

**UNIVERSITY OF EDUCATION, WINNEBA**

**EFFECT OF CO-OPERATIVE CREDIT UNIONS ON MEMBERS'  
LIVELIHOOD IN TEMA METROPOLITAN**



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LIVELIHOOD IN TEMA METROPOLITAN**



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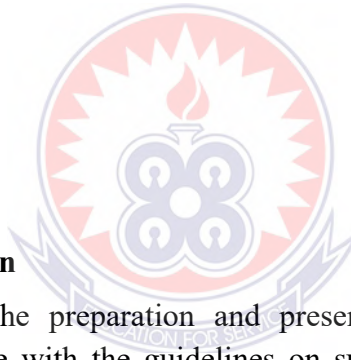
## DECLARATION

### Student's Declaration

I, Titus Eduafo-Collins, hereby declare that this dissertation, with the exception of quotation and references contained in published works which have all been identified and duly acknowledged, is entirely my own work, and that it has not been submitted for another degree elsewhere.

Signature: .....

Date .....



### Supervisor's Declaration

I hereby declare that the preparation and presentation of this dissertation was supervised in accordance with the guidelines on supervision of dissertation as laid down by the University of Education, Winneba.

Supervisor's Name: Dr. Richard Oduro

Signature: .....

Date .....

## **DEDICATION**

To my family.



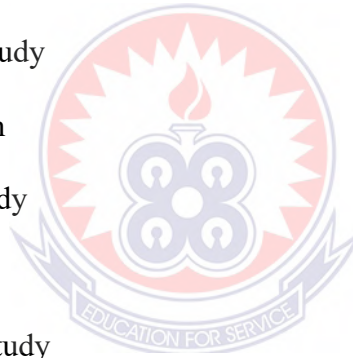
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## ABSTRACT

Cooperative credit unions play a pivotal role in enhancing the financial well-being of their members, contributing to financial inclusion and economic empowerment. However, the ability to formulate tailored policies and strategies for cooperative credit unions that seek to improve the lives of its members is hidden. This study investigates the relationship between co-operative credit unions and their members' livelihood. Four specific research questions were asked relating to the usage of loans, level of business, health of members, and education. Following a positivist paradigm, the study adopted a quantitative research approach and an explanatory design to sample 190 customers of co-operative credit unions in Tema Metropolis. The study employed frequency counts, percentages, and Ordinary Least Squares regression to analyze the collected data. The findings demonstrated that the primary purpose of taking loans from cooperative credit unions in Tema Metropolitan was to support existing businesses. The study also found that, social investment, deposit mobilization, and credit creation, significantly predict the level of business of individuals in Tema Metropolitan. Again, the study concluded that cooperative credit unions have a positive impact on the health and education of customers in Tema Metropolitan. The study recommended that, cooperative credit unions should continue to emphasize and promote their role in supporting businesses, as this is the primary motivation for members.



## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the Study

According to Benston (2018), the economic growth of a country is the most important basis for all forms of national development. In other words, it is only when there is economic development that a nation's gross domestic product (GDP) and, more importantly, its revenues and attractiveness to investment increase. This has rippling effects on various other sectors of the economy e.g. improvements in infrastructure, health, education, transport, employment, income etc. (FAO, 2019).

The recent economic growth in Ghana has recorded with it a similar growth in the financial sector with an increase in the number of banks and non-bank financial institutions. More of such institutions are attracted by the economic boom and future prospects of Ghana's economy (Quainoe, 2018). Though many are foreign-owned, others too are owned by Ghanaian investors. Providing a variety of products, these institutions have sought to bring many people in both the formal and informal sectors of the economy into the banking system as a means of broadening their customer bases (Porter, 2017).

Cooperative credit unions have been recognized globally as essential financial institutions that empower individuals and communities by providing access to financial services, fostering savings culture, and facilitating affordable credit opportunities (Osei, 2017). In Ghana, cooperative credit unions have gained prominence for their role in improving financial inclusion and enhancing the economic well-being of their members (Adjei & Kwaning, 2019). The Tema Metropolitan area, situated in the Greater Accra Region of Ghana, serves as a

significant economic hub, characterized by diverse economic activities, including manufacturing, trade, and services (Tema Metropolitan Assembly Report, 2020).

Empirical studies conducted in various regions of Ghana have documented the positive contributions of cooperative credit unions to the financial stability of their members. For instance, Adu-Gyamfi and Marfo-Yiadom (2016) found that members of cooperative credit unions in Kumasi, Ghana, experienced increased access to credit, which, in turn, boosted their small-scale businesses and income levels. These findings underscore the potential of cooperative credit unions to alleviate financial constraints and enhance the livelihoods of their members, forming a critical empirical starting point for our investigation.

The phenomenon of cooperative credit unions impacting the livelihoods of their members has been increasingly observed and discussed not only in Ghana but also in various international contexts (Daley & Williams, 2018). Evidence suggests that cooperative credit unions have played a pivotal role in encouraging savings behaviors (Agyemang-Bosompem et al., 2019) and improving access to credit for entrepreneurial ventures (Akpabot et al., 2017). However, the specific dynamics of this phenomenon within the Tema Metropolitan area remain relatively unexplored, necessitating a localized investigation to discern the unique attributes and outcomes.

While cooperative credit unions have demonstrated substantial potential for positively affecting members' livelihoods, challenges such as governance issues, risk management, and regulatory compliance have been noted in Ghana's cooperative credit union sector (Nsiah, 2019). Recognizing these concerns, regulatory bodies and industry stakeholders have initiated efforts aimed at mitigating these challenges and promoting the sustainable growth of cooperative credit unions in the country (Ofori-

Dwumfuo & Amoako, 2020). These mitigation efforts underscore the importance of examining the current status of cooperative credit unions in the Tema Metropolitan area and assessing the effectiveness of such measures in ensuring the well-being of members.

It is, therefore, necessary to investigate further what positive impact co-operative credit unions (CCUs) have had on their members –which is what this study generally seeks to do. If such studies are undertaken, it would present a set of reasons or basis CCUs to repackage their products and incentivize current and prospective members to invest more. This point is reiterated by Tischer et al. (2015) who were particularly of the view that some CCUs have ambitions to expand by increasing their membership and offer a wider range of financial services and become more culturally diverse as compared to the smaller CUs that usually have a local focus.

## **1.2 Statement of Problem**

Cooperative credit unions play a pivotal role in enhancing the financial well-being of their members, contributing to financial inclusion and economic empowerment in various regions globally (Osei, 2017). In Ghana, these financial institutions have shown promise in facilitating access to credit and promoting savings culture among members, thereby potentially elevating their livelihoods (Adjei & Kwaning, 2019). However, despite empirical evidence of the positive impacts of cooperative credit unions in different contexts (Adu-Gyamfi & Marfo-Yiadom, 2016), significant gaps persist in understanding the specific dynamics and outcomes within the Tema Metropolitan area. This statement delineates the problem based on empirical gaps, contextual/knowledge gaps, and theoretical gaps.

Empirical studies conducted in other regions of Ghana provide valuable insights into the effects of cooperative credit unions on members' livelihoods. However, the Tema Metropolitan area presents unique economic and social characteristics that may result in distinct outcomes for cooperative credit union members. Existing empirical research does not adequately address the localized context and experiences of cooperative credit union members in Tema. This gap leaves a critical knowledge void regarding the extent to which cooperative credit unions contribute to the livelihoods of their members in this specific metropolitan area.

While cooperative credit unions are recognized as essential contributors to financial inclusion and economic development in Ghana (Akpabot et al., 2017), the localized understanding of their impact in Tema remains underexplored. The Tema Metropolitan area boasts a vibrant industrial and commercial landscape (Tema Metropolitan Assembly, 2020), which could influence the role and outcomes of cooperative credit unions in the lives of their members. The current knowledge gap hinders the ability to formulate tailored policies and strategies for cooperative credit unions operating within this unique economic context.

The theoretical frameworks underpinning cooperative credit unions' impact on members' livelihoods primarily draw from general cooperative principles and financial inclusion theories (Daley & Williams, 2018). However, these frameworks may not fully account for the nuanced dynamics within the Tema Metropolitan area. Theoretical gaps persist in terms of understanding the local factors, challenges, and opportunities that shape the relationship between cooperative credit unions and members' livelihoods. It is, therefore, imperative to conduct such research to bring the contributions of CCUs to the limelight.

### **1.3 Objectives of the Study**

The main objective of this study is to assess the effect of co-operative credit unions on members' livelihood in Tema Metropolitan. To do this, the specific objectives of the study are to:

1. ascertain the purpose of taking up and usage of loans by the people of Tema Metropolitan.
2. identify the effect of the services of co-operative credit unions on the level of business of the people of Tema Metropolitan.
3. assess the effect of the services of co-operative credit unions on the health of the people of Tema Metropolitan.
4. evaluate the effect of the services co-operative credit unions on the education of the people of Tema Metropolitan.

### **1.4 Research Questions**

The following questions guide the study to achieve the objectives above:

1. What is the purpose of taking up and using of loans by the people of Tema Metropolitan?
2. What is the effect of the services of co-operative credit unions on the level of business of the people of Tema Metropolitan?
3. What is the effect of the services of co-operative credit unions on the health of the people of Tema Metropolitan?
4. What is the effect of the services co-operative credit unions on the education of the people of Tema Metropolitan?



### **1.5 Significance of the Study**

The study is vital in the sense that it would help in the formulation of policies for co-operative credit unions (CCUs) in Ghana especially with the coming into being of a Legislative Instrument covering operation of co-operative credit union in Ghana. These laws, the Co-Operative Credit Union Regulations 2015 (L. I. 2225) seeks to address the needs of CCU operators and protect members and investors.

Again, it would prompt government, state agencies and other stakeholders to identify the role that credit unions play in credit advancement. This would pave the way for credit unions to be incorporated into the development agenda of the nation by providing the needed budgetary allocation and other related resources and create a convenient atmosphere for the smooth running of credit unions within Ghana as a whole. As in the UK, where government heavily invests in CCUs, the merits of doing a similar thing in Ghana could be an option for bringing more people into the financial sector as well as using CCUs to drive interest rates down for the benefit of a wider section of the population. This would also have greater implication on employment/income, wealth creation and so on.

It would also help in distinguishing credit union activities from that of micro-finance institutions in the country. It may also help in teaching, learning, and research to further address some of the internal weaknesses and other major administrative bottlenecks in the operations of credit union in the Tema Metropolitan area and Ghana as a whole. Lastly, for academia, this study adds to the body of knowledge in co-operative unions and other informal financial institutions in Ghana. It also provokes further research on the subject matter.

## **1.6 Scope of the Study**

The study is conducted on credit unions in the Tema Metropolitan Area in respect of their impact on members' development i.e. personal, domestic, and business. This point is necessary to note since the Tema Chapter of the Ghana Co-Operative Credit Unions Association (CUA) has about 43 member CCUs. These CCUs are of three major backgrounds –church, work, and community. Apart from the above, CCUs considered for this study include those that are formally registered and, thus, operating legally and are not defunct as at the time of conducting this study. Thus, the study survey members of the various CCUs contacted for the study as respondents (i.e. no CCU employee will be surveyed).

## **1.7 Organization of the Study**

The first chapter present a general background and introduction to the subject matter. This will also include such areas as a brief description of the problem/situation on the ground, the objectives for the study, the relevance of this study, basic assumptions made and scope/limitations of the study. The next chapter, Chapter Two, present a review of relevant literature that help guide this study. This includes reports/working papers, journals, textbooks, newspapers, magazines, websites etc.

