers. Similarly, Prathap, Mahesh, and Karthik's [43] exploration in the Pavagada and Kunigal region of India identifies a noticeable and affirmative impact of microfinance on living standards, empowerment, and poverty reduction, particularly in rural settings. Furthermore, Sulemana, Naiim, and Adjanyo [44] delve into the role of microfinance in poverty reduction within Ghana's Ashaiman Municipality. Their comprehensive approach, utilizing a mix of questionnaires, interviews, and observations, showcases that microfinance correlates with significant enhancements in recipients' income, savings, and food consumption, ultimately bolstering their overall well-being.

Conversely, an array of studies highlights the inadequacies of microfinance as a sole tool for poverty reduction. Bhuiya et al. [26], in a quasi-experimental survey in Bangladesh, argue that while microfinance participation is associated with a decrease in the likelihood of poverty by seven percentage points, it does not eradicate poverty entirely. Similarly, Abu [45] investigates the macroeconomic influence of microfinance institutions and the broader banking sector on poverty in Bangladesh. The findings reveal that microfinance positively influences GDP growth, but its impact on poverty remains minimal. In a similar perspective, Chikwira et al. [13] delve into Zimbabwe's microfinancing landscape, revealing a perplexing long-term outcome where microfinance, counterintuitively, contributes to increased poverty levels. This finding diverges from expectations, where SME growth and agricultural development emerge as effective poverty mitigators in the long term.

In this multifaceted discourse, the focus narrows to MASLOC's contribution to poverty reduction. Fant [21] investigates MASLOC's role in the Savelugu/Nanton District, uncovering significant enhancements in household economic variables, coupled with financial training initiatives that contribute to economic progress. Oduro-Ofori et al. [18] delve into MASLOC's impact on micro and small enterprises in the Ashaiman Municipality, revealing how it bolsters working capital and enhances customer relations. Meanwhile, Nyaaba et al. [20] and Kyerewaa and Saben-Fosu [19] echo the positive effects of MASLOC on beneficiaries' lives while highlighting operational challenges. From a broader perspective, this intricate dialogue accentuates that while microfinance holds promise, it is not a standalone solution for poverty eradication. Its effectiveness is tethered to a plethora of contextual nuances and the multifaceted nature of poverty. Amidst these varying viewpoints, this study aims to unravel the extent of MASLOC's influence on poverty reduction within the Wa West District, providing valuable insights into the intricate dynamics that shape the interplay between microfinance and poverty alleviation. Table 1 presents a concise summary of the empirical review's rich landscape.

3. Data and methodology

3.1. Study setting

The Wa West District is situated at the crossroads of Northern Region to the south, Nadowli-Kaleo District to the northwest, Wa Municipal to the east, and Burkina Faso to the west [Fig. 1] [48]. As per data from the GSS [49], the district's population stood at 96, 957, with 51,077 being female and the remainder male. Within this demographic, approximately 63.3 % of individuals aged 15 years and above are part of the economically active population, with the remaining not engaged in economic activities [48]. An overwhelming 86.0 % of the district's economy pivots around agriculture, with farming being the cornerstone of this activity. Most farmers engage in a blend of crop cultivation and animal husbandry, amplifying the vibrancy of the sector. Positioned at strategic junctures across the district, there are eight marketing outlets, strategically located at Dorimon, Dabo, Taanvare, Wechiau, Vieri, Ponyentanga, Nyoli, and Gurungu, which play an essential role in fostering economic exchanges. However, against this backdrop of agricultural vitality, the district grapples with a considerable poverty prevalence rate of 92 %, marking it as the highest within the Upper West Region [8]. To ameliorate this situation, MASLOC has established its presence within the district, acting as a supportive force to conventional banks and other microfinance institutions. By extending microcredit, group loans, and individual loans, MASLOC facilitates the growth of small-scale businesses, contributing to the economic landscape's dynamism. This multifaceted approach aims to infuse vibrancy into the district's economic fabric while striving to address the pressing issue of poverty.

3.2. Research design

Employing a qualitative research framework, this study delves into a comprehensive exploration of how MASLOC's operations intersect with the enhancement of beneficiaries' quality of life. This approach is rooted in the aspiration to glean a profound understanding of the transformative impact of MASLOC's activities on those who benefit from their loans. The qualitative lens serves as a conduit to unravel the intricate tapestry of lived experiences, thereby providing a nuanced insight into the multi-dimensional outcomes stemming from MASLOC's endeavours [50,51]. Central to this research endeavour is the utilization of a case study design. A case study, in essence, constitutes an empirical investigation that delves into a current incident within its authentic real-life context. This approach becomes particularly pertinent when the boundaries delineating the phenomenon and its surrounding context are not immediately discernible, thereby necessitating the harnessing of multiple sources of evidence [52]. As a characteristic hallmark, qualitative data is quintessentially collected within the realm of most case studies [51].

