

**ASSESSMENT OF THE CONTRIBUTION OF NAARA RURAL BANK TO
COMMUNITY DEVELOPMENT IN THE KASSENA-NANKANA WEST AND EAST
DISTRICTS**

BY

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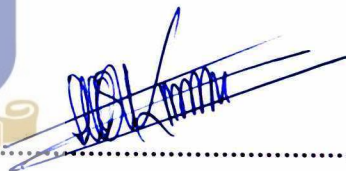
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DECLARATION

I, Adamu Seidu Abariche hereby declare that except for the references to other people's work which have been duly cited, this work is the result of my own original research and that this dissertation has neither in whole or in part been presented for a degree elsewhere.

**ADAMU SEIDU ABARICHE****DR DANIEL ODURO-MENSAH****(SUPERVISOR)**Date... 13/10/10**DR H. B. K. KWASHIE****(SUPERVISOR)**Date... 13/10/2010

DEDICATION

This work is dedicated to my wife and mothers (both biological and adopted) whose immense support led to the successful completion of the thesis.



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I acknowledge all those who contributed their helpful ideas, either directly or indirectly, to successful completion of this work. I cannot fail to mention the thoughtful contributions of some particular individuals who provided useful guidance prior to and during the development of the study. My Profound gratitude therefore goes first to my two supervisors, Dr Daniel Oduro-Mensah and Dr H. B. K. Kwashie, of the Institute of Continuing and Distance Education for their guidance, contribution, support and encouragement.

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ABSTRACT

The study assessed the contribution of Naara Rural Bank to community development in the Kassena-Nankana West and East Districts of the Upper East Region. The background of the study established that past development models implemented during the colonial era in Ghana favoured urban centres to the detriment of rural communities. To curb this situation, various governments after independence implemented various interventions including the establishment of rural/community banks to bridge the development gap. It was in this light that the Naara Rural Bank was established in the Kassena-Nankana District as the first rural bank in the Upper East Region in 1982. The objectives of the study were to: identify the programmes that the bank has implemented to facilitate socio-economic development in its service communities; find out the corporate social responsibility projects carried out by bank as part of its social responsibility; find out the sustainability of the development projects executed by the bank; and identify the strategies used by the bank to build local capacity for community development. The study was underpinned by the basic needs and open system theories.

In terms of methodology, the descriptive survey design was adopted for the study and the population consisted of all adults in the Kassena-Nankana West and East Districts. The multi-stage sampling technique was employed for the study. Simple random, purposive and convenient sampling techniques were used at the final stage to sample a total of 181 respondents for data collection. Primary data was collected using the interview schedule for non-literate respondents and questionnaire for the bank officials. The data collected was analysed using the Statistical Package for Social Scientists (SPSS) soft ware and presented in tables and pie charts.

The study revealed that Naara Rural Bank promoted socio-economic development in its service communities by facilitating increased agricultural production and economic activities through credit programmes for farmers, women, persons with disability and the youth. The study further established that the bank did not singlehandedly construct a physical project in any of its service communities as part of its corporate social responsibility but supported social activities such as



cultural festivals, education, sports and farmers day. It was also found out that the bank built local capacity for development facilitating training on income generating activities and business development and management. Based on the findings, the study concluded that to a large extent, the bank has contributed to development in the Kassena-Nankana West and East Districts. The study recommended that the bank should design a corporate social responsibility policy to replace the current ad hoc way of supporting activities in its service communities in the name of social responsibility.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Development has been the concern of man since creation. Since the days of Adam and Eve, man has been clamoring for improved living conditions and betterment of life. This quest for development by man was what led to the infamous slave trade and colonialism where the West sought to exploit Africa and, to some extent, Asia to facilitate its development. Perhaps the concept of development gained prominence after World War II in both developed and developing countries. Conyers and Hills (1984) note that the concern of the developed World after World War II was only with changes designed either to improve their access to the natural resources of the developing World, or in few cases, to introduce some of the more basic characteristics of 'civilization' including the provision of a few basic services and conversion to Christianity.

Wignaraja (1977) contends that the framework that has influenced the development process in the past assumed that there were 'developed' countries and 'developing' countries and that if the experience of the former, along with some resources, were transferred to the latter, the gap of development would be narrowed. The objectives and processes were viewed in economic terms and great reliance was placed on economic factors to achieve results. The framework further assumed that rapid economic growth could take place if there was central planning and control of the economy as a 'top-down' process, with emphasis on industrialization, modernization and urbanization. Capital, the factor in short supply, was

conceived as the main input into the process. Internal capital accumulation was to be assisted by inflows of foreign capital and technology. The cumulative effect of this kind of growth in the modern sector were expected eventually either to 'trickle down' automatically or at best be handed down in an administrative fashion to the large numbers who in developing countries live predominantly in the rural areas. Material accumulation was expected to solve other human problems. This model of development, according to Wignaraja, was indifferent if not inimical to rural development. In supporting this view, Conyers and Hills (1984) argue that this approach to development in the developing world led to the neglect of the rural areas.

However, development is a holistic process which requires the involvement of all sectors including rural communities. Vivian and Maseko (1994) contend that rural development deserves much attention since most of the poor reside in rural areas which lack basic amenities. According to the UNDP 2008 Human Development Index report, about 69 per cent of Ghana's population lives in rural areas. Rural development therefore represents the only logical way of stimulating overall development in developing countries. This notwithstanding, developing countries have failed to implement appropriate strategies effectively to achieve rural development. Hence rural communities continue to become poorer and underdeveloped.

In Ghana, the need for rural development has been recognized and some efforts have been made by various governments to narrow the gap in development between rural and urban areas. Policies such as decentralization, rural electrification, rural micro-credit schemes,

capitation grant, school feeding programme and construction of CHIPS compounds especially in rural communities were all geared towards facilitating rural development.

Despite all these efforts, the disparity between rural and urban areas is still wide. For instance, education has been recognized as the key to development but there is a wide disparity in terms of access to secondary education between urban and rural areas. While about 62.6 percent of secondary level students in urban areas have access to secondary education, only 28.8 percent of their counterparts in rural areas have access to secondary education (HDR, 2007). Similarly, 78.5 percent of urban households have access to good health facilities compared to 42.3 percent of the rural households (GSS, 2003). Again, while 81.0 percent of urban households have access to electricity only 24.9 percent of rural households have access to electricity (GSS, 2003). Rural poverty accounts for 63 percent of poverty worldwide reaching between 65-90 percent in Sub-Saharan Africa (Khan, 2001). In Ghana, 25.6 percent of people in the rural areas live in extreme poverty with 39 percent of them living below the poverty line of US\$1 per day (GMDG report, 2006). This suggests that about 64.5 percent of people in rural Ghana are poor. According to the UNDP, poverty is one of the key indicators of underdevelopment. It is therefore obvious that there is still a wide gap between urban and rural development. This situation has attracted many stakeholders to implement various interventions in rural communities to reduce poverty and unequal development. This explains why there is an influx of NGO activity in the country most of which operate in the rural areas. As part of its commitment to rural development, government has influenced the establishment of rural/community banks to serve the special needs of rural people in order to facilitate the development drive of their communities.

The concept of rural and community banking in Ghana emerged in the mid 1970s when it was realised that all the traditional licensed banking institutions were concentrated in the cities and urban centres. These traditional banking institutions served the needs of city and urban dwellers, especially, who were engaged in mining and import and export businesses to the neglect of rural dwellers (Bank of Ghana, 2008). In seeking to bridge the gap, the government through Bank of Ghana introduced the rural banking system to serve the special needs of rural dwellers who form the majority of the population, and who are engaged mainly in agriculture. The purpose was to bring banking to the door-steps of rural communities so as to enhance their socioeconomic development in order to achieve a holistic national development.

Nyarkrom Rural Bank in the Agona District of the Central Region was the first rural bank to be established in Ghana in 1976. The number of rural banks increased sharply after 1976 to 120 in 2005 (Bank of Ghana, 2005). Currently, there are over one hundred and twenty nine (129) rural and community banks operating in the country with over four hundred thirty nine (439) agencies spread over various areas in the ten regions of Ghana (ARB Apex Bank, 2008). The Ashanti region has the highest number of rural and community banks followed by the Eastern region. The lowest number of rural banks is in the Northern region. An important development that has occurred in the rural banking system in Ghana is the coming into being of the ARB Apex Bank Limited in November, 2001. The ARB Apex Bank serves as a mini central bank for all the rural and community banks in Ghana and is financed mainly through the Rural Financial Services Project (RFSP) which is a government of Ghana project aimed at holistically addressing the operational bottlenecks of the rural financial sector through

broadening and deepening financial intermediation in the rural areas (Gonzalez-Vega, 2005, ARB Apex Bank, 2008). To ensure that it is closer to the rural and community banks so as to serve them better, ARB Apex Bank has outlets in all the ten regional capitals.

The Bank of Ghana notes the nature of business of a rural bank as performing the following specific functions:

- i. Mobilizing savings from residents in the local community
- ii. Ensuring a proper and accurate handling of all money transactions
- iii. Accepting cash cheques for the credit of current and savings account
- iv. Providing loans and overdrafts to its members
- v. Accepting securities for safe custody
- vi. Engaging in any economic activity that will provide social and economic development of the community
- vii. Assisting customers in respect of their activities with a view to consolidate, extend and develop their undertakings



It can be inferred from the above functions that rural banks have direct responsibility to facilitate development in their operational communities. This notion is corroborated by the assertion of Bank of Ghana (1985) that rural banks in Ghana are charged with the primary objective of mobilizing financial resources in the rural communities to support viable economic ventures and social programmes to facilitate rural development. Thus community development is within the purview of rural banks. The task therefore is for rural banks to adopt appropriate community development strategies and approaches to ensure that they are able to fulfill their mandate of facilitating development in the communities in which they operate.

Naara Rural Bank, which is the focus of this study, is located in the Upper East Region with its headquarters at Paga in the newly created Kassena-Nankana West District. It was established in 1982. Its vision is to be most efficient rural bank and a leading poverty reduction agent in Ghana in terms of generally accepted standards. The mission of Naara Rural Bank is to be among the top ten rural banks in Ghana by being efficient and proactive to customers, ensuring disabled friendliness and through the use of the most modern equipment, well trained and motivated workforce, innovative-products, as well as contributing to the socio-economic development of the community in which it operates. The Naara Rural Bank currently has three agencies and one mobilization centre. The bank is managed by a nine Member Board of Directors chaired by Mr. Peter King Aloah with Mr. Samson Adakobga as the Manager. It has staff strength of 30 including nine females.

The ownership of the Naara Rural Bank lies with its shareholders. The shareholders are mostly residents within the Bank's catchment areas. The current number of shareholders stands at 4500 and the total current share capital is GH¢527, 546.80. The Bank's total assets portfolio also currently stands at GH¢2,250,000.00. With over 12000 customers, its current total deposit stands at GH¢1,460,000.00. The bank's loan portfolio of GH¢500,000.00 and loan recovery rate of 87% is deemed as encouraging (Sir Augustine, 2006). Apart from the banks normal banking activities it has also been involved in micro finance activities. Currently, it has initiated a micro finance programme involving GH¢66,000 that is benefiting 43 groups with a total membership of 516. Besides, it has been involved in the

implementation of external credit facilities that has helped to improve the lives of the communities within its operational areas.

The Naara Rural Bank has made some achievements over the years. According to Sir Augustine (2006), the major achievement of the bank has been its ability to create a wide banking spirit among the local communities to the extent that the ordinary local petty trader now realizes the importance of banking. The bank was also declared – Disabled Friendly Bank in 2005 by the APEX Bank (a central Bank for rural banks) because of its special concern for the disabled in the society. The bank does not only support the disabled in the society, but has also ensured that all its premises are disabled friendly. The Naara Rural Bank ranks very high among rural banks in the country. In 2006, it was adjudged the fifth best rural bank among the 126 rural and community banks in the county at the time.

1.2 Statement of the Problem

Rural banks are not only expected to facilitate rural development by supporting self-initiated development activities but also to initiate development in their operational communities. Naara Rural Bank operates in the Kasena-Nankana West and East Districts and seeks as part of its mission to contribute to the socio-economic development of its service communities. It has been operating in the districts for the past twenty eight years yet the districts are rated among the poorest and least developed districts in the Upper East region and the country at large. The important question that needs to be answered is: How has Naara Rural Bank contributed to the development of communities in its operational area?

1.3 Purpose of the Study

The purpose of this study was to find out how Naara Rural Bank has contributed to community development in its operational area. The study thus sought to assess the contribution of Naara Rural Bank to community development in the Kassena-Nankana West and East Districts in the Upper East Region of Ghana.

1.4 Objectives of the Study

The main objective of the study was to assess the contribution of Naara Rural Bank towards community development in the Kassena-Nankana Districts of the Upper East Region. The specific objectives of the study were to:

- i. Identify the programmes used by Naara Rural Bank to facilitate socio-economic development in the Kassena-Nankana Districts.
- ii. Find out the corporate social responsibility projects carried out by Naara Rural Bank in the Kassena Nankana Districts as relates to: a. physical projects executed b. support for social activities.
- iii. Find out the sustainability of the development projects implemented by Naara Rural Bank; and
- iv. Identify the strategies used by Naara Rural Bank to build local capacity for community development;

1.5 Research Questions

The research questions of the study include:

- i. What are the programmes adopted by Naara Rural Bank to facilitate socio-economic development of communities in its operational area?
- ii. Which agencies has Naara Rural Bank collaborated with to facilitate community development?
- iii. What physical projects has Naara Rural Bank executed as part of its social responsibilities in its operational area?
- iv. What social activities has the bank supported as part of its social responsibilities in its operational area?
- v. How sustainable are the development projects executed by Naara Rural Bank?
- vi. In what ways has Naara Rural Bank built capacity local capacity for community development?
- vii. How successful have these capacity building strategies been in encouraging local development?

1.6 Significance of the Study

Among the objectives for establishing rural banks in Ghana is to mobilize savings and extend institutional credit to rural dwellers in their respective areas of operation. This is to enhance the socio-economic development of rural communities for improved standard of living of local people.

However, not much study has been conducted to determine the extent to which rural banks have implemented programmes and strategies to achieve these laudable objectives. This

study therefore is expected to add to the existing body of limited literature on the role of rural banks in community development in Ghana. It would further contribute to adult education practice by making information available to guide adult educators on how to mobilize local communities to access the services of rural banks in order to improve their quality of life.

Finally, based on the findings, the study makes recommendations for policy makers to use as a guide to supervise and streamline the activities of rural banks in Ghana in terms of their role in community development.

1.7 Organisation of the Study

The study is organized into six chapters. Chapter one comprises the study background, the problem statement, objectives, justification, organisation of the study and description of the study area. Chapter two consists of the review of existing relevant literature on the topic in line with study objectives. The review was based mainly on the opinions, views and publications of experts that have bearing on the topic.

Chapter three contains the description of the research design, the sampling technique, the sample size, the data collection procedure and instruments, and the method of analysis. Chapter four contains the presentation of result from the analysis of data using tables and charts. Chapter five is where the results of the analysis of data are discussed with reference to the literature reviewed. Finally, chapter six contains the summary, major findings and conclusion of the study. It further contains the recommendations based on the findings for policy guidance and future research.

1.8 Limitations of the Study

Even though the study was successfully conducted, there were a few challenges. One important challenge was that the communities sampled for data collection were remote and far apart. The roads leading to some of the communities were impassable. The researcher therefore had to incur extra costs to engage the services of private motor bikes to facilitate visits to the communities for data collection. Another limitation was that the researcher could not speak Kassem and Nankam - the native languages of the respondents. This situation compelled the researcher to engage the services of an interpreter to be able to interact with the respondents thereby increasing the cost of the data collection.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter focuses on review of people's books and research work that are related to this study. The review covers a wide spectrum of sources such as books, articles, journals, reports and the internet. All the sources used have been appropriately referenced and acknowledged. The review was guided by the research problem and the objectives of the study. Thus literature was reviewed in the following areas:

- ❖ Theoretical Framework
- ❖ Concept of Community/Rural Development
- ❖ Strategies of Community Development
- ❖ Sustainability of Development Projects
- ❖ Organizations' Social Responsibility
- ❖ Local Capacity Building for Community development

2.2 Theoretical Framework

The study was guided by the Basic Needs Theory and the Open Systems Theory. The basic needs theory denotes that the best way to improve the quality of life of the poorest elements of society is to provide them with basic human needs. Moon (1991), who contributed in popularizing this theory, contends that the needs that are considered basic are those minimally required to sustain life such as food, water, health care, shelter and minimum education. Moon (1991) explains that the provision of basic needs is necessary for rapid growth in areas where income levels are low and poverty is high. This is true because as

Okonjo (1986) notes, “true development takes place when there is satisfaction of the fundamental needs of a population in terms of food, water, shelter, health, education, and mobility” (p.4). This presupposes that the presence of unmet basic needs is a barrier to development. This is because when people lack food to sustain themselves or suffer poor health and have no means of treatment, productivity will be hampered and consequently, development will be severely impeded.

According to Moon (1991), the most common indicators of national achievement of basic needs are life expectancy, infant mortality, and literacy. This is consistent with the findings of other authors. For instance, Morris (1979) cited in Moon (1991) has identified five “basic needs” and the indicators conventionally used to assess their leverage on life chances. These needs and their indicators were stated as health (life expectancy, health expenditures, doctors per thousand population, hospital beds), education (literacy, primary school enrollment, education expenditures), nutrition (caloric and protein intake), water supply and sanitation (percent of population with portable water, access to sanitation facilities, infant mortality), and housing (no good indicator available). This implies that one determines whether the basic needs of a locality is satisfied or not by looking at such elements as life expectancy of the people, literacy rate, access to portable water and sanitation facilities and school enrolment among others.

