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INFORMATION IS POWER. THE PROBLEM WITH CREDIT ACCESSIBILITY IN RURAL BANKS IN GHANA

E. Kodjo EKUMAH, University of Cape Coast
Thomas T. ESSEL, Bank of Ghana

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E. Kodjo EKUMAH, University of Cape Coast*
Thomas T. ESSEL, Bank of Ghana

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Abstract

Information acquisition is very much dependent on the players in rural financial market (i.e. banks, creditors or debtors). Perfect information is difficult to achieve. But imperfect information attributed to the banks' adherence to asymmetric information, lack of transparency and adverse selection may impede or favour accessibility to credit. The study shows there are information gaps due to lack of transparency by banks and low level of education makes the available information incomprehensible to a number of customers. Customers can be empowered with the right information through sensitization and education from the banks. Also, rural banks may have to update records of customers to reduce the levels of non-performing loans accumulation.

JEL Classification Numbers: E6, G2

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Corresponding Authors: Dr. E. K. Ekumah, Centre for Development Studies,
University of Cape Coast, Ghana, e-mail: kekumah@yahoo.co.uk
Mr. T.T. Essel, Bank of Ghana, Research Department, Accra, Ghana.

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Résumé

L'acquisition d'information varie d'un acteur à l'autre sur les marchés financiers ruraux (banque, créancier et débiteur). Une information parfaite est très difficile à acquérir. Cependant une information imparfaite due au manque de transparence des banques, au principe d'information asymétrique et à la sélection adverse peut empêcher ou favoriser l'accessibilité au crédit. Cette étude montre qu'un manque de transparence de la part des banques et des niveaux bas d'éducation des clients rend l'information souvent incompréhensible. Les clients peuvent gagner un meilleur accès à l'information par des politiques de sensibilisation et d'éducation de la part des banques. Les banques rurales devraient aussi tenir les dossiers des clients à jour pour réduire le niveaux de crédits en souffrance.

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Executive Summary

Access to bank credit by the poor, the small and medium scale enterprises continue to play a significant role in current debates in rural financial market. The poor has been understood in this study as the physiological, social and economic deprivation which involves the inability to satisfy the basic material or social and economic needs of the individual. The definition of small and medium scale enterprises follow the categorization of enterprises by the National board for Small Scale Industries (NBSSI) based on the number of employees of an enterprise or its annual turnover. The small scale businesses employ up to 9 people and operate under less than ₵250,000,000 annual turnover. The medium scale businesses employ between 9 and 35 people with more than ₵250,000,000 turnover annually. The level of deprivation among these enterprises in terms of satisfying basic business needs have forced them to belong to the economically poor entities and as such encounter problems accessing bank credit. For these reasons, the poor comprises both the individual as well as the small and medium scale businesses.

Debates on rural credit and lending operations in Ghana have failed to address the issue of information and how it is linked to credit accessibility. With the restructuring of the financial system in 1988, the need to consider information as the critical variable in accessing bank credit in Ghana has become more important than before. The operational definition of information employed here constitutes the messages and vital data required to facilitate the access to credit by the poor. Information, however, cannot be relevant if it is not communicated. Basically, communication occurs either top-down, horizontally or bottom up through the defined channels of communication. The purpose of this study was, therefore, meant to examine how information and its dissemination or the lack of it contributes to impede access to credit by the rural poor, under the current financial system (Ghana's Financial Sector Liberalization). The study focused on two Rural Banks: the Akatakyiman in the Kommenda-Edina-Eguafo-Abrem (KEEA) District and Agona Rural Bank in Kwanyako in the Agona District, all in the Central Region of Ghana.

The survey approach was used in conducting the study. The feasible sample size was 96. This comprised 50 customers selecting 25 from each rural bank, 40 non-customers with 20 from each rural bank area. The remaining 6 was made up of the two managers of the banks and 2 mobilization officers from each rural bank. Using the sampling frames provided by the banks, the simple random sampling technique was employed to select the customers. Non-customers were sampled by convenience because it was difficult obtaining a reliable sampling frame for them. For the in-depth interviews conducted for the managers and mobilization officers respondents were chosen purposively. Data analysis followed both the descriptive and the analytic approaches. The descriptive analysis was applied to provide a concise account of the respondents, the needs of customers, non-customers and the banks. Given the quantum of qualitative analysis generated, the analytical approach focused on Lubbe's (1997a, 1997b) concepts of syntactic, semantic and pragmatic of information. The analysis was, therefore, informed by the principles of content analysis in social research.

Evidence from the analysis proved that information was an important confounding variable affecting how needs of customers, non-customers and banks are assessed and made relevant to access bank credit by the poor. Information further influenced access to credit because information can conceptually only be assumed to be perfect because

practically as we observed, it tended to be imperfect: either inadequate or incomplete. This gives rise to information asymmetry and forces the rural banks to reduce adverse selection, prolongs the process of screening customers and increase administrative costs of the rural banks.

In the absence of modern information storage facilities like personal computers on customers, rural banks use personal contact for their screening process, which gives room for increased adverse selection. For the customers, the underlying problem contributing to information asymmetry is their low educational level. The low educational level of customers also reflected in the lack of understanding of the interest rates displayed at the banking halls, lack of confidence in seeking explanation and customers' inertia in seeking new information. Both customers and the rural banks become exposed to opportunistic behaviours as customers find easy way of accessing credit and banks try to minimize effects of adverse selection of customers. Bridging the information gap can be looked at from two perspectives; customers' and the banks' perspectives.

The study identified information gaps associated with accessing credit and proposed how they could be bridged. The information gaps are created by discrepancies in the information flow basically due to information asymmetry and lack of transparency where it is expected that information should be more complete and comprehensible to customers than they are. The information gaps identified were associated with the following relationships: customer-bank, bank-customer and bank-community or public. Inadequate information-flow between banks and customers on one hand, and between banks and community on the other, places a limitation on the access of the poor to credit.

We observed that bridging the gap meant considering the needs of both customers and banks and how they can be satisfied. Customers can ease information flow by: contacting banks on issues they do not understand. They can also form groups like the Susu groups to make it easier to patronize banking products, be present at meetings organized by the banks; write (for those who can write) or make verbal suggestions on banking issues and make conscious efforts to read notices of the bank for new information.

Banks can improve information-flow by strengthening strategies that banks have been pursuing to date, while looking at new ways. They can do so by holding periodic meetings to discuss current banking issues. The rural bank can also take advantage of the customer-visits to explain banking information instead of only using them to arrest defaulters. Besides, local radios are effective channels to send messages and to sell new banking products both in the English and local languages. Of particular significance is to strengthen the functions of the staff and 'susu agents' as front-line staff to disseminate banking information horizontally within the groups. This will facilitate attempts at pursuing the policy of making information transparent. It is expected that more effective and efficient customers' service desks in banking halls will be established. The policy of displaying vital bank information such as interest rates for lending and savings by banks must be enforced to the letter by the regulatory body, the Bank of Ghana. Similarly, information about the banks own products and services must be displayed. We expect such important information to be boldly displayed and made "customer-friendly" to understand. It serves nobody's interest if the bank information displayed cannot be read, hidden at a corner or incomprehensible to customers and the general public.

1. Introduction

Advances in science and technology have facilitated information flow within the shortest possible time throughout the world. The world has thus been described as a global village as a result of the availability of and accessibility to information. Information has become more important in this growing global village in all spheres of life, especially in business enterprises where business transactions need vital information for quick execution of contracts or plans. It is in this respect that we investigated how information-flow or the lack of it contributes to access to credit by the poor rural dwellers, the Small and Medium Scale Enterprises (SMEs) in Ghana. The poor comprises the physiological and the social and economic deprivation of individuals making it impossible for them to satisfy the basic material and socio-economic needs. We define small and medium scale enterprises in line with the definition of National Board for Small Scale Industries because it is the most popularly used set of definitions. In these definitions, two criteria are used: the number of employees engaged in the business and the annual turnover of the business. Small Scale Enterprises in this regard refer to business ventures that usually comprise the one-man businesses and business units with employment of up to nine employees with less than ₵250,000,000. Medium Scale Enterprises are defined as enterprises or business units that employ from nine to thirty-five people with more than ₵ 250,000,000.00. These enterprises generally suffer serious deprivation economically as they strive hard to satisfy their basic business needs. Most of these enterprises are therefore, economically deprived and poor. The financial sector reforms that started in 1987 pose challenges to the role of these poor enterprises as they get integrated into the financial adjustment programmes.

Prior to the financial sector restructuring through the Financial Sector Adjustment Programme (FINSAP) in 1988, the Bank of Ghana (BOG) used the traditional tools of monetary policy such as selective credit ceiling, reserve and liquidity requirements and direct controls on interest rates in the control of money and credit. The application of the credit system, among others included the mandatory requirement on banks in 1982 to provide at least 20% of all credit to agriculture. This failed, as banks became risk-averse to lending to agriculture. The reserves and liquidity ratios policy failed, as the degree of compliance by the banks was poor, and so was abandoned in 1978. Also, the direct control of interest rates resulted in highly negative real rates of interest throughout the 1970's and most of the 1980's and contributed to a high degree of financial sector repression.