In the context of this study, a single-case study framework was adopted, chosen for its inherent capacity to unravel intricate causal relationships within a phenomenon [53]. This specific design demonstrates flexibility, enabling an exhaustive exploration of a singular phenomenon that stands as a distinctive entity. Operating within this paradigm, a limited number of participants are engaged, allowing for an in-depth analysis that encapsulates the unique intricacies of the phenomenon under investigation [52,54]. Nyaaba et al. [20] employed a case study design, which provides substantial support for its utilization in this study. The study design employed in this investigation represents a departure from the dominant methods used in earlier studies, including those by Samer et al. [16], Sulemana et al. [44], and Kasali [46], which predominantly utilized cross-sectional and mixed methods designs. This innovative approach was chosen to address the gap in the qualitative evaluation of microfinance's contribution to poverty reduction. The selection of MASLOC as the subject of this study is both strategic and contextual. The Wa West District hosts a limited number of microfinance institutions and traditional banking options accessible to MSMEs in need of funding. Within this landscape, MASLOC stands as a critical contender, poised to address the acute funding requirements of these enterprises. The district's high prevalence of poverty renders it an apt candidate for the case study, with MASLOC regarded as a potential antidote to the pervasive issue. This confluence of factors sets the stage for a focused exploration, aimed at unravelling the multifaceted interplay between MASLOC's operations and the overarching goal of poverty reduction.

3.3. Sample size and sampling procedures

The study population comprised the staff of MASLOC and female beneficiaries of MASLOC loan facilities out of which a sample size of 40 participants (Table 2) were selected. It included four MASLOC officials and 36 female beneficiaries of MASLOC loan facilities. It was determined based on the researchers' judgment, as qualitative research requires a small sample size to collect in-depth data [55]. The sample focused on women beneficiaries of the loan because they are mostly poor, vulnerable, and have difficulty accessing funding for their undertakings. The participants were selected using maximum variation purposive sampling since the staff of MASLOC or beneficiaries of MASLOC loans have adequate knowledge about the operations of the MASLOC. The MASLOC beneficiaries were selected from those belonging to groups such as Numbu and Lambu associations and those not belonging to groups. For the staff of the MASLOC, those chosen were those who approve loans and those who ensure repayment of the loans as they have adequate knowledge