The basic needs theory is appropriate for this study because poverty is high in the Upper East region including the Kasena-Nankana district -- the study area. According to the 2007 Ghana Living Standard Survey, eight (8) out of every ten (10) in the region live below the poverty

line of \$1 per day per adult (GSS, 2007). This means about 80 percent of the people in the region live below the poverty line. In this light, it was expected that the development efforts of Naara Rural Bank in the Kasena-Nankana West and East districts in the region would be guided by the basic needs theory.

The open systems theory was another important theory that guided the study. The open systems theory as noted by Katz and Kahn (1978) depicts that organisations employ resources from their environment as energetic inputs, process these inputs (throughput) into finished products (output) and feed them back to the environment in exchange of new energetic inputs to sustain the organisation. On his part, Robbins (1987:9) describes the open systems theory of an organisation as “An input-output transformation system that depends on its environment for survival”. The theory is summarized in Figure 1.

Figure 1
Graphical Representation of the Open Systems Theory

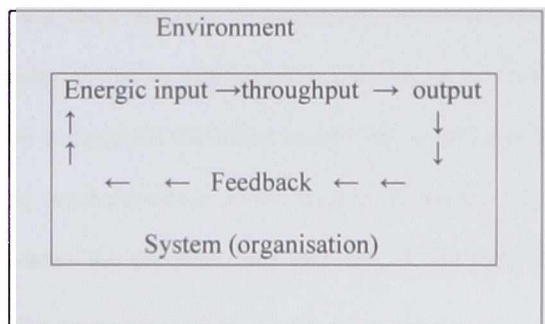


Figure 1 implies that an organisation receives inputs of energy from its environment without which the organisation cannot survive. Thus the energetic inputs are required to activate and reactivate the system (organisation) to ensure its survival. The inputs are then transformed

(processed) into outputs and exported into the environment. The environment receives the outputs and intends supply new inputs to the organisation for the cycle continue.

According to Katz and Kahn (1978), the open systems theory begins with the concept of 'entropy' which is the assumption that without continued supply of inputs, any system (organisation) is bound to rundown or collapse. This makes entropy an integral part of all organisations including rural banks since they survive on the continuous supply of energetic inputs from their environments. In the case of rural banks their environments are the communities they serve. They and the communities are interdependent. That is, while the communities serve not only as market for the products of rural banks but also provide inputs in the form of human resource to manage the banks, the rural banks also provide the communities with various products and services including microcredit to meet their socioeconomic needs. This means that rural banks must maintain a cordial relationship with the communities in which they operate in order to ensure their continuous survival. They can achieve this by fulfilling their mandate of facilitating socioeconomic development in the communities and directly executing development projects as part of their corporate social responsibilities in order to improve the living conditions of the people. This way, they will enjoy the goodwill and good reputation of the people. When this happens the local people will continue to patronize the products and services of the rural banks to ensure their continuous survival.

2.3 Concept of Community/Rural Development

The concept of community/rural development is complex and has witnessed varied definitions by various practitioners, researchers, institutions and organizations in the development world. Perhaps, the meaning of the concept can be made clear when the explanation of the terms 'community', 'rural' and 'development' precedes it.

Oduaran (1994) describes a community as a social, ecological, geographical, legal, political and administrative unit which is an equivalent of a society. Onugu (2000) also contends that the Nigerian National Board for Community Banks (NNBCB) defines a community as a group of people who possess a 'common bond' arising from residence, occupation, profession or similar attribute, and who interact fairly frequently in the pursuit of shared economic goals. It can therefore be concluded that a community is said to exist when a group of people pursue common goals and problems, acquire a sense of identity, and have a common sense of objectives. In this light, a community can be classified into urban community, rural community, occupational community, religious community and economic community among others.

Development, on the other hand, is a complex concept which has several connotations. However, Allen (2000) quoted by Pierre (2005) has identified three main meanings in which development is generally used. First, it is conceived as a vision, description or measure of the state of being a desirable society. Second, it is viewed as an historical process of social change in which societies are transformed over long periods. Third, it is seen as consisting of deliberate efforts aimed at improvement on the part of various agencies, including

governments, all kinds of organizations and social movements. Pierre (2005) endorses this by noting that development is a process of economic, social, political, and cultural change engineered in a given society by the efforts of all stakeholders, both internal and external – including local communities, the government, the private sector, civil society organizations, Non-Governmental Organizations (NGOs) and technical and financial development partners – with a view to improving the conditions of life of the population in a sustainable way.

Furthermore, Akinpelu (2002) sees development as a process of changing the personality, equipping it with the necessary skills, knowledge and attitudes to conceive, design, and carry out their own self-development. Akinpelu emphasizes that the target of the development process is the person or human being, and not the material accumulations surrounding them nor the economic progress and growth of the state. Having highlighted the meanings of community and development it is now possible to examine the concept of community development.

Even though the original definition of community development has undergone many modifications over the period by various writers and practitioners in the field, its original meaning has not changed greatly. The 1948, the Colonial Office Cambridge Summer Conference on African Administration report as captured in Dorvlo (2006:17) defined “community development” as:

a movement designed to promote better living for the whole community with the active participation, and if possible on the initiative of the community, but if this initiative is not forthcoming spontaneously, by the



use of techniques for arousing and stimulating it in order to secure its active and enthusiastic response to the movement.

The report further stated that community development embraces all forms of betterment and includes the whole range of development activities in the district whether these are undertaken by government or non-governmental bodies; in the field of agriculture by securing the adoption of better methods of soil conservation, better methods of farming and better care of livestock; in the field of health by promoting better sanitation and water supplies, proper measures of hygiene, infant and maternity welfare; and in the field of education by spreading literacy among adults as well as by the extension and improvement of schools for children. Summers (1986), however, describes community development as a purposive activity by people to strengthen a “community field”. This implies it consists of acts by people that open and maintain channels of communication and cooperation among local groups. On his part, Boateng (1986) captures community development as a process that aims at helping local people to identify and articulate their needs and problems, stimulating the participation of individuals and families in community affairs, encouraging self-help action and relating “grass-roots” efforts to larger developmental objectives. Mba (2004) endorses this definition by stating that community development is a process of promoting better living for the whole community with the active participation and on the initiative of the community. He emphasized that development programmes are usually concerned with local communities, hence there is need for participation by members of the community in efforts to improve their level of living with as much reliance as possible on their own initiative, and the provision of technical and other services in ways which encourage more effectiveness. He further states that the scope of community development includes health, home economics,

co-operatives, rural industries, housing, recreation and public amenities such as roads, portable water supplies, postal agencies to facilitate communication and schools among others.

In another dimension, community development has been largely considered as:

A process implying a transition from one approach that emphasises popular participation and the direct involvement of the population in the process of development... a programme (that is, a formal organisation with a separate administration and staff), (and as a movement) it represents a philosophy of development sometimes with an almost religious fervour (UN 1971: 9, cited in Dorvlo,2006:75).

This definition does not satisfy our modern world meaning of community development because it portrays the concept as development that is introduced or initiated by an outsider who then seeks the participation and involvement of the people.

On their part, Indabawa and Mpofu (2006) contend that community development implies qualitatively and quantitatively transforming people, their environment, values and social processes by the people themselves and perhaps, with the help of others from within or outside their environment. This definition quite mends the defect identified in the UN definition stated earlier. However, its major defect is in the fact that it does not state how the process of transformation can be achieved by the people.

Indabawa and Mpofu (2006) have cited a four-fold typology of community development provided by Sanders (1958) and claim it has formed the philosophical backbone of virtually every conception of community development since 1958. The typology describes community development as a process, a method, a programme and a movement. Community Development as a process involves progression from one condition or state to the next. It lays more emphasis on the improvement of the people, both socially and psychologically. As a method, it is essentially community development as a 'process' which is managed in a certain way in order to bring about a specific result. In short, community development as a 'method' is a process that is guided to serve a particular objective. Community development as a programme is a combination of method and content. The method here refers to a stated set of procedures and content, which means a list of activities. The emphasis in community development as a programme is on the programme activities rather than on the people involved in the programme. As a movement, it is a programme plus emotional dynamics. In this regard, community development is a crusade and a cause to which people become emotionally attached.

A definition that seems to incorporate all four perspectives of community development is provided by Christenson and Robinson (1980 cited in Ndabawa and Mpofu, 2006). They define community development as a group of people in a community reaching a decision to initiate a social action process (planned intervention) to change their economic, social, cultural or environmental situation. However, Rubin and Rubin (2008) provide yet a more concise but elaborate definition of community development. They describe the concept as the process of promoting local empowerment through organised groups of people acting

collectively to control decisions, projects, programmes and policies that affect them as a community. Local empowerment here implies enhancing local people's education through acquisition of knowledge, skills and attitudes to enable them control resources within their environment for improved quality of life. Local empowerment can be achieved through organised groups and collective action. For purposes of this study Rubin and Rubin's definition of community development will be adopted.

Since development must be sustainable it is imperative to modify Rubin and Rubin's definition to obtain a comprehensive definition of community development. Thus community development can be defined as the process where a group of people with common interest, identity, goals and values learn new attitudes, skills and knowledge through education to enable them attain mastery over their environment and use the resources within their environment to bring about sustained improvement in the quality of their lives. Although they vary in emphasis, the above definitions suggest that community development is about people, their environment and their collective actions and efforts aimed at addressing social, economic, political and cultural problems. It seeks to raise the quality of life for the people and to improve their conditions for the better. Community development is a joint and collective undertaking.

Although community development is the responsibility of the people, the process can be positively aided or supported by governmental and non-governmental agencies (Indabawa and Mpofu, 2006). It is from this angle of an external agency positively aiding the process of

community development that this study is focusing on the contribution of rural/community banks to community development.

2.4 Programmes and Strategies for Community Development

Different strategies have been utilised by various practitioners and development agencies to facilitate rural and community development. Perhaps, the most well known strategy has been the 'bottom-up development' approach. The concept of bottom-up development was popularized by Walter Storh (1981) and was fueled by the effects of structural adjustment policies which were implemented in many developing countries including Ghana during the 1980s and 1990s (Binns et al, 2001). The structural adjustment policy barred governments from implementing development projects directly in local communities and this, by default, imposed the responsibility for development initiatives on local communities (Binns et al, 2001). Implicit within these broad arguments is the notion that communities must seize the development initiative and embark on strategies which might improve their social and economic well-being. Dicklitch (1998) cited in Binns et al (2001) contends that this phenomenon called for the need to ensure that local leadership retains control over development projects. According to Binns et al (2001), the success of any meaningful development using the bottom-up approach does not only depend on the existence of a facilitating environment, but also requires certain other factors to be in place, notably usable physical resources, human and social capital and an appropriate external support.

Human capital mentioned above encapsulates the skills, talents, leadership capacity and charisma possessed by members of a community. It is observed that without the 'right

chemistry' of human capital no locally initiated project would ever take place and certainly could not be sustained (Binns et al, 2001). Hiebert (1999) corroborates this argument by noting that dozens of top-down development schemes failed due to increased dependency and inadequate human capital to fill the role of the external body when it withdraws from a project. Social capital on the other hand is defined as features of social organization, such as trust, norms (customary behaviour), and networks, that can improve the efficiency of society by facilitating co-ordinated actions (Buckland, 1998). Social capital therefore, measures the degree to which a community can co-operate towards achieving desired results. Hence, Buckland (1998) asserts that trust and co-operation are essential for achieving indigenous efforts at community development. Buckland's assertion seems to have echoed Evans' (1996) argument that social capital is not only a critical ingredient for sustainable improvement in the welfare of the people of the developing countries but the pre-existing endowments of it are valuable resources in development.

However, the presence of physical, human, and social capital in itself is not sufficient to ensure the success of community endeavours because community initiatives are frequently impeded by a fairly standard list of constraints such as lack of finance, equipment, technical experts, organisational skills and inadequate knowledge of commercial market in which they are seeking to operate and compete (Stock, 1995). In such scenarios, there seems to be a very clear motivation to try and link external agencies with local initiatives in order to help address the constraints. According to Binns, et al (2001), if local initiatives and community development projects are to become sustainable, such links must be acknowledged and

predicated on the principles that they avoid dependency, ensure that local leadership is supported, and that appropriate skills training is provided.

Within this context, it can be concluded that development programmes and strategies which blend local initiatives with external support of government or non-governmental organizations need to be sought. This assertion corroborates Stock's (1995) suggestion that local initiatives should be supplemented with well-conceived, carefully implemented national programmes and strategies of development. Perhaps, this explains why as part of their development strategies governments in the developing world including Ghana backed by the World Bank, rolled out the concept of rural banking to facilitate the socio-economic development of rural communities.

In assessing rural community development programmes and strategies, Summers (1986) identifies three types of community development interventions as authoritarian, client-centered and radical reform interventions. Under the authoritarian strategy, an agent (usually external to the community) introduces a change with the belief that it will improve the community and that it is in line with the self-interest of the community. People are assumed to be rational and therefore willing to adopt the proposed change if it can be rationally justified and if it can be shown by the change agent that the community will gain by adopting the proposed change. The fundamental article of faith in this approach is the belief that ignorance, superstition, and incorrect information are the chief foes of improvements in human conditions. Scientific research will expand the knowledge base, and education will free humans from ignorance and superstition. When confronted with an unmet need, basic

scientific researchers, it is presumed, can and will discover the causal factors and engineer a solution. People in the target community will then follow their rational self-interest and adopt the recommended solution.

This development approach also implies certain conditions about the provider-recipient relationship. First, someone decides the recipient needs assistance. Often this is the provider or the project sponsor; seldom is it the recipient. Second, the provider's knowledge is superior to the recipient's. Third, there exists a social and political climate in which a provider-recipient relationship can be established. A great many achievements have been made as a result of authoritative intervention. Improvements in health, nutrition, sanitation, safety, air and water quality, food production, and other consumer product developments have profoundly affected human welfare in the United States of America (Summers, 1986). However, it can be inferred that the major weakness of this approach centres largely on the locus of control in the development process. That is, who decides there is a problem in need of a solution and the best course of action? And, who decides on the availability of resources? Certainly the deciding voice is an external agent. Thus, authoritative intervention threatens local autonomy and a sense of community.

Client-centered intervention, on the hand, places great emphasis on political equality and popular sovereignty as the means by which citizens control their own lives. In this view, a primary function of the state is to guarantee every citizen's right to freedom of expression. The most distinctive feature about this intervention strategy is the emphasis placed on the individual citizen; it is client-centered. Under this strategy, all people are believed to be

inherently active in searching for ways to satisfy their needs. Their behaviour is purposive, and experiences in their daily lives are continually and consciously evaluated for usefulness in satisfying their needs. People learn from their experiences and evolve workable systems of beliefs, values, and behaviours. Thus, this approach emphasizes active client involvement in working out programmes of change. Hence, the change agent must learn to work in partnership with the client (local people), who actively participate in defining the problem, considering alternative solutions, assessing availability of resources, and changing a course of action.

The fundamental premise of radical reform is that it is only through major reformation of the structure of the local system, and ultimately of society, that the objectives of development can be realized. The strategy operates on the common assumption that the existing system incorporates injustice and inequalities which those in power perpetuate for their own benefits. Another assumption is that persons in power will not accept meaningful reforms willingly. Hence, changes that are necessary for truly significant improvements in human conditions can be achieved only by using power to alter the existing system fundamentally. Change agents committed to this theory believe that the basis of contemporary revolutionary movement lies in a proletarian class consciousness. Thus, worker mobilization is the first task of the change agent pursuing radical reform. This is in line with the principle that when the oppressed are made aware of the true source of their discomfort and misfortune, they can be mobilised to challenge the power elite, and if possible, replace them through elections as a necessary condition for correcting major social injustices. The radical reform strategy incorporates a very wide range of tactical styles, from a nonviolent civil disobedience to an

extremely violent terrorism of activists. It is based on ideologies which have considerable popularity among the intelligentsia, especially those with an urban orientation, but has very few practitioners in rural communities.

It is however worth noting that among the strategies of rural community development, radical reform is the most unusual. This is because rural community development projects and programmes rarely have been guided by the radical reform strategy. They are more commonly guided by a mixture of authoritative and client-centered intervention strategies.

In writing on strategies for rural integrated development, Kudiabor (1986) also identified three approaches as the “Social Amenity Approach”, the “Increased Agricultural Production Approach” and the “Accelerated Project Implementation Approach”.

The Social Amenity Approach lays emphasis on the provision to rural communities of social services and amenities in the form of good drinking water, better housing, hospital facilities, health centres and posts, and schools among others. This strategy was pursued under various national comprehensive planning and community development programmes in Ghana. A number of reasons have been advanced in support of the “social amenity approach”. One such argument is that although rural communities have made considerable contributions to the overall development of the national economies of developing countries by the production of basic agricultural raw materials for export to earn foreign exchange, they have been completely neglected in the distribution of the good things of life (Kudiabor, 1974 cited in Brown, 1986). It is also held that improvement in the health of the rural population through,

for example, the provision of good drinking water and health facilities will result in increased productivity in the agricultural sector in rural areas of the economy, which should eventually lead to overall national development. Brown (1986) confirms the above reason by noting that the provision of the basic amenities in the rural areas might in the long run not only lead to increased productivity but also serve as a first step towards the achievement of a balanced urban-rural development. However, it has been argued that as the sole strategy for rural development, the social amenity approach is an expensive one and the constraints of costs alone will limit the speed with which central government funds can be spent on the provision of basic social services to the rural communities (Kudiabor, 1970 cited in Brown, 1986). Thus, the sole adoption of this approach for community development is not sustainable.