This system encouraged the restriction of information, and the emergence of a variety of hidden fees and charges for credit, which obscured the real costs to borrowers and further distorted the allocation of funds (Roe and Sowa, 1995). When the ERP started in 1983, a combination of much higher interest rate and lower liquidity requirements was employed to stimulate savings and give banks greater scope for increased lending (for investment purposes) respectively. The failure of these partial approaches necessitated a more thorough-going financial sector reform approach in 1987. By early 1991, the selective and global credit ceilings were effectively abolished. Maximum and minimum deposit rates with the exception of the savings deposit rate were also abolished. As such changes were effected they were regarded as purely bank-internal issues meant not for the consumption of the customer community in Ghana. As part of measures to improve the functioning of banks, dissemination of banking information to mobilize more savings and increase lending became a crucial issue. The

Bank of Ghana (BOG) for this reason issued a policy to all Commercial Banks to determine their own lending and interest rates on savings on daily basis by the end of 1987 and to display these in their banking halls (Bank of Ghana, 1987). This was aimed at minimising problems of wrong calculation and deliberate cheating by some unscrupulous staff of banks. A cursory observation, however, shows that this policy had not been complied with and as such vital information are not on display for the consumption of customers at a number of rural banks and their agencies or mobilization centres.

Information with regard to access to credit is thus a scarce resource to both the rural and urban poor, as well as the deprived Small and Medium scale Enterprises (SMEs). Evidence from Ekumah and Essel (2001) indicated that the poor has little access to credit not because of socio-cultural barriers only but also because of the inadequacy of information about the services and facilities offered by the banks. Kumah and Agbogah (2000) came out with similar findings in their study. In that study, about 85% of rural bank savers from ten rural banks in Ghana did not know or have an idea of the levels of interest rates that should accrue to their savings per annum. Of the 15% who knew, some could only mention the rate in monetary terms. But it was also most probably due to the low educational levels of most customers that contribute to their inability to seek the right information. The general assumption is that high literacy levels facilitate obtaining vital information on credit and on other banking services than when there is no education because banks are regarded as 'modern' institutions for the literate people. In this regard, low education level tends to be a pull out factor for the poor and SMEs seeking credit from the banks (Ekumah and Essel, 2001).

The concern in this study is, therefore, the lack of information between banks and the public. Even though the display of information by banks is supposed to provide vital information to customers a number of concerns are raised. They are directed at how the rural banks can bring more effective banking services to the poor and the SMEs. Given the low level of literacy, how many customers can read the information displayed in the banks if they are available? How many can understand what they read if they are able to read? And to what extent does this information assist customers in their demand for credit? With what strategies do the banks reach out to the general public? If not all, most of these concerns have informed the focus of discussion in this paper. It seeks basically, to link effective information flow to the role of rural banks in the rural financial intermediation.

The concept of (rural) financial intermediation underlines the fact that the financial market comprises four units; the surplus unit, deficit unit, owners of the financial institutions and the banks' regulator (the Central Bank). The bottom line for all these units to function in equilibrium is effective information flow among the various units. This means information must be accessible (supplied) to all the units. Studies have shown that there are gaps in the information flow among the units. In effect, therefore, information gap exists between the supply and the demand sides of credit in the (rural) financial market.

Our focus in this study was, therefore, to investigate how the banks playing an intermediary role can bridge the information gap among the four units taking into account information for the supply of and the demand for credit. The investigation was conducted in a survey in two rural financial institutions in Ghana. The two rural banks

are the Akatakyiman Rural Bank in the KEEA District and the Agona Rural Bank in the Agona District both of them in the Central Region of Ghana. The main objective of the study was three fold: First, to examine the existing information gaps in accessing credit in two Rural Banks in the Central Region; second, to assess the impact of information gaps on credit demand and third, to propose strategies for closing the information gaps.

Specifically, the study aimed at:

- identifying the information needs of customers;
- identifying the information needs of banks;
- classifying the nature of information gaps existing in the banks;
- assessing the intermediary role of information in the rural financial market;
- assessing the effects of the information on credit demand;
- proposing strategies for bridging the information gap.

2. Review of relevant literature

2.1 Current debate in rural financial markets

Many different theoretical approaches inform the current debates on the rural financial markets. Patrick (1994) arguing for the “pump-priming” approach in rural credit maintained that the establishment of financial institutions and provision of loanable funds in advance of established demand must be seen as effective levers to promote rural development. Indeed a number of rural credit projects and rural financial institutions have been the result of this approach. In the context of traditional rural finance policies, a number of assumptions have been made. Among these the major ones are: a) that credit was a constraint preventing the adoption of new technology and pursuing other activities, b) that the rural people were unable to pay higher interest rates and c) that the demand for credit by the rural people was assumed to be interest-rate elastic. Padmanabhan (1988) on the contrary argues that many of the rural formal lending institutions established under the traditional policies could still not reach the

rural disadvantaged because of the emergence of loan delinquencies and defaults. Preference was given to “big clients” or to the “better-off” of the small producers. The other argument was that the adoption of new technology did not necessarily depend on the availability of credit. The crux of the issue is the low interest rates to which most governments in developing countries are committed. But low-priced credit tends to generate excess demand necessitating rationing associated with corruption and political interventions. The new approach rather emphasized the mopping up the excess liquidity in the rural areas. It assigned a major role to interest rates in stimulating rural financial markets, which is viewed as a process of intermediation rather than as an input for production. Another crucial element is the fact that market forces exert a powerful impact on the allocation of claims on resources independent of policy-makers’ orientation.

The current debates undoubtedly reveal the confusion that surrounds rural financial market. Embedded in this confusion is the issue of information and communication between the rural financial institutions and the rural people. Failure of the banks to address this will mean that the village money-lender will continue to remain a valued source of credit in rural areas because of easy approachability, informality and flexibility.

2.2. Aspects of information theory and communication

Given that information theory is the science, which deals with the concept of information, its measurement and applications, it becomes imperative in this study to first examine the theoretical underpinnings of information. There are three types of information according to Lubbe (1997b). These are:

- Syntactic information: relates to the symbols from which messages are built up and their interrelations.
- Semantic information: relates to the meaning of messages and their referential aspects.
- Pragmatic information: relates to the usage and effect of messages.

Syntactic information mainly considers the form of information, whereas semantic and pragmatic information are related to the information content and the associated effects.

Hartley (1928) tried to define a measure of information by assuming that for every symbol of a new message one has a choice s possibilities. By considering the messages of l symbols, one can distinguish s^l messages. Hartley then defined the amount of information as the logarithm of the number of distinguishable messages. In case of messages of length l one therefore finds $H_H(S^l) = l \log(s)$. For messages of length l one would find $H_H(S^l) = \log(s^l)$ and, thus, $l H_H(S) = H_H(S^l) = \log(s^l)$. This corresponds with the intuitive idea that a message consisting of l symbols (of s symbols, by doing so), consists of only one symbol. Hartley established that the only function that satisfies equation $f(s^l) = l f(s)$ is given by $f(s) = \log(s)$ and it yields Hartley's measures of amount of information. The use of the logarithm guarantees that the amount of information reduces as the number of symbols s increase, which is in agreement with our intuition.

Hartley's definition of information, in the view of Shannon (1948), however, does not take various probabilities of occurrence of symbols or events into account. For Shannon, the association established by Hartley is inconsistent. If we consider a sample space where all events have an equal probability of occurring, there is a great uncertainty about which of the events will occur. When one of these events occurs, it will provide more information than in the cases where the sample space is structured in such a way that on the lineal plane one event has a large probability of occurring. Therefore,

information is linked to the concept of chance via uncertainty. If x is the probabilistic experiment with sample space x and probabilities, one is inclined towards a measure for the kind and amount of information that is needed at a point in time. Information, therefore, is likely to be selective to achieve specific targets. In many situations, especially those in the financial and other business sectors, the idea of selective information is widely applied to reduce adverse selection of clients and business partners with the aim to achieving maximum efficiency.

While selective information is important, it is common practice to speak of the manner in which information is used through communication. Communication is the art of successfully sending information or message from sender to receiver usually through a medium in a communication process. This is because information of a source will generally not in itself be further used unless it is communicated. In that case, the emphasis lies on the transport of information, as generated by a source to a destination. The storage of information in a memory using different and sophisticated forms of information technology to be disseminated later is of great importance in recent times and facilitates communication. During transport of information, communication takes place between the source which generates information, often called the transmitter or sender on one side and the destination or receiver on the other side.

A fundamental problem with communication between the sender and the receiver, however, is the errors or distortions that can arise during transport through the communication channel as a result of objects, which act upon the channel and distort the flow of information. The transport of information according to Lubbe (1997a) must be error-free to a certain degree, depending on the requirements imposed by the receiver. It

must, therefore, be possible to correct errors or the transport must be good enough such that certain errors, which are considered to be less serious, can be tolerated. Basically, there are three ways to communicate in any set up: the downward, horizontal and upward or vertical communication. The downward communication is where information in the form of directives, policy statements and guidelines are transmitted top-down. The horizontal communication occurs laterally at the same level among people belonging together managerially or socially. Upward communication takes place up the hierarchical structure. With this type of communication, opinions, ideas, complaints and other kinds of information get to the highest ranked official from subordinates. Relevant to the rural financial sector, information tends to be communicated downward either from the financial institutions to customers and the general public or from the source of credit facility to the recipients/customers to prevent mis-information about access to credit and ease accessibility problems. It can also be communicated horizontally among customers and the people and well between the financial institutions. As we shall observe, upward communication in rural banking is either limited or receives very little attention.