The methodology for carrying out the study is presented in chapter three. This is basically a comprehensive description of all research processes and the approaches to be employed in collecting and analysing data. A generalized organizational profile of CCUs in the Tema Metropolitan area is also presented in chapter three. Data collected in the survey are presented in chapter four together with discussions, analyses and inferences made from such data based on the methodology described in chapter three.

Finally, chapter five give a summary of findings as well as conclusions based on which the necessary recommendations.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This section presented the theoretical review, conceptual review, empirical review, and conceptual framework pertinent to the study. As part of the theoretical and conceptual assessment, the study reviewed the agency theory, stakeholder theory, the notion of internal control system, and measurement of bank performance. The chapter also included an empirical review of works on internal control systems and performance. Chapter Two ends with the chapter summary.

#### **2.1 Theoretical Review**

This theoretical framework interprets ideas and models relevant to the research question (Hollese, 2017). The theories provide a broad explanation for the presence of scientific difficulties; thus, the researcher should be familiar with those principles relevant to his field of study (Kalyani, & Sahoo, 2019). The investigation was driven by two theories: Financial Inclusion Theory and Social Capital Theory.

##### **2.1.1 Financial Inclusion Theory**

Financial inclusion theory is a framework that emphasizes the importance of providing individuals and communities with access to a range of financial services, such as savings accounts, credit, insurance, and payment services, to improve their financial well-being and promote economic development (Demirgüç-Kunt & Klapper, 2013). It asserts that inclusive financial systems can contribute to poverty reduction, income generation, and overall economic growth by enabling individuals to manage their finances more effectively and participate in economic activities.

In this study, the Financial Inclusion Theory underpins the research by highlighting the potential role of cooperative credit unions in enhancing the financial inclusion of their members. Cooperative credit unions typically offer a range of financial services, including savings accounts and credit facilities (Osei, 2017). These services are fundamental to financial inclusion, as they provide members with a safe place to save money and access affordable credit. The theory suggests that by assessing the availability and utilization of these services within cooperative credit unions, the research can gauge their contribution to members' financial inclusion.

Financial inclusion is closely linked to poverty alleviation and livelihood improvement (Demirgüç-Kunt & Klapper, 2018). When individuals have access to financial services, they can use them to invest in income-generating activities, cope with emergencies, and plan. Cooperative credit unions can play a critical role in this process by facilitating access to credit for entrepreneurial ventures and promoting savings behaviors among members. The research can investigate how these aspects of financial inclusion translate into tangible improvements in the livelihoods of cooperative credit union members in Tema Metropolitan. Financial inclusion is not only beneficial at the individual level but also contributes to broader economic development (Demirgüç-Kunt & Klapper, 2018). Access to credit and savings services can stimulate economic activities, job creation, and local economic growth. The research can explore whether cooperative credit unions in Tema Metropolitan are acting as catalysts for economic development by providing financial resources to members that, in turn, contribute to the overall prosperity of the metropolitan area.

Financial Inclusion Theory provides a theoretical foundation for understanding how cooperative credit unions can influence the financial inclusion and livelihoods of their

members. By examining the availability and impact of financial services offered by these credit unions, the research can assess their role in advancing financial inclusion goals within the Tema Metropolitan area and, consequently, improving the well-being of members.

### **2.1.2 Social Capital Theory**

Social capital theory is a framework that emphasizes the value of social networks, relationships, and trust in facilitating cooperation, resource exchange, and collective action within communities (Putnam, 1993). It suggests that individuals and communities with strong social ties and networks are better positioned to access resources, support one another, and achieve common goals. In this study, social capital theory underpins the research by highlighting the potential role of cooperative credit unions in leveraging social capital to improve members' livelihoods. Trust is a central element of social capital (Reuben, 2019). Cooperative credit unions rely on the trust built among their members to function effectively. Members trust that their savings are safe, that they will receive fair treatment, and that they can access credit when needed. The theory suggests that exploring the role of trust within cooperative credit unions can help understand how social capital influences their operations and members' willingness to engage with these institutions.

Social capital theory posits that individuals embedded in strong social networks are more likely to access resources (Eqyir, 2016). Cooperative credit unions often serve as community-based financial institutions, and members often have shared social ties within their communities. Investigating how these social networks facilitate access to financial resources, economic opportunities, and mutual support can provide insights into how cooperative credit unions contribute to members' livelihoods. Social capital

promotes cooperation and mutual assistance (Oleyede, 2016). Within cooperative credit unions, members often support one another by pooling resources, guaranteeing loans, and sharing financial knowledge. These forms of mutual assistance can stimulate economic growth and job creation, which are essential for improving livelihoods. The research can explore the extent to which cooperative credit unions facilitate such cooperation among their members and the resulting impact on economic development within Tema Metropolitan.

Social Capital Theory also suggests that strong social capital within communities is associated with positive community development outcomes (Azabre, 2019). Cooperative credit unions are embedded in local communities, and their success can contribute to the overall development of these communities. Examining how cooperative credit unions enhance social capital and contribute to community development can shed light on their broader impact beyond individual members. Social capital theory provides a valuable lens through which to examine the interpersonal relationships, trust, and cooperative dynamics within cooperative credit unions (Fontinelle, 2020). By investigating how social capital influences the operations and outcomes of these institutions, the research can better understand how cooperative credit unions in Tema Metropolitan leverage social capital to enhance the livelihoods of their members and contribute to community development.

## **2.2 Conceptual Review**

### **2.2.1 Brief History of Co-operative Credit Unions**

Appiah (2019) contended that CUs are not new in Africa. Neither are they an emerging form of NBFIs. He added that they have been in existence for about 160 years in Europe, America and elsewhere around the world. According to Mbroh and

Anowie (2018) and WOCCU (2016), CUs evolved over many years to assume the structure as seen today. They posited that the current CU system was developed in Germany in the 1800s. Then, CUs were known by a variety of other names –e.g. people's banks, co-operative banks, and credit associations.

The online encyclopaedia, [www.wikipedia.org](http://www.wikipedia.org), credited Hermann Schulze-Delitzsch as the ‘father of modern CCUs’. His work was mainly concentrated in urban areas of Germany. His success and advocacy culminated in the passage a national Credit Union Law in 1871 since he was a member of the then Prussian House of Representatives and the German Reichstag. By 1912, the CUs or people’s banks he founded had 641,000 members. Later, another man, Friedrich Wilhelm Raiffeisen, also continued the CU advocacy and organization work in rural Germany. Both Schulze-Delitzsch and Raiffeisen were very successful because their work in mobilising people was via education and grounded on the values of solidarity, responsibility, self-help, equality, equity, and democracy (MacPherson, 1999). From Europe (mainly in countries like Germany, Belgium, and the Netherlands), the CUs were established in North America by 1901 (WOCCU, 2018).

The NCUA (2017) added that origin of the modern CU was because of people’s effort to overcome the economic hardships of the time through such self-help initiatives. Thus, the major beneficiaries were shopkeepers, middle-class workers, farmers, and those in similar levels of occupation.

By the early 1900s, the CU concept had been adopted operated in such countries as the USA and Canada. The US formalized CUs operation in 1934 by passing the Federal Credit Union Act (NCUA, 2017). The early CUs were mainly managed by volunteers who were usually the educated people in the community. As they grew,



more professionals from different walks of life were employed on full-time basis to manage them (NCUA, 2017). In Ghana, and indeed the whole of Africa, Rev. Father John McNulty, an Irish Canadian missionary, formed the first CU in 1955. This was in Jirapa in the now Upper West Region (UWR). His pioneering work was later continued by Bishop Dery in such towns in the UWR as Nandom, Kaleo, Ko, Daffiama, Wa, Lawra, and Tumu in the 1960s (CUA, 2017). The latter encouraged all parish members to join the church CUs formed. Various CUs have been established and operated since the 1950s. They usually began as very simple ones such as cooperatives for farmers, traders, church congregants, artisans etc. In 1967, CUs in northern Ghana were united to form one chapter. Since the 1970s, however, CUs have become more sophisticated and developed several consumer services, while increasing their membership too as a growth strategy.

### **2.2.2 Current Status of Co-operative Credit Unions Worldwide Today**

The growth of the CU movement has made it operational in many countries around the world today. For example, by the end of 2010, there were 52,945 CUs in 100 countries worldwide. Collectively, these CUs were worth about US\$ 1.5 trillion and served about 188 million members (WOCCU, 2016). It is important to note that these data did not include those from such co-operative pioneering countries as Germany, France, the Netherlands, and Italy. Subsequently, the European Association of Co-operative Banks (EACB) provided data that showed that for the same year ending 2012, those four countries had up to 38 million CU members (Percival, 2018). These show the growing relevance of CUs internationally.

Moreover, the Association of British Credit Unions Ltd. (ABCUL) reported that by the end of 2014, the number of CUs in England, Scotland and Wales was 362 and they

collectively employed approximately 1500 staff (ABCUL, 2019). In Africa, CUs are operated in about 34 countries. However, according to WOCCU (2018), CUs numbers in these countries were 375 and 397 for the years ending 2013 and 2012 respectively. It is obvious that the number of CUs in these countries experienced a downward trend. However, the research website, *www.marketline.com*, noted that on the contrary, CU memberships were rather increasing for the same period. It attributed the gradual decline in CU numbers to mergers –a claim to which they showed evidence from around various parts of UK. The claim of CU mergers had earlier been made by other researchers/academics and industry players in the UK.

However, McCarthy (2016) posited that the CU movement in places like the Northern Ireland and the Republic of Ireland is very dicey. This is mainly because it faced several systemic problems, which had not been addressed for many years until the setting up of an independent Commission by the Irish government. Thus, an interim report by an independent Commission on Credit Unions in those countries in 2011 recommended strengthening the regulatory framework, governance, and stabilization of CUs.

In the view of Gupta, Powell, and Yang (2016) and Singh (2016), the importance and impact of CCUs in developing countries cannot be overemphasized –a reason for which the CU movement India has grown very rapidly. To add to this, Shaw (2016) explained reasons why co-operatives need to embrace proper corporate governance as a necessary condition to help in the achievement of the Millennium Development Goals (MDGs).

According to Cuevas and Fisher (2016), CUs have mainly been seen as meeting financial needs of deprived societies and individuals. However, their advancement, particularly in countries such as the US, Canada, Australia, and Kenya, has increasingly enticed the elite and contended with other retail financial institutions for their client.

### **2.2.3 Services provided by Co-operative Credit Unions**

#### **2.2.3.1 Payment**

Payment services are one of the basic activities or services rendered by the co-operative credit unions. The Apex Bank, which is a member of the national clearinghouse, is the medium through which co-operative credit unions provide the payment service. Co-operative credit unions cheques were given the same legitimacy as cheques issued by other financial organizations through the introduction of Magnetic ink character recognition (MICR) (Andah & Steel, 2019). Co-operative credit unions cheques were not accepted by many institutions and commercial establishments before the introduction of MICR cheques guaranteed by the Apex Bank. There was a growth in the number of cheques for clearing by an average of 43 percent a year with the introduction of the cheque-clearing system in 2002.

The central/local governments and private companies use the co-operative credit unions to make salary and pension payments to their employees in rural areas because of their location and network of branches (Mensah, 2016; Ranade, 2019). The salary payment system enabled the co-operative credit unions to consolidate their salary loan products that are closely tied with the salary transfers. Co-operative credit unions are also used by the licensed buying companies (LBC"s) to pay cocoa-producing farmers in their catchment areas. Co-operative credit unions facilitated GH¢68.8 million

(US\$56 million) in payments to cocoa farmers and earned about GH¢2.75 million (US\$2.1 million) in commissions in the year 2008.