As the name suggests, the increased agricultural production approach lays emphasis on increased agricultural production. Included in this strategy are elements such as improved feeder road network, better organized co-operative movements, availability of improved seeds, livestock and farm machinery, and better storage, marketing and processing facilities in the rural areas as well as availability of credit on easy terms to the farmer. This approach was first adopted in Ghana in the early 1970s with the introduction of the Operation Feed Yourself (OFY) which was aimed at achieving self-sufficiency in agricultural production (Brown, 1986). Cardinal to this approach is the argument that increased agricultural production will result in rising rural incomes which will enable the rural population to provide itself with some of the basic social amenities and services generally lacking in rural areas. However, it is argued that the high cost of living and prices of foodstuffs as well as the under-utilization of land in the country during the implementation of the programme were all

indicative of the fact that as a development strategy, the increased agricultural production approach did not make a meaningful impact on the rural people and Ghanaians at large (Brown, 1986).

The accelerated project implementation approach emphasizes the establishment of effective machinery at the regional and district levels to monitor and ensure prompt and efficient implementation of various projects and programmes outlined in annual budgets for rural community development. It is on record that Malaysia is an excellent example of a country that has succeeded in making substantial improvements in the rural life in that country through the accelerated project improvement approach. In Ghana, this approach was first tried in 1968 (Brown, 1986). Hence, during this period Regional Planning Committees were established in each region of the country to create, among other things, the framework within which the execution of development projects could be effectively monitored in each region (Ghana Government Two Year Development Plan, 1968). These Regional Planning Committees had the basic function of identifying new opportunities for development, of strengthening existing economic activities of the government, of reporting on progress being made on the execution of development projects, and finally of forging a link between the central government and private enterprise. However, Brown (1986) notes that the Regional Planning Committees failed to serve as a link in matters of economic development between the regions and the central planning agency in Accra because they lacked sufficient authority and adequate budget to deal with local development issues transcending sectoral dimensions. This means appropriate structures were not put in place to empower the Regional Planning

Committees to function effectively and deliver on their mandate of facilitating rural development.

A closer look at the activities of rural banks in terms of their social responsibilities and credit support for farmers shows that they employ more of the social amenities and increased agricultural production approaches which are similar to the authoritative and client-centered strategies of Summers's (1986) rural community development strategies to facilitate community development in their operational areas.

Credit has also been identified by many practitioners as an important tool for rural and community development. According to Nani-Nutako (1998) lack of financial capital or lack of access to credit is a militating factor against farmers in financing their farm operations and is one of the major underlying factors of low productivity in Ghana. In corroborating this view, Owusu-Acheampong (1986) notes that credit is one of the most critical bottlenecks confronting Ghanaian rural farmers. It has been observed that this situation is as a result of formal financial institutions being reluctant to reach rural people with credit because of their inability to provide collateral security and the institutions perception of high risks and costs of lending to the poor and small scale operators (Birgegard, 1993; Jones et al, 2000; Masanjala, 2004). This situation necessitated the institution of micro-credit as a strategy to serve the special needs of farmers and rural dwellers to facilitate rural development. Tanko (2006) confirms this assertion by noting micro-credit and finance have been developed as a strategy for poverty alleviation and income generation for the poor. Miller and Martinez (2006) buttress Tanko's (2006) point by stating that microfinance institutions located in rural

areas play an important role of effectively providing low-cost credit to the rural poor especially women to help transform their lives.

Fleschner (2000) also contends that improving access to financial credit for low income households is a vital part of any rural development strategy, especially one designed to rectify long standing rural inequality and to generate broad-based growth. Besides, micro-credit has been used in some developing countries especially in Bangladesh as a panacea for a spectrum of problems ranging from poverty alleviation through small enterprise development to shelter development (Memoire, 1998). These assertions all point to the fact that credit plays a vital role in rural development. Owusu-Acheampong (1986) asserts that credit plays the useful role of a catalyst in the rural development process because with credit the farmer or rural poor can acquire the necessary inputs or resources to improve his farm operations or engage in a successful income generating activity to increase their incomes. Increased incomes lead to increased purchasing power and good nutrition which have desirable effects on the development process. In further stressing the importance of credit to farming and community development, Owusu-Achampong (1986:97) notes:

“Credit is the most critical factor in the Ghanaian rural farming situation. With credit, the unproductive traditional farming using simple tools and implements can be transformed into modern techniques of farming. With credit, farmers can acquire or hire the services of farm machinery and equipment that can help them to increase their acreage. With credit, farmers can buy and use essential inputs such as fertilizers, improved seeds, insecticides, weedicides and pesticides. The critical point is that

with credit the farmer can increase his productivity which in turn would ensure greater farm output and increased income. With proper utilisation of the increased income, the farmer can bring out considerable improvement in his welfare and living conditions. Thus, the individual farmers collectively can bring about considerable improvement in the community in which they live."

It can therefore be deduced that credit especially micro-credit schemes if well administered to farmers and the rural poor can serve as a powerful instrument for rural development because it will facilitate increased production, increased incomes, better nutrition and consequently personal and community development. Perhaps, it is the recognition of the vital role of credit in community development that rural and community banks have been established and made to operate in rural communities to mobilized funds and give credit to farmers and rural dwellers under flexible conditions.

Rural banks also collaborate with other agencies and institutions that are concerned with rural development as a strategy to facilitate community development. The partnership of development agencies such as District Assemblies, non-governmental organisations, central government and international aid agencies with rural banks is in view of the strategic position and close relationship of rural banks with rural communities. The partnership, in many instances, has resulted in improved social and economic conditions of local communities. For example, the Enhancing Child Nutrition through Animal Source Food Management (ENAM) project, an international programme coordinated by the University of Ghana College of Agriculture is collaborating with three rural banks in Ghana to provide credit to rural

communities. The three rural banks include the Akyempim Rural Bank at Gomoa Dawurampong, the Fiagya Rural Bank at Nkuranza and the Naara Rural Bank at Paga in the Upper East Region. The main objective of the project is to use credit to achieve increased animal protein in children's diet to reduce childhood malnutrition and enhance children's growth, health and cognitive development (University of Ghana News File, 2008). This undoubtedly has the potential of improving the health and income status of beneficiary communities immensely. The project intervention is a great relief to beneficiary communities since poverty and malnutrition are quite high in rural areas compared to urban centres.

2.5 Organizations' Social Responsibility

All organizations, companies and businesses operate in a certain physical and social environment. They obtain resources (inputs) such as manpower, raw materials, land and even market (in terms of clients and customers) from the environment in which they operate. This enables them to produce to ensure their survival. To achieve this, organizations and enterprises tend to maintain very cordial relationship with the societies or communities in which they operate by implementing certain programmes and projects aimed at improving the living conditions of the people. These activities and projects implemented voluntarily to help improve upon the living conditions of people in the communities in which they operate may be termed the *Social Responsibilities* of organizations.

According to Hess and Siciliano (1996) social responsibilities means that "organizations are expected not only to provide society with goods and services but also to contribute to the social well-being of the communities where they operate". In some cycles, especially in the

business world, it is termed *Corporate Social Responsibilities*. Stuart and Steve (2007) quoting from the British Department of Trade and Industry Corporate Responsibility Group, define corporate social responsibility as the management of an organization's total impact upon its immediate stakeholders and upon the society within which it operates. Le Jeune (2004) cited in Stuart and Steve (2007) on his part view corporate social responsibility as an umbrella term 'for a positive relationship between an organization and the societies/stakeholder communities in which it operates.' Stuart and Steve (2007) argue that corporate social responsibility does not only impact positively on the reputation of an organization but also help to build goodwill amongst key stakeholders especially the community in which it operates. It can be inferred that a comprehensive corporate social responsibility programme can be used as a defense for an organization in the event of crisis between the organization and its operating community.

Seventy per cent of Chief Executives globally agree that corporate social responsibility is vital to profitability (Global CEO survey, 2002 in Stuart and Steve, 2007). This indicates that implementing development projects or activities for communities in which an organization operates does not only impact positively on its reputation and enhance goodwill but also, enables it earn the desired profit. Currently, there is little doubt that the ever conscious public at large expects businesses and other organizations to act with genuine social responsibility. Thus, as Schermerhorn, (1996:57) notes: "The demands of our complex social and economic climate all point toward ever-increasing expectations for organizations to integrate social responsibility into their core values and daily activities". The expectation of society that

businesses and organizations need to pursue genuine social responsibility for the general good of the people is summed up best by the comments of Keith Davis as follows:

Society wants businesses as well as all other major institutions to assume significant social responsibility, social responsibility has become the hall mark of a mature, global organization. The business which vacillate or choose not to enter the arena of social responsibility may find that it generally will sink into customer and public disfavor (Keith Davis in Schermerhorn, 1996:57).

It can be inferred therefore that social responsibility does not only bring enormous benefits by way of goodwill and favourable public opinion to businesses and organizations but also, is an exercise that society expects them to undertake to secure its unwritten license to operate. Business organizations therefore are increasingly expected to balance concerns for profit with considerations of what is good for society.

It is worth noting that it is not only society that expects businesses and organizations to be socially responsible to their operational areas but also governments are increasingly becoming interested. Stuart and Steve (2007:98) confirm this by contending that:

“Governments across the world have encouraged corporate social responsibility activity but are however, hesitant in enacting and implementing stringent measures to ensure compliance by businesses and organizations”.

Government’s interest in corporate social responsibility is due to its complementary role in local and national development. Consequently, examples of social responsibility are everywhere, and are appearing at an ever-increasing rate. As part of their corporate social

responsibility GHACEM Ghana Limited, donates thousands of bags of cement annually to schools and communities across the country. The donations are meant for the construction of classrooms, toilets and other developmental projects. Another obvious example is the contribution of \$20 million by the leading Telecommunication Company in Ghana, MTN, to help solve the water problem in the Greater Accra Region as part of their corporate social responsibility (Ali-Nakyea, 2008, GNA, 2008).

There are many actions domain in which social responsibility can be pursued by organizations and other types of business firms. These include concerns for ecology and environmental quality, truth in lending and consumer protection, aid to education, service to community needs, employment practices affecting minorities and general corporate philanthropy (Schermerhorn, 1996). In Ghana, the main areas that have received attention in terms of social responsibilities by organizations include education, health, sanitation and environment, energy in terms of rural electrification and water supply in the form of drilling of bore holes especially in the rural areas. In a survey carried out by Loughborough University for the Economics in 1991, 1,800 British business people were asked what qualities contributed to a good, positive reputation of companies and organizations. They came up with a list which includes community and environmental responsibility (Harrison, 1995). Similarly, in a survey conducted in 1993 among opinion leaders in the City of London, the top six qualities of the 'ideal' company could all be said to reflect corporate social responsibility. Among the qualities was high standard of corporate ethics and respect for community contribution (OLR, 1993). The results of the two research results clearly indicates that organizations and companies that design and implement valuable social

responsibility projects in communities in which they operate enjoy good will, good reputation, favourable public opinion and power. Harrison (1997; 130) endorses this assertion by noting that “if organizations wish to maintain their positions of power in a pluralistic society, they must accept their societal responsibilities.”

There are, however, two constricting views on social responsibility prevailing in academic and public policy circles. As cited by Schermerhorn (1996), the classical view holds that management’s only responsibility in running a business is to maximize profits. This view is supported by Milton Friedman who argues that “the very foundations of our free society would be undermined if corporate officials’ accepted any social responsibility other than to make as much money for their stockholders as possible” (Friedman, 1982 in Harrison, 1997:130). Among the reasons advanced by critiques against social responsibility are: loss of profits, increased costs, and lack of business accountability to the public. In contrast, the social economic view holds that every organization must be concerned for the broader social welfare, and not just for corporate profits. This broad-based model is supported by Samuelson (1971) and Davis (1967), a distinguished economics and a respected management theorist respectively. Samuelson states: “A large corporation these days may not only engage in social responsibility, it had damn well better try to do so” (Samuelson 1971 cited in Schermerhorn, 1996: 57). On his part Davis argues that “the corollary to no responsibility is “no power” (Davis cited in Harrison 1997: 130). This implies that organizations must accept their social responsibilities in order to gain power to operate effectively in their operational areas. Arguing in favour of social responsibility, Harrison (1997:129) contends that “companies ignore corporate social responsibility at their own peril”. Some reasons stated for

social responsibility by proponents are: Long-run profits, better public image, improved quality of life in communities, better environment, less government intervention and good reputation. The inability of governments to enforce stringent measures for compliance has been attributed to their concern about frightening companies and organizations away from investing in their countries, and all the associated implications for jobs and regional policy that this would have (Stuart and Steve, 2007).

Rural banks have a legislative mandate to provoke the participation of rural people in banking so as to improve the rural economy and for that matter enhance rural development. To achieve this mandate rural banks need goodwill, favourable public opinion, good reputation and trust of the communities they serve. Since one sure way of achieving all the above mentioned factors is engaging in corporate social responsibility, rural banks cannot afford to ignore it. Sir Augustine (2006), Past Board Chairman of Naara Rural Bank corroborates this assertion by noting that:

Rural banks are not just there to benefit their shareholders but they also owe some social responsibility to the communities within which they operate. The Naara Rural Bank is conscious of this social commitment and has over the years endeavoured to live up to expectation within its small profit margins (p.22).

This implies that major players within the rural bank industry are very much aware of their development role in their operational areas and will not shirk that responsibility for any reason. Wiredu-Peprah (2008) corroborates this view by contending that rural banks in Ghana have adhered to corporate social responsibility in their catchment areas in the provision of schools, street lights and sponsorship of brilliant but needy students in various

institutions. In view of this, some rural banks in Ghana have supported development projects in their operational communities. For example, the Amanano Rural Bank constructed a four classroom block for Nyinahin Catholic Junior High School in the Ashanti Region (GNA, 2006) while Wamfie Rural Bank constructed a public library for the Wamfie community in the Brong and Ahafo Region (GNA, 2009). In addition, Assinman Rural Bank in Assin Manso in the Central Region of Ghana donated generators to the Manso Health Centre for the preservation of vaccines during power outages and connected electricity to the District Assembly's Junior High School to facilitate the use of computers in the school as part of its social responsibility to the district (GNA, 2009).

2.5.1 Social Responsibility Strategies

The success of every task or activity to be executed will depend on the strategy employed to execute it. The strategy to be adopted is also dependent on the objective of the activity, the environment in terms of competition and above all, the time of execution of the activity or project. In implementing social responsibility programmes in communities, organizations need to employ effective strategies to achieve success. Several strategies abound for selection in implementing corporate social responsibility of organizations. Schermerhorn (1996) provides four (4) strategies of social responsibility. They include the obstructionist strategy, defensive strategy, accommodative strategy and the proactive strategy. An *obstructionist strategy* reflects mainly economic priorities; hence, social demands lying outside the organization's perceived self-interests are resisted. Therefore, if the organization is criticized for wrong doings, it can be expected to deny the claims. A *defensive strategy* of social responsibility, on the other hand, seeks to protect the organization by doing the minimum

legally required to satisfy expectations. If criticized, intentional wrongdoing is likely to be denied, but a legally acceptable response will be made. An organization following a defensive strategy will probably meet the criterion of legal responsibility, but often only because of outside pressure.

Organizations pursuing an *accommodative strategy* accept their social responsibilities. They try to satisfy criteria of economic, legal and ethical responsibility. Corporate behaviour at this level is congruent with society's prevailing norms, values, and expectations, but it may only be so at times because of outside pressures. Finally, the *proactive strategy* is designed to meet all the criteria of social performance, including discretionary performance. Corporate behaviour at this level takes preventive action to avoid adverse social impacts from company activities, and it even anticipates or takes the lead in identifying and responding to emerging social issues.

The question which needs redress at this moment is "which strategy and at which level of corporate behaviour do rural banks operate to implement their social responsibility? It is anticipated that as organizations that are expected to influence rural development, rural banks will employ both accommodative and proactive strategies in implementing social responsibility programmes in their operational areas. This is because both strategies are useful in helping organizations to meet all criteria of social performance. Thus anything that is inimical to society is avoided whilst programmes deemed beneficial to society are undertaken.

2.6 Sustainability of Development Projects

The concept of sustainable development came to the fore when it was realised that the natural resources of the world were being depleted indiscriminately for present need without regards to the needs of the future. The depletion of natural resources is quite serious in developing countries since resources such as gold, diamond, timber, bauxite, petroleum and wildlife among a host of others abound in most of these countries. The developed world, since the colonial period, has been dependent on developing countries for natural resources for their development purposes (Converys and Hills, 1984). Since the developing countries after independence also desired to attain economic growth similar to the developed world they have tended to harvest and export more of their natural resources to obtain much foreign exchange to meet their developmental needs. However, the way and manner these resources are being exploited for export and other economic gains are without any provision for future needs. Seeing this trend as a danger and threat for the survival of future generations, international bodies such as the United Nations (UN), the World Bank and international non-governmental organisations (NGO) raised concerns which culminated in the concept of sustainable development in the early 1990s.

