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COVID-19 and Microcredit: Dissecting an NGO's Training, Financial Support, and Women Empowerment Programmes

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Abstract: This paper reports the findings from a microcredit (financial inclusion) scheme that has been operated by a non-governmental organization since 2012 in a local community in Ghana, and sustained through the COVID-19 pandemic. It first examines microfinance, women's empowerment and third-sector organizational dynamics. It then provides an overview of microfinance in Ghana within the context of the COVID-19 pandemic, followed by dissecting the organization's microcredit, training and women's empowerment programmes. The following part documents the findings, with brief concluding thoughts and policy implications appearing in the last section. It is argued here that financial schemes, particularly those operated by third-sector organizations, can play a significant role in helping women in particular to deal with the secondary effects of COVID-19 by providing improved non-financial services and easy access to microfinance at low, sustainable interest rates. These findings have implications for policy formulation and sustainable development.

Keywords: COVID-19; financial inclusion; women empowerment; third-sector organizations

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1. Microfinance, Women's Empowerment, Third-Sector Organizations & COVID-19

Microfinance/microcredit is a tool for economic and social development, especially for rural and urban poor whose access to capital is limited. Microfinance programmes focusing on women have become one of the key donor poverty alleviation tools (see, e.g., Littlefield et al. 2003). The industry has been successful in providing 'financial services for micro-entrepreneurs, small-business owners and other individuals who otherwise lack access to formal banking and other related services' (Pomeranz 2014, p. 2).

Yet large proportions of those who need it, particularly women, do not have 'easy' access to credit. To illustrate, while 46% of men around the world report having access to formal financial services, the figure is only 37% for women (Demirguc-Kunt and Klapper 2012). Further, recent International Monetary Fund's Financial Access Survey data show that 'the proportion of female borrowers stayed at about 38 percent on average between 2016 and 2019' (Shirono et al. 2021). Women are the worst affected when it comes to lack of access to financial services. Barriers for women are particularly daunting, including lack of collateral, socio-cultural factors and financial illiteracy, among others. 'Without access to formal financial services, women have to rely on informal means to accumulate savings, grow a business, smoothen consumption in case of income fluctuations or insure against emergencies. These methods can be costly, risky and unpredictable, and offer fewer options to those who are restricted to their use' (Pomeranz 2014, p. 2). Microfinance can, therefore, serve as a potential vehicle for female empowerment in many ways.

Microcredit has been quite successful in bringing formal financial services to the poor, particularly women. Microfinance has transformed access to financial services for low-income populations worldwide (Espinosa-Vega et al. 2020). Female empowerment has often been the key target of the industry as some 85 percent of the microfinance clients are women (Daley-Harris 2007; see also Littlefield et al. 2003).

Here, empowering women increases their capacity to make informed choices, thus transforming these choices into desired actions and outcomes. The majority of microfinance programmes target women with the explicit goal of empowering them (Littlefield et al. 2003; Sarumathi and Mohan 2011). As Duflo rightly posits, 'the stance that women empowerment is desirable for efficiency shapes both the policy debate and the resultant economic policies the world over. Micro-credit schemes, for example, have been directed almost exclusively at women, because, it is argued, women invest the money in goods and services that improve the well-being of families, in goods that are conducive to development' (Duflo 2012, p. 1064). Mayoux and Hartl (2009) concluded that women's access to microfinance services could lead to their economic empowerment, increase their household well-being and finally empower them socially and politically.

Yet, it is notable that, for all its strengths, mere access to credit does not provide a one-size-fits-all cure or 'magic bullet' to livelihoods improvements or the challenges linked to escaping poverty (see Hulme and Mosley 1996). Microfinance Institutions (MFIs) often charge high interest rates, though lower than moneylenders'. They justify this on the grounds of 'the high risk of microcredit, the high fixed costs associated with small loans, the high [...] financial expenses, and their need for profits to be sustainable and not dependent on donors' (Serrano-Cinca et al. 2013, p. 2).

This may however lead to the 'poverty penalty' (Serrano-Cinca et al. 2013), a situation where the poor pay more than non-poor in their attempt to access goods and services, including access to credit (Caplovitz 1963). The poverty penalty can spur a persistent vicious cycle of being trapped in poverty, which tends to reproduce itself from one generation to the next (see Barnett et al. 2008). In many cases, banks and MFIs provide financial services without offering any kind of financial education or training to the clients. Hence, it is not uncommon that many beneficiaries find themselves in bad debts, thus pushing them further into the poverty abyss.