2.3. Relationship between information and credit

Information and credit can be linked through a number of factors. Of these, we emphasize on the concerns of information asymmetry, the transparency and cultural factors and discuss their relevance for credit in the rural financial market. Information asymmetry describes the condition in which relevant information is not known to all parties involved in an undertaking. Information asymmetry models have been used widely to explain a variety of concepts including those in different market situations (Mishkin, 1991; Constantiou, 2002). The central concern underlying these models are

that information asymmetry causes markets to become inefficient and forces market participants to take risks because it is assumed that information is always inadequate. Furthermore, it is also due to the fact that all relevant stakeholders in the market do not have access to the relevant information for their decision making process. In the financial market, the banks earn profit to sustain their operations by lending to borrowers. But, banks have to deal with some amount of risk because inadequate information on borrowers raises uncertainty and introduces information asymmetry. To ensure that credit will be repaid and reduce problems associated with information asymmetry banks enter into contractual agreements with borrowers. According to Mishkin, (1991) the theory of information asymmetry and agency cost suggests that prominent problems associated with the debt contract include: 1) Moral hazard and adverse selection arising from information asymmetry between borrower and lender, and 2) Absence of complete contracts. The presence of these problems has the potential to bring sharp contractions in credit delivery and introduce financial instability. It is observed that borrowers offer greater moral hazards to lenders than to themselves when their net worth falls, because of, possibly, an asset price collapse. Thus, if borrowers are unable to repay their credits, lenders suffer the most. These are certainly the direct effects of information asymmetry where information about the borrowers is almost always incomplete.

Moreover, there may be an increase in adverse selection by banks in the situation when interest rates rise. This is because only worse quality borrowers will still be willing to borrow, and this could lead to a decline in the supply of credit by banks. Information asymmetry will, therefore, not only raise uncertainty, but it also makes screening of borrowers by lenders more difficult and increases administrative cost. In

this way, adverse selection will certainly increase due to uncertainty about borrowers. In the rural financial market, how information asymmetry impinges on the activities of rural banks as financial intermediaries can be enormous. In most developing countries, the level of rural poverty necessitates that banks reduce collateral values, which again would tend to increase adverse selection. In a nutshell, credit standards will have to be lowered, for more poor people to have access, given that banking information is made available and transparent to them.

Transparency has been identified as a factor, the lack of which brings problems to many financial institutions. We want to understand transparency in the context of openness to and comprehensibility of vital banking information that promotes banking business rather than violating the code of ethics in the industry. Transparency involves achieving: a) Consistent and accurate accounting standards, b) Satisfactory standards for financial reporting and c) Timely disclosure of information. In recent years, it has become one of the major causes of the Eastern Asian Crisis. This, notwithstanding, existing models, have failed to capture it as an explanatory variable. This position is largely supported because transparency contravenes the secrecy with which most established and admired banks the world over have operated for years and have also succeeded in establishing confidence with their customers. But the arduous search for explanatory variables brought attention to “the lack of transparency” as potential explanation for crisis in the banking industries in most Eastern Asian countries. Considering the fact that the specific financial environments prevalent in the Eastern Asian countries but also in the developing countries of Africa are characterized by mismanagement and political interference, the “lack of transparency” is likely to invite corruption, cover-up and lies that lead to non-disclosure of relevant information. In the

Ghanaian situation, financial mismanagement and embezzlement have been the causes of the liquidation of many smaller rural financial institutions like the Co-operative and Rural Banks operating in the rural and urban areas (Bank of Ghana, 1999). For financial institutions and the market forces to function effectively, banks, owners, depositors and borrowers need to be provided with relevant and reliable information on timely basis. It is in the light of this that central banks require banks to submit prudential returns on regular basis and in a transparent manner. This requirement, however, fails to consider the extent to which culture could prove a significant factor in constraining the activities of banks especially in rural communities.

Rural conditions in developing countries tend to make life harsh for the rural poor: partly because of the seasonal nature of agriculture, and low levels of savings. Moreover, Padmanabhan (1988) noted that small rural producers are reluctant to approach formal financial institutions for a number of reasons: There is a perceptible cultural gap between the formal lenders, mostly originating in the urban environment and the rural borrowers who are accustomed to a different way of borrowing money.

More importantly, information relating to various credit schemes, and their associated formalities and obligations do not reach small producers, particularly when they are illiterates. Since formal education have always contributed to molding, shaping and fashioning out culture, for the illiterate folk accessing credit in formal institutions, the situation is not only a difficult one but it is also an issue where diametrically opposed cultural values collide explaining the phenomenon of a cultural lag rooted in a traditional set up that is moving towards modernity.

3. Methodology

The cross-sectional comparative study design was adopted to compare the investigation from the perspectives of the two rural banks which are located in the rural areas of the Central Region of Ghana: The Akatkyiman Rural Bank in Komenda and The Agona Rural Bank in Agona Kwayanko. Each one of the rural banks has a main/head office and mobilization centres, the latter which serve as points for mobilizing savings and providing credit to customers are located in identified communities. The activities of the banks are under the responsibility of a bank manager who operates from the head office and also oversees the activities of the mobilization centres. The mobilization centres are headed by mobilization officers with auxiliary staff of one or two messengers/clerks. The Akatkyiman Rural Bank has three mobilization centres besides the main office in Kommenda at Abrobeano, Essaman and Beposo. The Agona Rural Bank has its main office in Kwanyako and mobilization centres in Agona Swedru and Nsaba.

Three data collection methods were applied in this survey: the interviewing, the in-depth interviewing, and the analysis of existing and routine documents. The feasible sample size for the survey was ninety-six. The breakdown of the sample size is fifty customers (twenty-five from each rural bank), forty non-customers (twenty from the operational areas of each rural bank), the two bank managers and four mobilization officers. Customers were selected randomly using the simple random sampling technique based on sampling frames provided by the banks. Non-customers were sampled by convenience while for the in-depth interviews, respondents were chosen purposively.

Data analysis followed both the descriptive and the analytic approaches. Following from the quantum of qualitative analysis generated from the open-ended questions and the in-depth interviews, analysis and discussion of data followed the discursive approach. Such an approach was also informed by Lubbe's (1997) concepts of syntactic, semantic and pragmatic information presented earlier in this study.

4. Information Needs and Access to Credit

This section presents the results of the data obtained (with the questionnaires in Appendix II and III) during the survey from the two rural banks and their mobilization centres. It gives vivid characteristics of both customer and non-customer respondents in the two rural banks, their perceptions and needs about bank information, how the perceptions influence their access to credit and the credit operations of the banks.

4.1. Profile of respondents

4.1.1 Customers

In the Agona Rural Bank respondents were equally distributed among the sexes. There was a balance of 25 males and 25 females not chosen intentionally but due purely by chance through sampling. The ages of respondents ranged between 18 – 65 years and more. The modal age group is between 36-45 years (30%) followed by the 26-35 (24%) and 46-55 (18%) year groups respectively. These three age groups correspond generally to the active population in rural Ghana. There were more of over 65years than those between 56-65 years, but the majority of these two age groups were normally

pensioners. With respect to marital status, 28 made up of 56% of the total respondents were married; 22% were divorced, widowed or separated while 20% were unmarried.

The majority of them (42%) had the basic education (Primary/Elementary/JSS), 16% had never been to school while 4% had been educated in numeracy in the non-formal educational system. Altogether 62% of the customers either had no or very low level education while the remaining 38% were distributed among the educational categories of secondary and tertiary institutions. University and polytechnic graduates with 10% formed the least group of customers sampled for the study at the Agona Rural Bank. Farmers made up of 22% of respondents dominated among the customers possibly because the bank operates in a rural setting where farming is the most predominant occupation. Traders and teachers¹ comprised 20% each while artisans and the unemployed made up to 12% each. The remaining distributed among clerical staff, drivers, labourers, security personnel and pensioners are quite insignificant.

In the Akatakyiman Rural Bank, the sex distribution of the eighty bank customers indicated a proportion of 3:2 for males (60%) and for females (40%). About a third of the customers were within the modal age group of 36-45 years. Customers within the age range of 26 - 35 years formed a quarter of the respondents. In all, about two-thirds (66%) of customers were between the ages of 18 and 45 years, with the rest aged more than 46 years. Married customers formed 70% of respondents while the single and the divorced formed 30%. Nearly half of the customers had primary/elementary/JSS levels of education while about a fifth had none at all. A third had Secondary/SSS/Technical/Training College or Polytechnic education.

¹ Persons with teaching as the main occupation, but have other minor businesses, such as farming, trading dressmaking and other service industries.

In both Agona and Akatakyiman Rural Banks, modal age group was the 36-45 years. This could be explained by the fact that because most rural people are poor, getting a start-up capital at a very youthful age is itself a big problem, so it is those who have managed to start up some kind of businesses and built some savings over a time, attract the banks. Besides salary earners, the Rural Banks look out for past working records of clients and their ability to repay loans as a way of minimizing adverse selection of borrowers.

The analysis of their business units is informed by the National Board for Small Scale Industries (NBSSI) definition of businesses in Ghana although it was observed that the banks have different categorization. In this study, the majority of the customers of the Agona Rural Bank comprising 72% did not employ the services of others. The remaining 18% employed between only 1 and 2 workers while only one had engaged 20 workers. A good number of business customers engaged unpaid close relatives making it extremely difficult to know whether they were employed or not.

About 94% of the annual turnover of all the various groups who patronised the bank fell below ₵100 million and, therefore, fall according to the NBSSI definition within the category of small scale enterprise; 4% had their annual turnover between ₵100 million and ₵250 million and belong to the medium scale enterprise, while only 2% may fall into the large scale category and had annual turnover above ₵250,000,000. Owing to the highly unstable annual turnover, bank officials in the Agona Rural Bank have adopted different lending durations: short-term, medium-term and long-term for classifying their loan customers.