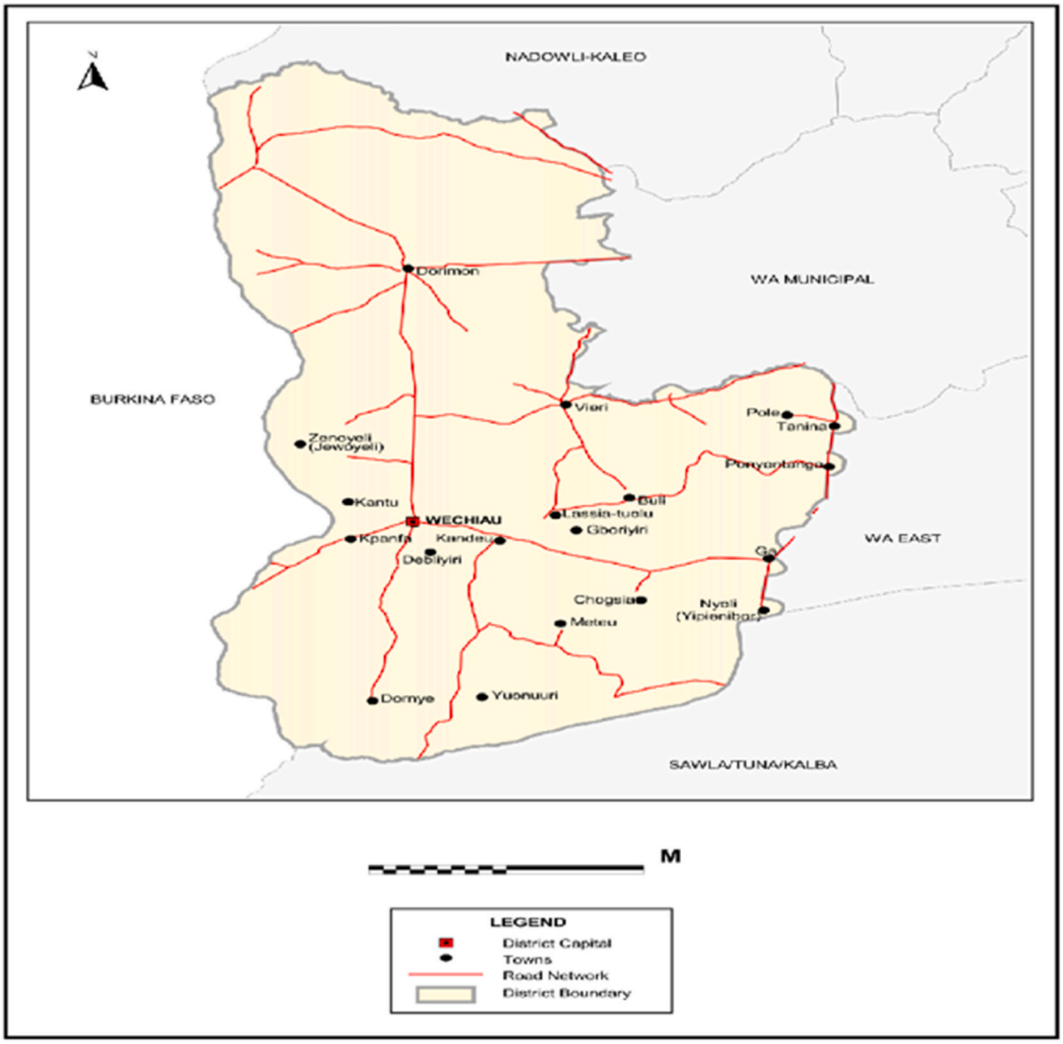

Fig. 1. Map of Wa west district.
Source: Adopted from GSS [42, p. 3]

Table 2
Sample distribution.

Participant Category	Sample
Numbu	10
Lambu	10
Individuals	16
Staff of MASLOC	4
Total	40

about the operations.

3.4. Instruments, ethical considerations, data collection and analysis

This qualitative study did not involve developing formal models but focused on various vital variables. These variables encompassed loan amounts, loan accessibility, investment choices, income levels, savings patterns, consumption expenditures, asset acquisition, and challenges faced by the participants. Past research conducted by Fant [21], Oduro-Ofori et al. [18], and Sulemana et al. [44] has consistently suggested that microfinance contributes to poverty reduction. Conversely, other studies, such as those by Chikwira et al. [13], Bhuiya et al. [26], and Abu [45], have indicated that microfinance has minimal or no impact on the poverty levels of its beneficiaries. Additionally, Kyerewaa and Saben-Fosu [19] and Fant [21] have reported challenges that microfinance beneficiaries encounter when attempting to access loan facilities.

Data collection in this study entailed a comprehensive utilization of interview and observation guides, each tailored to uncover distinct facets of the research inquiry. The interview guide was meticulously crafted to probe into the multifaceted impact of the loans procured, loan repayment dynamics, the transformative effects of the loans on recipients, and the array of challenges tethered to the operational landscape of MASLOC. Complementing this, the observation guide assumed the task of delving into the tangible manifestations of the loans' influence, particularly the assets and businesses nurtured by MASLOC's beneficiaries. In instances where visual documentation enhanced comprehension, photographs were thoughtfully captured. This dual-instrument approach was driven by the principle of instrument triangulation, where the synergy of diverse data collection tools fosters a more comprehensive and holistic exploration.

The initiation of the fieldwork was preceded by a meticulous examination of ethical considerations. Recognizing the paramount significance of upholding human dignity and minimizing any inadvertent harm, ethical clearance was diligently pursued from the SD Dombo University of Business and Integrated Development Studies Research Ethics Review Board (RERB). Upon thorough review, the ethical clearance numbered RERB 0026 was secured, laying the ethical foundation for the ensuing research. It was done in alignment with the Helsinki Declaration, including any requisite amendments or comparable ethical guidelines [56]. Subsequently, an informed consent letter was extended to both MASLOC officials within the Wa West District and the beneficiaries of the MASLOC loans. Through this, participants were assured of the commitment to safeguarding their anonymity, maintaining the utmost confidentiality, and providing safeguards against potential harm. The data collection transpired between April 4 and April 30, 2022, with interviews conducted upon securing permission. Each interview session spanned approximately 30 min, allowing for a comprehensive exploration of pertinent themes.

The subsequent phase involved transcription of the amassed data, followed by an incisive thematic analysis undertaken through a meticulous manual process. This inductive approach, central to the thematic analysis methodology, entails the systematic identification, analysis, and eventual reporting of discernible patterns, known as themes, embedded within the data [57]. Through a process of code discovery, refinement, and categorization, themes emerged, creating a comprehensive framework through which the data could be interpreted [58]. To encapsulate the analytical journey, Table 3 distils the intricate phases and processes that constituted the data analysis endeavour. The culmination of this meticulous analysis was the presentation of findings through textual representation, encapsulating the rich narratives woven from the data collected. The collection of data from varied stakeholders was to promote participant triangulation. Additionally, member checks were performed with some of the key participants to guarantee the results were valid. On the issue of reflexivity, we needed to listen from a researcher's point of view while attempting to maintain objectivity, putting aside our personal experiences, preconceptions, opinions, and feelings. However, we acknowledge that it was challenging to maintain complete objectivity, put aside our personal experiences, and adopt an insider stance.

4. Results

4.1. Benefits from MASLOC

One of the services MASLOC offer to its clients is micro-credit and individual loans [20]. In order to evaluate MASLOC's impact, it was essential to examine how beneficiaries accessed the loans. It was revealed from the interviews that beneficiaries could access the loans easily as what was required mainly was a personal guarantor and not fixed assets as collateral. They indicated that they took loans ranging from GH₵1000.00[1] to GH₵25,500.00. Mainly, those that took group/microcredit took a minimum of GH₵10,000.00, and a maximum of GH₵25, 000.00 which was divided equally among the 25 members in the group.

