THE FINANCIAL MECHANISM FOR THE POOR: EVIDENCE FOR GHANA

Paul A. Onyina

Abstract

Traditionally, it is assumed without empirical evidence, that poor people are too poor to save hence have been ignored by formal financial institutions. However, there exists a body of evidence showing the saving powers of the poor when given the chance. This paper presents some of the financial instruments used by poor people and gives brief discussions on the types of savings tools poor people use. These tools, the Rotating Saving Credit Associations (ROSCAs) and the Susu system, are traced to their historical roots. We then use data to show that clients of a microfinance institution actively use these savings instruments to raise lump sum. The data show that clients use several saving instruments in addition to the institutions compulsory dues. These savings tools, ignored by the financial sector could be used to mobilize deposits from the poor people by the sector. It is envisaged that both the formal and informal financial sectors would learn from such ancient savings institutions to mobilize deposits from poor households.

JEL D19, O16

Key words: Clients, savings tools, ROSCAs, and *Susu*

1.0 INTRODUCTION

There is an ancient belief (without empirical basis) that poor people are too poor to save; however, findings from recent studies, and the deposits mobilized by institutions such as the Bank Rakyat Indonesia (BRI) and the Grameen Bank indicate a different picture. Available literature indicates that there are ancient forms of savings poor people use to raise lump sum. Some of the olden savings tools used by poor people are 'Rotating Saving Credit Associations' (ROSCAs) and *Susu* savings. ROSCA has been in practice on most continents since ancient times, and a form of raising lump sums by people (Anderson and Baland, 2002; Banerjee and Duflo, 2007), and its variant *Susu* is equally well known and very popular in Ghana.

SAT uses the group lending methodology to lend small (as small as GH¢100 for six months) loan to poor people to help them come out of poverty. The clients form self-selected groups who elect their leaders —chairperson and a secretary. The major duty of the leaders is to

keep group records, receive the repayments and hand them over to SAT officials during the weekly/biweekly meetings. Repayments are spread in equal instalments over a six month period. The group is collectively liable if a member defaults, and the group cannot access further loan. SAT officials meet the groups at centers (community meetings) close to the clients' houses.

This paper collected data from clients of Sinapi Aba Trust (SAT) a microfinance institution (MFI) in Ghana, and founds that clients actively use these savings instruments showing their sophisticated savings life in spite of the compulsory savings that they pay to SAT during meeting days. Even though studies in the area have analysed the savings life of people, none is known to have interviewed clients of SAT to analysis their saving behavior. Thus, a major contribution to the literature is how the paper uses interview conducted on the clients of a MFI to analyse their savings life.

The paper finds that although poor clients of the SAT are 'forced' to save in a group savings account which they cannot access 'even in hard times', they have developed other savings strategies (ancient savings – ROSCAs and Susu) in dealing with income shocks. To some extent, the SAT has made credit available to the borrowers; but their savings needs remain unattended to, resulting in the use of these strategies to save. These ancient savings tools according to the respondents use simple rules; withdrawals are allowed unconditionally, and involve less documentation. These savings life of the clients may probably be unknown to the SAT, and the paper could help pave a way for SAT to restructure their products. The paper is organized into five sections. The next section briefly reviews the literature on the need for financial instruments by people in general. It then discusses some of the savings instruments the clients we interviewed use to raise lump sum. Section three discusses the methodology and data. Section four presents the findings and discussions from the data analysis. Descriptive statistics are used to show the sophisticated savings life of the clients we interviewed. Concluding remarks are ventured in Section five.

2 LITERATURE REVIEW

2.1 The Need for the Financial Instruments by People

To meet the numerous challenges in life requires efficient financial management skills of an individual whether rich or poor; however, our focus in this paper is on the instruments the poor use to 'overcome' these challenges. Though, there are various definition of the poor, for the purpose of this paper, we define poor as people who live on less than US$1.25 a day, an update in 2005 of the popular US$1 a day by Ravallion et al. (2009). Such people are avoided by the formal financial institutions in their operations. Thus, poor people do not have access to any choice of formal financial services and look elsewhere (mostly informal sector for their financial needs).