Results from the survey in the Akatakyiman Rural Bank also indicated that 26% of the respondents were in trading, 12% in fishing whilst the rest were distributed over artisanal, business, farming, drivers and various categories of salary-earning occupations. Majority of the customers operate one-man businesses, while those with employees have between 1 and 6 people. About two-third of the customers have an annual turnover of below ₪100,000,000 while 18% and 16% of customers had turnover of ₪100,000,000 - ₪250,000,000 and over ₪250,000,000 respectively. It appears also as in the Agona Rural Bank that the NBSSI categorization does not seem to operate in the Akatakyiman Rural Bank. Officials of the bank rather prefer using the period of repayment of loans to classify customers into short, medium and long-term loan beneficiaries. The categorization of loan customers by the banks is duly supported by an observation made by a customer of the Akatakyiman Rural Bank 'the number of employees and the annual turnover of our businesses are just unreliable'. Even though this categorization may be used for practical reasons, business loans may have different purposes at one particular time or the other and may accordingly differ in amount and period of repayment. With the loan repayment as criteria it is possible to have businesses that may at one time be seen as medium scale and at another be classified as small scale enterprises making the criteria implausible. Besides, the generally low level of education invariably impacts on the sizes and the growth of rural industries as the entrepreneurs of such businesses are further constrained because they find it difficult to understand and accept the principles and values used by banks in their credit operations.

4.1.2. Non-Customers

Non-bank customers for the survey were made up of 26 males and 24 females. Their ages ranged between 18 years to 65 years and above. The modal age group was

26-35 years (26%), followed by 18-25 years (24%), 46-55 years (20%), 36-45 years (16%), 56-65 years (10%) and 65+ years with 4%. A little less than half (44%) of them were married. Those who had ever married comprising the categories of divorced, widowed and separated added up to a little less than one-fifth of the total respondents. The rest of two-fifths had never married.

Among the non-customers, a little more than two-fifths (44%) were graduates of the basic level of education (Primary/Elementary/JSS). Besides, less than a fifth (14%) had no education and 26% had post basic education in either vocational or secondary/technical institutions. The remaining making up of 16% was distributed with insignificant values among post secondary educational institutions of Training Colleges, Polytechnics and the University. With respect to occupation, teachers and the unemployed had 16% and 8% respectively. Artisans comprised the greatest percentage with 42% among the non-customers. Traders and farmers were 18% and 16% respectively. About 40% of the businesses including artisans, traders and farmers employed up to 1- 6 people while 6% of the businesses employed either of 8, 10, or 13 workers. There were two in farming employing 8 and 10 people and one artisan employing 13 workers. Those who did not employ workers comprised 54%. Only 8% had annual turnover of above ₦100,000,000-₦250,000,000 while just one (2%) of them had more than ₦250,000,000. This meant that ninety percent (90%) of the annual turnover of non-bank customers that we sampled fell below ₦100 million. In line with the NBSSI criteria, one traditional healer, five farmers, nine traders and twenty artisans could be classified into the category that defines the small scale enterprises. For the medium scale enterprises, the survey identified three farmers and a teacher who ran a business.

In the Akatakyiman Rural Bank, the sex distribution of the 79 respondents showed males to be 52% while females formed 48%. Majority (three-quarters) of the non-customers were between the ages of 18 and 45 years: those in the age group 36-45 years formed over a third of the respondents. Only a quarter of them were above 45 years of age. Over four-fifths of the non-customers were married, with only 8% being single. The level of education of non-customers interviewed showed that over two-fifths had no formal education while nearly half (48%) had primary, elementary or JSS education. Only a tenth had education beyond Junior Secondary School, Vocational, Senior Secondary School and Technical institutions. The dominant occupations of the non-customers were artisanal businesses, farming, fishing/fish-mongering and trading. Information on the size of businesses revealed that over a half of the non-customer respondents were self-employed persons and operated with the assistance of family members.

To sum up, the survey revealed that the mean age of non-customers was higher in the Agona Rural Bank than in that of the Akatakyiman. The standard of education was comparatively higher in the Agona Rural Bank. Types of occupations were the same in both areas, the majority of them being small-scale enterprises. In terms of social stratification and differentiation, therefore, there appear to be more similarities than differences in the two areas where the two rural banks operate.

4.1.3. Information-flow and trends in credit allocation in the rural banks

Credit demanded by customers at the two banks increased steadily over the years from 1999 to 2001 in terms of the minimum and the maximum credit requests that were

made. This increase might have been contributed by a number of factors, significant among them, being improved information-flow between the banks and customers over the years based on the amount of credit demanded. The survey also contests, however, that increase in credit demand may not necessarily come about as the result of information flow but probably due to macro-economic pressures.

The Akatakyiman Rural Bank (Tables 1 and 2) almost doubled the amount of credit demanded.

**Table 1: Short Term Loans in Akatakyiman Rural Bank
(1999–2001, in cedis)**

Year	No. of Small Scale Enterprises	Minimum Credit Demand	Maximum Credit Demand	Total Credit Supplied	Mean Credit Received
1999	95	300,000	600,000	33,000,000	347,368.42
2000	61	1,000,000	1,800,000	80,000,000	1,311,475.41
2001	72	1,000,000	2,000,000	137,000,000	1,902,777.78

**Table 2: Medium Term Loans in Akatakyiman Rural Bank
(1999–2001, in cedis)**

Year	No. of Small Scale Enterprises	Minimum Credit Demand	Maximum Credit Demand	Total Credit Supplied	Mean Credit Received
1999	100	700,000	1,000,000	52,700,000	527,000.00
2000	52	900,000	2,500,000	30,000,000	576,923.08
2001	53	1,000,000	2,800,000	32,000,000	603,773.58

At the supply side, credit to customers equally increased for the period. The mean credit also increased within the period but the data shows that the increase was faster for short term loans than for the medium term within the period. The minimum and the maximum credit demand continued to be higher in the medium term than in the short term because amounts offered for the medium term are generally higher than that of the short term. This, notwithstanding, the total number of applicants that demanded loans decreased during the period. Reasons for the decline may have to do with macro-economic

pressures induced by the financial liberalization practices and the subsequent adjustments of banks' services to meet set targets. Equally, such adjustments like increase in minimum deposits, interest rates, changes in requirements for collaterals and changes in priority areas of investment (e.g. from traditional export crops like cocoa to non-traditional export crops like pineapples, oranges, etc.) could have been communicated well through more effective information flow systems of the banks.

In the Agona Rural Bank, a total of 449 small scale businesses were offered credit facilities within the assessment period. Table 3 shows fluctuations in trends but a general increase in loan allocation since 1999.

Table 3: Credit Allocation to Small Scale Enterprises in Agona Rural Bank (1999–2001, in cedis)

Year	No. of Small Scale Enterprises	Minimum Credit Demand	Maximum Credit Demand	Total Credit Supplied	Mean Credit Received
1999	133	600,000	8,000,000	155,000,000	1,165,413.53
2000	168	300,000	12,000,000	281,760,000	1,677,142.86
2001	148	1,200,000	13,000,000	255,370,000	1,725,472.97

The demand for credit for the period from 1999 to 2001 varied between three hundred thousand (the minimum in 2000) and thirteen million cedis (the maximum in 2001). Subsequently, this affected the total and the mean credit supplied in each year of the three-year period of assessment. These were higher than in the Akatakyiman Rural Bank.

The time series analysis for the three-year-period revealed that the moving average for the Agona Rural Bank increased from ₡1,421,278.20 in 2000 to ₡1,701,307.92 in 2001. For the Akatakyiman Rural Bank, the moving average for the

medium term loans increased much slower from ₪551,961.54 in 2000 to ₪590,348.33 in 2001 than the short term loans that showed great laps in increase from ₪829,421.92 to ₪1,607,126.60 for the same period. A number of factors may contribute to the increase in trend for both the Agona and the Akatakyiman Rural Banks. Given that the trend is just an indication of the average amount of credit demanded, it is difficult to believe how the level of credit demand becomes the yardstick to measure effective information between banks and customers. Rather, the sharp drop in the number of small scale enterprises demanding credit within the period may be alluded to be linked to a shortfall in the extension of adequate information on specific banking services to the public.

Moreover, with the rural banks adjusting themselves to accommodate liberalization pressures (raising minimum deposits and other bank charges), the banks are more cautious of the type of information they provide possibly to check the problem of the adverse selection of loan recipients. In this vein, it is obvious that though perfect information-flow is a critical variable in banking business, but credit demanded in the two rural banks did not depend much on information because under prevailing economic pressures the banks could decide to be selective in the provision of information to the public.

4.2. Customers' information levels about the banks

The main focus here is to examine customers' level of information about the banks and how this differs between the two banks and among customers within each bank. The study revealed that customers' level of information about the banks did not vary much between the two banks but did vary greatly among customers within the same bank.

Customers for the Agona Rural Bank indicated how they got to know about the existence of the bank. The physical presence and contact with the bank was the most frequent way (57%) the customers got informed about the existence of the bank. Relatives and friends followed next with 28% of the responses. The bank's outreach programmes and bill boards did not seem to have created much awareness of the existence of the bank as they registered 10% and 5% of the responses respectively. Messages delivered through outreach programmes conforming to the semantic type of information did not seem to make the desired impact on potential customers. This implies that certain types of information such as the syntactic type might have been crucial in creating awareness of the existence of the bank. The syntactic is expressed in the symbol and the physical presence of the bank. But as the subsequent presentations will indicate, knowledge about the physical presence of a bank does not correspond to knowledge about the conditions of becoming a customer.