Regarding the individual loans, a minimum of GH₵1000.00 to a maximum of GH₵6000.00 was taken. The interest rate was at 1 % per month. In an interview with an individual loan borrower (April 12, 2022), she said, "I took a loan of GH₵2000.00, and the process was easy." Likewise, the Leader of the Numbu group (April 14, 2022) pointed out, "the last time my group took a loan from MASLOC, it was GH₵25,500.00, and the process was not frustrating. The money was then shared equally among us." Also, in an interview with an official of MASLOC (April 20, 2022), it was reported that "once the groups or individuals who want to take a loan meet the criteria, we grant them. They just need a guarantor and not any physical asset as collateral." It is evident from the quotations that people can easily access MASLOC loans.

The loans collected by the groups and individuals were invested in various businesses. Most of the loan clients were investing in existing businesses, while only a few used it as startup capital and provision of their basic needs. The businesses that the recipients of the loans claimed they invested in comprised petty trading, food banking, small farming, hairdressing, sewing, carpentry, and agro-processing. The remaining loan clients used money to procure essential needs such as food, clothing, healthcare, shelter, and water. Micro-credit is the fuel for business startups and development. For instance, a group member of Lambu (April 14, 2022) stated that "when I took my portion of my money from my group, I invested it into my provision shop." In addition, a group member of Numbu (April 18, 2022) reported, "when I took my share of the loan, I used a portion of it to start my 'pito' (local beer) brewing business and some other part to provide food and clothing." "My loan was used to invest in my shea butter processing business which I have been doing for the past six years", an individual loan beneficiary (April 14, 2022). Further, in an interview with an official from MASLOC

[1] As of April 2022, when this study's data were being collected $1 was equivalent to GH₵7.300.

Table 3
Phases of thematic analysis.

Phase	Description of the Process
1. Familiarising yourself with your data	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
2. Generating initial codes	Coding interesting data features in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
5. Defining and naming themes	Ongoing analysis to refine the specifics of each theme and the overall story the analysis tells, generating clear definitions and names for each theme.
6. Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, the final analysis of selected extracts, relating to the analysis of the research question and literature, producing a scholarly analysis report.

Source: Adopted from Braun and Clarke [51, p. 87]

(April 23, 2022) it was noted:

> Brother, I have been informed by some of our clients that they used the money to either invest in their ongoing businesses or start a business. Apart from that, I have personally followed and confirmed that they were telling the truth.

Also, from the observation, it was realised that some loan beneficiaries were investing in income-generating activities (Figs. 2-4shop, pito brewing, and tailoring). Evidence from the quotes shows that while some people invested the loans in enterprises, others used them to satisfy their basic needs. Investment of the money would enable them to earn money to repay their loan, while those that used part of the money for their basic needs reduced the capital for investment, which may affect their ability to repay the loan.

4.2. *Effects of MASLOC on poverty*

The effects of MASLOC on poverty reduction were analysed using income, consumption, and assets as proxies. The beneficiaries who took loans incomes were examined by looking at their incomes from their businesses before and after they benefited from MASLOC loan facilities. From the interviews with the loan beneficiaries, many indicated that before the MASLOC loan, their incomes from their enterprises were low, with an average amount of GH₵100.00. During this time, most of them were making losses. It was because their businesses lacked capital investment to expand. However, getting the MASLOC loan enabled many to expand their businesses, so revenues went up for some and great for others. Thus, after taking the loan and investing, the average revenue rose to about GH₵600.00. At this time, some of the key informants indicated that they made profits, yet others said they did not. Those who made the profit attributed the rise in their incomes to the MASLOC loans they took. Because the business was run by them, so they did not have to share the profits. A typical instance was when a group member of Numbu (April 19, 2022) reported:

> Before becoming a Numbu group member, I operated a provision store on a tabletop in front of my house. Nonetheless, with the loan from MASLOC, I could now rent and stock a shop. It led to an increase in my sales and, consequently, profit.

Fig. 2. Provision shop owned by a MASLOC beneficiary.
Photo credit: Authors (2023).

In a related fashion, an individual loan beneficiary (April 20, 2023) noted:

> Before I took the MASLOC loan, my tailoring business went down because my equipment was broken down, and I couldn't replace them. Also, I needed some modern equipment as well. At that time, I was not making enough money. However, with the help of the loan, I was able to revive the business, and now makes profit.

These quotes suggest that some of the beneficiaries of the loans have noticed an expansion in their businesses, enabling them to earn profits, thereby laying the foundation for reducing monetary poverty. These people could now acquire their basic needs. On the contrary, a group member of Lambu (April 19, 2022) remarked, "as for me, I do not see any difference in the income I get from the pito brewing business before and after taking the loan. I think I am still not making enough money. As such, I find it difficult to repay my loan." This quotation highlights the difficulty some beneficiaries encounter in repaying their loans because of the non-performance of their businesses. As such, their incomes did not increase significantly to enable them to overcome their income poverty.