In this context, microfinance must be complemented by non-financial services, like training programmes, to improve the ability of beneficiaries to utilize credit facilities effectively (Asiama and Osei 2007).

The third-sector organizations, including particularly non-governmental organizations (NGOs) and religious institutions/faith-based organizations (FBOs), can effectively contribute to poverty alleviation via microcredit as MFIs were 'initially funded through a non-profit model, not commercial for-profit enterprises' (Brickell et al. 2020). They can do this by stepping in to provide the missing link of training programmes, which should then enable them to provide the rural poor appropriate access to credit through the employment of 'humane' and 'holistic' microcredit programmes that go beyond mere lending and profit-making. These institutions have played critical roles in the lives of the poor; and in view of the fact that the poor are generally excluded from political and financial gains made by society, these organizations could contribute effectively towards alleviating poverty through holistic financial empowerment merging financial services with related support services (Johnson and Rogaly 1997; see also Alhassan and Goedegebuure 2015).

Yet, unfortunately, the COVID-19 pandemic has struck 'at a time when microfinance is at its historical peak, with an estimated 139 million microfinance customers globally' (Brickell et al. 2020). The COVID-19 outbreak has raised many challenges for governments worldwide, with African governments no exception. The pandemic has dragged on to take heavy tolls on lives, wrecking the economies of many African countries and causing poverty levels to surge. According to the World Bank data, the COVID-19 crisis pushed 40 million people into extreme poverty in 2021 across the continent, with women, youth, low-skilled workforce and informal sector labour force being the worst hit by lack of access to social safety nets and income opportunities.[1] Consequently, countries have taken several policy actions in response to the COVID-19 pandemic, with some of the policy measures somewhat specifically targeted to support women's financial access (Shirono et al. 2021, p. 5). Here, while the pandemic has unequally impacted the lives of all segments of the population across the globe, women, together with other marginal subjects, are the hardest hit as they frequently experience multiple forms of vulnerability, risk, and precarity in their daily lived experiences. The pandemic has uncovered and considerably broadened the profoundly entrenched gender inequalities, particularly in developing countries. Women are more vulnerable to job loss and being forced out of business. They face considerable obstacles to accessing finance while taking on a more substantial burden of unpaid care work, experiencing increasing rates of domestic violence and decreased access to basic health services for themselves and their families (Ahairwe and Bilal 2020). In this context, MFIs, particularly third-sector organizations undertaking financial inclusion programmes, can play a key role in helping women deal with secondary COVID-19 effects by providing improved and easy access to finance at low or no interest rates. There is thus the need for financial institutions to tailor products and services to meet the needs of women borrowers who form the greater part of microfinance schemes (Ahairwe and Bilal 2020).

The overarching aim of this paper is to dissect an NGO's training, financial inclusion and women empowerment scheme in rural Ghana prior to and within the context of the COVID-19 pandemic. In Ghana, the COVID-19 pandemic has wrought economic havoc on individuals and businesses. Many people lost their livelihoods and income-making opportunities, and have had to deal with high costs of living. The paper thus seeks to answer the following research questions: how best can we describe the role played by third-sector organizations in the financial inclusion of the poor (women)? To what extent do the COVID-19 pandemic and measures adopted by governments shape microcredit scheme and borrowers' activities? The paper proceeds as follows. After the introduction, Section 2 provides a quick overview of NGOs and development dynamics. Section 3 presents an overview of microfinance in the Ghanaian context, followed by an exploration of microcredit and training programmes, particularly during the pandemic, while Section 4 documents the findings. The Section 5 provides a brief conclusion and proffers some practical recommendations for women empowerment and effective response to the secondary effects of the pandemic for sustainable development.

2. NGOs: The New Panacea to the Development Quagmire?

From the 1980s onwards, the State as the main actor in development practice has been increasingly debated and questioned. This has been associated with a move towards neo-liberal, market-led approaches to the political economy (Willis 2005), a 'new policy agenda' for the development process (Edwards and Hulme 1995, p. 849) that, to a great extent, remains the all-embracing theoretical context in shaping much of the development policy-making process vis-à-vis the developing world. This movement away from top-down approaches to development has been associated with the burgeoning of NGOs. They became oft-quoted and looked to as solutions to the perceived failures of the State or the market in promoting development.