It is quite revealing to note, that 96% of customers knew the requirements for becoming a customer. Out of those who knew, about 39.3% became customers when their desire for loans led them to seek information and submit formal loan application letters. There were those (36.1%) who opened an account without completing and submitting loan applications. Besides, about a fifth (18%) of them was introduced to the bank by other customers while the remaining could not remember how they became customers. The front desk officers and the manager played very important roles in disseminating information to customers. Majority of customers normally got their information either from the counter clerks (46.4%) or the manager (41.1%) while the rest (12.5%) were assisted by the accountant. However, less than half (44%) knew how to obtain credit from the bank while the remaining 56% did not know. For those who knew,

they sought information either through a discussion with the manager or first when applications were submitted for loans.

Two-thirds (66%) of customers knew of the other different kinds of services offered by the bank apart from operating a savings or a current account. The different kinds of services known to them are loans to customers, consumer credit facilities, special savings scheme that is only withdrawn at the end of the year called YULETIDE and the “Susu Scheme”. The remaining third (34%) did not know about other kinds of services available at the bank. The Susu scheme is simply a thrift and loan scheme for identified groups such as petty traders, artisans and to some extent some public and civil servants. In this scheme, members of the groups individually make financial contributions of amounts agreed by the group. The total amount obtained is given to a member at a specified time and other members benefit as they take their turn through the principle of rotation. The Agona Rural Bank uses the same concept of the susu scheme as one of its products to reach out to customers. It has assigned some of its officers as Susu Agents. Their role is to ensure that contributions are made as agreed and group members receive what is due them at the specified time. The Susu groups have become very successful products of the services delivered by the banks possibly due to the fact that information about the bank is communicated laterally among members (64% of customers) facilitated by the pragmatic kind of information that is beneficial to the members. The top-down communication characteristic of financial institutions is in this way reduced to the barest minimum. The postal system is generally a channel of top-down communication, it was, however, very insignificant for the purpose of disseminating banking information. Besides, messages captured on the bank’s notice

boards and those delivered at general meetings and rallies were mentioned as other channels they did not benefit the illiterate public.

As high as 70% of customers could read the bank's interest rates displayed at the banking halls and were therefore aware of the rates. About a third (30%), on the other hand, was absolutely not aware of the display of interest rates in the bank. Among the proportion that saw the rates displayed only 30% understood them and could infer the possible effects they have on credit facility they receive from the bank. Of those that did not understand, only less than a tenth (8%) asked for explanation of the rates, while the remaining 92% of the customers did not ask or did not bother about the explanation at all. Obviously, though the semantic and the pragmatic types of information takes a high proportion of the messages that the bank send to customers they, all the same, appear not to be very effective if an equally high percentage of customers do not understand them.

As with the Agona Rural Bank, the syntactic type of information is very significant in knowing the existence of the Akatakyiman Rural Bank. Over half of the customers came to know the bank by chance by seeing the bank's premises while about a fifth each got to know it through friends/relatives and the bank's outreach programmes. Only 3.6% got to know it through billboards. Majority of the customers indicated that the major requirements for becoming a credit customer were: saving with the bank for a specified duration of six months (48%), through loan application (19.2%), by a customer, invitation by the bank, through susu agents, recommendation of the board of directors and the provision of collateral. Dissemination of banking information was done top down at the bank largely by the manager followed by the accountant and clerks. This

may be explained by differences in management style adopted by the managers of the two banks.

Information on customer's awareness of the different kinds of banking products revealed that two-thirds of customers were familiar with the most popular products, loans of all types and the Susu scheme. Asked whether they had access to banking information, 64% of the customers responded in the affirmative. The processes through which the customers communicated banking information included: i) activities of Susu agents, ii) activities of counter clerks, managers and other staff, iii) reading from banking notice boards, iv) comments/remarks by other customers, v) rallies organised by the bank. A little over a third (36%) of customers interviewed indicated that they had noticed the banks' interest rates displayed at the banking hall. As to whether they understood the rates displayed, only a fifth (22%) responded positively. Of the remaining respondents, who replied in the negative, only 2.0 percent asked for explanation.

In brief, we want to believe that the physical presence of the banks in their respective communities was the single most important factor that made customers aware of the existence of the banks, and this based the responses of the over half of the respondents in the two banks. While symbolically the physical presence of the banks communicated a lot to the public, lateral communication within the Susu groups make significant contributions in circulating information about the two rural banks. Within the banks themselves, the channel of communication is generally top-down. Effective communication may under the circumstances be either enhanced or impeded by the smart turn out and attitude of bank staff: a number of customers in the rural communities

have to gather great courage to meet bank officials simply because of the opposing cultural values. So where the smart turn-outs fit more into the norms of the modern urban living and are acceptable there, they become superimposed upon the values in the rural communities. The opposing cultural values influence the perceptions of the public about the display of information in the banking halls. Moreover, it has not been very clear customers and the public what specifically the display wants to communicate to customers and the public. Either the customers are ignorant about what is displayed because the messages are simply incomprehensible or customers are disinterested in the information displayed at the banks. Only a third in Agona and a fifth in Akatakyiman banks could read and understood the interest rates. There is evidence that the customers make the least effort or take the least initiative to ask for explanation of what they do not understand. Knowledge on interest rate on loan at the Agona Rural Bank pegged at 42% per annum (Table 4) was very poor.

Table 4: Customers' Knowledge of Agona Rural Bank's Loan Rates

Interest Rate given by respondents	Frequency	Percentage
40% per year	1	2
45% per year	4	8
35% per year	1	2
10% per month	4	8
5% per year	1	2
Not constant	2	4
47% per year	1	2
No Idea	36	72
Total	50	100

Though this may be attributed to individual customers' inertia in obtaining the right information, the flexible interest rate calculated by the rural banks under the financial sector liberalization have two effects: 1) they allow the rate to differ from one rural bank to the other and 2) they make it difficult for many customers to mentally keep the

fluctuating interest rates at all times. For instance, average the interest rate for the Akatakyiman Rural Bank fluctuated from 45% in 1999, 44% in 2000 and 2001 to 42% in 2002, thus posing a potentially serious problem for customers since they cannot calculate the level of risks they have to take.

4.3. Information needs of customers

The kind of information that customers need is the main thrust of the presentation here. The assessment was done based on specific indicators identified by the customers: dissemination of information, banks' priority areas of investment, the susu scheme and the attitude of staff. The customers indicated various ways by which the bank should disseminate information to them. In order of popularity among these ways were: Public fora (31.4%), Radio announcements (19.6%), Sent-out circulars (13.7%), On one-to-one basis through the bank's staff on outreach service (15.7%), At the banks (11.8%), and The "gong-gong" beating (the traditional way of giving information to the rural folk) (5.9%).

Most of the means of disseminating information outlined by customers indicate the traditional channels of communication mentioned earlier and information circulation emphasized by the concept of information and communication. Up till now there is no clear cut policy on communication for the banks: not even the Central Bank of Ghana has prescribed policies for them. They rely on their own initiatives making use of local radio stations, social gatherings, rallies, durbars and other channels. Computerisation and telecommunication systems are used at a limited scale as the banks may not be able to afford the cost-effective use of them.

On the question of which priority sectors of the rural economy the banks extended loans to, over 32% of the Agona Rural Bank customers did not know at all while the rest mentioned agriculture, commerce and services as the sectors which prominently benefited from the bank's loan facilities. Most prominent among the sources of obtaining information were: friends (19.6%), sector-specific groups and associations (13.7%) and through personal contact (11.8%) with bank officials. Nearly half (48.7%) of the Akatkyiman Rural Bank's financial support went to customers in agriculture and a quarter to commerce. About a quarter also went to services, manufacturing and construction. The opinion of the customers as to which sector is most likely to benefit from bank credit showed that 52% tipped agriculture. All the other sectors, namely, fishing, trading/commerce, salary and service sectors each had less than 10% support. Within the two rural banks, customers are unevenly informed about the banks' priority sectors of investment. Customers, therefore, need to be adequately informed about the priority sectors to be able to make informed business decisions to access credit. The reasons for the banks' preference for some sectors, particularly farming and commerce/trading were that: farmers frequented the banks more than other sectors, comments from friends/customers supported that, and personal experiences showed that they were able to pay.

Another variable that was investigated was the bank's role in the community. In this respect, customers were asked to respond to the kind of the social services that the banks provided to the community that in their opinion they need to be informed. Two-thirds (64.4%) of bank customers were not really sure of knowing any such services that the bank rendered to the community. Of the remaining, 15.3% felt that educational facilities were provided, for 5.1% the provision of electricity and for 1.75% the

provision of potable water. The rest were 6.85% each for the provision of sanitary equipment and scholarship to deserving students in the community. The results showed that customers knew very little about the banks' social activities and contributions. What it means is that, a customer who is better informed about a bank's social contributions to community would appreciate, accept and honour his or her obligations with the bank possibly with much more ease than those that are kept in the dark about the bank's contributions to the social activities of the communities. The reason is that people in the rural areas are basically not only naturalistic in terms of social and economic living but they also give high premium to activities that are of social value.

As indicated earlier in this study the banks' Susu schemes enjoy wide acceptance by the customers. Almost all the bank customers (94%) were aware of the banks' Susu scheme. However, the high level of awareness did not reflect in the number of customers contributing to that scheme. While only a third of the respondents were contributors to the scheme, the remaining two-thirds were not and did not show much interest in it. There is in this respect a clear distinction to be made between customers' awareness about a bank's product and the actual use of that product by customers. In this distinction, it is possible to assume that vital message may be missing in the information flow from banks to customers. What customers may be missing is the significance of using the Susu deposits to serve as security for accessing credit facility while the Susu groups are being used to screen loan applicants accessing credit from the banks. In this sense, qualification for loan is being determined by members of the Susu groups that have linked up with the banks. There is, therefore, the need for customers to be adequately informed about the benefits of the Susu scheme being used as one of the products of the banks. Such information will certainly contribute to erase customers'

negative viewpoints about unacceptable experiences of some Susu collection groups outside the banks in the rural areas.