Perhaps the 1992 Earth Summit of the United Nations held in Rio de Janeiro was an important milestone in the history of sustainable development (Commonwealth Youth Programme, Module 13, 2001). The summit which witnessed over hundred Heads of State and one hundred and seventy eight representatives of nations as well as countless representatives of non-governmental organisations was very strong on its call for sustainable development. The summit came out with a major action agenda called 'Agenda 21' which

was a blueprint on how to make development socially, economically and environmentally sustainable. Some of the strategies outlined in the agenda to achieve sustainable development include:

- i. Environmental protection should constitute an integral part of any development process and should not be isolated from it.
- ii. Poverty eradication in order to decrease the disparities in standards of living.
- iii. Strengthening endogenous capacity building.
- iv. Providing opportunity for all including local people to participate effectively in decision making processes in development
- v. Encouraging full participation of women and the youth in environmental management and development
- vi. Effective mobilization of the creativity, ideals and courage of the youth
- vii. Peace promotion

Apart from the Agenda 21 of the Rio de Janeiro Earth Summit, some development writers have also recognised local participation as a strategy for ensuring sustainable development projects. For example, Oakley and Marsden (1984) argue that participation is not only an end in itself but also a fundamental pre-condition for a successful and long-lasting development. According to them, if local people are actively involved in any community project, they will commit themselves to the support of the project for its success and sustainability. This implies that without effective involvement of local people in development projects and programmes implemented by rural banks in their operational areas, their success and sustainability cannot be assured.

In discussing how local participation can be enlisted Rifkin (1990) cited in Sylvester (2008) has identified five levels of participation by local people in community development. According to Rifkin, the first level is where local people participate minimally or most passively in the benefits of projects in the form of service or education. At the second level, local people can participate in programme activities such as support for health facilities through in-kind or cash contributions and assuming roles as health providers or workers. The third level involves implementation, where local people assume managerial responsibilities including decision making about how activities are to be managed. The fourth level concerns programme monitoring and evaluation. The fifth level, according to Sylvester (2008), is the most important level of participation because at that level local people are offered the opportunity to participate in planning as well as in the translation of their own felt needs into true grassroots development. It can be inferred that the latter type of Rifkin's levels of participation demonstrates a higher level of community participation in local development. This is because it has the potential of equipping local people with the ability to initiate and implement development projects on sustainable basis. Cohen et al (1980) seems to endorse this assertion by noting that participation in planning and evaluation by local people is the most important of all kinds of local participation because it offers local people a sense of empowerment and ownership of projects. This implies that local participation in planning and evaluation leads to project sustainability because a community that is empowered and sees a project as its own will work to ensure the continuity of that project.

Another important element that impinges on sustainable community development is the extent to which communities are organized. A well organized community is most likely to

plan, initiate, implement and manage development projects and programmes sustainably for the benefit of its members. This is consistent with Weinberg (2000)'s argument that a well-organized community is one that is able to define what it wants to accomplish and is able to do so to the extent that it is well organized. This shows that communities can only succeed in defining what they want to accomplish if they are able to engage in effective planning and consultation. Effective planning, on the other hand, is achievable if communities are well organized. This is in view of the fact that it is easy to carry out consultation and build consensus on development issues which shall be accepted by all and viewed as their own in well-organized communities. When communities view a project as their own other than that of a funding agency they are more likely to manage it well to ensure its long life and, for that matter, its sustainability. Inherent in well-organized communities is the presence of local mobilization. Thus local mobilization also matter in sustainable community development. This is because, as Flora et al (1997) notes, local mobilization firstly depersonalizes controversy, thereby allowing communities to engage in the conflicts necessary to solve problems without fractionalizing. Secondly, it solicits participation from a diversity of individuals and institutions, thereby helping to mobilize the available resources within a community; and thirdly, it assists in the formation of community networks, linking groups internally to one another and linking the community to regional and national networks. It can be inferred therefore that local mobilization helps to foster unity among community members and increase the potential resource base of the communities. Since resources are crucial in community project management and survival, local mobilization brings about sustainability of community development projects.

Weinberg's theory of Rural Sustainable Economic Development confirms the role of local mobilization in sustainable community development. The theory states that effective local mobilization in the presence of enabling elements will create high-road industries which would lead to sustainable community development (Weinberg, 2000:184). Figure 2 diagrams the theory:

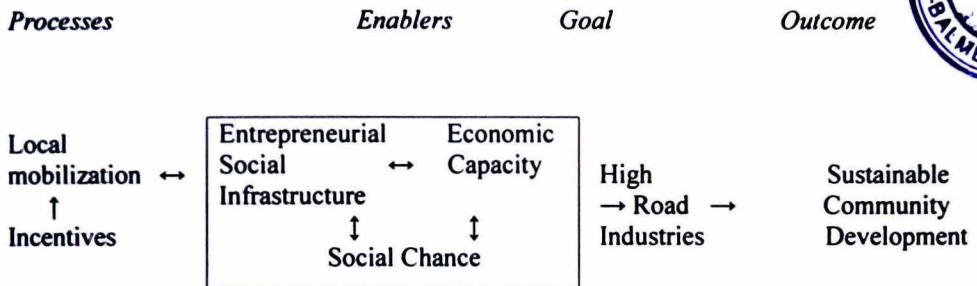


Figure 2: A theory of rural sustainable economic development

Source: Adopted from Weinberg, 2000

As shown in Figure 1, local mobilization is the first most important step towards sustainable community development. Incentives play a major role in the process of local mobilization as they encourage communities to believe that things can be done. Incentives also help local people to have hope and therefore get motivated to engage in local mobilization activities. The incentives can be financial or intangible such as seeing that mobilization will pay off. Figure 1 further shows that enabling factors such as entrepreneurial social infrastructure (ESI), economic capacity and social chance are required in addition to local mobilization to create High-Road Industries for the achievement of sustainable community development. Entrepreneurial social infrastructure (ESI) refers to certain kinds of interactions and manners

of collectively approaching problems that represent an additional 'bundle' of factors contributing to a locality's ability to respond to challenges in a rapidly changing context (Flora et al, 1997). Capacity on the other hand implies availability of resources for development purposes while social chance is defined by Sibeon (1999:84) as the "contingent and indeterminate phenomena that are unplanned and which do not extend widely across time and / or social space." Weinberg (2000) states an example of social chance in community development as the presence of an active person, an expert, and an organization or institution interested in an intended developmental activity.

High-Road industries are described by Harrison (1997) as producers that employ the best workers and the latest technology to yield products of a high value. Production in High-Road industries as carried out in smaller facilities where workers and managers can concentrate on mastering a small range of tasks. In Ghana, High-Road industries are likened to small and medium scale enterprises and cottage industries. Weinberg (2000) has identified three elements that are essential for a successful creation of High – Road industries as human capital, physical infrastructure, and adequate financing. Adequate financing for successful creation and operation of High-Road industries in rural communities in Ghana is within the purview of rural banks. Rural banks are expected to live up to expectation in this direction.

2.7 Building Local Capacity for Development

The primary responsibility for economic and social growth and survival has gradually shifted from the national government to communities and their local governments. In Ghana, this shift begun with the operationalization of the decentralization concept in 1988. The shift also

resulted in the introduction of a development strategy commonly referred to as locality-based development or self –development which Foster (1991) notes has become the objective of many communities. As a result, building the capacity of community has become the prime determinant of socio-economic development and thus, governmental performance (McGuire et al, 1994).

However, the rapid devolution of legal powers and administrative responsibilities to sub national units of government such as the district assemblies in Ghana as enshrined in the decentralization processes has, according to Liner (1989), left some localities ill-prepared and unequipped to meet the demands placed on them to develop themselves. It has been observed that the issue of insufficient development capacity is more prevalent in rural communities than in urban areas (Sears et al, 1992). This implies that agencies that are interested in rural development must endeavour to first solve the issue of insufficient development capacity in rural communities. This can be achieved through capacity building of local people as well as organizations and institutions concerned with local development efforts. Community capacity building is based on the premise that community sustainability can be improved over time. The issue of capacity building for local development is critical and the scale of need is enormous, but the appreciation of the problem, especially in developing countries like Ghana, is low. This may be due to the narrow meaning ascribed to the concept of capacity building as staff development through formal education and training programmes. However, Williamson et al (2003) notes that the term capacity building has many different meanings and interpretations depending on the context in which it is used even though it is generally related to education, training and human resource development.

In adopting a definition from the workshop on capacity building in Land Administration for Developing countries in Netherland, Groot and Van Molen (2000) cited in Rajabiford and Williamson (2004:2) contend that capacity building is:

“The development of knowledge, skills and attitudes in individuals and groups of people relevant in design, development, management and maintenance of institutional and operational infrastructures and processes that are locally meaningful”.

Although this is a broader approach to the concept, it still focuses mainly on education, training and human resource development. Based on this definition, local capacity building may be referred to as improvements in the ability of all involved parties such as community members, chiefs, assembly members, non-governmental organisations, rural banks and community-based organisations to perform appropriate tasks to bring about development in the community.

According to the UNDP (1998) cited in Rajabiford and Williamson (2004), capacity is the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably. This definition indicates that capacity is not a passive state but is part of a continuing process which brings about efficiency and sustainable development. However, Frank and Smith (1999) views community capacity as ways and means needed to do what has to be done. According to them:

Capacity is referred to as including the following components: People who are willing to be involved; skills, knowledge and abilities, wellness and

community health; ability to identify and access opportunities; motivation and the wherewithal to carryout initiatives; infrastructure, supportive institutions and physical resources; leadership and the structures needed for participation; economic and financial resources; and enabling policies and systems (p.10).

It can be inferred from this definition that the presence of an organization and effective leadership in a community is indicative of capacity for development in that community. In this regard, the presence of rural banks in rural communities in Ghana is a sign of development capacity of rural communities. However, it is not yet known whether the presence of Naara Rural Bank in the Kasena-Nanakana Districts is an indication of development capacity for its service – communities.

2.7.1 Characteristics of Community Capacity

It is important to determine the characteristics that show that a community possesses a development capacity or not. According to Frank and Smith (1999), capacity or the lack of it is reflected in the people, economy, environment, culture, attitude and appearance of the community. Hence they observe that an indication that capacity is developing within a community is when:

- People in the community are active, interested and participating in what is going on.
- They are questioning, challenging and debating what should be done but not complaining that nothing will ever change.

- More and more people are getting involved in community matters, identifying key issues and taking action.

They further contend that the results of building or increasing capacity can be measured.

They have outlined the following as the outcomes of community capacity building:

- Stronger community relation: healthier people, carrying families and welcoming communities;
- An increased number of community-based opportunities identified;
- The enhanced ability of community members to share their ideas on a course of action;
- Increased competency in setting and realizing common goals;
- An enhanced respect for limited resources, including people so that shortages, duplications or waste are minimized;
- An increased awareness of the importance of protecting, advocating for and improving the conditions for economics and environments;
- Skilled leadership;
- An increased interest from young people to become future leaders; and
- An increased ability to handle disappointment, threats and hazards to community pride and well-being.

The Naara Rural Banks efforts to build local capacity can therefore be measured against its contribution towards ensuring the occurrence of these outcomes in its service communities.

2.7.2 Ways of Building Local Capacity

There are several ways by which local capacity building for community development can be achieved. According to UNESCO, mobilizing resources in schools and communities is the first step for improving local capacity building. In addition, community involvement in planning activities and providing services such as education, health, and skills training is crucial for building local capacity; hence space should be created for meaningful participation and empowerment of all groups in the local society (*file:///H:\ UNESCO Bangkok Local capacity building community development.htm*). This implies local participation and empowerment are crucial in building capacities of rural communities to facilitate community development. This therefore calls for the need for rural banks to strive to secure the participation of their service communities in all their development activities as well as roll out products and services that will empower the local people to be able to engage in personal and community development.

McGuire et al (1994) provide three broad factors that generate community capacity for development as: citizen participation, community structure and development instruments.

Citizen participation

Citizen participation is comprised of three important indicators namely: the ability to accept change and controversy as part of the development process, recognition of the community's strengths and weaknesses, and the presence of effective mechanisms for generating participation from community members. Communities with capacity in citizen participation have regular community-wide meetings or discussions of development issues; use these

meetings and other public institutions to resolve conflict and controversy, and gain consensus on how to capitalize on the community's development strengths. On the other hand, communities without capacity in this area easily explode over controversies and divide during times of crisis.

Community Structure

Community structure addresses management in governmental institutions, formal linkages with other communities and higher levels of governments and participation in development activities. It is thus measured with indicators that address the dispersment of community leadership roles, the presence of a strategic vision or direction for development, linkages with other communities and government, and the involvement of local community groups and organizations (McGuire et al, 1994). This assertion implies that the presence of dispersed leadership, where formal and informal leadership positions are rotated so that "more than one person" is at the forefront of local development concerns as well as shared vision for development in a community are indicative of local capacity for development. It further implies that communities whose leaders endeavour to establish cordial relationship with other communities that are successful in development in order to learn from them show that they have capacity for development.

Furthermore, an important component of high-capacity communities is the presence of well developed horizontal and vertical linkages. A community involved in multicomunity development efforts, either formally through intercommunity partnership and regional development organisations or informally by seeking out "project-specific know-how" from neighbouring communities is viewed as possessing adequate horizontal linkages (Cigler,

1991 in McGuire et al, 1994). On the other hand, communities have vertical linkages if they have connection or direct relationship with development agencies and higher levels of government. In addition, a community is also viewed to have a high capacity for development if it possesses a lead agency and fosters the involvement of local groups and organizations. According to Gittel (1990), a lead agency acts as the organizing agent in local economic development and is the dominant institution responsible for organizing and co-ordinating the development efforts of the community on a day-to-day basis.

Development Instruments

Development instruments as capacity factor measure the degree to which appropriate and effective policy tools are used by communities. There are three indicators for this factor. The first, according to Rodale and Lehman (1991) is the presence and enthusiastic promotion of activities that enhance community spirit such as festivals. The second is improvements to the physical infrastructure (roads and water), institutional infrastructure (schools and medical facilities), and civic infrastructure (parks and community centres) of the communities (Gillis, 1991). The third is the success of major business expansions or start-ups and an appropriate development focus (McGuire et al, 1994). The first indicator shows that festivals are capacity building tools that local communities can use to promote their development. This assertion is corroborated by Nukunya (2003) and Bonye (2006). According to Nukunya (2003), traditional festivals are used by rural communities as platforms to dialogue with policy makers and politicians for development projects. Bonye (2006:5) on his part assert that:

Traditional authorities and service providers use festivals as fora to give account of their actions in relation to development activities and also make a

passionate appeal for and on behalf of the community to governments, non-governmental organizations and politicians on development policies that border on them. The general outcomes for both traditional and contemporary roles are to enhance and initiate community development programmes.

He further notes that during festivals, the chiefs and people appeal for funds for such development projects as schools, libraries, health centres and provision of streetlights. This implies that festivals and community meetings serve as platforms where communities mobilize both human and material resources to initiate development.

Chinwe (2006) contends that Africare's (an International non-governmental organisation based in Uganda) model for capacity building of local non-governmental organisations can also be adopted for building capacities of local leaders. This model involves training in proposal writing, budget formulation, project implementation systems, fund raising, accessing credit, performance monitoring, report writing, network building and advocacy skills. Although this capacity building model is designed for non-governmental organisations, some aspects of the training such as proposal design, fund raising, accessing credit, network buildings and advocacy skills can be organized for communities especially community leaders to enhance their competencies in mobilizing resources for development efforts.

According to Counterpart International, another essential mechanism for capacity building is partnership development because partnerships give a local non-governmental organisation access to knowledge and skills, innovative and proven methodologies, networking and

funding opportunities; replicable models for addressing community needs and management resources; options for organizational management and governance; and strategies for advocacy, government relations and public outreach([//H:/Defining Capacity Building.htm](http://H:/Defining Capacity Building.htm)). This assertion by Counterpart International seems to corroborate Africare's capacity building model for local non-governmental organisations. It is envisaged that Naara Rural Bank in particular and rural banks in general are facilitating the training of their service communities and local non-governmental organisations and community-based organisations in this direction to promote local development.

On their part, Rubin and Rubin (2008) note that capacity building is achieved through participatory meetings. They argue that:

Meetings are about expanding collective involvement in social change work. Information shared at meeting increases the competence of people to act. More specialized meetings build capacity by presenting knowledge on techniques. At decision making meetings organization members and leaders come together to work out action strategies (p. 213).

This means that the presence of regular meetings in a community to discuss development issues is an indicative of development capacity. Therefore agencies concerned with rural development such as rural banks are expected to encourage their service communities to hold regular meetings to deliberate on their development concerns. This way they will be seen to be contributing to building local capacity for development.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the various steps and procedures taken to carry out the study. It identifies the population and sample of the study. It further describes the research design, the sampling technique, the data collection instruments and procedure and the method of data analysis. Issues of validity and reliability are also addressed in this chapter.

3.2 Population of the Study

The population of the study is considered as the total number of all units of the phenomenon to be investigated that exists in the area of investigation (Kumekpor, 2002). The target population for this study consisted of all adults (18 years and above) in the Kassena-Nankana West and East Districts including the Naara Rural Bank's management and staff, customers and non customers of the bank and opinion leaders of the communities.

3.3 The Sample of the Study

One hundred and eighty one (181) respondents were selected for the study. One hundred and eighty (180) respondents were drawn from a total of 1,786 adults from ten randomly selected communities in the two districts in addition to the manager of the bank.