In the developed world, people have more choices in the form of credit cards, debit cards, cheque accounts, automated teller machines (ATMs) among others. However, in dealing with personal financial management, it is not uncommon that many individuals in the developed nations run into financial problems (Collins et al. 2009). Unfortunately,

the poor people in *developing countries*, who are more vulnerable to risk, lack these financial tools to manage their lives and some may run into serious financial problems due to income shortfalls. However, others are able to work assiduously to overcome many difficult issues in life to meet these demanding events so as to smooth both consumption and income (Morduch, 1995), and cope with 'life cycle' needs, emergency needs and investment opportunities (Rutherford, 2009).

There are three areas in life where people (and the poor alike) use financial tools to manage what Collins et al. (2009) termed the so-called 'triple life issues' in everyday activities. The first is life-cycle needs such as child birth, marriage, funeral and education among others. Secondly, it is for emergencies — either personal or non-personal; regardless of which, when they do come they almost always require money to resolving them. Finally, money is needed to undertake investment opportunities like businesses, purchasing land and so on. There are more financial instruments poor people use to meet these challenges in life than is commonly believed, for they are 'active money managers'. In Bangladesh, Rutherford (2002) found that the 42 households he interviewed used 33 different types of financial tools during the study period, and Collins (2005) in a yearlong study of three townships in South Africa listed 17 diverse financial tools from the 166 households she interviewed. Nevertheless, there may be other tools not captured by these studies.

2.2 The Financial Tools

Some of the financial tools poor people use include but not limited to lending, borrowing, and savings. Detailed description of most of the financial instruments is found in Collins et al (2009); Collins (2005) and Rutherford (2002). In this paper, we briefly discuss the types of savings serving as alternative financial tools developed and in use by poor people.

2.2.1 The Savings Instruments

Saving (in various forms) as a financial instrument is extensively used by the poor. Since they know that in the 'near future', there will be a shortfall in income with no help from 'any where', the only hope to meet this need is to raise large lump sums of money against this economic downturn. As Rutherford (1999) argues, large sums could be raised in three main ways namely selling assets owned, taking loans by mortgaging (or pawning) those assets, and/or saving to accumulate a lump sum. Assets such as crops could be sold at any time by poor people. Also, mortgaging and pawning allow poor households to exchange assets for cash and vice versa. However, because poor households do not have enough assets, their ability to raise lump sum with these two approaches is limited. It is the third approach to raise lump sum - savings accumulation - that is reliable and thus popular. With this method, people convert small savings into big sums.

There are five broad savings categories; they are saving with a formal institution, a semi-formal institution, an informal mutual fund, informally one-on-one, and people saving by themselves (Rutherford, 2002). Our focus here is on the informal mutual savings which consists of ROSCA, 'Accumulating Savings for Credit Associations' (ASCAs), saving-up clubs, and *Susu* (a variant of ROSCA which is very popular in Ghana). We will limit our discussions to ROSCAs and the *Susu* system.

2.2.2 Rotational Savings and Credit Association (ROSCA)

The most popular savings tool for the informal sector and poor households are the savings clubs popularly known as ROSCAs and its variant known as *Susu* in Ghana. Whilst Geertz (1962:254) traces the roots of ROSCAs from the 'commercially developed regions of West Africa' during the slave trade era into the Caribbean and probably the southern areas of the United States, Ardener (1964) argues that available information indicates ROSCAs operated in Japan as far back as the thirtieth century (1275 AD). Handa and Kirton (1999) claim that ROSCAs also known in Jamaica as the 'Jamaican Partner', is a saving and credit mechanism with roots in the slave past brought to the island by African slaves which they originally used as a device to purchase their freedom. Poole and Grant (2003) mentioned that slaves from West Africa, during the slave trade era, operated a type of financial saving known as *Susu*, which is a form of ROSCA.

The formal label 'Rotating Credit Association' was first coined by Geertz (1962) who indicated that earlier writers have used different terms such as *contribution clubs, slates, mutual lending societies, pooling clubs, thrift groups, and friendly societies,* in reference to rotating credit association, though they all mean the same principle. Actually Bouman (1979) expanded the description to 'Rotational Savings and Credit Association' (ROSCA), which refers to the same concept and it is this label that has gained popularity in the literature on microfinance (Poole and Grant, 2003).