Similarly, an in-depth interview with the MASLOC officials illustrated that before their loans, most people could not expand their enterprises and could hardly make profit and so experienced income poverty. After benefiting from their loans, there was an improvement as many of them could expand their businesses, and several of such businesses made profits, enabling them to get out of poverty. From the observation, it was evident that some of the beneficiaries invested their loans into income generating ventures [Figs. 2–4]. Yet, the officials indicated that a handful of some of their loan beneficiaries still had their businesses struggling and could not make a profit. Therefore, these people could not meet their survival needs as they needed adequate money to procure them.

Consumption was another proxy to measure how much MASLOC loans contributed to beneficiaries' poverty reduction. From the interviews with the beneficiaries of the MASLOC loans, many indicated that before they benefited from the MASLOC loans, they could not eat a balanced diet daily or provide some other basic necessities such as clothing and paying for healthcare because of lower incomes. Nonetheless, after getting the MASLOC loans and investing in them, they got income, enabling them to have a balanced diet. Others directly used the loan to buy food: This increased their food consumption, but this was a short-term measure because they would revert to their previous situation when the money finished. An instance was when a group member of Lambu (April 19, 2022) stated:

> Bro, before I benefited from the MASLOC loan, I could not eat thrice daily. My family's food does not have all the required nutrients as we do not eat meat or fish regularly. The situation turned positive after I took the loan, and my business flourished. My family eats three times a day, and our food is balanced as we now eat meat daily.

Similarly, an individual loan beneficiary (April 20, 2023) remarked, "I'm now able to feed my family and provide them clothing, healthcare needs, and shelter, which was impossible previously. All thanks to the MASLOC loan." The officials of MASLOC also indicated that their activities have contributed to ensuring that their beneficiaries can provide their basic survival needs. Thus, the MASLOC loan contributed to consumption, leading to reduced poverty. However, not all had sustainable consumption.

Evidence from the key informant interviews showed that although not all beneficiaries could acquire assets, some could obtain productive and non-productive assets. Some assets they procured after benefiting from the MASLOC loan included land, sheep, goat,

Fig. 3. Seamstress who is a MASLOC beneficiary.
Photo credit: Authors (2023).

Fig. 4. Beneficiary's Pito Brewing centre.
Photo credit: Authors (2023).

cattle, farm tools, and household chattels. From the observation, it was evident that some of the beneficiaries of the MASLOC loans could acquire assets (Fig. 5). Likewise, the key informants from MASLOC stated that some of their loan recipients reported having bought assets. The assets acquired are crucial in poverty reduction because some can be sold directly to obtain income to meet their basic needs in times of hardship, while others can be used to generate income for them.

4.3. Constraints of the MASLOC scheme in the delivery of financial services

This segment concentrates on the constraints the MASLOC programme encounters that limit its ability to render effective client services. From the key informant interview, the constraints appeared in two dimensions: repayment and staff-related issues (Fig. 6).

One of the crucial constraints to the operations of MASLOC that emerged from the interviews was that some beneficiaries defaulted

Fig. 5. Ruminants Owned by a MASLOC Beneficiary.
Photo credit: Authors (2023).

in repaying the loans taken. It was indicated that some beneficiaries did not invest the monies they took while others just spent the money, so repayment became a problem. On the part of the beneficiaries, loan repayment default was because of the short period allocated. They claimed the repayment duration of one month was too short since most of the business could not have started to make a profit. It, however, makes it difficult for MASLOC to operate. An official of MASLOC (April 10, 2022) remarked:

> The beneficiaries do not provide all the information needed by the field officers and programme officers to better judge their situation before approving the loan, thus making loan recovery an issue. Besides this, the beneficiaries' attitudes towards loan repayment are very harmful. Most of them will not even explain why they are not paying back the loans and always play hide and seek.

Another official of MASLOC (April 10, 2022) reported:

> The loan repayment duration is one month from the date of disbursement, except for agricultural investment and animal rearing, which has a high gestation period. All beneficiaries must start paying in a month when the money is disbursed. The project officer must assess your business and recommend a special agriculture and animal-rearing moratorium to the board.

A particular recipient (April 20, 2022) stated:

> I have defaulted in my repayment of the loan I borrowed from MASLOC because I used a portion of the credit to satisfy other requirements such as food, clothing, medical expenditures, household utensils, and my children's learning materials. As such, a small proportion was invested in the business. Consequently, I could not make enough profit to fulfil my repayment obligation when it was due. As a result, when I see the MASLOC officials, I hide.

Further, a beneficiary of the loan (April 20, 2022) pointed out:

> My brother, hmmm! I defaulted in repaying my loan because I invested the money in my retail business, but it was not profitable. As such, I could not make adequate revenue to repay the loan.

Another beneficiary (April 20, 2022) said, "I feel reluctant to repay the loan because I think it is my reward for voting my party in power."