In this vein, NGOs came to be construed as better conduits for channelling resources from donors as funding shifts from the much-detested state bureaucracies. NGOs came to represent more 'direct or grassroots' channels of implementation (participatory development), empowerment, and democratization (see, e.g., Ferguson 2006; Willis 2005), local content approach and bureaucratic agility to local demands (Green and Matthias 1995)—something of a panacea for development problems. As such, NGOs swamped the scene to perform designated State functions (especially where acute state failure had occurred, like in Mozambique), where they provided much more traction than the government as the provider of public goods (Hanlon 1991). Consequently, Edwards and Hulme (1995) speak of NGOs as being 'the magic bullet' which can be fired off in any direction but still finds its targets—the answer to all development puzzles.

Yet there are scores of scholars and practitioners who have questioned the essentialized and instrumentalized nature of NGOs in development practice over the past four decades. These NGOs have performed to an extent far below expectations, given the amount of resources made available to them. It is an unquestionable fact that NGOs, including FBOs, can effectively contribute to poverty alleviation programmes and development practices in developing countries (Dotsey and Kumi 2020). However, some service provisions, such as policing and national security, human rights protection, human and infrastructure developments are generally beyond the ambit of NGOs.

NGOs and FBOs have played a critical role in women's empowerment through microcredit provision. When Professor Yunus developed the concept of microcredit and microfinance in the 1970s, a watershed in the history of the industry, he was not cognisant of the effect it would have on the informal economy. In the 1990s, microcredit became the favoured solution for financial constraints and poverty alleviation for the poor, with NGOs increasingly considered trustworthy brokers (see Johnson and Rogaly 1997).

With the emphasis on group-based microcredit lending, these built-up solidarity groups created social capital that the beneficiaries could tap into (see Kwarteng and Acquaye 2011; Johnson and Rogaly 1997). Kwarteng and Acquaye (2011, p. 316) argue that these organizations 'have promoted new forms of gender equality, and have exposed women to microcredit opportunities'. Yet, these organizations are under criticism for underperformance, promoting underdevelopment, and critiqued for being the new 'agency' of neo-colonialism/neo-imperialism. African governments in countries such as Nigeria, Zimbabwe and Angola have recently formed a close alliance with these NGOs and manipulated many of them to cover their failure to deliver public goods, while some have even turned them into instruments for inciting violence (cf. Van de Walle 2001; Hearn 2007). Though acknowledging these criticisms, Kwarteng and Acquaye (2011) are optimistic that these institutions can effectively contribute to poverty alleviation programmes that transcend ethnic, political, religious and class barriers.

Microfinance/Microcredit in Ghana & COVID-19 Pandemic: An Overview

Microfinance is not a new concept, as people have engaged in saving and/or taken small loans from individuals to start or improve businesses. 'Susu' (informal rotational group saving schemes), a very popular microfinance intervention in the country, is thought to have originated from Nigeria and then spread to Ghana in the early twentieth century (Asiama and Osei 2007). The microfinance industry has passed through many phases before reaching its current state, thanks to various financial sector policy reforms and programmes implemented by different governments over the years. Trombetta et al. (2017), elaborating on the development of microfinance institutions in the country, categorized MFIs' evolution into four stages: informal microfinance and subsidized agricultural credit programmes (1900–1960s); rural finance (1970s–1980s): institutionalization of microfinance (1990s–2000s); and the move from microfinance to financial inclusion (2010–2016) (for details, see Trombetta et al. 2017, p. 19; see also Asiama and Osei 2007).

Ghana, with a population of about 29.8 million inhabitants in 2018, has experienced sporadic economic growth spurts in recent years; however, several people still live in extreme poverty, with 13.3% of the population living below the income poverty line of $1.90 (PPP) per day. With a Human Development Index (HDI) score of 0.596, Ghana ranked 142nd out of 188 countries as of 2018. Ghana's Gender Inequality Index (GII) score stands at 0.541, and women with an account at a financial institution or with a mobile money-service provider (% of the female population ages 15 and older) stood at 53.7 percent.

As documented earlier, the advent of market-led approaches witnessed the emergence of secular organizations and FBOs to fill the development gaps left by the State as it withdrew in the face of market-driven neoliberal reforms in the 1980s, with the NGOs and FBOs, working to redress the social and economic hardships that accompanied this shift (see Atingdui 1995; Gifford 1994; Nikoi 2008).

In Ghana, and in Africa in general, microcredit is a development strategy and generates some social capital for beneficiary groups. For example, the premier credit union in Africa was established in Ghana in 1955 through the efforts of Canadian Catholic churches to provide easy finance for poor people with no collateral. Kwarteng and Acquaye (2011) suggest that various African countries have tried to use rural banks to provide financial assistance to the rural poor, either as start-up or growth capital for small-scale businesses.