3.4 Sampling Design and Procedure

Probability or random sampling design was employed to draw the sample for data collection. This is because in a survey study probability sampling is more likely to yield a sample that

truly represents the population (Neuman, 2007) to allow for generalization to the population. Specifically, the multi-stage random sampling technique was adopted. The multi-stage sampling involved selecting a sample for investigation in stages where more units of the population were excluded at each stage thereby making the final sample less scattered for easy reach (Kumekpor, 2002). The multi-stage sampling technique was used because the population of the study area was large and scattered over a large geographical area. It was also selected to help reduce distance between samples in order to reduce transport cost and travel time.

The first stage of the sampling process involved the random selection of ten electoral areas from fifty four (54) electoral areas in the Kassena-Nankana West and East Districts. Five electoral areas each were selected from the two districts. The names of the electoral areas in each district were compiled and serially labeled on pieces of paper. They were put into a container and reshuffled. Five electoral areas were then randomly picked in each district. In the case of the Kassena-Nankana West District the electoral areas selected were Gunwonko (Sirigu), Budunu, Aboania, Paga Nania and Nakolo whilst the selected electoral areas in the Kassena-Nankana East District included Gia, Vunania, Doba, Nayagenia and Korania. Table 3.1 shows the ten electoral areas that were selected.

The second stage of the sampling process involved the random selection of one community each from the ten selected electoral areas for the purpose of collection. The names of the communities in each selected electoral area were compiled and serially labeled on pieces of paper. The pieces of paper were put into a container and reshuffled. One community was

then randomly picked from each of the electoral area to constitute ten communities where data was collected. Table 3.1 shows the names of the ten communities that were selected. The list of the electoral areas and their communities was obtained from the Budget and Planning Department of the Kassena-Nankana West and East District Assemblies and used as the sampling frame for the random selection of the electoral areas and the communities.

The third and final stage involved the selection of subjects from the ten selected communities. Due to the uneven nature of the population of the ten selected communities, proportionate allocation technique was adopted to select 10 percent sample size from each community. The 10 percent proportional allocation of subjects and the sample size for each selected community is shown in Table 3.1.

Table 3.1 Sampled Electoral Areas and Communities and Proportional Sample Sizes

Name of Sampled Electoral Area	Name of Sampled Community	Adult Population in Sampled Community	10% Proportion	Sample Size
Kassena Nankana District West				
Gunwonko (Sirigu)	Puwelingo	299	10/100 x 299	30
Budunu	Nyania	78	10/100 x 78	8
Aboania	Nayenia	97	10/100 x 97	10
Paga Nania	Chanyono	319	10/100 x 319	32
Nakolo	Kassili	95	10/100 x 95	10
Kassena Nankana East District				
Gia	Gia Nangwao	253	10/100 x 253	25
Vunania	Wusango	118	10/100 x 118	12
Doba	Kandago	57	10/100 x 57	6
Nayagenia	Yibanabia	150	10/100 x 150	15
Korania	Yogbania	320	10/100 x 320	32
Total		1,786		180

After the proportionate sample size was determined as shown in Table 3.1, four categories of respondents were identified and sampled for data collection in each community. The four categories of respondents included the chiefs, Assembly men, clients and non-clients of the bank. The researcher identified the four categories of respondents in order to ensure that the views of the different groups in the communities were captured. Equal numbers of clients

and non-clients of the bank were selected as respondents in each sampled community except for Gia Nongwao and Yibanabia communities where the number of the selected bank clients was one more than the non-clients. This was made possible because the bank has clients in all communities in the districts.

The chiefs and Assembly men/women were purposively selected in each community due to their unique nature. The non-clients of the bank were also accidentally selected due to the absence of a list of non-clients in the selected communities. However, the lists of clients of the bank for the selected communities were obtained from the bank and used as sampling frames for the random selection of the client respondents. The lottery method of the simple random sampling technique was used. The names of all the clients in each sampled community were written on pieces of paper. The pieces of paper were put into a container and shuffled. The pieces of paper were picked from the container one after the other without replacement until the sample size of clients for each community was obtained. The pieces of paper in the container were reshuffled after each picking to ensure that every member had an equal chance of being selected.

For instance, in the Puwelingo community where a proportional sample size of 30 was allotted, the chief and assemblyman were purposively selected while 14 non-clients of the bank selected accidentally. In addition, 14 clients of the bank were randomly selected to constitute 30 respondents for the Puwelingo community. The Naara Rural Bank was also purposively selected as key respondent to provide relevant information on the topic. In all, one hundred 180 community respondents (comprising 10 chiefs, 10 assemblymen, 79 non-

clients of the bank and 81 clients of the bank) and the bank itself constituting a total of 181 respondents were sampled for the purpose of data collection for the study.

3.5 Research Design

The research design adopted for the study was the descriptive survey method. Survey involves the collection of primary data to measure variables and to answer questions concerning the immediate status of the subject matter under focus. Survey also asks many people called respondents about their beliefs, opinions, experiences, characteristics, knowledge and past or present behaviour (Neuman, 2007). This design was adopted because it enabled the researcher to gather primary data from a large number of people by asking them questions to tap their opinions, experiences and knowledge to measure the contribution of Naara Rural Bank to community development in the Kassena-Nankana Districts.

The choice of the survey design for the study is consistent with Kreuger and Neuman (2006) and Neuman's (2007) assertion that survey researchers measure many variables, test multiple hypotheses, and infer temporal order from questions about past behaviour, experiences, knowledge, opinions, or characteristics. The adoption of the descriptive survey is further consistent with Kerlinger (1973) and Fraenkel and Wallen's (2003) notion that descriptive survey method is the most appropriate means of obtaining data on personal and social facts when studying large populations and when the study involves selecting and studying samples chosen from the population to discover the relative distributions and interrelations of variables. The survey design therefore enabled the researcher to generalize the findings obtained from the sample to the whole population.

3.6 Research Instruments

The main instruments for data collection for the study were questionnaire and interview schedule. The self-administered questionnaire was used to collect data from the manager of Naara Rural Bank since his literacy level was very high. On the other hand, the interview schedule was used in a face-face interaction to illicit responses from community members because they were predominantly non-literates.

3.6.1 Questionnaire

The questionnaire contained 19-items. It was divided into four sections – A, B, C and D in line with the objectives of the study. Section A dealt with programmes for community development. In this section, a question was posed for Naara Rural Bank to indicate the programmes it has implemented to facilitate socio-economic development in its service communities. Section B focused on the corporate social responsibility of the bank whilst section C touched on sustainability of projects executed by bank. Section D dealt with how local capacity could be built to facilitate community development.

The questionnaire was constructed to consist of both closed and open-ended questions. The closed-ended questions enabled respondents to give straight-forward answers by selecting from a list of options provided by the researcher. It also made it easy to code and analyse. This is consistent with the assertion by Fraenkel and Wallen (2003) that surveys rely on closed-ended questions to measure opinions, attitudes and knowledge of people for easy quantitative analysis. The open-ended questions on the other hand afforded respondents the opportunity to express their opinions on some key issues.

3.6.2 Interview Schedule

The interview schedule was designed for the community members because they were largely non-literates. It also consisted of four sections – A, B, C and D but with 14-items. It was designed in the same order and pattern like the questionnaire. It also contained similar questions like the questionnaire except that some questions posed in the questionnaire for the bank were not posed in the interview schedule for the community members.

3.7 Data Collection Procedure

Permission was granted by the Kassena-Nankana Central and West District Assemblies for the researcher to go into the communities and collect data after he presented an official letter from the Institute of Continuing and Distance Education, University of Ghana, Legon. A similar letter was presented to the Naara Rural Bank manager and permission was granted to administer the questionnaire to him. The chiefs and opinion leaders in the selected communities were also contacted with the help of some natives for permission before data was collected. This gave the researcher the privilege to have easy access to data from the people in the communities.

After the random selection of the respondents they were located individually in their homes and at work places to respond to the interview schedule. An introduction was first made by the interviewer in a way as to establish rapport with the respondent. After establishing the rapport, the questions in the instrument was read to the respondent in the local language (Kasem) for him or her to answer while the interviewer recorded the answers. Due to lack of

time, five research assistants who were fluent in Kasem were recruited and trained to assist in the data collection.

Besides the primary data, secondary data was also collected. Data from documentary materials on the bank's activities such as annual and evaluation reports was sourced. In addition, observation of physical projects executed by the bank in the some communities was carried out to gather data. In-depth informal interview with some community respondents was also conducted to collect data.

3.8 Validity and Reliability

The validity of the data collection instruments was achieved by ensuring that the self-administered questionnaire was administered to only literate respondents and face-to-face interview schedules used to collect data from non-literate respondents. In addition, the researcher ensured that the research assistants recruited were adequately trained in the concepts used in the instrument which enabled them to interpret the questions appropriately to the understanding of the respondents to illicit the right responses. They were also trained on how to record responses from respondents. Furthermore, very simple language was used in wording the questions to facilitate easy understanding by both the interviewers and the respondents. This ensured that the instrument elicited responses that measured variables that it intended to measure.

The instruments were given to colleagues for editing and later, to the supervisors of the study for final editing and confirmation of its suitability. The instruments were pre-tested in the

service-communities of Bonzali Rural Bank in Tamale. This was because the operations of Naara and Bonzali Rural Banks were similar and the characteristics of their service communities were also similar. The service communities of both rural banks are engaged in subsistence farming and small scale businesses. The results of the pre-test were used to rephrase difficult, vague and ubiquitous questions in order to make the instruments more reliable to illicit the desired responses from the respondents.

The reliability of the results was ensured by subjecting the field data to thorough editing to remove contradictions, errors and inconsistencies before analyzing. The variety of data collection methods used such as questionnaire, interview schedule, observation and data mining from documents also assisted in cross-checking and editing wrong answers from respondents which enhanced the reliability of the results.

3.9 Method of Data Analysis

The primary data from the field was edited to remove errors and inconsistencies before coding. The coded data was then fed into a computer and quantified using the Statistical Package for Social Sciences (SPSS) software. The results obtained from the analysis were presented using tables and charts.

The descriptive method was used to analyze the qualitative data obtained from the open-ended questions. The responses from the open-ended questions were analyzed by grouping them into themes and sub-themes. Major findings from the analysis were noted and used for discussions in chapter five.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF RESULTS

4.1 Introduction

This chapter focuses on the presentation of results of analysed data obtained from the respondents. The results of the study are presented under the following headings: programmes for socio-economic development, corporate social responsibility, project sustainability and local capacity building for development.

4.2 Programmes by Naara Rural Bank to Facilitate Socio-economic Development

This section presents results on programmes undertaken by Naara Rural Bank alone as well as those implemented in collaboration with other agencies to facilitate socio-economic development in its service communities. Respondents were asked to indicate the programmes undertaken by the bank to facilitate socio-economic development in their communities. The purpose was to enable the researcher determine the type of programmes employed by Naara Rural Bank to facilitate socio-economic development in its service communities. Table 4.1 shows the summary of the responses on undertaken solely by the bank.

Table 4.1 Programmes by Naara Rural Bank

Programmes Executed by the Bank	Frequency	Percent
Farmers loan support	168	92.8
Linking farmers to extension officers for technical support	139	76.8
Organising unemployed people and supporting them with micro-credit to go into income generating activities	181	100
Linking communities to other agencies for development support	37	20.4
Child education promotion through savings	90	49.7

Source: Field Survey, 2010

Total Respondents = 181

Results are in multiple responses

Table 4.1 reveals that a large majority of the respondents believe the two most important programmes that Naara Rural Bank implemented to facilitate socio-economic development in its service communities were farmers' loan support (92.8 percent) and organising unemployed people and supporting them with micro-credit to go into income generating activities (100 percent).

Table 4.1 further shows that very few of the respondents constituting 20.4 percent indicated that the bank linked its service communities to other agencies for development support.

A further question was posed to the bank to enumerate the programmes it has implemented in collaboration with other agencies to facilitate socio-economic development in its service communities. Table 4.2 shows the response of the bank

Table 4.2 Programmes Undertaken by Naara Rural Bank (NRB) in Collaboration with other Agencies to Facilitate Socio-economic Development

Collaborative Agency of NRB	Programme Executed	Year	Beneficiary Community
IFAD	Micro-credit for farmers for food security	1993	Navrongo, Paga, Chiana
LACOSREP	Micro-credit for the informal sector	1996	Sandema, Navrongo, Bolga
OXFAM	Micro-credit for the informal sector	2002	Chiana, Paga
Social Investment Fund	Micro-credit for the informal sector	2004	Sirigu, Kandiga, Paga
Felix Foundation	Micro-credit for women in the informal sector	2004/ 2007	Chiana, Tongo, Bongo
FABS	Micro-credit for farmers for food security	2005	All communities in the Kassena-Nankana District
TRIAS	Credit with Education for women in the informal sector	2007	Gia, Korania, Bonia
ENAM Project	Promotion of nutrition to reduce under-5 mortality	2008	Gia, Wuru, Bonia

Source: Field Data, 2010

Table 4.2 reveals that the Naara Rural Bank has collaborated with a number of agencies to implement various programmes in several communities to facilitate the socio-economic development of its service communities. For instance, the bank collaborated with IFAD in

1993 and the Ghana Government Farmer Budgetary Support (FABS) project in 2005 to implement a micro credit scheme for farmers in Navrongo, Paga, Sandema, Chiana, Sirugu, Gambibgu, Yaragabisi and their environs. Table 4.2 further shows that the bank collaborated with LACOSREP in 1996, OXFAM Ghana in 2002, Social Investment Fund in 2004, Felix Foundation in 2004 and 2007 and TRIAS in 2007 to implement credit schemes for people in the informal sector, especially women in various communities in the Kassena-Nankana districts. The bank also collaborates with the ENAM project since 2008 to date to implement a programme to promote enhanced nutrition to reduce under-5 mortality in some communities in the Kassena-Nankana district.

4.3 Corporate Social Responsibility of the Bank

This section presents data on the physical projects executed by the bank and social activities that the bank had supported in its service communities as part of its corporate social responsibility.

4.3.1 Physical Projects Executed by the Bank

A question was posed for the respondents to indicate the physical projects the bank has executed so far in its service communities as part of its corporate social responsibility. This was to enable the researcher establish whether or not the bank has contributed to infrastructural development in its service communities. Table 4.3 shows the physical projects executed by the bank.



Table 4.3 Physical Projects Executed by the Bank in Partnership with other Development Agencies as Part of its Corporate Social Responsibility

Physical Project Executed	Partner Agency	Year	Beneficiary Community	Frequency	Percent
Construction of apprenticeship learning centre for training in basket weaving and batik tie and dye making	CBRDP	2008	Gunwonko	31	17.1
Drilling of bore holes and Rehabilitation of an irrigation dam	FABS	2008	Gambibgu, Asonge	1	0.6
No project executed				149	82.3
Total				181	100

Source: Field Data, 2010

The data in Table 4.3 indicates that the bank has not constructed a single physical project all by itself. Instead, it partnered with other development agencies to execute projects in some target communities.

Table 4.3 further shows that the bank executed three projects in three communities as part of its corporate social responsibility. According to the respondents (17.1 percent), the bank constructed an apprenticeship learning centre in partnership with Community Based Rural Development Project (CBRDP) in Gunwonko in Sirigu in 2008. The learning centre was constructed to train apprentices in basket weaving and batik tie and dye making. The bank also collaborated with Farmer Budgetary Support (FABS) project to drill a bore hole at

Gambibgu and rehabilitated an irrigation dam at Asongbe. These two projects however were executed outside the study area at Gambibgu in the Balgatanga Municipality and at Asongbe in the Talensi Nabdam District.

The majority (82.3 percent) of the respondents however gave no response because no project was constructed in their communities.

4.3.2 Social Activities Supported by the Bank

A question was asked for respondents to indicate the social activities the bank has supported in their communities as part of its corporate social responsibility in order to boost socio-economic development in the service communities. Table 4.4 shows the summary of the responses.

Table 4.4 Social Activities Supported by the Bank

Social Activity	Frequency	Percent
Cultural festivals	70	38.7
Support for needy students	100	55.3
Supply of learning materials to schools	65	35.9
Support for sporting activities	93	51.4
Support for health programmes	0	0
Support for District Farmers' Day Awards	103	56.9
Support for provision of water	99	54.7

Source: Field Data, 2010

Total Respondents = 181

Results are in multiple responses

Table 4.4 reveals that majority of the respondents believed the bank supported three main social activities as part of its corporate social responsibility. These include support for needy students (55.3 percent), District Farmers' Day celebration (56.9 percent) and provision of water (54.7 percent). However, there was no support for any health programme by the bank in the study area as shown in Table 4.4.

4.4 Project Sustainability

This section presents analysed results on involvement of communities by the bank and its partners in deciding the type of project to execute, how communities were involved, stage of projects where communities were involved, training of communities to maintain projects executed and the effect of the training on the condition of the projects.

To determine whether communities participated in deciding on projects executed, respondents were asked to indicate whether or not the bank involved their communities in deciding the type of project to execute as part of its corporate social responsibility. This was done to establish whether the projects executed met the felt needs of the communities. The results revealed that all the 31 respondents who indicated that the bank constructed the only physical project (apprenticeship training centre) in Gunwonko intimated that the community was involved by the bank in deciding the type of project to execute.

Respondents from Gunwonko were asked further to indicate how their community was involved by the bank. This was to enable the researcher determine whether the level of involvement of the community by the bank was adequate enough to facilitate project

ownership by the community. The results of the study revealed that the community was involved through various stakeholders in the community as illustrated in Table 4.5.