The other variable was the attitude of bank staff towards customers. The survey revealed that nearly all customers (98.2%) claimed either the staff to be friendly, ready to offer information to them, business-like or hardworking. Only a customer felt the bank staff was not friendly most probably because of personal experience with some staff. On how the attitude of the front desk staff of the banking hall facilitates banking work, 52% said the staff was friendly, business-like, and hardworking. However, only about a fifth mentioned the staffs' readiness to give information. The implication is that even though customers appreciated the attitude of staff, a few customers yet felt that their specific information needs could not be met at the front desk in the banking hall. It remains, therefore, to emphasise that staff attitude is an important component that may seriously influence relationship with customers. Therefore, failure to satisfy the information needs of customers may have adverse effects on the banks' credit operations.

About two-thirds (64 %) desired to obtain much more information before making a decision to access credit while the remaining one-third (34%) thought that they were satisfied with the information they already had. In whichever way customers made their decisions, the content of the information required had to do with the following: how to help customers when their accounts become dormant (40.4%), interest rate on loans (26.9%), the transparency of the banks in their operations (15.4%) and how to acquire a loan (7.6%).

In order to improve the information flow between the bank and the customers, a number of suggestions were made. Customers proposed to the banks to organise rallies, hold meetings, and the bank staff should regularly pay visits to customers. The customers on their part suggested for themselves that customers' contact to the bank should be strengthened, they should form groups and approach the bank and should make suggestions to the bank through writing. Majority of customers (70%) believed that banks were not doing much in terms of information dissemination. Major areas where customers showed their preference for banking information were: issues relating to interest charged on loans, how to acquire loan and the banks' preference for lending by type of economic activity.

4.4. Information needs of non-customers

Opinions differed widely in respect of the kind of information non-customers needed from the Agona and Akatakyiman Rural Banks. The needs were: the procedure for the acquisition of loan, the level of interest rate on savings, the process involved in becoming a bank customer, the proper investment of one's money, the reasons for the rejection of applications for credit, and - issues relating to susu scheme.

As high as 76% also did not know the procedure for becoming customer or even how people become customers. Eight out of the twelve people that knew indicated that one should start a savings account while the rest thought that contact with the bank manager or staff satisfied the procedure for becoming a customer. About a fifth of the non-customers also indicated that the type of people who received credit were those who contributed to savings or used credit for productive/profitable ventures as well as those whom the bank considered could satisfy the banks' collateral security. The responses

show high level of information but there is still sufficient evidence that the need for information was uneven among non-customers. Asked about their chances of accessing credit, over four-fifths of non-customers replied in the negative while only 16 percent said they had a good chance. Those who felt they had no chance of accessing credit attributed it to the lack of adequate information on banking procedure in getting credit, lack of a deal with the banks, inability to convince the banks and the difficulty in getting people to guarantee potential borrowers.

4.5. Information management at the rural banks

It has been observed at both the Agona and the Akatakyiman Rural Banks, that what directs a stranger to the banks are sign/bill boards placed at vantage points.² This gives credence to the kind of management that recognizes the important role that a bill board plays in disseminating information about the banks. However, some of the writings are too small to attract the attention of many customers to read. The result is that a number of customers appear not perturbed by the kind of messages that the billboards carry. The front desks usually serve as the customer service points and doubles as the reception in the absence of a well-established one to receive the stranger/customer that gets directed to the bank by the sign/billboards. But the generally good and friendly atmosphere from the front desks usually compensate for the poorly designed sign boards. Already at the first point, some confidence is created in bank customers in spite of a number of them not getting their needs satisfied by the banks. Sometimes, however, some front desk officers “seemed too busy”, during the periods of peak business at the end of the month, to have enough time for their clients. But this is the exception to the rule. The process of obtaining relevant information about services of

² The information presented in this sub-section is primarily the data gathered with the questionnaire in Appendix I.

the banks seemed easier when business for the front desk officers, line managers and managers can accommodate reasonable the waiting time for customers.

It is also worth mentioning that the banks would need to upgrade themselves to the services of information technology with the aim to improving the quality of banking information and communication within and outside the banks. The use of computer was the exception than the rule in the two banks. The Agona Rural Bank had three sets of computers that were used by the manager, the accountant and the projects officer. In the Akatakyiman Rural Bank computers are entirely absent. In both banks the front desk staff still depended on files and other record books. This generally delayed transactions and customer services because data retrieval about customers is made difficult and time consuming. In tune with Hartley, information got significantly reduced or lost entirely possibly as a result of how information was processed by the banks to deliver the required services.

5. Effects of Information on the Rural Banking Activities

In this section we take a more critical examination at the results and draw relevant conclusions in the context of how the concept of information explains the effective way of accessing credit in the banking sector.

5.1. Imperfect information and its implication on banking activities

The ideal situation is that information should be perfect and it is either a supply or demand driven commodity. The rural banks supply information about their services to customers. At the same time, the rural banks demand to be informed about customers'

ability to repay as well as their willingness and propensity to save with them. Customers and prospective customers on the other hand, demand to know services that the rural banks can offer and in the process supply information about their credit worthiness.

Independent of which perspective we consider information, information is expected to be perfect in the financial market in which the rural banks operate. Such an assumption is held to ascertain the effectiveness of supply and demand forces in the rural financial market. Relating this to Hartley's information model, the amount of information available to the rural banks at a point in time will reduce as the number of symbols of messages increases. If perfect information means a lot of messages made available to customers and the vice versa then this would be informed by the financial market equilibrium, which in turn is characterized by perfect competition. This implies absolute transparency where 'everyone knows what anyone knows' and that 'no one has market power' (Montiel, 2002). In Hartley's model, the objective of perfect information is difficult to achieve because naturally so many of the messages cannot be stored at a time while currently the resort to computer use is very underdeveloped in the two rural banks particularly and generally in the rural banking sector in Ghana.

Far from the ideal situation, information is imperfect in the rural banking sector. Montiel (2002) has underscored that "individuals on opposite side of financial markets don't know where to find each other". Relevant for this survey is the fact that there are a number of potential borrowers among the army of non-customers and even among the customers in the communities of the rural banks who are either inadequately or ill-informed about the activities and the procedures of the rural banks. Customers of this

category are generally reluctant to commit adequate resources to the rural banks because of either misinformation or lack of it.

We also observed that, there is always some degree of uncertainty associated with financial transactions. Customers such as petty traders, fishmongers, hairdressers and rural agro-industrialists we learnt have individual preferences be it the amount of credit facility required, timeliness for its supply and the amount of risk that they are individually ready to take or the repayment period. The challenges of imperfect information for the Rural Banks are just enormous while satisfying individual needs. Coupled with it is the problem of asymmetric information in the financial market of the rural banks which is a product of imperfect information (Mishkin, 1991).

Imperfect information is also the question of whether the customers especially the borrowers provide the correct and complete information about themselves to the rural banks or not. The rural banks spend so much resource in screening borrowers because imperfect information exists. As the rural banks continue to follow loan defaulters without much success and increase administrative costs as it has been for the past three years in the Akatakyiman Rural Bank, the issue of imperfect information may be the basis to deny potential beneficiaries. A way of dealing with this problem may possibly be the use and the strengthening of the Susu group lending scheme where the group's action serves as the social collateral through peer pressure of members (Ghatak, 1999). Since the rural banks up till now do not have effective method of controlling and cross-checking the correctness of the data of their borrowers, imperfect information may tend out to be too costly especially for credit operations of the rural banks. In another context the rural banks lose borrowers who do not feel secured to transact business with

the banks as a result of imperfect information. Coupled with this is also the loss of income to the banks.

The varying levels of awareness about the requirements for becoming customers among the non-customers means the banks will have to be selective in serving such clientele with specifically chosen information in order to satisfy their specific needs. The selective information approach is informed by the concept of chance, uncertainty and risk aversion (Shanon, 1948). The banks generally adopt the selective information approach to get to those they find to be of less risky to the banks. Currently, the approach is consciously or unconsciously being applied by the two rural banks in the management of the poverty alleviation programmes being implemented by the Government through the District Assemblies. The problem with this approach is that programmes meant for the poor may not reach the actual poor but to those who can pay back the loans.

We are also aware from the survey that the two rural banks spend a lot of time in their selection process before credit can be granted to new customers. The six months period required by a customer to operate with the bank, prior to consideration of application for loan is usually meant to facilitate the selection process. But, the problems associated with imperfect information impede its realization because individual personal data in the rural communities is non-existent and so makes the selection process sometimes lasts longer than expected. Much as the rural banks are making efforts to expand the coverage of their activities, it is imperative for them to focus on creating awareness in the communities about their services while getting adequately informed about the relevant data-base of customers.

5.2. Information needs, opportunistic behaviour of customers and lack of transparency of rural banks

The information needs of customers for financial transactions are generally inexhaustible. But banks are by convention expected to meet the felt needs of customers in the economists' Pareto sense. The existence of imperfect information makes the achievement of this objective almost impossible. Customers seem not to be adequately informed about the banks' administrative procedures especially procedures for acquiring loan, interest rates and the risks involved in making decisions to access credit. The survey indicated that they have some information that rather tends to be very superficial. As the experience of customers indicated, this does not encourage customers to make informed decisions about their financial transactions. Expressed needs of respondents in the two rural banks can be summarized as: how to complete an application form, the kind of collateral security to provide, the priority sectors of the rural economy for specific loan facilities, the different kinds of the banks' products that are offered, the kind of social services that the banks provide to the communities and the level of interest rates on loans and on savings.