Given the importance of the industry, in 1998, the Ghana Microfinance Institutions Network was established to promote the growth and development of the industry in the country and present a common front in engaging all relevant publics. The government of Ghana set up the Microfinance and Small Loans Centre (MASLOC) in 2004 to serve as a pool of retail and wholesale microcredit capital for microfinance enterprises. Additionally, it offers group and individual annual loan schemes, with amounts ranging from GH¢100 (€15) to GH¢10,000 (€1500). MASLOC has received approval to cut its annual interest rate from 24 percent to 12 percent in 2019.

In Ghana, the interest rates charged by banks and MFIs are high, with some MFIs asking for more than 40% per annum. These very high-interest rates have put an undue financial burden on the borrowers, thus pushing them further into poverty. While empowering the poor through microcredit is praiseworthy, it is argued here that there is the need for more of a human touch in the moderation of the interest rates charged to align them with local economic dynamics; to wit, those in whose interest development is invoked should not be crushed by the austere demands or unfettered markets in the name of progress.

Ghana recorded its first COVID-19 cases on 12 March 2020, with the government declaring a Health Emergency as stipulated in Section 169 of the Public Health Act, 2012 (Act 851), and instituted several legislations to combat the pandemic (Yeboah et al. 2022). Like several countries across the globe, the government adopted and deployed restrictive measures to contain the spread of the virus. It adopted a three-pronged lockdown strategy, viz.: (a) geographical containment involving the closure of national borders and travel restrictions; (b) closures and prohibitions, including a ban on the gathering of more than 25 people, closure of schools and places of worship; and (c) home confinements. On 15 March 2020, the government suspended international flights and closed international borders, allowing the passage of only goods and commodities (for details, see Haider et al. 2020; Yeboah et al. 2022). Additionally, all non-essential businesses, restaurants, cafés, recreational centres and schools were closed, except for stores selling essential commodities. The lockdown measures—including the closure of businesses, social distancing, and restrictions on public movement—wreaked economic havoc, severely impacting businesses and the general population, particularly those who depend on informal and precarious jobs for daily livelihoods (see Schlemmer et al. 2021; Schwettmann 2020). Within this context, many people, particularly those in the informal sectors of the economy, lost their jobs, livelihoods and income-making opportunities. Importantly, women and other marginalized segments of the population were the worst affected. To attenuate the socio-economic impact of the COVID-19 pandemic, the government adopted various socio-economic measures, including stimulus packages, soft loans for medium and small-scale businesses, reducing interest rates, tax relief packages, salary increments for frontline health workers, food distribution schemes and waiving and suspension of water and electricity bills, among others. However, most households received no support as the measures introduced reached only a fraction of families in dire need of help.[2]

While there is no empirical proof of the effects of COVID-19 on the MFI sector's operations in Ghana, the Bank of Ghana (2020) reports that MFIs encountered liquidity challenges, particularly during the COVID-19 pandemic due to difficulties in recovering loans from customers (see Yeboah et al. 2022, p. 115). What's more, many MFIs have given loan moratoriums to their customers for three to six months, leading to liquidity challenges (Darko 2020). There were some policy responses from the state to support the microfinance sector during the pandemic, yet many MFIs have complained about not benefiting from these initiatives (for details, see Yeboah et al. 2022). Additionally, there is no empirical evidence of government and international community support for third-sector organizations, particularly NGOs, to sustain their financial inclusion efforts despite their significant role in the lives of the urban and rural poor.

3. Methodology

This study employs a qualitative approach. Several methods were used to collect data to facilitate the triangulation of diverse sources of information and its validation; this helped the researchers to provide more in-depth, thicker descriptions of the themes under investigation (Warren and Karner 2005). This research drew on everyday (informal) conversations with the microcredit clients during sporadic site visits, semi-structured interviews (25 interviews, all women) and observation to collect data. Additionally, documentary analysis was also carried out: this involved the study of primary policy and NGO project reports. The qualitative approach allowed for an in-depth analysis of individual experiences as well as a broad overview of the processes of microcredit implementation from an institutional perspective. This article thus draws on data from interviews and personal communications with the beneficiaries, observation, organization manuals and databases, and a review of related secondary literature. The research was enriched by continuous and repeated informal conversations, interviews and follow-ups in 2019, 2021 and 2022. Here, content analysis was used to present the qualitative results. This analysis helped the researchers in grouping, comparing, and examining the findings of the study. We were guided by ethical principles to ensure our participants' anonymity. Consequently, the names of the research participants have been anonymized.