In another dimension, an official of MASLOC (April 10, 2022) stated:

> The rate of debt repayment is extremely low. However, after repeated threats of publication of their names in the media, some of the people who owed began to repay. We will step up our recovery efforts this year to ensure we recover every penny owed us; some beneficiaries view the loans as a freebie from the government and thus do not repay them.

The above quotations suggest that a multiplicity of factors, such as poor assessment of risks before issuance of the loan, wrong investment decision, utilization of credit for other purposes, immediate repayment period, perceiving the loan as a reward and refusal to pay, contributed to the default rate of loan repayment. However, this may lead to the collapse MASLOC if it is widespread and limits

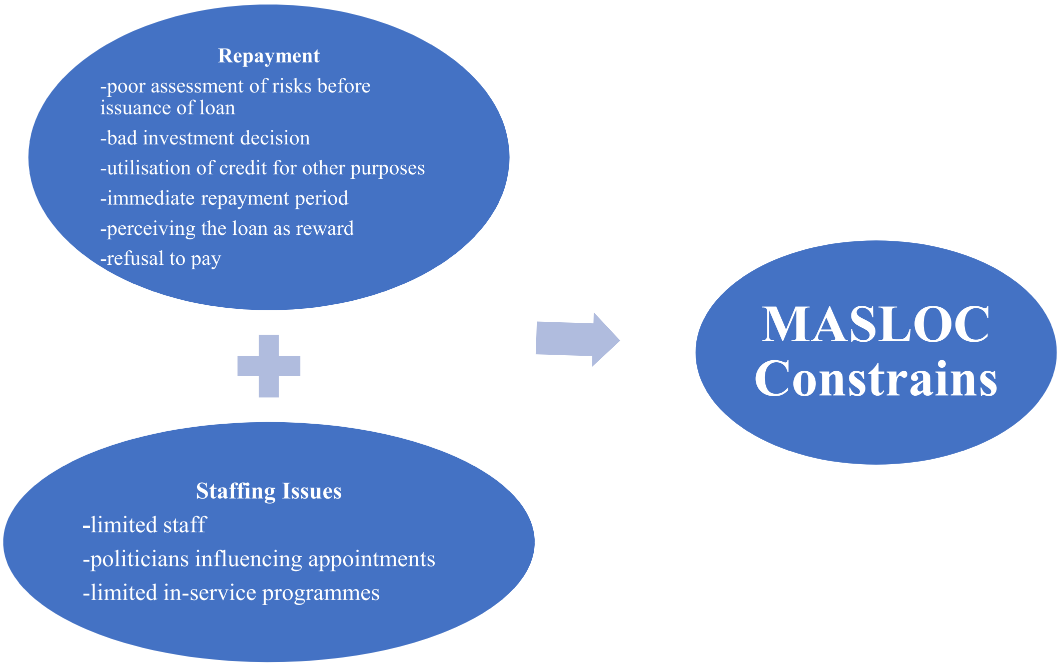

Fig. 6. Constraints facing operations of MASLOC.

the opportunity of others who need the credit to expand or start a business.

Besides, staffing-related issues also negatively affect the operation of MASLOC in delivering its mandate to its target beneficiaries in the Wa West District. From the key informant interviews with officials from MASLOC, it emerged that they need more staff, some staff need to be more competent, and there are limited in-service training programmes for staff. These situations make it difficult for them to discharge their responsibilities effectively and efficiently. It might have contributed to their inability to retrieve loans from clients. In connection with this, an official of MASLOC (April 10, 2022) indicated:

> We do not have adequate staff to carry out our operations, particularly when it comes to the retrieval of loans. Apart from that, some of our staff do not have the right competencies to carry out the work. The issue is made worse because we hardly organise in-service training for them.

Similarly, another official of MASLOC (April 10, 2022) mentioned:

> Due to the limited staff, when there is going to be recruited for the organisation, politicians hijack it and recruit their party cronies who sometimes lack the necessary competencies for the job. When these people cannot discharge their duties, they cannot be taken on because of the politicians that brought them. Since some of them are party loyalists, when it comes to loan retrievals from fellow party functionaries, it is difficult as they cannot go to them to demand repayment.

It is evident from the quotes that political interferences in the recruitment process and limited in-service training of staff restrict the ability of MASLOC to carry out its business effectively in the district.

5. Discussion

The available evidence underscores the ease with which individuals could secure loans from MASLOC, with loan amounts typically ranging from GH₵1000.00 to GH₵6000.00. These loans played a pivotal role in supporting diverse endeavours, whether as start-up capital for new businesses or to facilitate the expansion of existing ones. Beneficiaries invested these funds across various sectors, including petty trading, food banking, small-scale farming, hairdressing, sewing, carpentry, and agro-processing. These findings align with previous research by Oduro-Ofori et al. [18] and Kyerewaa and Saben-Fosu [19], which revealed that MASLOC served as a source of capital for entrepreneurs seeking to grow their businesses. This suggests that the ease of loan accessibility may enhance repayment prospects, provided the investment is productive.

