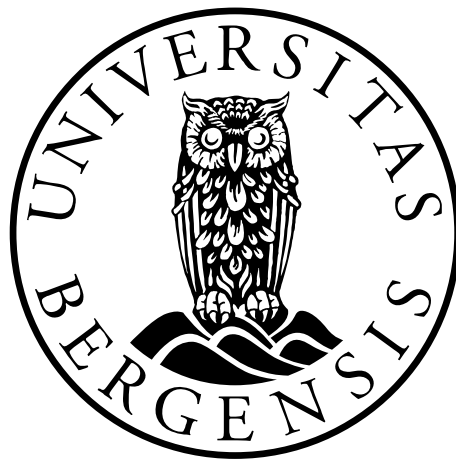


# **Social Protection**

A Case Study of Asante Mampong

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## **DEDICATION**

This work is dedicated to God, my parents and siblings, and my academic mentors.

## **ACKNOWLEDGEMENT**

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## ABSTRACT

Studies have shown that formal insurance in developing countries are rare. As a result, insurance in these countries are usually achieved through reciprocal support arrangement where there is risk-pooling among members to support each other in times of shock and adversities. Though ethnographers have described many different ways in which people cope with risk, the topic still remain unexplored area of research. The aim of this master thesis was to gain a better understanding of the measures and mediums through which the people of Asante Mampong in the Ashanti Region of Ghana insure themselves against social and economic insecurities. I outlined the ways of building up security through being a responsible social actor, as well as being a person who take actions towards security with micro finance and credit unions.

I used the theory of social capital as a way to bridge the age-old sociological dichotomy of structure and agency. I draw on Robert Putnam's social capital theoretical conceptions of trust, norms and social networks to examine the ways in which people that lack formal social protection secure and insure themselves. The study relied on qualitative data, gained from participant observation, during six months fieldwork in Asante Mampong, and coupled with interviews with key informants to provide data for analysis.

The study found that livelihoods in Asante Mampong are embedded in social relationships. At the centre of these social relationships are individuals who are members of many different social circles. These relations are very important to further individual goals and aspirations. The people are conscious of this fact and through social networks, coupled with trust and accepted norms of expected behaviours employ them to accomplish their goals and further their present as well as future aspirations. The thesis therefore, argues for the usefulness of social capital as an analytical tool in the study of social protection.

**Keywords:** Social protection, Insurance, Informal insurance, Social capital, Trust, Norms, Social network, Reciprocity.

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background

The overall aim of this study is to gain a better understanding of the measures and mediums through which the people of Asante Mampong in the Ashanti Region of Ghana insure themselves against social and economic insecurities. Poverty reduction has been a major issue of concern in Africa as a whole and in Ghana where a large proportion of the citizens are under the poverty line (GLSS, 1999). Studies on poverty in Africa have shown that poverty is created by individual long term incapacity and temporary crises (Iliffe 1987:4-5). Meanwhile social protection in policy and practice remains largely ‘economic protection’, focusing on economic shocks, risks and/or material poverty. Most of the social protection policies have aimed at providing economic opportunities to help the poor and vulnerable improve their own welfare (Holmes and Jones, 2009). Even where there has been an emphasis on social vulnerability, there has been limited policy or programming to address the overlapping and reinforcing nature of the two. Most of them have been successful in improving the lives of those who have the potential to seize the opportunities provided by these strategies. However, others have also failed to benefit from such pro-poor strategies because they are incapacitated and do not have the potential to help themselves out of poverty. This sub-group of the poor has been the target of most social protection strategies by the state like food aid, agricultural input distribution, asset distribution, social cash transfers and other initiatives.

Despite the fact that there had been ambitions to cover all the needy people, there are still many people excluded from the benefits of being socially protected by the state. Most of all, the problem appears of how to cover the workers in the informal sector because if they are excluded there is a high risk for them of sliding into a lifelong poverty with all its negative effects. Many of the very poor have over the years managed their risk through traditional structures and institutions. According to Abebrese (2011) informal and traditional forms of social protection which are based on extended family system or religious networks are normally those which the most vulnerable people have to depend on. This has in part been justified by the observation that family and other informal support mechanisms are under increasing strain (Coninck and Drani, 2008).

Meanwhile, over the years the notion of social capital has gone beyond academic boundaries and is extensively used by the public and decision-makers worldwide. As it is regarded as a source of economic development and social integration, developed countries look with deep concern at its supposed decline (Putnam, 1995; Paxton, 1999; Uslaner, 2002), while developing nations see in it a possibility to overcome poverty (Dercon 2004b; Mazzucato, 2009) and consolidate democratic rule (Torche and Valenzuela, 2011). Some scholars argue that the analysis of social capital should be seen in the network structure that embeds it; others also focus on the content of these networks, including trust, norms, and common values (Putnam, 1995). While some approaches understand social capital as an individual resource (Bourdieu, 1986), others also see it as a collective resource enjoyed by all actors in a social network (Coleman, 1988). The most significant consensus here is that social capital is seen as embedded in a structure of social relations; and it provides actors with access to valuable and scarce resources that contribute to their well-being (Torche and Valenzuela, 2011). This makes it possible to use the concept of social capital to examine how people or community that lacks formal social protection from the state build up social protection for themselves through norms of reciprocity, trust, and social networks. It is against this backdrop that I was inspired to undertake this study.