3.1. The Truth Project's (TTP) Microcredit and Training Programme

3.1.1. Project Context: Wli, Hohoe Municipality

The Wli Traditional Area is located in the Hohoe Municipality in the Volta Region of Ghana (south-western part of the country). Wli has a population of approximately 3656 inhabitants. It is made up of four communities: Agorviefe, Afegame, Todzie and Dzogbega (a settler community). Most of the inhabitants are engaged in petty trading (across the border with Togo), crop farming and livestock keeping. Wli is home to the highest waterfall in West Africa, which is the most popular tourist attraction in the Volta Region.

In Wli, like in many other communities in Ghana, women often play significant roles in the local economy. In Ghana, access to credit remains challenging, especially in rural areas: the interest rates on loans are very high (as indicated earlier) and the guarantees required exclude, in fact, all but a tiny minority of the population. With no financial and business education support, many beneficiaries have found themselves in bad debts as a consequence of bad investment and business management, thereby thrusting them further into destitution. To this end, The Truth Project (a local organization), in collaboration with the Voci Vicine Voci Lontane voluntary association in Italy, launched a microcredit (financial inclusion) project for poor women in Wli in 2010. The project was subsequently supported by Les Cultures, a not-for-profit organization in Italy, since 2018. This initiative was the consequence of a study carried out in 2009 that showed that women in Wli had no access to credit, financial education and services to start and expand small-scale businesses and to exploit the opportunities provided by the tourism sector.

3.1.2. Project Description and Focus

Poverty is a complex phenomenon that often creates vicious cycles of economic deprivation and the lack of cultural and educational tools that tend to reproduce itself from one generation to the next. The project aimed to break this vicious cycle through training and easy access to credit (small soft loans) to kick-start or expand their small-scale business activities, focusing on the empowerment of women as core nodes of the family unit, thereby promoting social development at the family level with possible positive side effects on the entire community. In most African societies (and Ghana is no exception), women are the responsible caretakers of the home. Thus, there is now a widespread consensus that if a woman makes it out of poverty then, all things being equal, the whole family will follow suit (see, e.g., Diop 2015; Moghadam 2005). The project was, therefore, designed to lift women out of the poverty trap from all angles—the financial, the educational and the possession of entrepreneurial skills.

3.1.3. TTP Microcredit (Financial Inclusion) Model: An Overview

The project focused mainly on women entrepreneurs who cannot access formal credit, though it also focused secondarily on men. As illustrated earlier, the rationale for focusing more on women is documented in the scholarly literature and policy documents associated with the term the 'feminization of poverty'—the idea that poverty has a woman's face (see Fernàndez-Kelly and Shefner 2006; Moghadam 2005). Moghadam (2005), for example, posits three factors shaping women's poverty:

1. the expansion of female-headed households;
2. the persistence and consequences of intra-household inequalities and biases against women; and
3. the implementation of neoliberal economic policies around the world.

Women are almost always the hardest hit when it comes to poverty and access to loans, but they are also the best channel through which a family can exit poverty if poverty strategies are focused on them as, typically, women are more responsible for the welfare of the family than men are. Duflo (2012, p. 1064) rightly points out two reasons for supporting active policies to promote women: 'The first is that equity is valuable in and of itself: women are currently worse-off than men, and this inequality between genders is repulsive in its own right. [. . .] The second, a central argument in the discourse of policymakers, is that women play a fundamental role in development. [. . .]'.

Thus, the project promoted a merger of appropriate lending strategies and training programmes that generate nuanced, actionable data. One characteristic of this initiative was that TTP encouraged the beneficiaries to always save some part of their profits to ensure their financial autonomy at the end of the project cycle. They were also involved in informal group savings ('susu'), an initiative that TTP hopes to roll out to the entire catchment area in due course.

The primary goal of this project was to reduce the incidence of poverty among women in the Wli area and strengthen their role in the local economy through entrepreneurial training, capacity building and easy access to credit.

The targeted group was economically active (productive but poor) and inactive poor rural women (including some men based on a critical evaluation of their role in the family and economic activity) involved in an economic activity (if currently active). Also, TTP sought to transform some of these women from economically inactive to active women.

In terms of Client Recruitment Methods, TTP drew on applications received from economically active and/or inactive poor women and men; TTP, in some cases, identified poor women (economically active and inactive) and included them in the project.