The study also delved into the impact of MASLOC on poverty reduction, evaluating it through the proxies of income, consumption, and assets. When considering income as a proxy, it became evident that the loans facilitated business expansion, leading to increased earnings and reduced income poverty. These findings corroborate those of Kyerewaa and Saben-Fosu [19], Samer et al. [16], Prathap et al. [43], and Chomen [47], all of whom previously observed similar trends in Malaysia, India, and Ethiopia. Furthermore, from an empowerment perspective, the study employed Batliwala's [29] three-dimensional framework and noted that MASLOC loans positively impacted women's incomes, particularly within the economic empowerment dimension. MASLOC tends to bolster the income-generating activities of women. However, it is worth noting that some beneficiaries did not experience income improvement, potentially due to mismanagement of funds or investments in unproductive ventures. This finding contradicts Zhuang, Al-Sulaiti, Fahlevi, Aljuaid, and Saniuk's [59] suggestion that agricultural value addition contributes to food security. It implies that merely adding value to agricultural products, such as converting them into "pito," does not guarantee increased incomes. Additionally, this result contradicts Shahriar, Unda, and Alam's [60] findings in Bangladesh, which indicated that women could repay loans from microfinance institutions (MFIs). These disparities in findings may be attributed to differences in investment choices and the specific contexts of the studies.

Concerning consumption, the study revealed that after securing MASLOC loans and investing in their chosen ventures, beneficiaries experienced increased incomes. This improved financial situation allowed them to access balanced diets, purchase clothing, and afford healthcare, which was previously challenging. This discovery aligns with earlier research conducted by Kyerewaa and Saben-Fosu [19] and Fant [21], highlighting how support from microfinance institutions in Ghana and Ethiopia enabled beneficiaries to meet their basic needs. Furthermore, the study's findings suggest that MASLOC effectively addresses women's practical gender needs, as emphasized by Batliwala [29]. It is important to note that asset possession was a benchmark for assessing the program's contribution to poverty reduction. However, some beneficiaries merely spent the loan without making productive investments, hindering sustainable consumption.

Regarding asset acquisition, some MASLOC loan beneficiaries successfully obtained assets, including land, farm tools, household items, and livestock. These assets could serve as a financial safety net during hardship and be sold to finance consumption needs, potentially helping beneficiaries escape poverty. Fant [21] made a related observation, indicating that MASLOC contributed to poverty reduction by enabling beneficiaries to purchase assets that could be relied upon during challenging times. Nevertheless, the findings differ from Zhuang et al.'s [59] study, which revealed a negative association between land use and food security and supply. It suggests that asset use only sometimes translates into improved living conditions for individuals.

Findings from key informant interviews shed light on challenges faced by loan beneficiaries. Repayment-related issues were a significant concern, with defaults occurring for various reasons. The contributing factors were the short repayment periods, unproductive investments, and some beneficiaries' reluctance to repay. Some beneficiaries perceived the loans as political compensation, which further complicated repayment. These challenges align with the observations of Oduro-Ofori et al. [18], Nyaaba et al. [20], and Fant [21], all of whom reported that defaults among MASLOC loan recipients were influenced by perceptions that the loans were gifts from the government or by mismanagement of funds. These repayment challenges could undermine the sustainability of the MASLOC loan scheme due to low recovery rates.

Furthermore, staffing-related issues posed operational challenges for MASLOC in fulfilling its mandate. These challenges encompassed limited staff numbers, incompetence, and insufficient in-service training programs. These issues can impact due diligence during loan issuance and the monitoring of repayment, potentially hindering the sustainability of the MASLOC scheme. Similar findings were reported by Nyaaba et al. [20] and Fant [21], who identified staffing capacity issues resulting from political interferences in recruitment processes. These challenges made it difficult for the loan borrowers to receive proper guidance on managing their loans effectively.

This study makes a valuable contribution to knowledge by pioneering an innovative investigation into the impact of MASLOC on poverty using a qualitative approach, an aspect that has received limited attention thus far. By venturing into this unexplored domain, the research enriches the ongoing discourse regarding the effects of MASLOC on its beneficiaries, shedding new light on this critical issue.

6. Conclusions

We set out to delve into the extent to which MASLOC played a role in diminishing poverty within the Wa West District. The empirical findings bolster the proposition that microfinance interventions, such as MASLOC, contribute to mitigating poverty. Remarkably, the investigation revealed that MASLOC heightened income levels, augmented consumption patterns, improved access to necessities, and the acquisition of valuable assets. Furthermore, MASLOC can serve as a pivotal conduit for advancing the objectives set forth by Sustainable Development Goals (SDGs) one and two. By effectively ameliorating impoverished conditions and addressing hunger-related challenges, MASLOC proves its potential in aligning with these global aspirations. However, it is essential to acknowledge a pertinent limitation that emerged from the study. The sustainability of the poverty reduction facilitated by MASLOC remains uncertain due to a noteworthy observation: a portion of the beneficiaries tended to consume the loan rather than utilise it as an investment. It presents a potential challenge to the lasting impact of poverty alleviation efforts, raising questions about the long-term effectiveness of such interventions. Besides, the study highlights two other significant areas of concern: repayment difficulties and staff-related issues. These challenges have the potential to undermine the strides achieved in the realm of poverty reduction and hamper the overall success of the programme. These challenges identified are consistent with the findings of some previous studies on microfinance in the global South.