Table 4.5 Process of Community Involvement in Deciding the Type of Project to Execute

Communities were involved through	Frequency	Percent
The chief	31	100
Opinion leaders	27	87.1
The Assembly Member	31	100
Youth groups	0	0
The District Assembly	19	61.3
The whole community through a durbar	31	100

Source: Field Data, 2010

Total Respondents = 31

Results are in multiple responses

From Table 4.5, 100 percent of the respondents indicated that the community was involved through the chief, Assembly member and the whole community through a durbar. The other stakeholders stated were the district assembly and opinion leaders. Youth groups were however not engaged in the process.

The stage at which a community is involved in a project is very crucial to the sustainability of that project. Respondents from Gunwonko were therefore asked to indicate the stage of the project at which their community was involved by the bank. This was to find out whether the community was involved at all stages of the project or not. The responses generated from the respondents revealed that the bank involved the community throughout all the stages of the

project. That is, all (100 percent) respondents from Gunwonko indicated that their community was involved in the project at the decision making, planning, implementation, monitoring and evaluation and management stages.

The sustainability of a community project further depends on how the project is maintained. Hence, respondents from Gunwonko were asked to indicate whether or not some community members were trained by the bank to maintain the facility. This was to find out whether the capacity of the community was built to maintain the facility. It was clear from the responses that some community members were trained to build their capacity to maintain the facility. Hundred (100) percent of the respondents indicated yes to the question.

A follow-up question was asked for respondents to state how community members who were trained to maintain the facility were selected. This was to establish whether the selection process was participatory and democratic. According to the responses, all the respondents said community members who were trained were appointed by community leaders.

Another follow-up question was posed for respondents to indicate the effect of the training offered to some community members by the bank on the maintenance and condition of the facility. This was to establish whether the training had helped in achieving effective maintenance and sustainability of the facility. The responses obtained indicated that the training had a positive effect because the facility was still in a good condition.

4.5 Local Capacity Building for Development

This section presents analysed results on the activities that Naara Rural Bank had undertaken as a strategy to encourage communities to initiate their own development, those activities that had been very successful and suggestions for capacity building programmes that can be adopted by the bank to further boost the development process of the communities.

4.5.1 Activities by Bank as a Strategy to Encourage Communities to initiate Development

Respondents were asked to indicate the activities undertaken by Naara Rural Bank as a strategy to encourage communities to initiate their own development. This was aimed at establishing whether the bank had built the capacities of local communities to enable them initiate their own development. Table 4.6 shows the summary of the responses.

Table 4.6 Activities undertaken by Bank as strategies to Encourage Communities to initiate their own Development

Activities	Frequency	Percent
Encouraging communities to organize festivals and durbars	175	96.7
Facilitating training programmes for community leaders on community mobilization and development	20	11.1
Facilitating training of community members on income generation activities	181	100
Facilitating training of community members on business development and management	181	100
Training community members on gender issues and group dynamics	99	54.7

Source: Field Data, 2010

Total Respondents = 181

Results are in multiple responses

Table 4.6 depicts that Naara Rural Bank undertook three main activities as a strategy to build the capacity of communities to initiate their own development. A large majority of respondents stated these activities as: Encouraging communities to organize festivals and durbars (96.7 percent); facilitating training of community members on income generation activities (100 percent); and facilitating training of community members on business development and management (100 percent).

Effective mobilization of people and resources by local leaders is central to community development. However, from Table 4.6, a very small number of respondents (11.1 percent)

indicated that the bank facilitated training programmes for community leaders on community mobilization and development.

A follow-up question was asked for respondents to indicate the activity of the bank that had been successful in helping communities to initiate their own development. Table 4.7 shows summary of the responses.

Table 4.7 Activities of the Bank that had been Successful in Helping Communities to initiate their own Development

Successful Activities	Frequency	Percent
Encouraging community members to attend community meetings and durbars	14	8
Facilitating training for community members on income generating activities	95	53
Facilitating training for community members on business development and management	70	39
Total	181	100

Source: Field Data, 2010

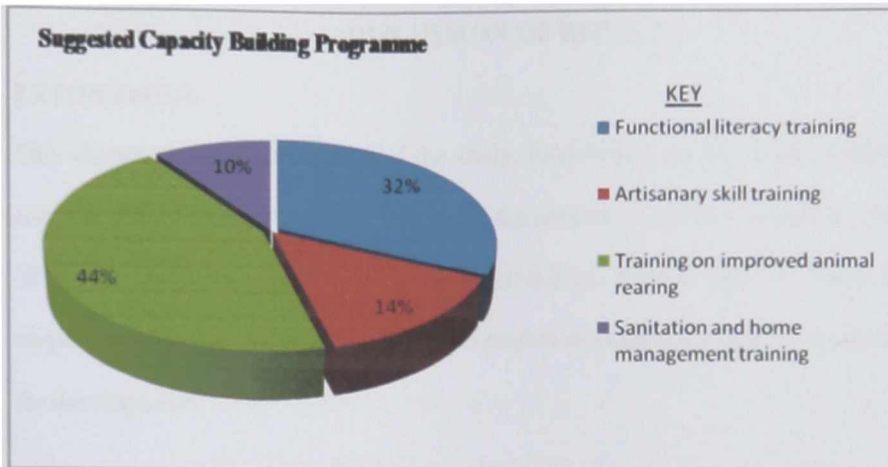
Table 4.7 depicts the views of respondents on capacity building activities of the bank that have been successful in helping communities to initiate their own development. From the Table, majority (53 percent) of the respondents stated that facilitating training for

community members on income generating activities while another slight majority (39 percent) of the respondents noted that facilitating training for community members on business development and management were the programmes that had been successful in helping communities to initiate their own development. That is, the training enabled them to generate enough income from their businesses to undertake development activities individually and collectively.

4.5.2 Suggested Capacity Building programmes to be undertaken by the Bank to boost the Development Process of Communities

A question was asked for respondents to suggest other capacity building programmes they thought the bank should undertake to further boost the development process of their communities. This was to enable the researcher find out whether there were other development capacities that the communities lacked and wanted the bank to help them build.

Figure 3 shows the responses obtained from the respondents.

Figure 3 Suggested Capacity Building programmes

Source: Field Data, 2010

From Figure 3, majority (44 percent) of the respondents suggested that the bank should organize training on improved animal rearing for community members while another large number representing 32 percent requested for functional literacy training. They believed that training in these areas will help build their capacities to contribute to the development of their communities. Respondents also suggested for capacity building in artisanary skill acquisition and sanitation and home management.

CHAPTER FIVE

DISCUSSION OF RESULTS

5.1 Introduction

This chapter discusses the results of the study. Essentially, the discussion entails the logical analysis and interpretation of the findings in the context of relevant literature. The discussion of the results is presented under the major headings: Programmes by Naara Rural Bank; corporate social responsibility of the bank; project sustainability; and local capacity building for development.

5.2. Programmes by Naara Rural Bank to Facilitate Socio-economic Development in its Service Communities

This section focuses on discussion of results on programmes undertaken by Naara Rural Bank as well as those implemented in collaboration with other agencies to facilitate socio-economic development in its service communities. The results revealed that Naara Rural Bank implemented programmes that: Supported farmers with loans; linked farmers to extension officers for technical support; and organized unemployed people into groups and supported them with micro-credit to go into income generating activities.

Agriculture is described as the main stay of the economies of many developing countries including Ghana. About 90 percent of the population especially in the rural areas in Ghana derives their livelihood from agriculture (Bank of Ghana, 2008). Thus agriculture is the predominant economic activity in rural communities in Ghana. However, the high level of poverty among farmers coupled with their inability to access credit from commercial banking

institutions makes it practically difficult for them to finance their farming activities thereby resulting in low production. According to Nani-Nutako (1998) lack of financial capital or access to credit is a militating factor against farmers in financing their farm operations and is one of the major underlying factors of low agricultural production in Ghana. This situation often leads to lower incomes and food insecurity among farmers and low standards of living.

It is therefore imperative that any organisation that is involved in facilitating socio-economic development especially in rural communities where a vast majority of farmers live should focus on easing the difficulties faced by farmers in the agricultural sector. Owusu-Acheampong (1986) identifies credit as one of the most critical bottlenecks confronting Ghanaian rural farmers. On this basis, it is commendable that Naara Rural Bank has implemented programmes that support farmers with loans to increase agricultural production in the Kassena-Nankana East and West Districts. The results revealed that 92.8 percent of the population intimated that Naara Rural Bank had implemented programmes that supported commercial and small scale farmers within its service communities with loans to finance their farming operations. In addition, 76.8 percent of the population indicated that the bank linked farmers to extension officers for technical support.

The pursuance of these programmes implies that the bank recognises the fact that one of the surest ways to promote socio-economic development in rural communities is to implement programmes that would facilitate increased agricultural production by easing the bottlenecks facing farmers. It is therefore important that the bank has helped ease one of the critical difficulties of farmers by extending credit to them on easy terms to finance their farm

operations. It has been observed that formal financial institutions rarely reach rural people with credit not only because of their inability to provide collateral security but more significantly because of the institutions' perception of high risks and high costs of lending to the poor and small scale operators (Jones et al, 2000; Masanjala, 2004). However, discussions with the bank's programmes officer revealed that Naara Rural Bank encourages farmers to form groups and uses the group solidarity as collateral to grant credit to them. According to him, this strategy has not only helped farmers to get credit to finance their farm operations but has also helped the bank to achieve a very high loan recovery rate.

Linkage of farmers by the bank to extension officers for technical support in the form of education on improved methods of farming is another major problem facing farmers that the bank is helping to resolve. Adoption of improved methods of farming by farmers combined with the availability of credit led to high yields, increased incomes, better standards of living and ultimately socio-economic development.

The Naara Rural Bank's bid to promote socio-economic development in its service communities by facilitating increased agricultural production concurs with Kudiabor's (1986) increased agricultural production approach to rural community development. Kudiabor (1986) noted that rural community development can be achieved through increased agricultural production. He asserted that increased agricultural production will result in rising rural incomes which will enable the rural population to provide itself with some of the basic social amenities and services in the communities. He further argued that for this approach to be successful, efforts must be made to ensure the existence of such elements as improved

feeder road network, improved seeds and livestock, availability of farm machinery, better storage and processing facilities and most importantly, availability of credit on friendly terms to farmers.

The provision of credit on friendly terms by the bank to farmers enabled them to acquire some of the other elements such as improved seeds and livestock, farm machinery and storage, marketing and processing facilities among others. Credit on friendly terms here means low interest rates, flexible repayment system and no collateral security is required. The credit provided on friendly terms to farmers to boost agricultural production implies that the bank is using the increased agricultural production approach to facilitate socio-economic development in its service communities.

The results of the study also indicated that the Naara Rural Bank had programmes that supported various groups of people with credit in its service communities to engage in various economic activities. For instance, the bank had a programme that organized unemployed people into groups and supported them with micro-credit to undertake income generating activities. This programme of the bank is consistent with the contention of Miller and Martinez (2006) that microfinance institutions located in rural areas play an important role of effectively providing low-cost credit to the rural poor especially women to help transform their lives.

Further probing of the bank manager and records obtained from the programme officer revealed that majority of the beneficiaries of this programme were women, persons with

disability and the youth. This programme therefore did not only help to transform the lives of the beneficiaries but also the lives of their families. It is particularly important in transforming the lives of families because women who are the majority of the beneficiaries are largely the breadwinners of their families in the Upper East Region. Hence, any programme that seeks to empower women economically means better living conditions for their families especially the children. This is confirmed by a statement made by one respondent during the face-to-face interview session:

The banks credit has helped me and my family a lot. Now I can buy food to feed my family in the lean season. In fact, we are now food secured. Not only that, from my fish mongering business which I got a loan from the bank to start I have been able to buy school uniforms and books for my children as well as paid their fees fully. Even two of my children now wear pairs of boots to school. I am happy because in this village not many children are lucky to get shoes to wear to school. I am truly grateful to the bank and the credit officer who comes here every week to advise us and to collect the weekly loan repayment (Field data, 2010).

Another unique feature of the bank's programme of organising unemployed people into income generating groups is the inclusion of persons with disability in the target groups. Informal discussions during the face-to-face interview revealed that the Paga, Kajelo, Saaka and Pinda disabled groups were some of the beneficiaries of the programme. The programme thus helped to empower them and take them out of the street for begging. It can therefore be inferred that the programme sought to alleviate poverty and reduce unemployment especially

disability and the youth. This programme therefore did not only help to transform the lives of the beneficiaries but also the lives of their families. It is particularly important in transforming the lives of families because women who are the majority of the beneficiaries are largely the breadwinners of their families in the Upper East Region. Hence, any programme that seeks to empower women economically means better living conditions for their families especially the children. This is confirmed by a statement made by one respondent during the face-to-face interview session:

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among the youth, women and persons with disability in the Kassena-Nankana West and East Districts.

The provision of micro-credit to various categories of people by the bank in its service communities to engage in income generating activities as a strategy to facilitate socio-economic development agrees with Tanko's (2006) assertion that micro-credit and microfinance have been developed as a strategy for poverty alleviation and income generation for the poor. It further corroborates Fleschner's (2000) contention that improving access to financial credit for low income households is a vital part of any rural development strategy, especially one designed to rectify long standing rural inequality and to generate broad-based growth. Earlier, Memoire (1998) also noted that micro-credit had been used in some developing countries especially in Bangladesh as a panacea for a spectrum of problems ranging from poverty alleviation through small enterprise development to shelter development. This achievement was possible because access to credit is the most vital element in poverty alleviation and income generation activities. Credit thus plays a very important role in rural development. It plays a catalytic role in the development process (Owusu-Acheampong, 1986). With credit the farmer or rural poor can acquire the necessary inputs or resources to improve his farm operations or engage in a successful income generation activity.

The crucial point is that with credit, the farmers or rural persons engaged in income generating activity in the Kassena-Nankana West and East Districts increased their productivity which in turn ensured greater output and increased income. Indeed, increased

incomes lead to increased purchasing power. As noted by Owusu-Acheampong (1986) both good nutrition and increased purchasing power have desirable effects on the development process. Hence, with proper utilisation of the increased income, the rural people can achieve considerable improvement in their welfare and standards of living in terms of better nutrition, better access to health care, education and accommodation. This was confirmed by responses generated during informal discussions with some beneficiaries of the banks micro-credit scheme. They noted that through income generating activities which the bank's credit enabled them to go into, they were able to pay their children schools, register with the National Health Insurance Scheme (NHIS) to access health service, buy their personal effects and contribute towards community development activities. This means through increased incomes, the individual members of the rural community collectively can bring about considerable improvement in their community by coming together to provide themselves with basic amenities such as schools, bore-holes and clinics.

Results of the study showed that Naara Rural Bank collaborated with a number of governmental and non-governmental agencies to implement various programmes to facilitate socio-economic development in its service communities. The bank collaborated with agencies such as IFAD, LACOSREP, OXFAM, Social Investment Fund, Felix Foundation and TRIAS to implement mainly micro-credit programmes for various categories of people including farmer and women groups. The results revealed that the bank collaborated with IFAD in 1993 and Farmer Budgetary Support (FABS) project in 2005 to implement a micro-credit scheme for 359 and 52 farmers' groups respectively in the Kassena Nankana West and East Districts. According to the Naara Rural Bank manager, the main objective of that

programme was to assist farmers to increase food production in order to enhance their livelihoods as well as to achieve food security in the two districts. The collaboration to implement credit schemes for farmers was relevant and beneficial because as noted by Owusu-Acheampong (1986: 97):

“Credit is the most critical factor in the Ghanaian rural farming situation. With credit, the unproductive traditional farming which involves using simple tools and implements can be transformed into modern techniques of farming. With credit, farmers can acquire or hire the services of farm machinery and equipment that can help them to increase their acreage. With credit, farmers can buy and use essential inputs such as fertilizers, improved seeds, insecticides, weedicides and pesticides. The critical point is that with credit the farmer can increase his productivity which in turn would ensure greater farm output and increased income. With proper utilisation of the increased income, the farmer can bring out considerable improvement in his welfare and living conditions. Thus, the individual farmers collectively can bring about considerable improvement in the community in which they live.”

This assertion by Owusu-Acheampong (1986) implies that credit is an important factor which when granted to farmers has the potential of increasing farmers’ outputs and incomes. This assertion means that when credit is extended to farmers, two critical components of development such as food security and enhanced incomes can be achieved. Thus, the collaboration of Naara Rural Bank with IFAD and FABS to implement a micro-credit

scheme for farmers in the Kassena-Nankana West and East Districts was crucial and relevant in facilitating socio-economic development.

The results further revealed that the bank collaborated with LACOSREP in 1996, OXFAM Ghana in 2002, Social Investment Fund in 2004, Felix Foundation in 2004 and 2007 and TRIAS in 2007 to implement credit schemes which benefited thousands of people in the informal sector, majority of whom were women. According to the bank manager, the credit schemes enabled beneficiaries to acquire financial capital to go into income generating activities and to expand their businesses. This kind of support for the informal sector is vital for community development because a large majority of the people in the Kassena-Nankana Districts operate in the informal sector. The operation of a large number of people in the informal sector can be attributed to the low literacy rate of 27.6 percent compared with the national average of 53.4 percent (GSS, 2003).