To ensure the smooth running and sustainability of the project, TTP requested the beneficiaries to pay an annual simple interest rate of 9.5%, thus making them responsible for their actions and inactions. It is believed that this might reduce the dependency syndrome and its consequences in the long run as some of the clients and community members sometimes continue to view the soft loans as another form of the NGO's charity support scheme despite several explanations to the contrary. It is notable not all beneficiaries were able to repay the principal amount received, let alone the interest due. The organization cancelled interest repayments during the COVID pandemic. Yet, it is important to underscore that TTP is currently facing financial challenges. The organization has depended on foreign funding or grants for survival over the years, but these sources are drying up. TTP has initiated many income-generating activities as an integral part of its development programmes; however, they were unsuccessful in generating revenues. Here, the inability of TTP to raise funds locally for running even its day-to-day activities threatens the sustainability of the financial inclusion scheme and other development projects.

3.1.4. Loan Scheme

Since inception, eighty-five beneficiaries (mostly women) received small-soft loans to start small-scale businesses (see Table 1). The repaid loans were then used as a revolving fund, which was then lent to other women on the loan scheme waiting list.

Table 1. Business Activities & Number of Beneficiaries.

Business Activity	Number of Beneficiaries
Hairdressing	5
Buying and selling (foodstuff, kitchen utensils, clothes, disinfectants, etc.)	50
Local pharmacy/drugs store	1
Farming	24
Baking	2
Sewing (seamstress)	3

Source: TTP database.

Most of the beneficiaries were of the view that the credit received had contributed to their individual and family's well-being. However, at the time of being questions, all beneficiaries expressed concern about the poor local economic conditions, as business had not picked up in the area, a condition reflecting the then ongoing national economic climate as a consequence of the ongoing COVID-19 onslaught. This, together with other challenges listed in the next subsections, made it difficult for the beneficiaries to improve their livelihoods conditions and to repay their loans on time.

4. Research Findings

All beneficiaries that were interviewed and talked to reported benefiting from the project (both loan and training schemes). Importantly, they highlighted the importance of TTP's financial support during the ongoing COVID-19 pandemic. Below are the findings of the project, set within the interlocking contexts of NGO action, financial inclusion and COVID-19.

4.1. Business Activities

Loan beneficiaries were mainly into the sales of provisions, with others involved in hairdressing, sewing, pharmaceuticals, farming and baking (see Table 1 above for details). The findings revealed that several beneficiaries were dealing in similar/related commodities. This is not, however, a critical expression of the local organization's policy frailty in terms of educating the beneficiaries to diversify their economic activities, as personal communications and interviews with the beneficiaries revealed that the organization has educated them in this regard but they refused to comply, claiming that pursuing similar economic activities did not affect their business prospects. Also, the small nature of the local economy contributed to this phenomenon.

> *First of all, I'm grateful for this financial support. Without it, I wouldn't have been able to start my business in the first place. The local economic conditions aren't the best at the moment, but I'm making marginal gains.* (Amina, interview, November 2019)

Interviews with beneficiaries also illustrated the importance of the loans received from the NGO:

> *Thanks to the credit with a low-interest rate I'm able to expand my business. I want to pay my loan in time so that I can ask for more credit to further expand.* (Akos, interview, November 2019)

- Some observable (social) effects of the loan scheme include the following:
- A client was able to send her two kids to high school;
- Clients were able to provide constant pocket money for their school-going kids;
- Clients were able to purchase school materials;
- The provision of basic needs (food, access to health services, etc.) to the household was enhanced; and
- Beneficiaries progressively became exposed to the formal (traditional) banking sector and digital financial services, through cashing of loans and depositing of repayments, while also being educated on and encouraged to open accounts and save with banks.

The interviews also revealed that some of the beneficiaries were not able to invest the loans received from the organization into economic or productive activities due to several reasons: theft, sickness, children's education and natural hazards.

> *I couldn't invest all the loans into my business because I had to pay my daughter's school fees. I know this doesn't seem right, but I also need to invest in her education for a better future and then pay back the loan in small deposits*. (Faustine, personal communication, November 2019)

> *I wasn't able to continue my business because I felt sick and used part of the loans to buy medications. Sadly, thieves recently broke into my room and made away with my valuables. I will however do my best to repay the loans*. (Ernestine, April 2022)

> *My provision store business was doing well until a storm removed the roofing sheets off my house. Unfortunately, I had to use part of my business capital to do the repairs. Life isn't easy at the moment, but I'll do my best for the business to pick up and pay off my loans*. (Mami, personal communication, November 2019)

4.2. Training and Business Management Programme

Training of beneficiaries was a prerequisite for making effective investments. The women involved were exposed to basic language, accounting (bookkeeping), management and entrepreneurial content and skills for three months. Business support services (a series of consultations in order to help them identify the best-fit business to invest their loans in) were provided at the end of the training programme.