### **2.2.3.2 Social investments**

As part of the co-operative credit unions' social responsibility to the rural communities where they operate, most co-operative credit unions support social development activities in the rural areas, according to Edwards, Clarke, and Kwan (2012). Such development activities supported by the co-operative credit unions include awarding scholarship for girls and medical students as well as financing of infrastructural projects such as building of schools, community libraries and the construction of community roads. Co-operative credit unions have also acquired recognition in their communities as a locally owned financial institution rooted in the community through these activities (Muhunyo & Jagongo, 2018).

### **2.2.3.3 Deposit mobilization**

The rural banking activities mobilizes deposit through products like saving account, current account, time deposit, and co-operative credit unions' frontline deposit mobilization (susu collection). Typically, the largest share of the deposit portfolio is held in the savings account. As of 2009, the total deposit of co-operative credit unions in Ghana stood at GH 455.58 million out of which GH 262.58 million had be given out as Loans and overdrafts (Bank of Ghana, 2019).

### **2.2.3.4 Credit creation**

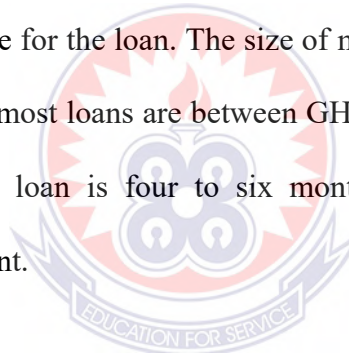
The major loan facilities offered by the co-operative credit unions include commercial, salary, susu and micro finance loans, overdrafts, and others. Microfinance loans as well as susu loans are the two special loan products that most directly benefit the low-income population (Ibrahim, Diibuzie, & Abubakari, 2017).

An important portion of the salary loans, however, would also be considered microloans in the Ghanaian perspective. Consequently, the microcredit portfolio of co-operative credit unions is larger than the sum of the microfinance and susu loan portfolios shown in the loan classifications reported by the Rural and Community Banks (Darkori, 2019).

### **2.2.3 Major Banking Credit Products**

#### **2.2.3.1 Micro finance loans**

Micro finance loans are granted to groups of individuals to finance small and micro income-generating activities (Armad, 2019). At some banks, the group is the borrower, whereas for others, each member of the group is borrower. In both cases, the group is equally liable for the loan. The size of micro finance loan ranges between GH¢500 and GH¢1000, most loans are between GH¢1000 and GH¢5000. Repayment period for microfinance loan is four to six months, and the interest rate ranges between 30 and 36 percent.



#### **2.2.3.2 Susu loans**

Susu loans are granted to individuals following a three-month daily susu deposit. The amount and term of susu loans are like that of micro finance loans, but susu loans are granted to individuals whereas micro finance loans are group loans (Nkongu, 2019). Susu loans are normally granted to petty traders since they are the majority who patronize the susu product. The interest rate on susu loan is between 30 and 32 percent.

#### **2.2.3.3 Salary loans**

Workers or individuals who receive their salaries from the co-operative credit unions are granted these loan facilities (Hantle, 2019). The bank automatically deducts the

loan repayment instalment from the salary payments. Salary loans are used for consumption and investment, as well as social purposes. The size of the loan is determined by the borrower. The maximum term of a salary loan is 48 months, and the interest rate ranges between 29 and 30 percent.

#### **2.2.3.4 Commercial loans**

Individual entrepreneurs and companies can access commercial loans for working capital or fixed capital (Bentnar, 2019). The maximum loan size is GH¢100,000, the maximum term is 36 months, and the interest rate ranges between 28 and 35 percent.

#### **2.2.4 What motivate people to go for loans?**

According to Burton (2019), engaging in loan application gives a greater amount of money to fulfil one's project. Some clients find it difficult to pay for these loans, but they still want to apply for it due to financial situations they find themselves. Most people apply for loans because of underlying reasons.

- **To purchase a house or for renovation of a house:** Customers of co-operative credit unions apply loan facility to purchase house or for renovation of their house to accommodate their family. Co-operative credit unions do grant such loan facility provided the customer can meet the necessary requirement.
- **To pay for existing loan:** A customer may need a loan but may have an existing loan balance to settle. Co-operative credit unions will allow the customer to apply for an extra amount to settle the existing loan balance and the difference becomes the new loan granted. The new loan facility granted is therefore spread for a period for repayment to be done.

- **To own a car:** Co-operative credit unions gives loans to customers to purchase a car for their own use. This kind of loans comes in two folds; the bank can purchase the car for the customer, or the customer can apply for the car loan and repayment to be done for an agreeing period.
- **For personal, educational purposes and others:** Co-operative credit unions grant loans to customers for payment of their children schools fees, loans for expansion or support of business activities are granted by co-operative credit unions to their customers. Customers apply loan for personal reasons best known to them which co-operative credit unions grant as well.

#### **2.2.5 Need and accessibility to credit in the urban areas.**

Access to rural credit increases the participation of rural people in development activities. A co-operative credit unions credit policy that mobilizes resources and redistributes them to the rural sectors creates the potential for enhanced development. Traditionally, co-operative credit unions credit has been provided through the institutional and non-institutional means (Lorenzo, 2019). In modern communities, moneylenders, relatives, friends, traders, commission agents, cooperatives and consumers, distributors of farm inputs and processors of agricultural product provide non-institutional credit. Research has shown that, the most common providers of loans in modern areas are friends and relatives who usually charge no interest or collateral. This credit market is small however and the total credit from these non-institutional sources is insufficient to implement urban development programs (FAO, 2019).

The urban population suffers from a great deal of indebtedness and is subject to exploitation in the credit market due to high interest rates and the lack of convenient

access to credit. Urban households need credit for investing in agriculture, businesses and smoothening out seasonal fluctuations in earnings (Houson, 2017). Since cash flows and savings in urban areas for most of the households are small, urban households typically tend to rely on credit for other consumption needs like education, food, housing, household functions etc. The households need access to financial institutions that can provide them with credit at lower rates and at reasonable terms than the traditional money lenders to enable them 14 avoid debt traps that are common in urban areas (Paloverde, 2019). It is evident therefore that, for urban development to proceed at a smooth pace, larger institutional sources of credit need to be created (Ramachandran & Swaminathan, 2019).

Adams and Vogel (2018) suggested that there is the need for institutional credit in the urban areas because the distribution of formal sector credit has been unequal particularly with respect to region and class, tribe, and gender. Although governments realize that resource poor urban households need affordable credit to enhance household incomes, the formal financial institutions fail to reach the poor because they adhere to stringent collateral requirements and the credit disbursement and recovery procedures are not suitable for their economic environment. According to Anderson and Locke (2018), extending credit has environmental resource consequences through both the type of capital investment undertaken and the potential changes in the borrower's income.

Credit allows micro entrepreneurs to invest in small scale capital such as sewing machines, looms, bicycles, rickshaws, livestock, tools, and other supplies. Micro enterprise activities, if successful can smoothly increase and diversify the borrower's income and increase ownership (Karim, 2019). They envisaged that as income



increases, the quantity, composition, and the timing of economic activity of the poor will change. The changes in activities afforded by increase income have effect on the overall development of the area. To bridge this gap, countries have responded through the establishment of the specialized financial institutions in the forms of the development oriented co-operative credit unions, as is the case in India.

## **2.2.6 Conceptualisation of standard of living**

The concept of "standard of living" is a multifaceted and crucial measure of the well-being of individuals, households, and entire societies. It encompasses the material and non-material aspects of people's lives and reflects the quality of life and access to essential resources.

### **2.2.6.1 Defining Standard of Living**

The standard of living is a comprehensive measure that evaluates the economic and social conditions under which people live. At its core, it reflects the level of prosperity, comfort, and quality of life enjoyed by individuals or groups within a given society (Sen, 2017). While often closely associated with income, the concept extends beyond financial factors to include access to education, healthcare, housing, nutrition, and other essential elements that contribute to overall well-being. Income, typically measured as gross domestic product (GDP) per capita, is a fundamental component of the standard of living (Kuznets, 2019). A higher income level generally allows for greater access to goods and services, such as better housing, nutrition, and education, all of which contribute to an improved standard of living. Access to basic needs such as clean water, adequate food, shelter, and healthcare is a critical determinant of standard of living (UNICEF, 2019). People with access to these necessities have a higher standard of living compared to those who lack them.

Education is a key driver of standard of living (Schultz, 2019). A well-educated population is better equipped to secure employment, make informed decisions, and access opportunities for personal and economic development. Access to quality healthcare services is integral to the standard of living (WHO, 2021). Good health not only enhances one's quality of life but also increases productivity and longevity. Adequate housing and infrastructure, including sanitation, transportation, and electricity, contribute to improved living conditions and safety (World Bank, 2020).

#### **2.2.6.2 Assessing Standard of Living**

Assessing the standard of living involves quantitative and qualitative measurements of the various components mentioned above. Economists often use GDP per capita as an indicator of material well-being (Kuznets, 2016). However, this measure has limitations, as it does not capture income distribution, non-monetary aspects, or disparities in access to resources. Other composite indices have emerged to provide a more comprehensive view. The Human Development Index (HDI), developed by the United Nations Development Programme (UNDP), incorporates factors such as life expectancy, education, and income to gauge human development and standard of living (UNDP, 2019).

Standard of living is a multidimensional concept encompassing economic, social, and material aspects of well-being. It reflects the quality of life and access to essential resources that individuals and societies enjoy. While income remains a critical component, assessing standard of living requires a more comprehensive approach that considers access to basic needs, education, healthcare, and infrastructure. For the purposes of this study, urban development is used to denote the actions and initiatives taken to improve the standard of living in urban neighbourhoods, countryside, and

remote villages. All over world, a lot of approaches have been adopted to propel growth in the rural areas. Some of the indicators of standard of living utilised for this study are business (income) levels, health care and education.

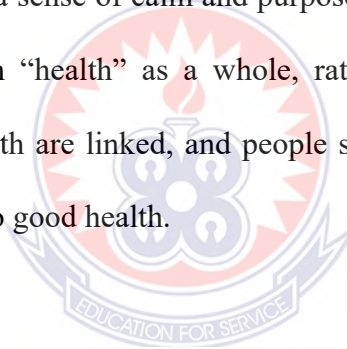
#### **2.2.6.2.1 Business (income) levels**

Business is the activity of making one's living and making money by producing or buying and selling products such as goods and services. In other words, any activity entered for profit. People enter an activity with various mind-set but for business, it is mainly for profit making, so by this people try and expand their business level in a quest to increase their profit to better their lives. Profit is the positive financial gain one's business makes after one has subtracted all expenses. The ability to generate profit is crucial to the survival of one's business. It is about more than just making money; it is about the ability to use surplus funds to invest in and grow your business in the future. With this, people go for loan facilities to expand their business level hence increasing the profit and their survival level.

Every business needs to think about getting the most out of its marketplace. If you are not increasing turnover every year, one's business will be shrinking in real terms. Many businesses simply try to pick up extra sales wherever they can. While this opportunistic approach can be effective in the early days, it is unlikely to sustain longer-term growth. There are several strategic options you can pursue to get the most of one's marketplace. Such include, selling more to existing customers, focusing one's customer service and marketing effort on retaining customers and selling through new channels or into new market. One of the ways to do this is increasing one capital base to increase one's business level and profit as well.