Some customers' information seeking behaviour, therefore, become "opportunistic" in the broad sense of the word because their access to credit depend to a large extent on friends and family members who may already have 'some contacts through the back door' with bank officials. It is this way that they are able to satisfy their credit needs. The banks also become opportunistic because it is easier to rely on someone who is already known as a way of reducing possible risk. Lately groups such as the Susu, mutual financial organizations and members of special groups like the Credit

with Education for Women (CREW) have developed business contacts with the rural banks through which their members exploit to their advantage. (Ekumah and Essel, 2001; Galassi, 2002). Friends and family members and the mutual organizations are, in this sense, important agents in the channel of disseminating banking information as well as screening customers for loans. But where the friends and family members themselves do not possess the right information, imperfection grows greater and needs remain unsatisfied.

Generally, banks on their part tend to be selective with information that is likely to jeopardize their image or likely to be of advantage to the banks. Unintentionally this gives rise to lack of transparency, becomes a serious concern for the public and influences the operations of most banks including the rural banks. However, it is these pieces of information which do not get to customers and the communities that eventually create problems for banks and their customers. As customers refuse to transact business as a result of dissatisfaction with the banks, the banks become distressed and lead to their liquidation. In Ghana, 23 distressed rural banks were liquidated in the late 1999. Prominent among the reasons for their closure was the lack of transparency, which culminated in their inability to even honour depositors' claims.

While the lack of transparency increases, imperfect information is strengthened and leads to high transaction costs in the lending process. In the rural credit market, the presence of lack of transparency has been observed to be the key to understanding key issues of high interest rates, market segmentation and credit rationing (Besley, 1995). Formal institutions in this market, Besley (1995) asserts, incur high costs in screening loan applicants, monitoring borrowers and writing and enforcing contracts due to

imperfections. In this respect, it is desirable that customers are provided with sufficient information if they should make informed decisions and transact successfully with the rural banks. Moreover, as the banks improve the data bank on the members of the Susu group schemes, group borrowers will undertake the task of screening out bad risks on behalf of the banks because when a member turns out to be a bad risk, group credibility is questioned and group members are denied loans.

5.3. The information gaps and the impact on the credit operations of the rural banks

It is evident from the discussions that the rural banks can only satisfy or provide some of the customers' needs because either the banks do not have adequate information about them or the banks are not capable of satisfying their needs. Customers on the other hand, lack relevant financial information on bank operations. This creates discrepancies in the information flow most probably also due to information asymmetry and lack of transparency.

While we examine these discrepancies, we consider these as gaps posing as 'stop cocks' to information-flow in the rural banking sector. The information gaps can be classified, taking into consideration, the specific relationships that exist in rural bank dealings into three broad areas: 1) Customer – Bank Relationship; 2) Bank – Customer Relationship and 3) Bank – Community/Public Relationship.

5.3.1. The customer-bank relationship

The rural banks make some efforts to display some information in the banking halls and very recently on local radios to serve customers' needs. However, such efforts are not fully utilized because customers (especially the salaried customers, and the

SMEs) are generally much more concerned with transacting their businesses than to look around for posters and other bank messages. They, therefore, pay less attention to whatever is displayed around them even within the banking halls. Such attitudes become more pronounced when nearly 75% of all customers in the two rural banks do not understand what is displayed. For those that pay attention to them only two percent (2%) make an attempt to ask for explanation of what they do not understand. This reinforces the findings of the study conducted by Kumah and Agbogah (2000) that 85% of respondents from ten (10) rural banks interviewed did not know the levels of interest rates on their credit. Evidently, this is irrespective of rural-urban differences of the location of the banks' mobilization centres because either the mobilization centres do not have the information to display or if they have them on display, the few educated salaried earners pay little attention to the reading of bank messages.

Information gaps of this nature may be related generally to the poor information seeking behaviour of customers induced mainly by customers' inertia in seeking information. Customers' inertia may be further determined by the generally low educational level recorded among most rural customers and may further influence the lack of confidence in seeking the right information and asking for explanation of information and other bank messages that they do not understand.

This type of information gap impacts negatively on customers making high credit demand which banks cannot honour and further has adverse effects on the repayment of loans. Since banks may not approve any amount that will be applied for due to reasons other than information, it becomes necessary to question the relevance of information in

such a situation. Information is at any cost relevant to assist the customer make informed decisions financial transactions.

5.3.2. The bank-customer relationships

These are gaps originating from either the banks' failure to be transparent or incomplete as well as incomprehensible information given to customers. Customers may be aware of the most popular services like opening account, accessing credit and the availability of special savings schemes. But only a few of the customers are aware of the different kinds of other economic and social services that the rural banks provide. For instance, information about the special poverty alleviation programmes that are currently being operated by the Akatakyiman Rural Bank are made transparent to selected customers – mostly the fishmongers. In the context of the bank's financial considerations, this strategy may be acceptable for the lenders because they expect to reap returns desired to run the programme safely. According to Montiel (2002) such a strategy will compensate for the likelihood of nonpayment of the loans and reduce the level of risks. Moreover, this situation drives home the deep-rooted existence of the problem of asymmetric information that undermines adverse selection of customers and defeats the very objective of achieving high returns in repayment. In the rural community where modern forms of information storage are nonexistent rural banks depend so much on personal contacts in the screening process. But the chances of selecting reliable borrowers using personal contacts is usually less than 50% because the community generally has more information on individual borrowers than do the banks. Information asymmetry is therefore, a problem that is felt on both sides of the scale for the banks and the customers. But whereas, for the banks the issue of information asymmetry may turn out to be a financial management strategy, from the customers'

perspective and based on the evidence of this study, the problem of asymmetric information is the result of low educational level and poor information seeking behaviour of customers which is culturally rooted.

When information is displayed but the content or the messages they carry are not understood, the very objective of displaying them cannot be realized. Information provided by banks, that tend to be incomprehensible and incomplete is as much as the banks' refusing to be transparent in conveying information to customers. If the right and comprehensible information offered at the right time should fuel the success of banks, then those banks which fail to de-mystify banking information, do so at increasing the risk of repayment by borrowers. Wrong information can ruin a bank, but the right information can facilitate the buoyancy of a bank. Transparency encourages banks themselves to do the right things as well as project them in good light to potential customers (Caprio, 1999; Nicholl, 1996). Being transparent thus means the ability and the willingness of banks to break down information to the level, the language and the form that are acceptable to the large number of the lowly educated people. In order to minimize the level of asymmetry information and adverse selection the banks can resort to the benefits of using radio announcements, the traditional channels of information dissemination - the gong-gong beating, durbars and relatives and friends and keeping the track records on customers.

5.3.3. The bank-community/public relationships

The findings have indicated that the rural banks have an important role to play in the financial, economic and social lives of the people in the communities in which they operate. In line with this, the manager and his team of officers have a key role to play

especially with respect to their interactions with the public. Friendly and cordial attitudes of staff with customers are very important but they must go beyond the office of the manager and the front desk of the banking hall to disseminate information to the public. It is, therefore, inevitably necessary that the public is adequately and comprehensively informed about security, collateral, procedure for acquiring loans, their interest rates and operating account to allow them to make informed decisions to become customers whose dealings with the bank can be sustained. Equally relevant is the ability of the banks to examine the specific educational levels, the specific occupations, and the relevant rural economic sectors while making efforts to meet their needs.

5.4. Summary of conclusions

There is evidence that information is a critical variable to empower rural people to access credit. Without the right information communicated at the right time accessibility to credit is constrained. Moreover, there is evidence from the study that information flow from the banks to the customers and the rural public and the vice versa is variedly impeded. The major causes are the imperfect information, lack of transparency from the banks, asymmetry information in the dealings of the rural financial institutions, the opportunistic and the unconventional information seeking behaviour of customers. We want to believe that any rural financial institution that does not recognize the relevance of information will continue to impoverish the rural poor as well as the small and medium scale enterprises. Information, therefore, becomes the power to effectively access credit.

6. Suggestions for Bridging and Strengthening the Information Gap

The information gap can be linked from two perspectives; customers' and the banks' perspectives. Customers can ease information flow by being encouraged through sensitization to contact bank on issues they do not understand, form groups to patronize banking products, being present at meetings organized by the banks, writing or making verbal suggestions to the banks on banking issues and making conscious efforts to read notices of the bank for new information. These suggest changes in attitudes of customers conditioned to improve for the better through systematic educational programmes of the banks.

Directly linked to the above, the banks will need to examine strategies that will minimize the information gap. While some may be very new, others will have to look at intensifying and strengthening the strategies that banks have been pursuing to date. These strategies are organizing rallies, holding periodic meetings to discuss issues on current banking issues, customers visits must be used to explain banking information instead of only using them to arrest defaulters, the local radios must be used to send messages and to sell new banking products, the manager and his team should see themselves as channels of communication even outside the office hours in the communities, banks may have to re-examine what is meant to be a bank secret and what is not. Some bank secrets may be good information to encourage other customers and even win new customers. There is also the need to improve and develop customers service desks in the banking halls of rural banks. Such desks must be serviced by well-qualified personnel with the skills to relate well to the uneducated village customers.

The other concern will be to examine the flexible interest rates being practised by the rural banks. While the rates are never fixed and therefore become difficult for the rural customers to keep update of their records, it is important for the regulatory body, the Bank of Ghana, to enforce the display of interest rates and other vital messages boldly and customer-friendly to understand in the banking halls of the rural banks. In the wake of recent banking crises, many countries have made attempts at making information transparent. In Malaysia a credit bureau system has been established on borrowers, so that banks could better determine how borrowers might perform (Caprio, 1999). The rural banks can consider if such a system can be introduced by way of improving information transparency with borrowers and other customers.