Credit for the informal sector creates self-employment, enhances incomes and reduces unemployment. Perhaps, the credit schemes implemented by the bank in collaboration with other agencies for the informal sector in addition to other interventions explain why the unemployment rate in the Kassena-Nankana District was lower than the regional and national averages. According to the Ghana Statistical Service (2003) the Kassena-Nankana District recorded the lowest unemployment rate of 0.5 percent in the Upper East Region compared with the regional and national averages of 13.2 percent and 5.4 percent respectively. Therefore, it can be argued that the credit schemes implemented by the bank in collaboration with other agencies for the informal sector have been crucial in creating employment,

enhancing incomes and ultimately facilitating socio-economic development in the Kassena-Nankana Districts.

Even though it is important that the bank recognised the fact that it cannot singlehandedly facilitate a holistic socio-economic development in its service communities and therefore collaborated with other agencies to do so, the collaboration was mainly geared towards economic development. Collaboration by the bank to provide social amenities would greatly enhance the development process in the service communities. The bank should therefore consider fostering collaboration with other development agencies to provide social amenities for its service communities.

5.3 Corporate Social Responsibility of the Bank

This section presents discussions on the physical projects executed by the bank and social activities that the bank has supported in its service communities as part of its corporate social responsibility.

5.3.1 Physical Projects Executed by the Bank as Part of its Corporate Social Responsibility

The results of the study revealed that the bank has not singlehandedly constructed a physical project in any of its service communities as part of its corporate social responsibility for the past 28 years. This finding is in sharp contrast to the assertion by Wiredu-Peptra (2008) that rural banks in Ghana have adhered to corporate social responsibility in their catchment areas in the provision of schools and street lights. It is further contrary to what other rural banks

have achieved in terms of executing physical projects in their service communities as part of their corporate social responsibility. For example, the Amanano Rural Bank constructed a four classroom block for Nyinahin Catholic Junior High School in the Ashanti Region (GNA, 2006) while Wamfie Rural Bank constructed a public library for the Wamfie community in the Brong Ahafo Region (GNA, 2009). Naara Rural Bank needs to take a cue from these rural banks because physical projects executed as corporate social responsibility enhances corporate image and good will of corporate entities. As Stuart and Steve (2007) suggested, corporate social responsibility does not only impact positively on the reputation of an organisation but also helps to build good will amongst key stakeholders especially the community in which it operates. In supporting Stuart and Steve (2007) suggestion, Davis (1967) cited in Schermerhorn (1996: 57) states that: "The business which vacillate or choose not to enter the arena of social responsibility may find that it generally will sink into customer disfavour." Also, arguing in favour of executing projects as corporate social responsibility, Harrison (1997: 129) contends that "companies ignore corporate social responsibility at their own peril." Kitchen (1997) further endorses this assertion by stressing that, organisations which wish to maintain their positions of power in a pluralistic society must accept their social responsibilities.

Goodwill and positive image of an organisation in its environment means high patronage of the organisation's products and services and consequently increased profits. Physical projects well executed and labeled in a community, especially those that deliver services to a large number of people, by an organisation enhances its corporate image much faster than the non-physical ones. Thus, it is important for Naara Rural Bank to commit resources in executing

physical projects in its service communities not only to enhance its corporate image and profit but also to contribute to the development of its service communities.

The results showed that even though the bank did not singlehandedly construct a physical project, it partnered other development agencies to construct infrastructure in some communities as part of its corporate social responsibility. It partnered with Community Based Rural Development Project (CBRDP) to construct an apprenticeship learning centre at Gunwonko as the only physical project constructed in the study area. This project was meant to train apprentices in basket weaving and batik tie and dye making to provide employment especially for the youth as well as to boost tourism attraction in the community. The initiative of the bank and its partner has been of enormous benefit to the community in terms of providing employment in addition to its rippling effect of enhancing incomes and preventing migration of the youth to the cities ('Kayaye') to look for non-existing jobs.

However, as a financial institution operating in an environment like the Upper East Region and for that matter, in the Kassena-Nankana Districts, where poverty is high (GSS, 2007) the Naara Rural Bank could have replicated this project in other service communities as well as execute other projects such as construction of school blocks, clinics and drilling of bore-holes to meet the basic needs of the people. This view is in line with Moon's (1991) basic needs theory which denotes that the best way to improve the quality of life of the poorest elements of society is to provide them with basic human needs such as food, water, health care shelter and education. Moon (1991) emphasised that the provision of basic needs is necessary for rapid growth in areas where income levels are low and poverty is high. Okonjo (1986) earlier

observed that true development only takes place when there is satisfaction of the fundamental needs of a population in terms of food, water, shelter, health, and education. This observation implies that as an institution which is expected to facilitate socio-economic development in its service communities, the bank should have executed physical projects which will provide services that will meet some of the basic needs of the people. The absence of these projects by the bank was confirmed by majority (82.3 percent) of the of the study population.

5.3.2 Social Activities Supported by the Bank as part of its Corporate Social Responsibility

The results showed that a slight majority of the population related that the bank supported needy students to attain higher education (55.3 percent), gave support for Districts' Farmers Day Awards (56.9 percent) and provided support for water supply (54.7 percent). However, records obtained from the bank revealed that the support in these social activities by the bank was minimal, narrow in scope and unsustainable. This is because the bank only supported the Navrongo and Paga palaces with GH¢500.00 each in 2005 and 2006 respectively to celebrate their traditional Fao festival and two medical students with GH¢600.00 each in 2006 and 2007 to pay their school fees. The minimal and unsustainable support for the above mentioned social activities coupled with the bank's inability to singlehandedly execute physical projects implies that the Naara Rural Bank has no corporate social responsibility policy in place to facilitate infrastructural and social development in its service communities. It can therefore be argued that the unsustainable nature of support for social activities by the bank is a defensive strategy to cover its inability to design and implement a comprehensive and sustainable corporate social responsibility policy. This view corroborates

Schermerhorn's (1996) assertion that some organisations adopt a defensive strategy of social responsibility to protect the organisation by doing the minimum legally required gesture to satisfy expectations. This is against the proactive strategy where an organisation designs a social responsibility policy to meet all the criteria of social performance and in which the organisation takes the lead in identifying and responding to emerging social issues. Thus, an institution like Naara Rural Bank which has the mandate to facilitate socio-economic development in its service communities should adopt a proactive social responsibility strategy where it develops a comprehensive policy to support infrastructural and social programmes rather than the defensive strategy. The nature of the bank's support for social activities is also contrary to what other rural banks in the country have for their service communities. For instance, Assin-Manso Rural Bank instituted a corporate social responsibility policy where it supports five (5) brilliant but needy students every year in senior high schools (SHS) and tertiary institutions in its service communities (GNA, 2008). The Naara Rural Bank can emulate Assin-Manso Rural Bank by designing a corporate social responsibility policy not only for education but for all social activities especially health, water supply and festivals.

5.4 Project Sustainability

This section presents discussion of results on the involvement of communities by the bank and its partners in deciding the type of project to execute, communities' involvement in the various stages of the projects, training of communities to maintain projects executed and the impact of the training on the condition of the projects.

Local participation has long been recognised by many writers and development practitioners as a strategy for ensuring sustainable development. Oakley and Marden (1984) intimated that local participation is a fundamental pre-condition for a successful and long-lasting development. They assert that if local people are actively involved in any community project, they would commit themselves to the support of the project for its success and sustainability. This assertion presupposes that without effective involvement of communities in development projects executed by external agents like rural banks, their success and sustainability cannot be assured. It is in the light of this view that respondents were asked to indicate whether or not Naara Rural Bank involved communities in deciding the type of project to execute as part of its corporate social responsibility. The results of the study revealed that the Gunwonko community where the bank constructed an apprenticeship training centre in partnership with Community Based Rural Development Project (CBRDP) was involved in deciding the type of project to execute. This was confirmed by the bank officials. The involvement of the end-user community by the bank implies that the bank appreciates the fact that community participation is crucial to project sustainability.

The results also showed that the bank involved the end-user community (Gunwonko) in the project it executed through stakeholders such as the chief, Assembly man, opinion leaders, District Assembly and the whole community at a durbar. Youth groups were however not specifically contacted. Further probing revealed that the youth were not completely left out because they were in attendance at the durbar where the whole community was contacted. The involvement of almost all the stakeholders in the community project means that the bank followed the appropriate process to enlist the support and commitment of the community in

the project. This process placed the community at the centre of development and helped to engender project ownership by the community members. This process consequently would lead to sustainability of the project since the project is still on-going. Indeed, community ownership of projects ensures that community members are willing and ready to contribute at all times, either in cash or kind in the form of labour and other human resources, in the maintenance of the project. This ensures that the project lasts longer and continues to provide the desired benefits to the community's present and future generations. This is consistent with the view of Harvey et al (2003) that sustainability is a process whereby facilities are maintained in conditions which ensures a reliable and adequate supply of benefits which would be realised by all users over a prolonged period of time.

The stage at which a community is involved in a project is very crucial for its sustainability. The results obtained revealed that the bank involved the Gunwonko community throughout all the stages of the project, from decision making, planning, implementation, through to monitoring, evaluation and management stages.

The involvement of the community at all levels of the project was crucial in motivating and empowering the community members to sustain it. This is evident in the statement of some members of the community during an informal discussion that anytime members were asked to come out to help mend a cracked wall, they came out in their numbers to do so. This implies that the community members view the project as their own rather than that of the bank. Cohen et al (1980) stress that the crux of participation is empowerment and ownership. Hence, the community will manage the project well to ensure its long life and sustainability.

However, some experts have differed as to which of the stages of community participation is relevant in engendering ownership and sustainability. In the view of Cohen and Uphoff cited in Macdonald (1993), participation in decision making, implementation, benefits and evaluation are the most important stages. On their part, Cohen et al (1980) intimated that participation in planning and evaluation are the important kinds of participation because they offer empowerment and ownership. Rifkin (1990) and Sylvester (2008) have also disagreed on which stage of community involvement in a project is a higher level of participation. While Rifkin (1990) contends that participation in planning demonstrates a higher level of community participation Sylvester (2008) views community participation in decision making as the one at the higher level. With these discerning views in mind, it can be argued that the bank involved the Gunwonko community in all the important stages and levels of participation in the apprenticeship training centre project it executed in the community. This implies that the community will own and maintain the project to ensure its sustainability.

5.4.1 Training of Community Members to Maintain Projects Executed by the Bank

Regular and effective maintenance of facilities ensures their long life and durability. However, effective maintenance hinges on the knowledge and skill of the people put in charge of the facilities. In view of this, respondents were asked to indicate whether or not some community members from Gunwonko where the apprenticeship training centre was constructed were trained by the bank to maintain the facility. The results revealed that some community members were trained to maintain the facility. Thus, the Gunwonko community was involved in the maintenance of the facility.

Although some community members were selected to take charge of the day to day running and maintenance of the facility, it would receive regular and effective maintenance if the whole community were involved. Hence, it is the responsibility of the community members nominated to mobilize the rest of the community to support the maintenance process. However, the ability of the selected members to win the support of the rest of the community for the maintenance of the facility depends on how they were chosen. If the selection process was participatory and democratic and the whole community was involved then the community would lend its support to those selected for the maintenance of the facility. This is because the participatory and democratic nature of the selection process would motivate community members to give those selected the necessary support to achieve effective maintenance and sustainability of the facility. On the other hand, if the selection process was not participatory and the rest of the community perceived those selected to be imposed on them, they would be reluctant to support the maintenance effort. In the light of this preamble, a follow-up question was asked for respondents to state how community members who were trained to maintain the facility were selected.

The results of the survey revealed that the community members who were selected and trained to maintain the training centre were appointed by the community leaders. This implies that the whole community was not involved in the selection process. It can therefore be presumed that the selection process was not participatory and democratic and those selected may not get the support of the rest of the community in terms of labour and cash contributions among others for the proper maintenance of the facility. However, the selection process has not negatively affected the maintenance of the facility provided by the bank to

the Gunwonko community since community members have so far participated actively in its maintenance.

Another follow-up question was posed for respondents to indicate whether the training of some community members had any effect on the condition of the facility. The results showed that, to some extent, the training had a positive effect on the maintenance and condition of the facility. This is because majority (81 percent) of the respondents said in their opinion, the training had a positive effect because the facility was still in a good condition. Probing further, many of the community respondents said they believed community members would continue to support the maintenance of the facility to ensure its sustainability. However, the bank still had the responsibility to continue to engage the community regularly to encourage its members to support in the maintenance of the facility to ensure its long life.

5.5 Local Capacity Building for Development

This section presents discussion of results on the activities that Naara Rural Bank has undertaken as a strategy to encourage communities to initiate their own development, those activities that have been successful and suggestions for capacity building programmes that can be adopted by the bank to further boost the development process of the communities.

5.5.1 Activities by Bank to Encourage Communities to initiate their own Development

Poor infrastructural, social and economic development in communities is associated, among other factors, to low development capacity. However, the issue of insufficient development capacity is more prevalent in rural communities than in urban areas (Sears, 1992). This

therefore means that organisations and institutions which are involved in rural development must implement programmes and activities that would build the capacity of rural communities for development. It was against this background that respondents were asked to indicate the activities undertaken by Naara Rural Bank to encourage communities to initiate their own development.

The results of the study show that among the activities undertaken by the bank to build local capacity for community development, two were regarded by the whole population as the most important. These activities were facilitating training on income generating activities as well as on business development and management. The other activities were supporting chiefs and people of the communities to organize and celebrate festivals, training programmes for community members on gender issues and group dynamics, encouraging community members to attend meetings and durbars and linking communities to other agencies for development support.

The use of training as a tool for local capacity building by the bank is in tandem with the description of what capacity building is by Williamson et al (2003) and Groot and Van Molen (2000) cited in Rajabiford and Williamson (2004). According to Williamson et al (2003), capacity building is generally related to education, training and human resource development. Groot and Van Molen (2000) cited in Rajabiford and Williamson (2004:2) on their part noted that:



The development of knowledge, skills and attitudes in individuals and groups of people relevant in design, development, management and maintenance of institutional and operational infrastructures and processes which are locally meaningful is local capacity building.

Although this is a broader approach to the concept, it still focuses mainly on education, training and human resource development. The adoption of training by the bank as a capacity building strategy for community development was therefore appropriate. What is even more significant was the areas where the training was offered. To facilitate training on income generating activities as well as on business development and management for communities in a region that is characterized by endemic poverty, high illiteracy and unemployment rates, and a very large informal sector has made the strategy even more appropriate. This is because the training in income generating activities and business development and management would encourage business creations and expansions. McGuire et al (1994) corroborates this view by intimating that the success of major business expansions or start-ups and appropriate development focus is an important measure of capacity for development. Thus, the training in the two areas was crucial in encouraging self-employment, enhancing incomes and raising standards of living of communities.

Festivals and community meetings have also been recognised by development literature as useful strategies for local capacity building for development. These two social activities enhance community spirit and the presence of community spirit in a community is indicative of capacity for development. Hence, promoting these social activities means building local capacity for development (Rodale and Lehman, 1991). In supporting this assertion, Rubin

and Rubin (2008) emphasise that capacity building is achieved through participatory meetings. According to them:

Meetings are about expanding collective involvement in social change work. Information shared at meeting increases the competence of people to act. More specialized meetings build capacity by presenting knowledge on techniques. At decision making meetings organization members and leaders come together to work out action strategies (p. 213).

Thus, regular meetings in a community to discuss development issues are indication of development capacity. Nukunya (2003) and Bonye (2006) have also stressed on how festivals and community meetings have served as platforms for communities to demand or initiate development. According to Nukunya (2003), traditional festivals are used by rural communities as platforms to dialogue with policy makers and politicians for development projects. Bonye (2006:5) on his part asserts that:

Traditional authorities and service providers use festivals as fora to give account of their actions in relation to development activities and also make a passionate appeal for and on behalf of the community to governments, non-governmental organizations and politicians on development policies that border on them. The general outcomes for both traditional and contemporary roles are to enhance and initiate community development programmes.

He further notes that during festivals, the chiefs and people appeal for funds for such development projects as schools, libraries, health centres and provision of streetlights. This implies that festivals and community meetings serve as platforms where communities mobilize both human and material resources to initiate development.

Thus, festivals and community meetings are important instruments for building community capacity for development.

It is in the light of the above that the encouragement and support of chiefs and people of some communities to organize and celebrate festivals as well as encouragement of community members to attend meetings and durbars is seen as important strategies adopted by Naara Rural Bank to promote local capacity for development in its service communities. However, according to the results of the study the bank's support in these areas were minimal since it supported only the Navrongo and Paga chief palaces with GH¢500.00 each in 2005 and 2006 respectively to organize their festivals. This effort of the bank in relation to the value of festivals and community meetings as capacity building tools for community development is highly inadequate. Hence, if Naara rural Bank is committed to building local capacity for development it should carry out activities that would encourage its service communities to organize and celebrate local festivals.

Another important capacity building tool which has the potential of facilitating community development is offering training for community leaders on community mobilization and development. However, it seems the bank overlooked this very important capacity building tool because the results of the study revealed that an insignificant number (11.1 percent) of the population indicated that the bank facilitated training for community leaders on community mobilization and development. This result implies the bank did very little in terms of facilitating training for community leaders on community mobilization and development. In most cases, resources abound in local communities but they are unable to

harness them for development. This is usually due to lack of capacity of local leaders to mobilize both the people and other available resources to initiate development. The missing link for development in many rural communities is therefore lack of capacity of local leaders to mobilize resources for development.