ROSCAs are made up of a group of participants who decide to contribute a fixed sum of money on a weekly or monthly base into a common fund. At the end of the week (or month as the case may be), the saved money (commonly known as the 'pot') is given to a member of the group. The 'pot' then rotates until every member receives his/her turn of the 'windfall'. Then, the group either disbands or the cycle begins again. The order of rotation is normally decided through a ballot also known as random allocation of the fund, or by a bidding (auction) procedure (Besley et al. 1994). In a bidding ROSCA, members bid for the funds during a meeting, and the highest bidder wins the 'pot'. Unlike in a random ROSCA, winners receive the total sum of the 'pot' less the amount bid (see Calomiris and Rajaraman, 1998 for calculations on bidding ROSCA). Winners are excluded from the next bidding.

The popularity of ROSCAs is such that, though microfinance clients pay group dues and in many cases save (voluntary saving), many of the participants would still partake in a ROSCA outside the scheme. ROSCA is the most dominant form of informal financial institution in most developing countries (Besley et al. 1993; Anderson and Baland, 2002). It is known as *Susu* in Ghana, *esusu* in Nigeria and Liberia, *osusu* in the Gambia, *asusu* in Sierra Leone, and *ndjonu* in Benin (Miracle et al. 1980; Steel et al. 1997); *arisan* in Indonesia (Geertz, 1962), *yao hui* in China (Fei, 1943); and the *tontine* in Cameroon and Senegal, *ekubs* in Ethiopia, *huis* in Vietnam, and *keh* (or *keye)* in Korea (Bouman, 1995). But a major trait in all the associations despite their geographical location is the composition; it is similar since the members who form the association are from the same locality. These variants of ROSCAs, irrespective of where they operate provide a

type of informal financial service to its members; and draw people to participate. Contrary to popular perception, the practicing of ROSCA is not only limited to low income workers or those without financial access, World Bank, and the IMF workers, staff of commercial banks and the central bank of Indonesia do practice ROSCA (Poole and Grant, 2003). In addition, Besley et al. (1993) argued that America's *formal* Savings and Loans sector grew out of ROSCAs. Different characteristics of ROSCAs in countries and across countries are well documented in van den Brink and Chavas (1997), Geertz (1962), Bascom (1952), Gamble (1944) and Fei (1943) though these discussions do not exhaust their characteristics. Bouman (1995) documented the crucial role that ROSCAs played in the mobilization of funds in some countries including the US.

2.2.3 The *Susu* System (Mobile Banking)

In Ghana, another popular financial tool for mobilizing savings from the informal sector (mostly poor people) is termed *Susu. It* is a saving mobilizing system (mobile banking) that traces its route from migrant traders from Nigeria (Aryeetey and Gockel, 1991). There are two main types; individual *Susu* collectors and large *Susu* organization or *Susu* clubs. For the avoidance of doubt, the *Susu* collectors is used in reference to the two since their modus operandi is the same. With the operation of *Susu*, collectors (known as *Susu* collectors, who are mostly males) move from client to client in shops, work places, market stalls as well as homes, at specific times of each day purposely to collect money towards a savings plan. Usually, clients agree and determine the exact amount to save every day for a period of time (in most cases a month). At the end of each month (or the 30 days), the accumulated savings are returned to the clients with no interest; instead, one day's deposit, which serves as a commission to the *Susu* collector, is deducted from the deposit (Aryeetey and Steel, 1995). The rules are that the first deposit goes to the *Susu* collector (that is his commission) whether the client continue to save or not, so once the first deposit is made, the task lies on the individual to complete the cycle. In order words, a client pays the *Susu* collector (a day's deposit) for keeping safe the accumulated fund.