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Appendix: Questionnaires

A.1. Questionnaire for bank staff

Name of Interviewer:.....
Questionnaire ID Number:.....
District:.....
Town:.....
Date:.....

RESPONDENT'S BACKGROUND

1. SEX
 1. Male
 2. Female
2. AGE
 1. 18-25yrs.
 2. 26- 35yrs.
 3. 36-45yrs.
 4. 46- 55yrs.
 5. 56- 65yrs.
 6. 65+yrs.
3. MARITAL STATUS
 1. Married
 2. Single
 3. Divorced
 4. Widowed
 5. Separated
4. EDUCATIONAL LEVEL
 1. None
 2. Non Formal
 3. Primary/Elementary/JSS
 4. Vocational
 5. Secondary/SS/Technical
 6. Training College
 7. Polytechnic
 8. University
5. POSITION / STATUS
 1. Manager
 2. Accountant
 3. Clerk
 4. Board Member
 5. Other (specify)

INFORMATION NEEDS

6. What is the main Policy of the Bank on information?
 1.
 2.
 3.
7. Which of these sectors below does the bank support with loans?
 1. Agricultural
 2. Commerce
 3. Construction
 4. Manufacturing
 5. Service
 6. Others (specify)
8. Which of these sectors is mostly patronized by customers (List in order of priority)
 1.
 2.
 3.
 4.
 5.
9. Why does the bank give to such sectors?
 1.
 2.
10. What is the period of maturity of loans given to the various sectors?
 1. Agricultural
 2. Commerce
 3. Construction
 4. Manufacturing
 5. Service
11. Do clients complain of the duration of loans? 1. Yes 2. No
12. If yes, what is the complain?
13. What are the conditions for obtaining financial credit at the Bank?
.....
14. Are customers aware of the conditions for obtaining financial credit at the Bank?
 1. Yes
 2. No
15. If yes, who gives out information to the customer at the Bank?
.....



A.2. Questionnaire for bank customers

Name of Interviewer:.....
Questionnaire ID Number:.....
District:.....
Town:.....
Date:.....

RESPONDENT'S BACKGROUND

- 1. SEX
 - 1. Male
 - 2. Female
- 2. AGE
 - 1. 18-25yrs.
 - 2. 26- 35yrs.
 - 3. 36-45yrs.
 - 4. 46- 55yrs.
 - 5. 56- 65yrs.
 - 6. 65+yrs.
- 3. MARITAL STATUS
 - 1. Married
 - 2. Single
 - 3. Divorced
 - 4. Widowed
 - 5. Separated
- 4. EDUCATIONAL LEVEL
 - 1. None
 - 2. Non Formal
 - 3. Primary/Elementary/JSS
 - 4. Secondary/SS/Technical/Vocational
 - 5. Training College
 - 6. Polytechnic
 - 7. University
- 5. OCCUPATION
 - 1. Unemployed
 - 2. Farming
 - 3. Fishing
 - 4. Trading
 - 5. Artisan
 - 6. Clerical
 - 7. Teacher
 - 8. Business/Contractor
 - 9. Traditional Healer/Herbalist
 - 10. Orthodox Health Practitioner
 - 11. Driver
 - 12. Labourer
 - 13. Other
- 6. How many employees do you have?
- 7. What is your annual turnover?
 - 1. Below ₦100 million
 - 2. Between ₦100,000,000.00 and ₦250,000,000.00
 - 3. more than ₦ 250,000,000.00

INFORMATION NEEDS OF CUSTOMERS

- 8. Are you aware of the existence of Rural Bank in this community?
 - 1. Yes
 - 2. No
- 9. If yes, how did you come to know of it.
 - 1. Seen the office of the Bank
 - 2. Bill Board of the Bank
 - 3. Through Media Advertisement
 - 4. Through Friends/Relatives
 - 5. Through the Bank's Outreach Programme
- 10. If No, are you aware of any other Bank (s) in this community?
 - 1. Yes
 - 2. No
- 11. If Yes, name the Bank(s)
 - 1.
 - 2.
 - 3.
 - 4.
- 12. If Yes, to Q10, how did you come to know about it?
 - 1. Saves with the Bank
 - 2. Bill Board of the Bank
 - 3. Through Media Advertisement
 - 4. Through Friends/Relatives
 - 5. Through the Bank's Outreach Programme
- 13. Do you know the requirement for becoming a customer?
 - 1. Yes
 - 2. No
- 14. If Yes, state the requirements
 - 1. Through application letter
 - 2. Introduced by a customer/friend
 - 3. Save with the Bank

38. Do you think there is some information that Banks should let the banking public know before the clients access credit?
 1. Yes 2. No
39. If yes, name them:

40. What do you think should be done to improve information flow between the Bank and the customer?
 Bank:.....

 Clients.....
41. Do you know the interest rates of the bank?
 1. Yes 2. No
42. If yes, what is the current rates?
 a. savings/deposits.....
 b. credit/loans.....
43. Does your knowledge about the bank's interest rates affect your access to credit?
 1. Yes 2. No
44. If yes, how has it improved your access to credit?
 1. great improvement 2. some improvement
 3. slight improvement 4. no improvement at all
45. Do you know the interest rates of the bank?
 1. Yes 2. No
46. If yes, what is the current rates?
 a. savings/deposits..... b. credit/loans.....
47. Does your knowledge about the bank's interest rates affect your access to credit?
 1. Yes 2. No
48. If yes, how has it improved your access to credit?
 1. great improvement 2. some improvement
 3. slight improvement 4. no improvement at all
49. Do you know the interest rates of the bank?
 1. Yes 2. No
50. If yes, what is the current rates?
 a. savings/deposits..... b. credit/loans.....
51. Does your knowledge about the bank's interest rates affect your access to credit?
 1. Yes 2. No
52. If yes, how has it improved your access to credit?
 1. great improvement 2. some improvement
 3. slight improvement 4. no improvement at all

A.3. Questionnaire for non-bank customers

Name of Interviewer:.....Ques.No:.....
 District:.....Town:.....
 Date:.....

RESPONDENT'S BACKGROUND

1. SEX
 1. Male 2. Female
2. AGE
 1. 18-25yrs. 2. 26- 35yrs. 3. 36-45yrs.
 4. 46- 55yrs. 5. 56- 65yrs. 6. 65+yrs.
3. MARITAL STATUS
 1. Married 2. Single 3. Divorced
 4. Widowed 5. Separated
4. EDUCATIONAL LEVEL
 1. None 2. Non Formal 3. Primary/Elementary/JSS
 4. Vocational 5. Secondary/SS/Technical
 6. Training College 7. Polytechnic 8. University

5. OCCUPATION

- 1. Unemployed
- 2. Farming
- 3. Fishing
- 4. Trading
- 5. Artisan
- 6. Clerical
- 7. Teacher
- 8. Business/Contractor
- 9. Traditional Healer/Herbalist
- 10. Orthodox Health Practitioner
- 11. Driver
- 12. Labourer
- 13. Other

6. How many employees do you have?

7. What is your annual turnover?

- 1. below ₺100,000,000.00
- 2. ₺ 100,000,000.00 and ₺250,000,000.00
- 3. more than ₺ 250,000,000.00

INFORMATION NEEDS OF NON-CUSTOMERS

8. Are you aware of the existence of Rural Bank in this community?

- 1. Yes
- 2. No

9. If yes, how did you come to know of it.

- 1. Seen the office of the Bank
- 2. Bill Board of the Bank
- 3. Through Media Advertisement
- 4. Through Friends/Relatives
- 5. Through the Bank's Outreach Programme

10. If No, are you aware of any other Bank in this community?

- 1. Yes
- 2. No

11. If Yes, name the Bank(s)

- 1.
- 2.
- 3.
- 4.

12. If Yes to Q10 how did you come to know about it?

- 1. Saves with the Bank
- 2. Bill Board of the Bank
- 3. Through Media Advertisement
- 4. Through Friends/Relatives
- 5. Through the Bank's Outreach Programme

13. Do you know the requirement for becoming a customer?

- 1. Yes
- 2. No

14. If Yes, state the requirements

- 1. Apply through a letter
- 2. Introduction by a customer/friend
- 3. Save with the Bank
- 4. Invited by the Bank official
- 5. Other

15. Why are you not a customer of the Bank?

- 1. Don't know procedure
- 2. Don't have savings
- 3. Don't want to become a customer
- 4. Have other source of savings
- 5. Have other source of getting credit
- 6. Other

16. Do you have access to information about the Bank's services?

- 1. Yes
- 2. No

17. If Yes, could you describe the process by which you get access to information?

.....

18. Who do you think should inform you about the Bank's procedure for becoming a customer?

- 1. Self
- 2. Bank officials
- 3. Through the Print Media
- 4. Through the Electronic Media
- 5. Friends/Relative
- 6. Other

19. How do you expect the Bank to inform the public about its services?

.....

20. What information do you need from the bank that you do not have?

21. Do you know of the other people who transact business with the Bank?
 1. Yes 2. No
22. Do you know how they become customers?
 1. Yes 2. No
23. If Yes, how did they become customers?

24. Are you aware of the customers getting credit from the Bank?
 1. Yes 2. No
25. If Yes do you know the type of people who get credit from the Bank?
 1. Yes 2. No
26. If Yes, why should such people be given credit? Reasons:

27. Do you think you could also get credit if you approach the Bank?
 1. Yes 2. No
28. Give Reasons for your answer?

29. What information about you do you think the bank can use to grant credit to you if they know?

30. What do you think should be done to improve information flow of the Bank to the public?