#### **2.2.6.2.2 Health**

Health is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity (WHO, 2021). This means that health is a resource to support an individual's function in wider society, rather than an end. A healthful lifestyle provides the means to lead a full life with meaning and purpose. Mental and physical health are probably the two most frequently discussed types of health. Spiritual, emotional, and financial health also contribute to overall health. Medical experts have linked these to lower stress levels and improved mental and physical well-being. People with better financial health, for example, may worry less about finances and have the means to buy fresh food more regularly. Those with good spiritual health may feel a sense of calm and purpose that fuels good mental health. It is important to approach "health" as a whole, rather than as a series of separate factors. All types of health are linked, and people should aim for overall well-being and balance as the keys to good health.



#### **2.2.6.2.3 Education**

Education, discipline that is concerned with methods of teaching and learning in schools or school-like environments as opposed to various non-formal and informal means of socialization (e.g., rural development projects and education through parent-child relationships). Education can be thought of as the transmission of the values and accumulated knowledge of a society. Education goes beyond what takes place within the four walls of the classroom. A child gets the education from his experiences outside the school as well as from those within based on these factors. There are three main types of education, namely, Formal, Informal, and Non-formal. Each of these types is discussed below.

Formal education or formal learning usually takes place in the premises of the school, where a person may learn basic, academic, or trade skills. Small children often attend a nursery or kindergarten, but often formal education begins in elementary school and continues with secondary school. Informal education may be a parent teaching a child how to prepare a meal or ride a bicycle. People can also get an informal education by reading many books from a library or educational websites. Informal education is when you are not studying in a school and do not use any learning method. In this type of education, conscious efforts are not involved. It is neither pre-planned nor deliberate. It may be learned at some marketplace, hotel or at home.

### **2.3 Empirical Review**

To understand the purpose of taking up and using loans from cooperative credit unions, it is essential to examine existing empirical studies that have explored borrower motivations and loan utilization in similar contexts. Several studies provide valuable insights in this regard:

Research by Smith et al. (2018) conducted in a Malaysian urban setting found that individuals often borrow from cooperative credit unions to invest in small businesses, pay for healthcare expenses, and support their children's education. These findings offer a starting point for understanding the purpose of loans among cooperative credit union members in Malaysia. A study by Ofori-Dwumfuo (2019) investigated the impact of credit union loans on small businesses in Ghana. It revealed that loans were primarily used for business expansion, working capital, and investment in income-generating activities. This research can provide insights into the potential role of cooperative credit unions in fostering business growth in Cape Coast.

Examining studies on the financing of education through loans can be informative. For instance, research by Nsiah and Du (2017) in Uganda demonstrated that credit unions played a role in financing educational expenses, including tuition and school supplies. Such findings could be relevant to understanding the educational loan usage in Uganda. Studies on the healthcare financing behavior of cooperative credit union members can also contribute to this objective. For example, research by Kwando et al. (2016) highlighted the use of credit union loans to cover healthcare costs in Zambia. This insight may help assess the effect of cooperative credit unions on healthcare-related financial well-being in Zambia.

To identify the impact of cooperative credit union services on local business levels, it is essential to review empirical studies that have explored the relationship between cooperative credit unions and business activities in similar contexts:

Research by Asante et al. (2018) in Ghana assessed the contribution of cooperative credit unions to the growth of small businesses. The study found that access to credit and financial services positively influenced business expansion, job creation, and income levels. Studies focusing on the financing of small and medium-sized enterprises (SMEs) through cooperative credit unions can provide relevant insights. For example, Nyantakyi-Frimpong and Owusu (2017) examined how credit unions facilitated SME financing in Ghana, resulting in improved business performance.

In this study, where agriculture plays a significant role, studies such as that by Yaro et al. (2019) can be examined. This research explored the impact of cooperative credit unions on the agricultural sector, demonstrating increased access to agricultural credit and enhanced agricultural productivity. To assess the effect of cooperative credit unions on employment generation, research by Adjei et al. (2020) is pertinent. Their

study in Ghana indicated that cooperative credit unions contributed to job creation through support for small businesses and entrepreneurial ventures. To assess the impact of cooperative credit union services on the health of community members in Tema Metropolitan, relevant empirical studies on the relationship between financial services and health outcomes can be reviewed:

Research by Bamako et al. (2018) in Senegal examined the role of credit unions in improving healthcare access for low-income individuals. The study found that credit union members were more likely to seek timely healthcare due to their improved financial capabilities. Studies on the facilitation of health insurance through cooperative credit unions can be informative. For instance, Khan et al. (2019) investigated the utilization of health insurance services by credit union members in Vietnam, highlighting the potential role of credit unions in promoting health coverage.

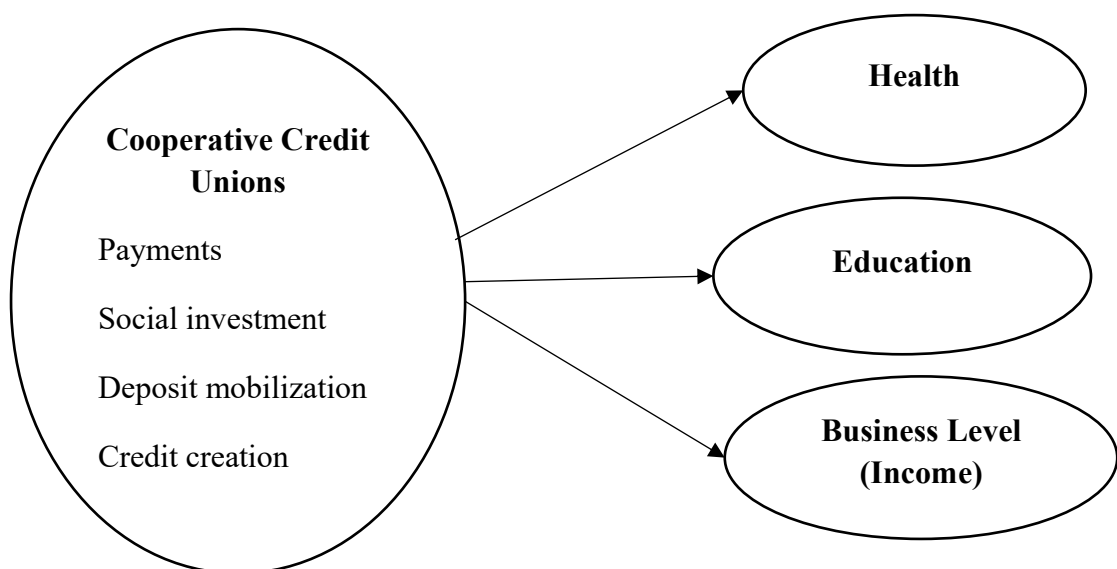
Considering the significance of nutrition for health, research by Servo et al. (2017) can be examined. Their study in Ukraine explored the impact of credit unions on food security and nutrition among members, shedding light on the potential health-related effects. Research focusing on maternal and child health outcomes in the context of cooperative credit unions is relevant. Studies like that by Donfouet et al. (2019) in Benin assessed the impact of microfinance, including credit unions, on maternal and child health indicators, offering insights into potential health improvements.

To evaluate the impact of cooperative credit unions on education within Tema Metropolitan, it is beneficial to review empirical studies that have investigated the relationship between financial services and educational outcomes:

Research by Appiah et al. (2016) in Ghana examined the financing of education through credit unions. Their study found that credit unions played a role in financing school fees, books, and uniforms, contributing to increased school attendance and educational attainment. Studies on the promotion of education savings within cooperative credit unions are relevant. For instance, Gyred et al. (2018) explored the impact of credit unions on education savings behavior among parents in Rwanda, demonstrating increased savings for children's education.

Research that assesses scholarship programs facilitated by credit unions can provide insights. A study by Antwi and Oduro (2019) in Ghana examined the effectiveness of credit unions' scholarship initiatives in promoting access to higher education. Considering the broader educational impact, studies such as that by Donou-Adonsou et al. (2018) in Togo can be examined. Their research evaluated the contribution of microfinance institutions, including credit unions, to adult literacy and skill development programs.

### 2.3 Conceptual Framework

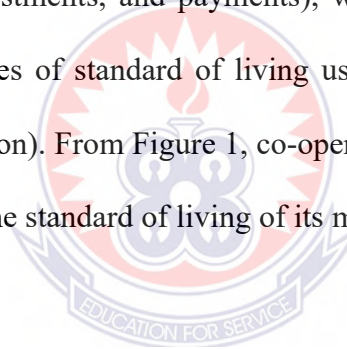


**Figure 1: Conceptual Framework**

Source: Author's construct (2023)



The requirement for a conceptual framework arises because the variables used to measure the specific objectives do not flow immediately from the study ideas. The conceptual framework of the study is built on ideas derived from the arguments of the Financial Inclusion Theory, Social Capital Theory, and the findings of numerous empirical studies pertinent to this study. As a result, the study looked at concepts and utilized them as proxies to measure the variables in the objectives. As illustrated in Figure 1, the conceptual framework incorporates four major variables: co-operative credit unions, business (income), health and education. Figure 1 depicts the conceptual framework of the study based on the objectives of the study. The first part offers the co-operative credit unions activities (i.e., credit creation, deposit mobilization, social investments, and payments), whereas the second section of the model offers the variables of standard of living used in this analysis (i.e., business level, health, and education). From Figure 1, co-operative credit unions activities have a direct relationship on the standard of living of its members.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter looked at the methodological approaches used to accomplish the study's goals. The research paradigm, research design and research approach. Variable sources and measurement with instrument validity and reliability. Also, data processing and analysis. It goes over the many scientific techniques used to accomplish the study's goals.

#### **3.1 Research Paradigm**

The research philosophy of this work is based on positivist philosophy. Authenticity, according to positivists, is constant and can be discovered, characterized, and measured objectively without the aid of prepared glasses (Saunders, Lewis & Thornhill, 2016). As a result, the positivist school dismisses the notion of constructing knowledge and theories from a range of sources, including personal experiences and opinions (Rubin & Rubin, 2018). Rather than focusing on these views, pragmatism concentrated on the research problem and employed all available methods to solve it (Creswell & Creswell, 2018). Instead of sticking to one style of thinking, pragmatists argue for using quantitative approaches to examine a phenomenon (Creswell, 2009; Moon & Blackman, 2014).

#### **3.2 Research Approach**

The research approach is one of the most crucial factors to consider when performing scientific research. Although there are many other categories of research approaches, quantitative and qualitative research approaches still predominate (Rahi, 2017). This study adopted the quantitative research approach. This is because, the quantitative

research approach entails gathering data that can be quantified such as numerical data, to assess the data's objectivity and feasibility. Also, quantitative research eliminates the investigator's bias, allowing the testing of assumptions about the study's findings (Gray 2019).

### **3.3 Research Design**

The research design method determines the outcome of any study. Hence, it is crucial to choose the kind of data, data collection technique, and sample technique to be utilized in a study. This study made use of the explanatory research design. According to McNabb (2017), it is largely utilized to assist the researcher in explaining and establishing a distinct causal relationship between the exogenous and endogenous latent variables. According to Saunders *et al.*, (2019), the aim of explanatory research design is investigating a situation or an issue to explain the relationships between variables. Several researchers have used the explanatory research design to explain the causal and effect relationship (Bentouhami *et al.*, 2021; Asad *et al.*, 2018; Bowen *et al.*, 2017). The researcher will utilize an explanatory design to examine the connection between co-operative credit unions activities and standard of living.