To ensure transparency, the *Susu* collector gives every client a card, divided into 30 boxes specifying the amount a client has decided to pay each day, with the *Susu* collector's contact address and other information. Once the first day's deposit is made, the first number in the box is crossed, this is repeated until all the 30 deposits are made in which case a cycle is completed. The collector spends a few minutes with the client in taking the deposit (this could be as little as 30 seconds); the time spent involves receiving the days deposit and crossing the next number on the card in the presence of the client. This practice of mobile banking is reported to operate in both rural and urban areas and even among office workers. Many collectors (especially older people) do it on part time basis, while many of the younger generation have, in recent years, engaged *Susu* collecting as a full time business (Aryeetey and Gockel, 1991; Aryeetey and Steel, 1995; Andah, 2005)

Even though they play an important role in savings mobilization, the *Susu* collectors are not regulated by any authorized body, yet people continue to save with them. In an effort to counter the negative image of the *Susu* industry and to generally lift standards, some

of the *Susu* collectors in 1994 came together to form the Ghana Cooperative *Susu* Collectors Association (GCSCA), because of strict eligibility requirements, a high percentage of *Susu* collectors do not belong to this association (GCSCA, 2007; Andah, 2005). The association has designed codes of practices to standardize or streamline operational procedures and system of identification for its members. These include wearing of uniforms for identification, the establishment of apprenticeship arrangement for new *Susu* collectors under an experienced collector, and training in simple book-keeping practices.

The *Susu* system is very popular in both rural and urban areas in mobilizing savings, though stronger in the cities, particularly among the informal sector in Ghana (Aryeetey and Gockel, 1991). In the aforementioned study, they found that about 77 percent of the respondents operated a saving account with a *Susu* collector (and 20 percent operated two *Susu* accounts), while only 36.4 percent possessed a formal bank account. On the average, only 18.3 percent of total savings were at the bank, 18.2 percent at home, and over 50 percent with *Susu* collectors. Aryeetey and Steel (1995) documents the savings mobilization of *Susu* collectors which had been corroborated by Andah (2005). However, in this massive savings mobilization from poor people, the transaction cost to the collectors is insignificant compared to the commission they receive. From the discussions, we see that informal savings practices are prevalent among low income people. We now show with data how clients of Sinapi Aba Trust (SAT) lending scheme have used these tools to accumulate deposits.

3.0 Methodology and Description of Data

To analysis the savings life of SAT clients, the study collected data between July and September 2009 from three branches – Abeka, Tema and Kasoa of the institution via interviews. Each branch has several communities where the scheme's officials meet clients. The communities were selected using multistage sampling, whilst we selected clients randomly during community meetings at selected centers of the branches. We collected data in areas such as credit records, employment, income earnings, saving records, expenditure pattern, self and social empowerment. It is the savings records that we analysed in this study. Six research assistants helped the chief investigator to conduct the interview using structured questionnaire. We firstly conducted a pilot interview which helped us to revise the questions to reflect clients' views. Clients that participated in the pilot survey were excluded from sampling in the main survey. In all, we interviewed 672 clients from 11 'community centers'. The gender composition of clients in the data is 87 percent female and 13 percent male. We use descriptive statistics in analysing the data.

4 FINDINGS AND DISCUSSIONS

4.1 Evidence of Clients' Savings Portfolios

Data from our survey shows that ROSCA and its variant *Susu* are regular activities among SAT clients, exhibiting the saving power of poor people, as indicated in Table 1. Almost 61 percent saved with either a *Susu* or ROSCA before they joined SAT and, afterwards, close to 60 percent are still saving with these long-standing institutions. There are other forms of savings by the clients (not shown here): about 44 percent still operate a savings account with

a formal financial institution, while 5 percent save in a box in the house.

Table 1: Saving with *Susu*/ROSCA

Before receiving loan from SAT			After receiving loan from SAT		
Do *Susu* Or ROSCA	Observation	Percentage	Still s aving *Susu*/ROSCA	Observation	Percentage
Yes	409	60.9	Yes	392	58.6
No	263	39.1	No	277	39.1
Total	672	100	Total	669*	100

** 3 clients did not answer this question.*

The popularity of *Susu* and ROSCA is simple and seen in the responses summarized in Table 2 to the question: 'Why do you save with a *Susu* collector or with a ROSCA?' Almost 46 percent said it is easy to embark on, and over 33 percent indicated there is flexibility in these forms of savings (unlike what was termed 'rigid' conditions of formal banking institutions). The less demanding documentation processes of these savings make them attractive. Indeed, in dealing with people who are poor and not well educated, merely requiring documentation is off-putting.