Hence, Naara Rural Bank could facilitate training for community leaders in its service communities on action research to build their capacities to be able to identify and harness resources in their communities to facilitate development. It could also adopt the Africare model for building capacity of local non-government organizations for community leaders. Chinwe (2006) notes that the Africare model involves training in proposal writing, budget formulation, project implementation systems, fund raising, accessing credit, performance monitoring, report writing, network building and advocacy skills. Thus, some aspects of this model, if not all, such as training in fund raising, proposal writing for projects, report writing and project implementation systems could be facilitated by the bank for community leaders to enhance their competencies in mobilizing resources for development efforts. It may be argued that this type of training would not be appropriate for community leaders because of the non-literate nature of majority of them. However, it is important to note that in this era of enlightenment where there are educated persons in every village, it is possible to co-opt some of the educated citizens to assist the local leaders to benefit from such trainings.

A follow-up question was asked for respondents to indicate the capacity building activity of the bank that had been successful in helping communities to initiate their own development. The results showed that majority (95 percent and 70 percent) of the population believed that

the bank's programme of facilitating training on income generating activities and business development and management were the most successful and beneficial ones. According to them, the training helped them to be successful in their income generating activities and businesses, and this helped them to meet their needs as well give cash contribution towards development activities in their communities. This view of the population is perhaps as a result of the high level of poverty in the Upper East Region including the study area. That is, in an area where poverty is high and the informal sector is dominant, income generation activities and business development and management backed by easy access to credit on flexible terms becomes one of the most feasible strategies to create employment, enhance incomes, and hence facilitate development.

5.5.2 Suggested Capacity Building programmes to be undertaken by the Bank to boost the Development Process of Communities

A question was asked for respondents to suggest other capacity building programmes they thought the bank should undertake to further boost the development of their communities. From the results, the two most important areas identified were functional literacy and training on improved animal rearing. Upon further probing, respondents explained that functional literacy training would help them to understand the various training offered them by the bank as well as help them to conduct and keep records of their businesses very well. They also explained that due to the erratic nature of the rains in recent years, crop farming had been resulting in heavy losses due to crop failure; hence animal rearing was a better alternative. Therefore, training on best practices in animal rearing backed by credit especially in the form of the supply of improved breeding stock of small ruminants like sheep, goats and pigs would

be beneficial. Other suggestions mooted by the respondents were artisanary skill training and training on sanitation and home management. It is important for Naara Rural Bank to include the suggested areas in its future capacity building programmes in order to meet the training needs of the communities.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATION

6.1 Introduction

This chapter covers the summary, conclusion and recommendations of the study. The summary entails brief statements of the background of the study, statement of the problem, research objectives, review of related literature, methodology and results of the study. The recommendations were also made based on the major findings of the study and the conclusions drawn. The chapter further considers the implications of the findings of the study for policy and adult education practice as well as suggestions for further studies.

6.2 Summary

The study assessed the contribution of Naara Rural Bank to community development in the Kassena-Nankana West and East Districts of the Upper East Region. The background of the study established that past development models implemented during the colonial era in Ghana favoured urban centres to the detriment of rural communities. The industrialization and economic growth models for instance resulted in the rapid modernization and urbanization of capital towns and cities to the total neglect of the rural areas especially in northern Ghana. To curb this situation, various governments after independence implemented various interventions to bridge the development gap between rural and urban centres. One of such interventions is the promulgation of a law to establish rural/community banks to serve the special needs of rural people to facilitate the socio-economic development drive of rural communities. It was in this light that the Naara Rural Bank was established in the Kassena-Nankana District as the first rural bank in the Upper East Region in 1982. Thus, the bank has

been operating in the district for the past twenty eight years. On the basis of this background, the statement of the problem was designed to find out how the bank has contributed to the development of communities in its operational areas in the two districts.

In order to ascertain the contribution of the bank to development in its service communities, four objectives were established. The first objective was to identify the programmes that the bank had implemented to facilitate the socio-economic development of its service communities. The second was to find out the corporate social responsibility projects carried out by bank in the study area. The third was also to find out the sustainability of the development projects implemented by the bank. The final objective was to identify the strategies used by the bank to build local capacity for community development.

Based on the above objectives, literature was reviewed in related areas such as the concept of community development, strategies of community development, sustainability of development projects, social responsibility of organisations and local capacity building for community development. The study was underpinned by the basic needs and the open system theories. The descriptive survey design was adopted for the study and the population consisted of all adults (18 years and above) in the Kassena-Nankana West and East Districts. The multi-stage sampling technique was employed for the study. Simple random, purposive and convenient samplings were used at the final stage to sample a total of 181 respondents for data collection. Primary data was collected using two main instruments. That is, the interview schedule and questionnaire. The questionnaire was administered to the bank while the schedule was used in a face-to-face interview to collect data from the largely non-literate

community respondents. The data collected was analysed using the Statistical Package for Social Scientists (SPSS) soft ware and presented in tables and pie charts.

The study revealed the following major findings:

- Naara Rural Bank promoted socio-economic development in its service communities by facilitating increased agricultural production through credit programmes.
- The bank linked farmers to extension officers for technical support.
- The bank facilitated socio-economic development by supporting various groups of people in the informal sector including women, persons with disability and the youth with credit to engage in economic activities.
- The bank collaborated with agencies such as IFAD, LACOSREP, OXFAM, Social Investment Fund, Felix Foundation and TRIAS to implement mainly micro-credit programmes for various categories of people including farmer and women groups to facilitate socio-economic development in the study area.
- The bank did not singlehandedly construct any physical project in any of its service communities as part of its corporate social responsibility. The only physical project (an apprenticeship training centre) it constructed at Gunwonko was done in collaboration with Community Based Rural Development Project (CBRDP).
- As part of its corporate social responsibility, the bank gave minimal support towards social activities such as cultural festivals, education, sports and farmers day.
- The bank took the necessary steps to ensure that the only project it constructed in collaboration with Community Based Rural Development Project (CBRDP) at Gunwonko in Sirugu is sustained.

- It involved the community at all levels of the project; that is in decision making, planning, implementation, monitoring, evaluation and management, and this was necessary for sustainability of the project.
- The bank undertook certain activities as a strategy to build local capacity for community development paramount among which were facilitating training on income generating activities as well as on business development and management.
- The other capacity building strategies implemented were supporting chiefs and people of the communities to organize and celebrate festivals, training programmes for community members on gender issues and group dynamics, encouraging community members to attend meetings and durbars and linking communities to other agencies for development support.
- Finally, the two most important capacity areas suggested for the bank to consider in order to further build local capacity for development were functional literacy and training on improved animal rearing.

6.3 Implication of the Study for Adult Education Practice and Policy

Adult education as a discipline is concerned with the development of the human being and his environment and therefore covers a wide range of areas including health, education, sanitation, community development, human resource development and gender. It uses education as the main tool to empower people and communities to effect development. However, adult educators can only empower people and communities to effect development only if they have adequate information about the needs and challenges of the people and communities concerned. In view of this background, the results of the study as summarized

above would serve as guide for adult educators to design appropriate educational programmes to empower communities in the study area to effect development. For example, the results of the study revealed that respondents identified functional literacy and improved methods of animal rearing as the most important areas they need training in to enhance their capacity for community development. This information therefore would help adult educators operating in the Upper East Region in particular and the country at large to design functional literacy programme as well as training programmes on improved methods of animal rearing for the communities in the study area to empower them for development. Furthermore, adult educators can use the results of the study as a guide to engage the Naara Rural Bank in particular and rural banks in general, to do more especially in the area of corporate social responsibility to fulfill their mandate of facilitating socio-economic development in their service communities.

In terms of policy, the results of the study would help government and other policy makers to promulgate a policy that would constantly monitor rural banks to ensure that they deliver on their mandate of facilitating socio-economic development in rural areas. In this respect, rural banks which would be found to be doing more in facilitating socio-economic development in their service communities especially in the form of corporate social responsibility should be recognised and rewarded to motivate others to emulate their example.

6.4 Conclusion

The main purpose of the study was to find out how Naara Rural Bank has contributed to development in its service communities in the Kassena-Nankana West and East Districts in

the Upper East Region. The results of the study established that the bank implemented credit programmes solely and in collaboration with other agencies for farmers which facilitated increased agricultural production resulting in food security and increased incomes. It further created self-employment by organising unemployed people, including women and persons with disability, into groups and supporting them with credit to set-up businesses or go into income generating activities. Even though development is sometimes seen as the availability of social amenities such as school buildings, clinics, bore-holes and other infrastructure, the study established that the bank did not singlehandedly construct a physical project or provide social amenities in its service communities. It however supported social activities such as cultural festivals, education, sports and farmers day. The bank took the necessary steps to ensure that the only project it constructed in collaboration with Community Based Rural Development Project (CBRDP) at Gunwonko in Sirugu is sustained. Besides, the bank implemented strategies to build local capacity for development. Development sometimes means food security, availability of self-employment and increased incomes as well as empowerment through training. On this basis, it can be said that Naara Rural Bank to a large extent, has contributed to development in its operational areas in the Kassena-Nankana West and East Districts. What is required of the bank now is to emphasize on providing social amenities for its service communities.

6.5 Recommendations

Based on the major findings, the following recommendations are made to so that Naara Rural Bank in particular and rural banks in general is effective in facilitating socio-economic development in its service communities:



- Looking at the enormous benefit of the credit programmes in promoting self-employment and increased agricultural production, the bank should intensify its awareness education campaign to attract more people to access credit to enhance their socio-economic activities. This can be done through programmes such as community durbars, radio broadcasts and discussions, and announcements during cultural festivals and District Farmers Days.
- The bank should identify charitable non-governmental organizations and other development agencies and guide communities to write proposals for development support. This is in view of the fact that the bank alone may not be able to raise enough resources to meet the development needs of its service communities.
- The bank should design a corporate social responsibility policy to replace the current ad hoc way of supporting activities in its service communities in the name of social responsibility. This policy may include a scholarship package for at least ten brilliant but needy students every year. It could also include a package to provide infrastructure like a school block, clinic or bore-hole in deprived communities. If a policy of this nature is adopted, within five years the bank would be seen to be contributing significantly towards the development of its service communities and this would improve its image and good will in the study area and beyond.
- Government should put in place a policy to direct rural banks to invest at least one percent of their net profit every year on corporate social responsibility in their catchment areas. Such a policy should direct the banks to invest the money on the supply of social services such as sanitation and water supply, education and health which are the major challenges faced by most rural communities.

- The bank should intensify its capacity building programmes for communities such as facilitating training on business development and management, income generating activities, gender issues, group dynamics, sanitation and health to empower communities more for development.
- The bank and all rural banks in general should further facilitate training for community leaders on community mobilization and development to boost the ability of local leaders to mobilize their people and resources to initiate development in their communities.

6.5 Suggestions for Further Studies

The study assessed the contribution of only one out of the four rural banks in the Upper East Region to community development in its service communities. It is suggested that an assessment of the contribution of all the four rural banks in the region to socio-economic development in their service communities should be conducted in future to see which of them has adopted the best strategies to facilitate development in its service communities and how the others can learn from its example. In addition, further research on the same topic could be carried out but with a sampling of five communities from each electoral instead of one in order to get a more representative sample for the study.

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APPENDIX A**Questionnaire for Naara Rural Bank**

Dear respondent,

This questionnaire is designed to elicit your views on the contribution of Naara Rural Bank to community development in the Kassena-Nankana Districts. The study is purely an educational venture and is conducted in partial fulfillment of the requirements for the award of Master of Philosophy Degree in Adult Education at the University of Ghana, Legon. Your co-operation and frank responses are needed for the success of this exercise. Your responses shall be accorded the highest degree of confidentiality that it deserves.

Please, kindly help complete the interview schedule by providing the appropriate responses to the questions.

Questionnaire for Naara Rural Bank**Section A: Programmes for Community Development**

1. Has your bank implemented programmes that have contributed to the socio-economic development of its service communities? a) Yes [] b) []

2. If no, why?.....
.....
.....

3. Tick as many as applicable from the table below the programmes employed by Naara Rural Bank to facilitate socio-economic development in your community?

i	Farmers loan support	[]
ii	Organising unemployed people into groups and supporting them with micro credit	[]
iii	to go into ingenerating activities	[]
iv	Linking communities to other agencies for development support	[]
v	Linking farmers to extension officers for technical support	[]
vi	Others (state).....	[]
	
	
	
	
	
	

4. Apart from the bank’s initiated programmes, has it collaborated with other agencies to implement programmes that facilitated socio-economic development in its service communities?

a) Yes [] b) No []

5. If no, why?.....

6. If yes, state the agencies and the type of programmes executed in the service communities through such collaborations in the table below:

Collaborative Agency	Programme Executed	Year	Beneficiary Community

Section B: Corporate Social Responsibility (CSR) of the Bank

7. State the physical projects that your bank has executed in its service communities as part of its support to community development in the table below:

Physical Project Executed	Year	Beneficiary Community

8. Apart from the physical projects listed above what other social activities has the bank supported as part of its corporate social responsibility in its service communities?.....

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SECTION C: Project Sustainability

9. Before development projects mentioned in Q.(8) above were initiated, was the community involved by the bank in deciding the type of project to execute? a) Yes [] b) No []

10. If no, why?.....

11. If yes, how was the community involved? Through:

- a) the chief
- b) opinion leaders []
- c) the assembly member []
- d) Youth groups []
- e) the district assembly
- f) the whole community through durbar []
- g) Others (state):

.....

.....

12. At what stage of the project(s) was the community involved?

a) Decision making stage [] b) Planning stage [] c) Implementation stage [] d) Monitoring and evaluation stage [] e) project management stage [] f) Others (state).....
.....

13. Were some community members trained to maintain the facilities provided?

a)Yes [] b) No []

14. If no, how are the facilities maintained?.....
.....
.....

15. If yes, how were the members selected?
.....
.....

16. What has been the effect of the training on the condition of the facility?.....
.....
.....

Section D: Local Capacity Building for Development

17. Indicate the activities that the bank has undertaken as a strategy to encourage communities to initiate their own development.

- a) Encouraging communities to organize festivals and durbars.
- b) Facilitating training programmes for community leaders on community mobilization and development
- c) Facilitating training of community members on income generating activities
- d) Facilitating training of community members on business development and management
- e) Others (state).....

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.....

18. Which of the activities selected in Q.(12) above have been very successful in helping your community to initiate its own development projects?.....

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19. What other capacity building programmes will you suggest the bank should undertake in order to further boost the development process of the communities?.....

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Thank you for your co-operation.

APPENDIX B
INTERVIEW SCHEDULE FOR THE COMMUNITIES

Dear respondent,

This interview schedule is designed to elicit your views on the contribution of Naara Rural Bank to community development in the Kassena-Nankana Districts. The study is purely an educational venture and is conducted in partial fulfillment of the requirements for the award of Master of Philosophy Degree in Adult Education at the University of Ghana, Legon. Your co-operation and frank responses are needed for the success of this exercise. Your responses shall be accorded the highest degree of confidentiality that it deserves.

Please, kindly help complete the interview schedule by providing the appropriate responses to the questions.

Interview schedule for the Community

Section A: Programmes for Community Development

1. Tick as many as applicable from the table below the programmes employed by Naara Rural Bank to facilitate socio-economic development in your community?

i	Farmers loan support	[]
ii	Organising unemployed people into groups and supporting them with micro credit to go into ingenerating activities	[]
iii	Linking communities to other agencies for development support	[]
iv	Linking farmers to extension officers for technical support	[]
v	Others (state).....	[]
vi	

Section B: Corporate Social Responsibility (CSR) of the Bank

2. Indicate the physical projects you know Naara Rural Bank has executed in its operational communities as part of its support to community development in the table below.

Physical Project Executed	Year	Beneficiary Community

3. Apart from the physical projects listed above which of the social activities below has the bank supported?

- a) cultural festivals [] b) support for needy students [] c) supply of learning materials to schools [] d) support for sporting activities [] e) support for health programmes [] f) others (state).....

.....

SECTION C: Project Sustainability

4. Before development projects mentioned in Q.(3) above were initiated, was the community involved by the bank in deciding the type of project to execute? a) Yes [] b) No []

5. If no, why?.....

.....

6. If yes, how was the community involved? Through:

- a) the chief b) opinion leaders [] c) the assembly member [] d) Youth groups []
e) the district assembly f) the whole community through durbar [] g) Others (state):

.....

.....

.....

7. At what stage of the project(s) was the community involved?

- a) Decision making stage [] b) Planning stage [] c) Implementation stage [] d) Monitoring and evaluation stage [] e) project management stage [] f) Others (state).....

8. Were some community members trained to maintain the facilities provided?

a) Yes [] b) No []

9. If no, how are the facilities maintained?.....

.....
.....

10. If yes, how were the members selected?

.....
.....

11. What has been the effect of the training on the condition of the facility?.....

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Section D: Local Capacity Building for Development

12. Indicate the activities that the bank has undertaken as a strategy to encourage communities to initiate their own development.

- a) Encouraging communities to organize festivals and durbars.
- b) Facilitating training programmes for community leaders on community mobilization and development
- c) Facilitating training of community members on income generating activities
- d) Facilitating training of community members on business development and management

e) Others (state).....
.....
.....

13. Which of the activities selected in Q.(12) above have been very successful in helping your community to initiate its own development projects?.....
.....
.....

14. What other capacity building programmes will you suggest the bank should undertake in order to further boost the development process of the communities?.....
.....
.....

Thank you for your co-operation.