### **3.4 Study Area**

The study is situated in the Tema Metropolitan area, which is a key urban center located within the Greater Accra Region of Ghana. Tema Metropolitan is renowned for its economic significance, vibrant commercial activities, and diverse industrial landscape. Tema Metropolitan is strategically positioned along the Gulf of Guinea, approximately 25 kilometers to the east of the capital city, Accra. It covers an area of approximately 109 square kilometers (Ghana Statistical Service Report, 2021). The study will encompass various neighborhoods, communities, and districts within the

metropolitan area to ensure a representative sample of cooperative credit union members.

Tema Metropolitan is recognized as an economic hub, characterized by a wide range of economic activities, including manufacturing, trade, shipping, and services. The Tema Industrial Area, with its numerous factories and industrial establishments, plays a pivotal role in the national economy, making Tema a focal point for commerce and industrialization (Tema Metropolitan Assembly Report, 2020). The economic dynamism of the area is expected to influence the financial needs and opportunities for cooperative credit union members.

The Tema Metropolitan area is home to a diverse population, comprising various ethnic groups and socioeconomic backgrounds. It is characterized by both urban and peri-urban settlements, with residents engaged in various occupations, including formal employment, trade, and entrepreneurship. The demographic diversity is likely to have implications for cooperative credit union membership and the utilization of financial services. Tema Metropolitan hosts several cooperative credit unions that serve the financial needs of the local population. These credit unions operate in different neighborhoods and communities within the metropolitan area, offering a range of financial products and services to their members. Their presence and operations form the core focus of this research.

The choice of Tema Metropolitan Assembly as the study area is grounded in its economic significance, diverse population, and the presence of cooperative credit unions. This urban setting provides an ideal backdrop for examining the impact of cooperative credit unions on members' livelihoods, considering the economic opportunities and financial challenges often associated with urban areas.

### 3.5 Population

The study target population consists of customers of all cooperative credit unions in the Tema Metropolitan Assembly who are registered with the Bank of Ghana (BoG) as of August 2023. In addition, the study recognized all bodies under the Bank of Ghana (BoG) including Sky Co-operative Credit Union Limited – Ningo Prampam, Com 4 Credit Union, and Com 5 Credit Union. The total number of customers of these cooperative credit unions recorded by the BoG by location for these selected cooperative union in the district was 380 (Bank of Ghana, 2023).

### 3.6 Sample and Sampling Procedure

According to Sharma (2017), the method used in selecting a sample for a study is known as the sampling procedure. On behalf of this research, the researcher adopted a non-probability sampling method known as the convenience sampling technique. Convenience sampling technique is a sampling procedure where researchers use the subjects that are nearest and available to participate in the study, hence, customers of these cooperative credit unions that were willing to fill the questionnaires were contacted for the study. Because they are the people that are directly affected by the activities of cooperative credit unions, the study primarily addressed cooperative credit unions customers. The Taro Yamane's sample size formula was used to determine the exact sample size.

$$n = \frac{N}{1+N(e)^2}$$

Where Population:

n = sample size

N = size

e = Allowable errors

Therefore:

$$N = 380$$

$$1 + 380 (0.05)^2 = 1 + 380 (0.0025)$$

$$= 1.95$$

$$n = \frac{380}{1.95} = 194.87 = 195$$

Based on above calculation, the sample size is 195. This implies that the study was based on one hundred and ninety-five (195) respondents derived as the research sample size.

### **3.7 Data Collection Instruments**

Information was gathered using primary data collection methodology. Primary data was gathered through structured questionnaire. The information needed for the inquiry was gathered through questionnaires. The decision to use a questionnaire for this study was made because it can be used to collect both qualitative and quantitative data from respondents, and it can be self-administered or delivered in an interview format. Questionnaire statements will be measured on a 5-point Likert scale, ranging from 1- strongly disagree to 5 – strongly agree. The questionnaire will be divided into six sections, numbered A through F. Section A comprises the question items and the respondents' socio-demographic information. Section B contains questions on need and usage of loans. Section C contain questions on co-operative credit unions activities, Section D captured business level (income) variable, and Section E captured the health variables. Whereas Section F comprises of the education indicators.

### 3.8 Reliability and Validity of the Developed Instrument

Reliability and validity are two key components that are examined when evaluating quality of a research instrument. According to, reliability of a measuring instrument states to the degree that the instrument provides stable, steady results whereas validity exams the extent that an instrument measures what it was planned to measure. To this end, the researcher did a detailed empirical review of the various constructs used in the questionnaire. In addition, the Cronbach's alpha coefficient and reliability composite index were estimated to ascertain the validity of the measuring instrument. The condition for the Cronbach's alpha coefficient test is that the coefficient must at least be 0.7.

**Table 1: Reliability Test**

	<b>Cronbach's Alpha</b>	<b>Standardiz ed Items</b>	<b>No. of Items</b>
Purpose of Loan	0.871	0.732	9
Payments	0.885	0.790	4
Social Investment	0.861	0.773	4
Deposit Mobilization	0.890	0.803	4
Credit Creation	0.845	0.736	4
Health	0.841	0.752	5
Education	0.890	0.803	5
Business Level (Income)	0.831	0.803	5
<b>Overall</b>	<b>0.886</b>	<b>0.893</b>	<b>40</b>

Source: Field survey (2023)

The overall Cronbach's Alpha co-efficient for the reliability findings was 0.786. Cronbach's Alpha co-efficient of 0.871, 0.885, 0.861, 0.890, 0.845, 0.841, 0.890 and 0.831 were found for all the variables, respectively. All of the variables had co-

efficient greater than 0.7, indicating that the study questionnaire was internally consistent and thus reliable in achieving the research topic.

### **3.9 Data Collection Procedure**

The questionnaires were taken to the customers of the selected co-operative credit unions. The study's intent will be clarified to the respondents. Using a self-administered questionnaire to ensure a high response rate, the study's data will be collected. There were the same set of questions for all the respondents. In order to fix possible errors and to sort out misconceptions and misunderstandings to ensure the research's credibility, the researcher will pick up the filled questionnaires personally. The entire duration for the administration and collection of questionnaires will be 4 days. Returned questionnaires will be edited in order to arrange information in a way that was suitable and used to perform the necessary analysis. Data collection will be taking a duration from 10<sup>th</sup> of October, 2023 to 14<sup>th</sup> of October, 2023.

### **3.10 Variables and Measurements**

The variables in this study were measured using constructs based wholly on the concepts and theories discussed. These measures were adopted and modified from previous research studies in the field to meet the study's needs. Table 1 contains a list of the study's variables, measurements, the data collection tool, and the empirical interpretation.



**Table 2: Variables and Measurements**

<b>Variables</b>	<b>Measurements</b>	<b>Data collection tool</b>	<b>Empirical interpretation</b>
Co-operative credit unions activities	<ul style="list-style-type: none"> <li>• Payment</li> <li>• Social Investment</li> <li>• Deposit Mobilisation</li> <li>• Credit Creation</li> </ul>	Questionnaire	Pambreni et al., (2019)
Standard of living	<ul style="list-style-type: none"> <li>• Health</li> <li>• Business level</li> <li>• Education</li> </ul>	Questionnaire	Sarbassov et al., (2020)

Source: Field survey (2023)

### 3.11 Data Processing and Analysis

Statistical methodology was used to analyse the data. The effect of co-operative credit unions on standard of living was evaluated using both inferential statistics and descriptive statistics. To guarantee successful data processing and analysis, data acquired from the field was processed prior to analysis, data was evaluated, and inaccurate data was repaired. The statistical Package for Social Sciences (SPSS) version 24 was used in data coding, entry, and cleaning for 4 days, following which the researcher continued with the other data management tasks to guarantee that the dependent and independent variables were well recorded and entered accurately.

Data analysis guarantees that data collected over the course of the study was interpreted in a logical order to meet the study's goals. Before moving on to the actual analysis, the study established a high retrieval rate and data cleaning. The researchers took the opportunity to double-check the accuracy of the responses to the questionnaire items. It was used to screen data and elicit results from the field in order

to find missing values and outliers. Frequencies percentages, mean, standard deviation and multiple regression analysis are the estimating strategies employed in this investigation. The SPSS statistical software was used to process the data (Version 24.0). This software was chosen because, thanks to its emphasis on analysing statistical data, SPSS is an extremely powerful tool for manipulating and deciphering survey data. The data from any online survey collected using Alchemer can be exported to SPSS for detailed analysis.

### **3.12 Ethical Considerations**

In a study by Patten and Newhart (2017), the main ethical concern that needs to be considered in any research was revealed. The key ethical issues are voluntary participation, the right to privacy, anonymity, and information security. As a result, every effort is made to ensure that the questionnaire design addresses all of these ethical concerns. In terms of voluntary participation, each responder will be allowed to participate in the data gathering exercise of his or her own free will. In addition, potential privacy concerns will be addressed by encouraging respondents to complete the questionnaires on their own, and an appropriate channel for resolving outstanding issues will be given.

Furthermore, the issue of anonymity is addressed by restricting respondents from providing specific information about themselves in the questionnaire, such as names, phone numbers, and personal addresses. Respondents must also be assured that their identities will not be revealed or used for any purpose other than this public analysis. Finally, the study will safeguard the confidentiality of information by ensuring respondents that all information provided will be kept confidential.

## CHAPTER FOUR

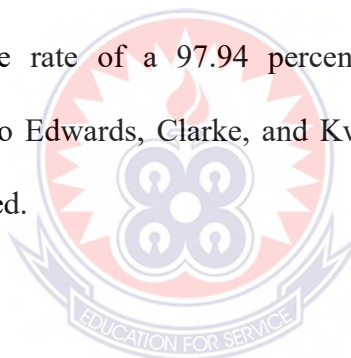
### RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter presented the findings of the data analysis. The data was presented using tables and statements. The presentation was based on the goals of the study. With a summation, the chapter ended.

#### 4.2 Response Rate

One hundred and ninety-five (195) structured questionnaires were distributed to all customers of co-operative credit unions in Tema Metropolitan. Following that, a total of one hundred and ninety (190) completed questionnaires were gathered. This amounted to a response rate of a 97.94 percent, which the researcher judged appropriate. According to Edwards, Clarke, and Kwan (2019), a response rate of at least 80% is recommended.



**Table 3: Response Rate**

<b>Response Rate</b>	<b>Frequency</b>	<b>Percentage</b>
Filled	190	97.94
Not filled	5	2.06
<b>Total</b>	<b>195</b>	<b>100.00</b>

Source: Field survey (2023)

#### 4.3 Socio-demographic Characteristics of the Respondents

This section of the chapter discusses the socio-demographic characteristics of the respondents and gave a clear picture of the characteristics of the respondents that were involved in the study. The specific socio-demographic characteristics explored were age, sex, academic qualification, years of service as well as designation or position of

the respondents. Table 4 presents the socio-demographic characteristics of the respondents.