Table 2: Why Save with *Susu* or ROSCA? — Responses

Reason	Easy to save	No Rules	Less Paper work	Others	Total
Observation	186	136	75	12	409
Percentage	45.5	33.3	18.3	2.9	100

These responses suggest that most clients do not want complex procedures for embarking on savings and/or withdrawals. Furthermore, the study found that over 40 percent of SAT clients had saved in these old ways for more than four years and less than 10 percent for under one year. This suggests that many clients had raised lump sums for quite a long time before they participated in the SAT scheme. The study found three types of savings that clients still operate after they joined the SAT programme: compulsory group savings, voluntary group savings and saving with a *Susu* collector or a ROSCA. This is consistent with Karlan's (2007) findings in Peru, in which he finds that the clients were involved in such savings. The three types of savings are discussed below.

4.1 Compulsory Group Savings

The first savings instrument is the compulsory group savings. Most MFIs take group dues as savings from their clients even before they provide them with loans mostly as a pre-emptive 'statement' of intent not to default. A client forfeits the entire accumulated compulsory savings if the debt is greater than the savings, or receives the savings less the debt. The SAT, like most schemes, takes compulsory group savings from clients. This saving is also known as 'group dues', it is paid during community meetings to the group leader or secretary, and handed over to SAT officials. Table 3 presents the accumulated group dues by clients during meetings; the intervals are unequal and arbitrarily determined.

From the table, a little over 6 percent had accumulated up to GH¢24, and over 61 percent had up to GH¢149 with more than half (61 percent) accumulating GH¢80-149. The remaining (39 percent) accumulated savings ranged from GH¢150 to GH¢900, with about 11 percent saving GH¢301-900. The total accumulated amount is over GH¢88,000, the mean per client was GH¢153.71. Clients are not permitted to withdraw from this account 'even in hard times'. Accumulated amounts per client ranged from GH¢1 to Gh¢900.

Table 3: Distribution of Accumulated Compulsory Savings by Clients (Unequal Intervals)

Amount (GH¢)	Up to 24	25 to 50	51 to 79	80 to 100	101 to 149	150 to 200	201 to 300	301 to 400	401 to 900	Total
Observation	35	50	80	89	100	83	76	33	32	578
Percentage	6.1	8.6	13.8	15.4	17.5	14.2	13.2	5.7	5.5	100

There was large variation between the accumulated amounts. It is unclear why there exists large variance in the accumulated savings. A possible reason may be that SAT is not strict on clients who default in paying group dues, and members had decided not to pay them any longer. Indeed some of the respondents reported that they had accumulated so much in the group account that they did not want to pay group dues any more.

4.2 Voluntary Savings

The second saving tool is the individual voluntary savings. Unlike the compulsory dues, withdrawals are allowed with no conditions attached. Table 4 shows the distribution of clients' voluntary savings.

Table 4: Distribution of Clients Voluntary Savings Per-week or Fortnightly

Amount (GH¢)	Less than 1	1 to 1.99	2 to 2.99	3 to 4	5	10 to 320	Total
Observation	95	91	187	48	108	20	549
Percentage	17.3	16.6	34.0	8.8	19.7	3.6	100

As seen from Table 4, about 82 percent had saved in the voluntary savings account. The amount saved per week ranged from GH¢1 to GH¢320. The data demonstrate that about 17 percent of the clients who undertake voluntary savings saved less than GH¢1 a week (depending on the group's meeting schedule). Again, 34 percent of this group saved GH¢2–2.99 during meetings. Almost 20 percent saved GH¢5 on meeting days, and about 4 percent saved GH¢10 to 320 during meetings. Here too, it is unclear why the accumulated savings had large variance.

4.3 Additional Savings

A third savings portfolio the clients used, albeit outside the SAT, was saving with a *Susu* collector or joining a ROSCA. Some client had used this method prior to their joining the SAT programme, and still use them. About 58 percent still save with a *Susu* collector or with a ROSCA. The distribution of various amounts clients saved daily or weekly is shown in Table 5.