Beneficiaries identified the training programme as the more important of the two schemes and cited the following reasons to back their assertions. The business management/planning module, they said, had:

- given them more insights into how to properly manage their businesses for higher returns;
- helped them to organize/plan their business activities well;
- enlightened them and improved their managerial skills; and
- helped them know if they are making a profit or a loss through the keeping of records of all transactions.

The significance of the training programme is illustrated in the views of some of the beneficiaries documented below:

> *It's helped me in running my business. I now keep proper records of my business operations, adopting the best practices in managing my business: unlike at first, I now know my business operations, how to plan, improve my customer relations and organize my business operations very well for higher profits*. (Freda, Interview, November 2019)

> *TTP should organize training programmes for the locals, particularly for those in the craft industry and then provide them with funds to expand their businesses so that they can reap or make maximum use of the opportunities offered by the tourism sector*. (Akosua, Personal Communication, November 2019)

Yet, not all clients were able to put into practice what they learned. While some of the women stated that they know how to keep notes of their business transactions, they could not prove it with a record of their cashbooks, with excuses such as their children have misplaced or destroyed the cashbook or simply that they could not find it. Furthermore, some affirmed that they learned bookkeeping but just do not want to keep records. Others do not have cashbooks because they are illiterate, though some of them asked their children to help them keep records.

Finally, the microcredit training programme was carried out during the pandemic for a short period in small groups but it was temporarily halted later during the height of the COVID pandemic. It is worth noting that some beneficiaries who received loans during the pandemic had undergone training before the COVID-19 outbreak but were put on the waiting list due to a lack of funding. However, a training programme for another project initiated by the organization—'batik and tie and dye' production—continued during this period due to the small number of participants involved (3 women) and their ability to maintain social distancing.

4.3. COVID-19, Local Economy & Loan Scheme

As illustrated earlier, the COVID-19 outbreak greatly disrupted global, national and local economies. The national measures adopted to contain and reduce the spread of the pandemic affected the livelihoods of many people, particularly the rural and urban poor.

4.3.1. Schools

Government directives to close down schools for a year negatively impacted businesses. Some of the beneficiaries sold cooked food and foodstuff to teachers and students. These businesses ground to a halt, and the small gains achieved in were eroded, thus affecting beneficiaries' business capital and their ability to achieve financial sustainability. Indeed, those selling stationery were equally affected. This resulted in some of the beneficiaries using their business capital for domestic consumption before the re-opening of schools, and as a result, they needed more capital to be injected to revamp their businesses.

> *Before the emergence of the pandemic, I could make sales of between GH₵100–150 daily but because of COVID-19 things are now difficult for me and I barely make GH₵50 a day when schools were closed as school children were my main customers. When schools were later re-opened, I had consumed most of my capital [. . .]. But I had managed and added cooking of jollof rice to my sales in order to shore up my goods sold and revenue*. (Mankua, Interview, July 2021)

4.3.2. Post-Harvest Losses

Beneficiaries who are farmers were also impacted by COVID-19 and its related lockdown measures, which restricted the movement of people to the business hubs of Ghana. Therefore, produce like plantain, banana and vegetables rotted at source due to a lack of customers. Market women from cities and towns no longer came regularly to buy harvested produce in the community. This led to the perishing of some of the crops and consequent loss of income for farmers.

4.3.3. Border Closure and Cross Border Trading

A sizeable proportion of the people of Wli and its environs depend on cross-border trading between Ghana and Togo for survival. Therefore, the closure of the border affected trading activities in the area as human mobility and interactions were limited, thus crippling trade and free movement of goods. Some beneficiaries documented that since they could not physically go and buy goods in Togo, they placed orders by phone with their suppliers despatching the goods using motorbikes ('okada') to the Ghanaian border before picking them up, but this came at a high cost, thereby hampering the bid to maintain profitable operations.

4.3.4. Tourism Industry

The local economy depends heavily on national and international tourism. Tourists buy some local produce for consumption and some as souvenirs from the area, thereby generating revenue for residents. The pandemic however severely limited the mobility of the tourists, and the few tourists who came to the community did not patronize many of the local products for safety reasons.