**Table 4: Socio-Demographic Characteristics**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Sex</b>		
Female	104	54.7
Male	86	45.3
<b>Total</b>	<b>190</b>	<b>100</b>
<b>Age</b>		
20-29 Years	47	24.9
30-39 Years	78	41.0
40-49 Years	42	22.2
Above 50 Years	23	11.9
Total	190	100
<b>Academic Qualification</b>		
SSSCE/WASSCE Certificate	3	1.7
Diploma	41	21.4
Bachelor's Degree	120	63.2
Postgraduate	26	13.7
<b>Total</b>	<b>190</b>	<b>100</b>
<b>Years of Service</b>		
1-5 Years	99	52.2
6-10 Years	21	22.2
11-15 Years	42	11.1
16-20 years	28	14.5
<b>Total</b>	<b>190</b>	<b>100</b>
<b>Marital status</b>		
Married	132	67.6
Single	45	23.9
Divorced	11	5.1
Widowed	6	3.4
<b>Total</b>	<b>190</b>	<b>100</b>

Source: Field survey (2023)

From Table 4, the sex of the respondents revealed that majority of the customers were 104 (54.7%) females whilst 86 (45.3%) of the respondents were males. The statistics indicated that there was a fair representation of females as against male in the sample for the study. This finding is in tandem with a study by Naff and Crum (2019) that

females are easily convinced to patronize services of microfinance institutions as compared to males.

Results on the age of the respondents also emerged that, 47 (24.9%) were between 20-29 years, majority 78 (41.0%) were within 30-39 years of age, 42 (22.2%) were within 40-49 years of age, while 23 (11.9%) were above 50 years of age. The results presume that respondents within the age bracket of 30-39 constituted most customers among the target co-operative credit unions. The implication is that the co-operative credit unions have majority of their customers to be in their youthful years between 20–40 years. This agrees with the perspective of Shim and Steers (2018) who believed that co-operative credit unions with most of its customers to be young can achieve higher productivity. This implies that most of the respondents were matured enough to afford dependable data concerning standard of living.

The study further revealed that about 41 (21.4%) customers held a diploma with the majority of 120 (63.2%) customers having bachelor's degrees. Whiles, 26 (13.7%) also held master's related qualifications. The result indicated that majority of the respondents have higher academic qualifications. This implies that most of the customers understood the questionnaires and responded to them appropriately, thereby making the information provided credible and reliable. This agrees with Shahzad et al., (2019) analysis of how qualification has a direct relationship with performance. To them, customers with high qualification have good knowledge to improve their standard of living. This implies that the respondents were sufficiently qualified to provide reliable data regarding the study variables. With respect to educational level of most of the respondents were graduates and this increase the likelihood of understanding the products from co-operative credit unions.

From Table 4, 21 (22.2%) of the customers had patronized co-operative credit unions for 6-10 years, about 28 (14.5%) had also patronized co-operative credit unions for 16-20 years while majority of the customers 99 (52.2%) had patronized co-operative credit unions for 1-5 years with 42 (11.1%) patronizing co-operative credit unions for between 11 and 15 years. Concerning years of service, most of the customers had patronized co-operative credit unions in Tema Metropolis for a long time. This helped the customers to understand the unfolding reality on the ground. The implication of patronized co-operative credit unions for a long time is that it assisted the customers to provide credible information on their standard of living in Tema Metropolis.

From Table 4, majority of the respondents 132 (67.6%) were married while the rest were either single 45 (23.9%), divorced 11 (5.1%) or widowed 6 (3.4%). This implies that customers will have a problem balancing family and work roles because of rigorous and time demanding nature of banking work. Finding concurs with Md-Sidin et al. (2018) and Martins et al. (2021) that individuals who were married experienced more work-life conflicts than their counterparts who were not married. Similarly, results concur with work done by Darko-Asumadu et al. (2017) that unmarried clients at the educational sector can balance their family and work roles better than those not married.

#### **4.4 Analyses on the Research Objectives**

##### **4.4.1 The Purpose of Taking up And Usage of Loans by the People of Tema**

###### **Metropolitan**

The first objective of the study was covered in this section. It examined the purpose of taking up and usage of loans by the people of Tema Metropolitan. The purpose of taking up and usage of loans were measured using 5-point scales. Hence, the mean

values of these variables were utilized to determine the purpose of taking up and usage of loans using the following rules: 1 means lowest agreement, and 5 means highest agreement. The midpoint (3) is the theoretical mean, so anything below is low and anything close to 1 is very low; anything above 3 is high. Indicating least/weak agreement and strong agreement. Tables 5 provided a summary of the analysis and findings.

**Table 5: Purpose of Taking up And Usage of Loans by the People of Tema Metropolitan**

<b>Statements</b>	<b>Mean</b>	<b>Standard Deviation</b>
The primary reason for taking a loan from a cooperative credit union in Tema Metropolitan is to support my existing business.	4.00	0.900
I believe loans from cooperative credit unions are essential for starting new businesses in Tema Metropolitan.	2.55	0.921
Loans from cooperative credit unions help me meet unexpected medical or healthcare expenses.	2.79	1.069
The main purpose of taking a loan from a cooperative credit union is to finance educational expenses, such as school fees or books.	3.13	0.844
Cooperative credit union loans are crucial for improving the quality of life and well-being of my family.	2.92	1.056
I feel that cooperative credit unions in Tema Metropolitan provide easy access to loans for various purposes.	3.11	0.894
Loans from cooperative credit unions help me address short-term financial needs, such as unexpected bills or repairs.	3.34	1.076
I am confident that cooperative credit unions in Tema Metropolitan understand and cater to the specific financial needs of the community.	2.68	0.852
Cooperative credit union loans contribute to my overall financial stability and well-being.	3.08	0.882

Source: Field Ssurvey (2023)

According to Table 5, the assertion “The primary reason for taking a loan from a cooperative credit union in Tema Metropolitan is to support my existing business. (Mean = 4.00, Standard Deviation = 0.900)”. Respondents strongly agree (Mean = 4.00) that supporting their existing business is the primary reason for taking a loan from a cooperative credit union. This high level of agreement aligns with existing literature on the role of credit unions in financing and supporting businesses (Ofori-Dwumfuo, 2019). Also, the assertion “I believe loans from cooperative credit unions are essential for starting new businesses in Tema Metropolitan. (Mean = 2.55, Standard Deviation = 0.921)”. In contrast, respondents exhibit a moderate level of agreement (Mean = 2.55) regarding the importance of cooperative credit union loans for starting new businesses. This suggests a somewhat mixed perception and may be influenced by factors such as access to other sources of business financing (Asante et al., 2018).

Furthermore, the respondents show a moderate level of agreement (Mean = 2.79) that cooperative credit union loans assist in covering unexpected healthcare expenses. This indicates that while there is recognition of this purpose, there may be room for improvement in healthcare financing through credit unions (Kwao et al., 2016). Respondents display a moderate level of agreement (Mean = 3.13) regarding the use of credit union loans for educational expenses. This aligns with studies demonstrating the role of credit unions in financing education (Appiah et al., 2016). The respondents exhibit a moderate level of agreement (Mean = 2.92) that credit union loans contribute to improving the well-being of their families. This finding suggests that while credit unions play a role in enhancing well-being, there may be other factors at play (Donou-Adonsou et al., 2018).



Also, the respondents moderately agree (Mean = 3.11) that cooperative credit unions offer easy access to loans for various purposes. This supports the perception of credit unions as accessible sources of financing (Appiah et al., 2016). Respondents show a moderate level of agreement (Mean = 3.34) that credit union loans assist in addressing short-term financial needs. This suggests that credit unions serve as a resource for financial emergencies (Donou-Adonsou et al., 2018). The respondents moderately agree (Mean = 2.68) that credit unions understand and cater to the specific financial needs of the community. There is room for further enhancement in this aspect (Agyei-Baffour et al., 2019).

Respondents moderately agree (Mean = 3.08) that credit union loans contribute to their financial stability and well-being, supporting the idea that credit unions play a positive role in members' financial lives (Smith et al., 2018). The results indicate varying levels of agreement among respondents regarding the purpose of taking up and using loans from cooperative credit unions in Tema Metropolitan.

**Table 6: Descriptive Statistics of Study Variables**

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>
<b>Co-Operative Credit Unions Products</b>		
Payments	3.30	1.164
Social Investment	3.24	1.013
Deposit Mobilization	3.45	0.981
Credit Creation	3.39	0.989
<b>Standard of Living of Customers</b>		
Health	3.67	1.283
Education	3.12	1.324
Business Level (Income)	3.43	1.018

Source: Field survey (2023)

Table 5 presents the mean and standard deviation of the key variable used in the study. The mean of each variable is more than 3, and this result indicates that the study subjects in general have a higher level of co-operative credit unions products and standard of living. The various indicators of co-operative credit unions products (Payments; Social investment; Deposit mobilisation; and Credit creation) were examined. Most respondents identified the presence of Payments (M=3.30, SD=1.164). This was followed by social investment (M=3.24, SD=1.013), Deposit mobilisation (M=3.45, SD=0.981) and Credit creation (M=3.39, SD=0.989). Similarly, the three dimensions of standard of living (Health; Education; and Business Level (Income)) were examined. Most respondents identified the presence of Health dimension (M=3.67, SD=1.283). This was followed by Education dimension (M=3.12, SD=1.324), and Business Level (Income) dimension (M=3.43, SD=1.018).

#### **4.4.2 The effect of the services of co-operative credit unions on the level of business of the people of Tema Metropolitan**

The second objective of the study was covered in this section. It examined the effect of the services of co-operative credit unions on the level of business of the people of Tema Metropolitan. Tables 7 to 9 provided a summary of the analysis and findings.

##### **4.4.2.1 Model Summary**

The purpose of the study was to determine the strength of the links between the services of co-operative credit unions and customers' level of business (income) in Tema Metropolitan. The results were discussed in Tables 7.

**Table 7: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.383 <sup>a</sup>	0.147	0.128	0.73962

a. Predictors: (Constant), *Payments; Social investment; Deposit mobilisation; and Credit creation*

Source: Field survey (2023)

Table 7 provides the  $R^2$  (coefficient of determination or predictive power) value. The study found that the model only explains 15 percent of the variation in the services of co-operative credit unions thus the model is not well fit since  $R^2$  is less than 50 percent. The Anova results presented indicated that the variables jointly had a statistically significance with p-value of 0.00 and an F statistic of 7.74.

#### 4.4.2.2 Analysis of Variance

Table 8 indicates ANOVA of regression. The ANOVA indicates how well the independent variables significantly predict the outcome variable that is customers' level of business (income) in Tema Metropolitan. The significant value on the regression row indicated 0.00, which is less than the significant level of 0.05 and indicates that, the model applied is significantly good enough in predicting the outcome variable.

**Table 7: ANOVA of Regression**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2.349	4	4.235	7.742	0.000 <sup>b</sup>
Residual	6.715	185	0.547		
<b>Total</b>	<b>9.064</b>	<b>189</b>			

a. Dependent Variable: Business Level (Income)

b. Predictors: (Constant), *Payments; Social investment; Deposit mobilisation; and Credit creation*

Source: Field survey (2023)

**Table 8: Coefficients of Determination**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	1.086	0.259		4.191	0.000
Payments	0.067	0.070	0.058	0.954	0.341
Social investment	0.230	0.066	0.0226	3.471	0.001
Deposit mobilisation	0.245	0.048	0.320	-5.06	.000
Credit creation	0.221	0.051	0.0334	3.841	0.002

Source: Field survey (2023)

The dependent variable is represented by the level of business (income) of customers in Tema Metropolitan. The independent variables comprise of payments, where payments refer to the transfer of money or funds from one party to another in exchange for goods, services, or to settle obligations. On the other hand, social investment refers to the allocation of resources, typically financial or human capital, to initiatives, programs, or projects that aim to create positive social and community impacts. Deposit mobilization, on the other hand, is the process of attracting and collecting funds, typically in the form of deposits, from individuals, businesses, or other entities and channelling them into financial institutions such as banks, credit unions, or savings and loan associations. Lastly, Credit creation is a fundamental concept in banking and finance that describes the process by which financial institutions, typically banks, create new money or credit in the form of loans.