Table 5: Additional Savings Daily, Weekly or Fortnightly (Unequal Intervals)

Amount (GH¢)	<1	1.1-6	6.1-14	14.1-30	30.1-60	60.1-350	Total
Observation	79	109	89	64	39	12	392
Percentage	20.2	27.8	22.7	16.3	9.9	3.1	100

Just as with the two methods discussed earlier, the amount clients saved daily and weekly via these means differed greatly. Almost 20 percent of the clients used either tool to saved up to GH¢1.00, and almost another 20 percent saved GH¢1.10–3.00. About 3 percent save GH¢60.1–350.00. The methodology of the *Susu* system may cause great variations here. For example, assuming a client saved GH¢350 per week, then average daily savings ranged between GH¢50.00 and GH¢70.00 per person (compared with GH¢1.10 by other clients). A client who saves such an amount (between GH¢50.00 and GH¢70.00) might be earning a huge income, including: clients who sold cooked food in specific places ('chop-bar operators' who sold food and restaurant owners); retailers trading between cities or towns; and commercial transport owners.

Again, there was a large variation between amounts saved. Explanation may be that some clients intended to raise a lump sum to embark on a specific project, such as an investment in his/her business, or to save towards a prearranged social event, such as a wedding or a festival during a certain period (see Banerjee and Duflo, 2007). Another reason, that perhaps better explains the huge differences, may be that both poor and non-poor self-selected into different groups, and saved according to their ability. However, what is important is how the clients have adopted these savings practices to meet income shocks.

5. Concluding Remarks

This paper outlines some methods for financial institution that could help them

mobilise savings from poor people. It lists some financial instruments and focuses on the savings tools that poor people use to raise lump sum. It then uses data collected from SAT clients in Ghana to show how they have used the saving tools. In addition to the institutions compulsory savings, clients do operate extra savings outside the institution. These are voluntary savings, the *Susu* collector or ROSCA and saving with a bank

An important lesson for both formal and informal financial institutions is to listen to the voices of their existing and potential clients and tailor their products according to their needs. We have seen here that clients saved outside the institution voluntarily, despite the fact that they pay their so-called compulsory (group) dues. MFIs could therefore introduce such saving products (voluntary savings) that could go a long way not only to mobilise savings, but also to minimize the institutions' over dependence on foreign donors to finance their operation. Additionally, they can conduct market surveys of their clients on the types and nature of products that they (the clients) want the institution to provide. If financial institutions are able to accumulate enough savings from clients via the savings mobilization, they may no longer depend solely on 'donors' for funding. Thus, since the MFI clients accumulate deposit using these methods, the institutions could introduce savings product as part of their services. There are two benefits; firstly, it will help their clients to save to raise lump sum, and secondly, it will reduce the institutions dependence on donors for funding. The mobilized money could be used to expand their operations. This fits the modern business approach of being a customer-centered business.

REFERENCES

Andah, D. O, (2005) 'Regulation, Supervision, and Access to Microfinance': The case of Ghana. *Essays on Regulation and Supervision*, Maryland, CGAP.

Anderson, S. and Baland, J.-M, (2002) 'The Economics of ROSCAS and Intrahousehold Resource Allocation' *The Quarterly Journal of Economics*, Vol 17 (3), pp 963 -95.

Ardener, S, (1964) 'The Comparative Study of Rotational Credit Associations' *The Journal of the Royal Anthropological Institute of Great Britain and Ireland*, 94 (2), pp 201-229.

Aryeetey, E. and Gockel, F, (1991) 'Mobilizing Domestic Resources for Capital Formation in Ghana': The Role of Informal Financial Sectors. Nairobi, AERC Research Paper 3.

Aryeetey, E. and Steel, W, (1995) 'Savings Collectors and Financial Intermediation in Ghana', *Savings and Development*, 19.

Banerjee, A. V. and Duflo, E, (2007) 'The Economic Lives of the Poor', *Journal of Economic Perspective*, Vol 21 (1), pp 141 - 167.

Bascom, W. R, (1952) 'The Esusu: A Credit Institution of the Yoruba', *The Journal of the Royal Anthropological Institute of Great Britain and Ireland*, Vol 82 No 1, pp 63 -69.