> *Sales and demands for pieces of jewellery, beads, and batik business are on the decline*. (Akua, Personal Communication, July 2021)

> *The tourists come in their cars with food and all that they need. They longer buy our local food*. (Martha, Interview, July 2021)

The pandemic affected the women's businesses, which in turn affected their livelihoods and their ability to undertake repayment of loans. The organization put in place some measures to help the women to somewhat cope with the situation. *In primis*, the organization relaxed the repayment time limit, giving the clients the necessary time to recover from their economic shock. Secondly, the organization revitalized the use of the 'susu' system to help the women save part of their daily sales for future eventualities. This process allowed them to slowly but steadily repay the loans while saving a portion of their proceeds for future investment or immediate needs.

5. Conclusions

Microcredit is central to the empowerment and sustainable development of rural and urban poor (women) in developing nations. Here, third-sector organizations, including NGOs and religious institutions/faith-based organizations, have contributed to sustainable development, particularly in the global South. These institutions have played critical roles in the lives of the poor as they are generally excluded from political and financial gains made by society. This article supports the foregoing by illustrating how the TTP project has made some notable contributions to the microcredit clients' livelihoods and that of their dependants, including promoting financial inclusion and literacy. More importantly, the project has been initiated in ways that encourage client self-sufficiency, making them active protagonists in the trajectories of their lives.

The research showed that the emergence of COVID-19 and the measures adopted by the government to contain the spread of the virus had affected negatively the microcredit clients' livelihoods, training programmes and ability to repay their loans. In reaction, the organization developed moderate mechanisms to help the clients contain these problems, including flexibility with repayment, cancellation of interest due and the encouragement of savings through the 'susu' system.

The COVID-19 pandemic has shed light on the need for the government to bolster social protection systems, basic goods provision, and realize the rights of people to equal and adequate social security and living standards. Within this framework, the third-sector organizations could play significant roles in supporting the government's efforts in public service provisioning to all citizens, particularly the marginalized groups. It is an unquestionable fact that NGOs can effectively help efforts aimed at reducing the socio-economic disruptions occasioned by COVID-19, and at promoting sustainable development practices. We, therefore, proffer some practical recommendations that can position NGOs to adequately respond to COVID-19-induced financial constraints and future financial inclusion of marginalized groups, particularly women. These recommendations remain apposite in the aftermath of other future pandemics.

First, all stakeholders—development practitioners, academia and policymakers—should find ways to best engage and marry both NGOs and public sector efforts to achieve maximal results. There is the need to find common grounds for partnerships for development rather than pitting the efforts of each set of actors against those of others, particularly in ensuring that the scarce resources mobilized in such unprecedented and precarious times as those occasioned by COVID-19 work optimally for all people, not only a chosen few.

Second, governments should work in tandem with the third-sector organizations to improve and expand temporary alleviation measures, particularly basic goods provision, introduced during pandemics, building in the process robust and transparent social programmes that will permanently protect the rights of all people in the country and provide better and equal access to adequate living standards, specifically the marginalized segment of the population living in urban and rural constituencies.

Finally, the government should include third-sector organizations in their financial package provision and strengthen their financial positions as they have the track records of being the best conduits for channelling scarce resources to all in society without using ethnic and political lenses. More importantly, they are much closer to the urban and rural poor (women) than the state bureaucratic apparatus could ever hope to be, barring any real reforms.

While this study has provided useful insights into the critical roles of NGOs in women empowerment, financial inclusion and how they can adequately respond to COVID-19-induced financial constraints of marginalized groups, it has a limitation which can inform future research. The research focused specifically on a single case in a rural setting and utilized a small sample size. Therefore, the research findings are not considered to be a generalizable portrait of NGOs' operations across the sector. Yet, focusing on alone case-study provided the necessary context and room for detailed exploration of the complex social reality under study. There is thus a potential for more robust and large-scale future diachronic research on how the financial inclusion schemes of NGOs in Ghana and other developing countries shape microcredit clients' livelihoods and their dependants—e.g., health, food, education, employment—before, during and after the COVID-19 pandemic.

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Notes

1 See https://www.worldbank.org/en/region/afr/coronavirus (accessed on 17 July 2022).

2 See https://www.unodc.org/unodc/en/corruption/covid-19-emergency-support-packages-in-west-and-central-africa.html (accessed on 25 February 2022).

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