The second objective of the study was to determine the effect of the services of co-operative credit unions on the level of business of the people of Tema Metropolitan. Four possible variables of services of co-operative credit unions were examined in this research, namely, Payments; Social investment; Deposit mobilisation; and Credit creation. The results showed that the variables that largely predicted level of business of the people of Tema Metropolitan from the study were social investment; Deposit

mobilisation; and Credit creation. In addition, it was revealed that all the four variables of services of co-operative credit unions played a role in predicting the level of business (income) of their customers and they had a positive relationship.

The positive relationship between social investment by cooperative credit unions and the level of business aligns with the concept of social capital and community development. Social investment by credit unions may involve supporting local community projects, education, and healthcare initiatives. Such activities can enhance the overall well-being of members and stimulate economic growth (Mishkin, 2017). Moreover, the findings suggest that deposit mobilization is a significant predictor of business income. This corresponds to the core function of credit unions, which is to attract deposits from members and use them to provide loans and credit. By mobilizing deposits, credit unions can offer affordable financing to entrepreneurs and small business owners, stimulating economic activities (Barr, 2021).

Also, credit creation is a fundamental function of credit unions. The positive relationship between credit creation and business income aligns with the concept of credit access and economic development. Access to credit enables individuals to invest in their businesses, expand operations, and generate higher incomes (Merton, 2019). Although not identified as a strong predictor in this study, the role of payments cannot be overlooked. Efficient payment services are vital for conducting business transactions, and credit unions that provide convenient payment options can contribute to the smooth operation of businesses (Lander, 2018).

#### 4.4.3 The Effect of the Services of Co-Operative Credit Unions on the Health of the People of Tema Metropolitan

This section captured the third objective of the study. It looked at the relationship between services of co-operative credit unions and customers' health in Tema Metropolitan. Table 10 to 12 summarised the analysis for the findings.

##### 4.4.3.1 Model Summary

The purpose of the study was to determine the strength of the links between the services of co-operative credit unions and the health of their customers in Tema Metropolitan. The results were discussed in Table 10.

**Table 9: Model Summary**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error
1	0.723 <sup>a</sup>	0.523	0.475	0.31381

a. Predictors: (Constant), *Payments; Social investment; Deposit mobilisation; and Credit creation*

Source: Field survey (2023)

The model summary results show a strong relationship between the services of co-operative credit unions and the health of their customers ( $R= 0.723$ ). The corrected R-Square value for the services of co-operative credit unions in the study was 0.475, meaning that it could explain 47.5 percent of customers' total health variance.

##### 4.4.3.2 Analysis of Variance

ANOVA was used to determine the regression model's goodness of fit. According to an ANOVA with a 0.2 percent level of significance, the analytical model has a strong fit and is thus reliable in revealing the relationships between the services of co-operative credit unions and the health of their customers in Tema Metropolitan. The results were summarized in Table 11.

**Table 10: Analysis of Variance (ANOVAa)**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.254	4	0.451	4.553	0.002 <sup>b</sup>
Residual	3.076	185	0.099		
<b>Total</b>	<b>5.730</b>	<b>189</b>			

a. Dependent Variable: Customers' Health

b. Predictors: *Payments; Social investment; Deposit mobilisation; and Credit creation*

Source: Field survey (2023)

#### 4.4.3.3 Coefficients of Determination

Services of co-operative credit unions variables (Payments; Social investment; Deposit mobilisation; and Credit creation) have a cumulative beneficial effect on customers' health in Tema Metropolitan, according to the regression coefficients. As seen in Table 12, the outcomes are as follows.

**Table 11: Coefficients of Determination**

Model	Unstandardized Coefficients		Standardized Coefficients		(p-value) Sig.
	B	Std. Error	Beta	T	
(Constant)	0.063	0.012		5.250	0.000
Payments	0.106	0.033	0.086	3.212	0.002
Social investment	0.264	0.087	0.142	3.034	0.004
Deposit mobilisation	0.207	0.072	0.163	2.875	0.006
Credit creation	0.304	0.117	0.245	2.598	0.012

Source: Field survey (2023)

Constant = 0.063 shows that the sampled customers in Tema Metropolitan's health would be 0.063 without the services of co-operative credit unions, which is a poor result. If Payments; Social investment; Deposit mobilisation; and Credit creation were

all increased by one-unit, customers' health would improve by 0.106, 0.264, 0.207, and 0.304 respectively. While calculating the regression equation, the researcher estimated the stochastic error term of the model to be zero. Payments ( $t= 3.213$ ,  $p= 0.002$ ), Social investment ( $t= 3.035$ ,  $p= 0.004$ ), Deposit mobilisation ( $t= 2.876$ ,  $p= 0.006$ ), and Credit creation ( $t= 2.598$ ,  $p= 0.012$ ) were all statistically significant at (high t-values,  $p < 0.05$ ) at a confidence level of 95%. This shows that quality services from co-operative credit unions have a positive relationship with the health of customers in Tema Metropolitan. These results are confirmation of previous literature undertaken by other scholars.

The study's regression analysis reveals that the services provided by cooperative credit unions have a positive impact on the health of their customers. This aligns with the broader understanding that access to financial services, including credit and savings, can contribute to improved health outcomes for individuals and their families (Skoufias & Vinha, 2019). The high t-values and low p-values ( $p < 0.05$ ) for Payments, Social investment, Deposit mobilization, and Credit creation indicate that these variables have a statistically significant impact on health. This suggests that the findings are robust and reliable (Wooldridge, 2018).

The study's results are noted to confirm previous research conducted by other scholars. This underscores the consistency of findings in the field and adds to the body of evidence supporting the positive relationship between cooperative credit union services and customer health (Gaurav et al., 2019). The relationship between financial services and health is well-documented. Access to credit and financial stability can reduce stress, enhance access to healthcare, and improve overall well-being (World Bank, 2019).



The regression model's equation is as follows:

$$Y = 0.063 + 0.106X_1 + 0.264X_2 + 0.207X_3 + 0.304X_4$$

Where:

Y – Customer’s Health (the dependent variable)

X<sub>1</sub>- Payments

X<sub>2</sub>- Social investment

X<sub>3</sub>- Deposit mobilisation

X<sub>4</sub>- Credit creation

#### 4.4.4 The effect of co-operative credit unions on the education of the people of Tema Metropolitan

This section tackled at the fourth objective of the study by looking at the effect of co-operative credit unions on the education of the people of Tema Metropolitan. The predictor variables are the four types of services of co-operative credit unions, namely, Payments; Social investment; Deposit mobilisation; and Credit creation. Table 13 to Table 15 summarised the findings.

**Table 12: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.838 <sup>a</sup>	0.701	0.691	2.87789	2.096

a. Predictors: (Constant), Payments; Social investment; Deposit mobilisation; and Credit creation

b. Dependent Variable: Customer’s Education

c.  $F(4, 112) = 65.79, p < .001$

Source: Field survey (2023)

From Table 13, the entire model was statistically significant,  $F(4, 112) = 65.79, p < .001$ . The model accounted for 69.1% (adjusted R square) of the variations in customers’ education.

#### 4.4.4.1 Analysis of Variance

ANOVA was used to determine the regression model's goodness of fit. According to an ANOVA with a 0.2 percent level of significance, the analytical model has a strong fit and is thus reliable in revealing the relationships between services of co-operative credit unions and customers' education in Tema Metropolitan. The results were summarized in Table 14.

**Table 13: Analysis of Variance (ANOVAa)**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.325	4	0.451	4.553	0.002 <sup>b</sup>
Residual	3.124	185	0.099		
Total	5.168	189			

a. Dependent Variable: Customers' Education

b. Predictors: (Payments; Social investment; Deposit mobilisation; and Credit creation)

Source: Field survey (2023)

**Table 14: Coefficients of Determinants**

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta ( $\beta$ )	t	Sig.	Tolerance	VIF
(Constant)	11.825	6.655		1.777	0.078		
Payments	0.215	0.152	0.121	1.413	0.161	0.363	2.753
Social investment	0.865*	0.177	0.578	4.886	0.000	0.190	5.257
Deposit mobilisation	0.730*	0.204	0.390	3.576	0.001	0.224	4.458
Credit creation	0.004	0.163	0.002	0.022	0.982	0.279	3.583

\*Significant,  $p < .05$

Source: Field survey (2023)

As shown in Table 15, among the dimensions of services of co-operative credit unions, social investment ( $B = 0.87, p < 0.001$ ) and Deposit mobilisation ( $B = .73, p = 0.001$ ) were significant predictors of customers' education. Payments and Credit creation were, however, not statistically significant predictors of customers' education. Generally, it can be said that services of co-operative credit unions influence their customers' education. The positive and statistically significant relationship between social investment and customers' education aligns with the notion that credit unions, as community-based financial institutions, often engage in initiatives that support education, scholarships, and community development. Such investments can have a direct and positive impact on the education of their members and their families (Deshpande & Mohan, 2019). Also, the positive and statistically significant relationship between Deposit mobilization and customers' education is consistent with the fundamental role of credit unions in attracting and mobilizing savings from their members. These savings can, in turn, be channeled into educational expenses, including school fees, books, and other educational needs (Barr, 2001).

The findings suggest that Payments and Credit creation were not statistically significant predictors of customers' education. While payments are crucial for conducting various financial transactions, their direct impact on education may be limited. Similarly, credit creation may not be directly linked to educational expenses, depending on the specific focus and terms of the loans provided by credit unions. Previous research has demonstrated the positive relationship between community development activities by credit unions and educational outcomes. Credit unions often support educational initiatives, such as scholarships, financial literacy programs, and affordable loans for educational purposes (Acharya & Subba, 2018).

#### **4.5 Chapter Summary**

This section presented the discussion of the results. It began with the explanation of the features of the sampled respondents used in the study, followed by the discussion of objectives 1, 2 and 3 using descriptive and inferential statistics. The relationship between services of co-operative credit unions and the standard of living of their customers was established using multiple regression Analysis.



## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter summarized the findings, discussed them, and drew relevant conclusions. As well as the study advice and research proposals were offered.

#### 5.2 Summary of the Study

The research assessed the effect of co-operative credit unions on members' livelihood in Tema Metropolitan. To achieve this overall objective, four specific objectives were formulated, the first objective was to assess the purpose of taking up and usage of loans by the people of Tema Metropolitan. The second objective also examined the effect of the services of co-operative credit unions on the level of business of the people of Tema Metropolitan. The third objective examined the effect of the services of co-operative credit unions on the health of the people of Tema Metropolitan. The last objective assessed the effect of the services of co-operative credit unions on the education of the people of Tema Metropolitan.

In addressing the above objectives, the research reviewed relevant theoretical and empirical literature to the research. The theoretical literature reviewed in the study included the financial inclusion theory and social capital theory. The empirical literature also included measures of standard of living, the services of co-operative credit unions and various empirical review on the effect of the services of co-operative credit unions on livelihood of members. In addition, the study designed the appropriate conceptual framework, which pictured, for further understanding, the connection between the services of co-operative credit unions and member's livelihood.

The research approved the quantitative research method and using both the descriptive and inferential statistics, the study measured the effect of services of co-operative credit unions on their member's livelihood in Tema Metropolis. The study population consisted of all customers from co-operative credit unions in Tema Metropolis. In all a sample of 190 customers were used for the study and cross-sectional data was solicited from them using a structured questionnaire. The data was subsequently inputted and analysed using the SPSS software.