Besley, T., Coate, S. and Loury, G, (1993) 'The Economics of Rotating Savings and Credit Associations', *The American Economic Review*, Vol 83 (4), pp 792-810.

Besley, T., Coate, S. and Loury, G, (1994) 'Rotation Savings and Credit Associations, Credit Markets and Efficiency', *The Review of Economic Studies*, Vol 61 (4), pp 701-719.

Bouman, F. J. A, (1979) 'ROSCA: Financial Technology of an Informal Savings and Credit Institution in Developing Countries', *Savings and Development*, 3 No 4, 253-276.

Bouman, F. J. A, (1995) 'Rotating and Accumulating Savings and Credit Associations: A Development Perspective', *World Development*, Vol 23 No 3, pp 371-384.

Calomiris, C. W. and Rajaraman, I, (1998) 'The Role of ROSCAs: lumpy durables or event insurance?', *Journal of Development Economics*, Vol 56, pp 207-216.

Collins, D, (2005) 'Financial Instruments of the Poor: Initial Findings from the South African Financial Diaries Study', *Development Southern African*, Vol 22 (5), pp 717-728.

Collins, D., Morduch, J., Rutherford, S. and Ruthven, O, (2009) *Portfolios of the Poor: How the World's Poor Live on $2 a Day*, Princeton, Princeton University Press.

Fei, H. T, (1943) *Peasant Life in China: A Field Survey of Country Life in the Yangtze Valley*, London, Kegan Paul Trench Trubner and CO LTD.

Gamble, S. D, (1944) 'A Chinese Mutual savings Society' *Far East Quarterly* Vol 4 No 1, pp 41-52.
GCSCA, (2008) GCSCA. Accra, GCSCA: Available at http://ghanasusu.com/.

Geertz, C, (1962) 'The Rotating Credit

Association: A 'Middle Rung' in Development', *Economic Development and Cultural Change*, Vol 10 No 3, pp 241-263.
Handa, S. and Kirton, C, (1999) 'The Economics of Rotating savings and Credit Associations: Evidence from Jamaican 'Partner'', *Journal Of Development Economics*, Vol 60 (1999), pp 173-194.

Karlan, D. S. (2007), 'Social Connections and Group Banking', *The Economic Journal*, Vol 117 (February) pp F52-F84.

Miracle, M. P., Miracle, D. S. and Cohen, L, (1980) 'Informal Savings Mobilization in Africa', *Economic Development and Cultural Change*, Vol 28 No 4, pp 701-724.

Morduch, J, (1995) 'Income Smoothing and Consumption Smoothing', *The Journal of Economic Perspectives*, Vol 9 (3), pp 103-114.

Poole, B. S. and Grant, L. A, (2003) 'Jamaican Partner: From Slavery to Financial Freedom', MEA Presentation 2003.

Ravallion, M., Chen, S. and Sangraula, P, (2009) 'Dollar a Day Revisited', *The World Bank Economic Review*, Vol 23 (2), pp 163-184.

Rutherford, S, (1999) *The Poor and their Money: An Essay about financial services for the poor people*, New Delhi, DFID.

Rutherford, S, (2002) Money Talks: Conversations with Poor Households in Bangladesh about Managing Money. Manchester, Finance and Development Research Programme Working Paper Series Paper No 45, Institute for Development Policy and Management.

Rutherford, S, (Ed.) (2009) *The Need to Save in Hulme, D and Arun, T 'Microfinance: A Reader'*, New York, Ruthledge.

Steel, W. F., Aryeetey, E., Hettige, H. and Nissanke, M, (1997) 'Informal Financial Markets Under Liberalization in Four African Countries', *World Development*, Vol 25 No 5, pp 817-830.

van den Brink, R. and Chaves, J.-P, (1997) 'The Microeconomics of an Indigenous African Institutions: The Rotation Savings and Credit Association', *Economic Development and Cultural Change*, Vol 45 pp 745-772.

ABOUT THE AUTHOR

Paul A. Onyina is in the Department of Economics Macquarie University, Sydney, Australia.

He could be reached on agyeiop@yahoo.com, paul.onyina@mq.edu.au