One notable constraint of this study pertains to the recollection abilities of certain beneficiaries of the MASLOC. Specifically, a portion of these beneficiaries encountered difficulties in accurately recalling their economic circumstances prior to reaping the benefits of the MASLOC programme. To address this potential issue, the research took a strategic approach by inquiring whether these individuals unequivocally attributed their present living conditions entirely to the support received from MASLOC. Further, since this was a qualitative study, the possibility of bias was very high. As such, reflexivity was a priority in this study. Finally, the sample that was selected was small and biased because maximum variation purpose sampling was employed. As such, it did not allow for generalisation of the findings. However, it is characteristic of qualitative studies.

Nevertheless, it is essential to acknowledge that this limitation could impact the precision of the findings. In light of this, it is advisable for future studies to adopt a study design that incorporates methodologies capable of capturing the counterfactual scenario more comprehensively. By doing so, researchers can establish a more robust basis for comparison, enabling a deeper understanding of the genuine influence and effectiveness of programmes like MASLOC. Such an approach would enhance the reliability and applicability of the results, thereby contributing to a more comprehensive comprehension of the programme's outcomes.

Policy recommendations

In light of the conclusions drawn, the subsequent managerial recommendations are put forth to amplify the efficacy of the MASLOC initiative. First, implementing a comprehensive education and sensitization programme to alter beneficiaries' perceptions regarding the nature of the loan is vital. Emphasize that the loan is not a gift or political favour but a financial commitment that must be repaid. Collaborate with the credit facility to reinforce this message, encouraging responsible borrowing and repayment behaviour. Besides, it is imperative to establish a rigorous process for beneficiary selection, requiring full disclosure of their financial status and business plans. Train MASLOC officials in conducting thorough risk assessments to identify potential repayment challenges and minimize defaults. This process should ensure funds are allocated to those with viable business plans and repayment capacity. Further, it is crucial to revise the repayment period. Adjust the repayment period to a more manageable three months from the disbursement date. During this timeframe, intensify training programmes for beneficiaries. Focus on building their skills in bookkeeping, effective savings practices, fostering group dynamics, and promoting solidarity within beneficiary groups. This training will empower beneficiaries to make informed financial decisions and manage their businesses effectively. Moreover, strengthening the monitoring efforts on beneficiaries to ensure that disbursed funds are being invested as planned is essential. Regularly track the progress of businesses supported by MASLOC loans. This could involve site visits, progress reports, and business performance assessments. Additionally, enforce a practice where beneficiaries must set aside a portion of their profits as savings. Finally, merit-based staff recruitment should be promoted. Implement a meritocratic recruitment process for hiring MASLOC staff. Prioritize candidates with relevant qualifications, experience, and a demonstrated commitment to the organization's mandate. This approach will ensure the right personnel are employed to execute MASLOC's goals effectively. By implementing these managerial recommendations, MASLOC can improve its operational efficiency, enhance loan repayment rates, and increase the positive impact of its initiatives on poverty reduction and economic empowerment.

Policy implications

i. To address misconceptions about the nature of loans, it is essential to implement a comprehensive education and sensitization program for beneficiaries. This program should emphasize that the loan is a financial commitment that must be repaid, rather than a gift or political favour.
ii. Need to collaborate with credit facilities to reinforce the message of responsible borrowing and repayment behaviour. This collaborative effort can encourage beneficiaries to view loans as financial tools for business development.
iii. Establish a rigorous process for beneficiary selection, requiring full disclosure of their financial status and business plans.
iv. Adjust the repayment period to a more manageable three months from the disbursement date.
v. Strengthen monitoring efforts on beneficiaries to ensure that disbursed funds are being invested as planned.

Ethics statement

The ethics approval number is RERB 0026, issued by SD Dombo University of Business and Integrated Development Studies Research Ethics Review Board [RERB]. The researchers obtained the participants' informed consent through an informed consent letter.

Data availability statement

Data will be made available on request.

CRediT authorship contribution statement

Mohammed Sulemana: Writing – original draft, Methodology, Investigation, Formal analysis, Conceptualization. **Moses Naiim Fuseini:** Writing – review & editing, Writing – original draft, Methodology, Formal analysis, Conceptualization. **Ibrahim Abu Abdulai:** Writing – review & editing, Writing – original draft, Supervision, Methodology, Investigation, Formal analysis.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Appendix A. Supplementary data

Supplementary data to this article can be found online at https://doi.org/10.1016/j.heliyon.2023.e22685.

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