#### **4.2.1 Summary of Key Findings of the Study**

Based on the analysis in chapter four.

Results from the first objective, the study found that the primary purpose of taking loans from cooperative credit unions in Tema Metropolitan is to support existing businesses. While cooperative credit unions also serve other purposes, such as addressing healthcare expenses, educational expenses, and short-term financial needs, supporting businesses emerged as the most significant motivation among respondents.

From the second objective, the study revealed that three key dimensions of cooperative credit union services, namely, social investment, Deposit mobilization, and Credit creation, significantly predict the level of business of individuals in Tema Metropolitan. These services play a positive role in supporting and enhancing the business activities and income of cooperative credit union members.

From the third objective, the findings indicate that the services provided by cooperative credit unions have a positive impact on the health of customers in Tema Metropolitan. Specifically, variables like Social investment, Deposit mobilization, and Credit creation were found to be statistically significant predictors of customers'

health. This suggests that cooperative credit unions contribute to the well-being of their members, which extends to their health.

Lastly, the fourth objective revealed that Social investment and Deposit mobilization, among the dimensions of cooperative credit union services, significantly predict customers' education. Cooperative credit unions play a role in improving educational opportunities for their members. In contrast, Payments and Credit creation were not found to be statistically significant predictors of customers' education.

### **5.3 Conclusions**

According to the study's findings;

In conclusion, the primary purpose of taking up loans from cooperative credit unions in Tema Metropolitan is to support existing businesses. This finding highlights the significance of credit unions in facilitating entrepreneurship and business development among their members. While credit unions also serve other financial needs, the robust focus on business support suggests their vital role in fostering economic growth.

The study's conclusion for Objective 2 reveals that cooperative credit unions play a pivotal role in enhancing the level of business and income of individuals in Tema Metropolitan. Social investment, Deposit mobilization, and Credit creation were identified as significant contributors to business growth. This underscores the comprehensive support that credit unions provide, positively impacting the economic livelihoods of their members.

The study's findings for Objective 3 lead to the conclusion that cooperative credit unions significantly influence the health of their customers in Tema Metropolitan.

Services like Social investment, Deposit mobilization, and Credit creation have a positive effect on the health and well-being of members. This underscores the broader social role of credit unions in promoting the health of their communities.

In conclusion, cooperative credit unions in Tema Metropolitan have a notable impact on the education of their members. Social investment and Deposit mobilization emerged as significant predictors of customers' education. While Payments and Credit creation may not directly influence education, the cooperative credit unions' broader services contribute to improving educational opportunities for their members.

#### **5.4 Recommendations**

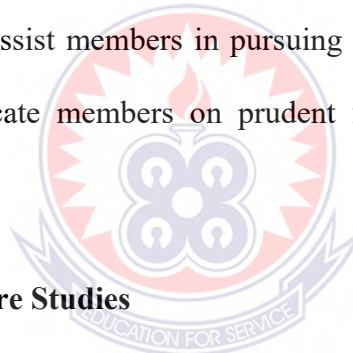
Based on the results, it is suggested that cooperative credit unions should continue to emphasize and promote their role in supporting businesses, as this is the primary motivation for members. To enhance this support, credit unions can consider offering specialized loan products tailored to different business needs. Financial literacy programs should be integrated into cooperative credit union services to educate members on the various purposes of loans and their financial implications.

Also, credit unions should expand their efforts in social investment, deposit mobilization, and credit creation, as these dimensions significantly predict business growth. Collaborating with local businesses, community development projects, and educational institutions can amplify their impact. Continuous assessment and evaluation of the business support programs offered by credit unions are essential to ensure they meet the evolving needs of members. Feedback mechanisms and member surveys can be employed for this purpose.



Moreover, cooperative credit unions should further explore and invest in healthcare-related initiatives to positively impact the health of their members. This may include health insurance programs, health education, and partnerships with healthcare providers. Members should be made aware of the health-related services offered by credit unions. Promotional campaigns and educational materials can help in disseminating information about the health benefits available to members.

Lastly, credit unions can expand their social investment initiatives related to education. Scholarships, educational grants, and partnerships with educational institutions can enhance the education support they provide to members and their families. Educational financing options, such as low-interest loans for education, should be promoted to assist members in pursuing further studies. Financial literacy programs can also educate members on prudent financial planning for education expenses.



### **5.5 Suggestions of Future Studies**

Future research could involve longitudinal studies that track the impact of cooperative credit union services on members' livelihood over an extended period. This would provide insights into the long-term effects and sustainability of such services. Or comparative studies could be conducted to compare the effectiveness of cooperative credit unions in Tema Metropolitan with those in other regions or countries. This approach would help identify best practices and lessons that can be applied globally.

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## APPENDIX A

### UNIVERSITY OF EDUCATION, WINNEBA

#### STRUCTURED QUESTIONNAIRE FOR RESPONDENTS

Hello, I am a students at the University Of Education, Winneba, and as part of my MBA studies, I am conducting a research on the “effect of co-operative credit unions on members’ livelihood in Tema Metropolitan”. The survey usually will take about 20 minutes to complete. The purpose of this research is purely academic and it is aimed at collecting data. Your utmost confidentiality is assured, and because of this please Do NOT write your name or the name of your entity on the questionnaire.

Now, do you want to ask anything about the survey?      Yes [  ]      No [  ]

Date :     2 0 2 3

#### SECTION A: BACKGROUND INFORMATION OF RESPONDENTS

A1.	Gender <i>(Please tick the one that applies)</i>	Male	[ <input type="checkbox"/> ]
		Female	[ <input type="checkbox"/> ]
A2.	Age <i>(Please tick the one that applies)</i>	20-29 Years	[ <input type="checkbox"/> ]
		30-39 Years	[ <input type="checkbox"/> ]
		40-49 Years	[ <input type="checkbox"/> ]
		Above 50 Years	[ <input type="checkbox"/> ]
A3.	Educational Level of Respondent <i>(Please tick the one that applies)</i>	SSSCE/WASSCE	[ <input type="checkbox"/> ]
		Diploma	[ <input type="checkbox"/> ]
		Bachelor’s Degree	[ <input type="checkbox"/> ]
		Post Graduate	[ <input type="checkbox"/> ]

A4.	Marital Status of Respondent <i>(Please tick the one that applies)</i>	Married	[ ]
		Single	[ ]
		Cohabitation	[ ]
		Divorced	[ ]
A5.	Years of Service <i>(Please tick the one that applies)</i>	1-5 Years	[ ]
		6-10 Years	[ ]
		11-15 Years	[ ]
		16-20 years	[ ]

## SECTION B: THE PURPOSE OF TAKING UP AND USAGE OF LOANS BY THE CUSTOMERS OF TEMA METROPOLITAN

Kindly indicate your *agreement* or *disagreement* to each of the following statements that relate to the purpose of taking up and usage of loans by the customers of Tema Metropolitan, by **ticking** the appropriate number, on the scale: **1=strongly disagree**, **2=disagree**, **3=neutral**, **4=agree**, **5=strongly agree**

	Variables	1	2	3	4	5
B1	The primary reason for taking a loan from a cooperative credit union in Tema Metropolitan is to support my existing business.					
B2	I believe loans from cooperative credit unions are essential for starting new businesses in Tema Metropolitan.					
B3	Loans from cooperative credit unions help me meet unexpected medical or healthcare expenses.					
B4	The main purpose of taking a loan from a cooperative credit union is to finance educational expenses, such as school fees or books.					
B5	Cooperative credit union loans are crucial for improving the quality of life and well-being of my family.					

B6	I feel that cooperative credit unions in Tema Metropolitan provide easy access to loans for various purposes.					
B7	Loans from cooperative credit unions help me address short-term financial needs, such as unexpected bills or repairs.					
B8	I am confident that cooperative credit unions in Tema Metropolitan understand and cater to the specific financial needs of the community.					
B9	Cooperative credit union loans contribute to my overall financial stability and well-being.					

### SECTION C: COOPERATIVE CREDIT UNIONS VARIABLE

Kindly indicate your *agreement* or *disagreement* to each of the following statements that relate to the cooperative credit unions variable, by **ticking** the appropriate number, on the scale: **1=strongly disagree**, **2=disagree**, **3=neutral**, **4=agree**, **5=strongly agree**

	<b>Payments</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
C1	Cooperative credit unions in Tema Metropolitan provide efficient and reliable payment services.					
C2	I find that cooperative credit unions offer a variety of convenient payment options for my financial transactions.					
C3	Cooperative credit unions have a user-friendly and secure online banking platform for making payments.					
C4	I believe cooperative credit unions in Tema Metropolitan have improved my overall payment experiences and financial transactions.					
	<b>Social Investment</b>					
C5	Cooperative credit unions in Tema Metropolitan actively support community development initiatives and projects.					
C6	I am aware of the various social investment programs and					

	activities initiated by cooperative credit unions in my community.					
C7	Cooperative credit unions prioritize community well-being through contributions to education, healthcare, or other social causes.					
C8	I feel that cooperative credit unions actively engage with and give back to the community in meaningful ways.					
	<b>Deposit Mobilization</b>					
C9	Cooperative credit unions in Tema Metropolitan effectively encourage members to save money.					
C10	I find that cooperative credit unions offer competitive interest rates and incentives to motivate savings.					
C11	Cooperative credit unions have introduced innovative savings products that align with the financial goals and needs of their members.					
C12	My experience with cooperative credit unions has encouraged me to save regularly and build a secure financial future.					
	<b>Credit Creation</b>					
C13	Cooperative credit unions in Tema Metropolitan provide accessible and affordable credit options for their members.					
C14	I have found that cooperative credit unions offer flexible terms and reasonable interest rates for loans.					
C15	Cooperative credit unions in Tema Metropolitan support members in realizing their financial goals by providing credit when needed.					
C16	My experience with cooperative credit unions has been positive in terms of accessing credit for my financial endeavours.					

**SECTION D: STANDARD OF LIVING OF CUSTOMERS**

Kindly indicate your *agreement* or *disagreement* to each of the following statements that relate to the standard of living of customers, by **ticking** the appropriate number, on the scale: **1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree**

	<b>Health</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
D1	I believe that my current standard of living positively impacts my overall health and well-being.					
D2	Access to healthcare and medical services is readily available and affordable, contributing to my improved health.					
D3	My standard of living allows me to maintain a balanced diet and nutrition, which is essential for good health.					
D4	I have access to safe drinking water, sanitation, and a clean living environment that positively influences my health.					
D5	My standard of living enables me to seek timely medical care and address healthcare expenses without financial hardship.					
	<b>Education</b>					
D6	My current standard of living supports access to quality education for myself and/or my family.					
D7	I have the financial means to invest in educational resources, such as books and educational materials.					
D8	My standard of living allows me to meet the costs associated with formal education, including school fees and tuition.					
D9	I believe that access to education and skill development is a key component of my current standard of living.					
D10	My standard of living positively influences the educational aspirations and achievements of my family members.					
	<b>Business Level (Income)</b>					
D11	My current standard of living reflects my ability to earn a sustainable income and support my financial needs.					

D12	My business or income-generating activities have improved, and my financial situation has become more stable over time.					
D13	I believe that my standard of living positively impacts my business or employment opportunities.					
D14	Access to financial resources, including loans, has been instrumental in improving my business or income level.					
D15	My standard of living allows me to invest in entrepreneurial ventures, generate income, and improve my financial situation.					

**THANK YOU.**