My study, therefore, draws on the concept of social capital to examine the measures and mediums through which the people of Asante Mampong insure themselves against social and economic insecurities. I will do this by outlining the ways of building up security through being a responsible social actor, as well as being a person who take actions towards security with micro finance and credit unions.

## **1.2 Statement of Problem**

Social protection is of crucial importance in sub-Saharan Africa because many countries in the region including Ghana experience severe chronic poverty and large social deficits (Taylor, 2008). Studies have shown that formal insurance in these countries are rare owing to market failure, high illiteracy rate, and high communication cost due to poor infrastructure coupled with the dangerous environment makes the cost of formal insurance high which most citizens of developing countries cannot afford (Mazzucato, 2009). Insurance in these countries are usually achieved through reciprocal support arrangement where there is risk-

pooling among members to support each other in times of shock and adversities (Bhattamishra and Barrett, 2008; Dercon, 2004b; Mazzucato, 2009; Porter, 2008; Vanderpuye-Orgle and Barrett, 2009).

Social capital then becomes an important livelihood strategy for people in developing countries. Coleman (1988, 1990), defines social capital by its function: any aspect of the social structure that the actor can use as a resource for action. He specifies the content of this capital as including the following dimensions: obligations, expectations, trustworthiness, information, norms and sanctions. Robert Putnam popularized the concept and defines social capital as ‘features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions’ (Putnam, 1993: 167). Reciprocity, the form of social capital embedded in personal relations comes to play a very important role in social protection strategies. It is usually not experienced as a purposive choice but as a deep bond that is given beyond deliberation, and it only becomes manifest and problematic if broken (Torche and Valenzuela, 2011). The social capital embedded in relations with strangers is called trust. Torche and Valenzuela define trust as “the ability to interact with strangers even when weak third-party guarantees of compliance exist, and without the onerous need to transform the stranger into a personal relation” (Torche and Valenzuela, 2011:193). The authors see trust to involve rational calculation and purposive evaluation about the other’s interests. They argue that the benefit of trust is embedded within a universalistic ethic of personal responsibility, which rests on the basic assumption that all interaction partners keep the promises and commitments made to others, thus providing vast opportunities for economic exchange and civic collaboration by efficiently reducing transaction costs and for associative collaboration with strangers by relaxing the need to transform them into personal relations (ibid: 193-194).

While ethnographers have described many different ways in which people cope with risk (Colson, 1979), I will focus on examining the all different strategies and mediums through which the people of Asante Mampong cope with social and economic shocks in life. I will consider the relative costs and benefits of the different means of risk reduction in order to determine the most important to them. Also on a theoretical level, using social capital can be seen as a way to bridge the age-old sociological dichotomy of structure and agency (Coleman, 1988) as it represents one of the points of interaction between individual and society, since social capital allows the individual to act in certain ways, but only within a collectively defined and supported area of freedom. Such approach is a valuable theoretical

contribution to better understand the ways in which people who lack formal social protection secure and insure themselves.

### **1.3 Research Aim and Objectives**

The main aim of the study was to gain a better understanding of the measures and mediums through which the people of Asante Mampong in the Ashanti Region of Ghana insure themselves against social and economic insecurities. The specific objectives were:

1. To examine how the people uses the services and their membership of micro finance companies, credit unions and workers unions/associations to secure themselves against immediate and distant future.
2. To examine how church membership and church welfare system play out in helping the people to deal with insecurities.
3. To examine how the people use reciprocal support arrangements build up through trust in networks for insurance purposes.

### **1.4 Research Questions**

Based on the objectives the following research questions were generated:

1. What are the concerns of the people about social protection in everyday life?
2. How are the people using the services of institutions and associations to insure themselves against future shocks?
3. How are people building social capital for social protection purposes?

### **1.5 The Study Area**

This study was done in Ghana. It is located on the coast of West Africa bordered by Togo on the east, La Cote d'Ivoire on the west, Burkina Faso on the north and the Atlantic Ocean on the south. The climate is tropical and agriculture is the backbone of the economy constituting about 45% to Gross Domestic Product and 60% to employment. The economy is not very

strong as the per capita income is about 390 US dollars ([www.ghana.com](http://www.ghana.com)). Ghana gained independence in 1957 and became a republic in 1960. Since Independence in 1957, the country has experienced 'a mix of democratically elected governments as well as military ones'. It has a population of 27 million and Accra is its capital city. The two largest cities are Accra and Kumasi. Specifically, my fieldwork was done in Asante Mampong in the Mampong Municipal district in the Ashanti region.

Mampong Municipal, which is one of the Thirty (30) Administrative Districts in the Ashanti Region of Ghana, is located on the northern part of the region. It has about 220 settlements with about 70 percent being rural. Farming is the predominant economic activity and employs about 75 percent of the economically active labour force. The Municipality with its vast arable land coupled with limited alternative employment opportunities, forces many to the agricultural sector to produce at subsistence level. The service sector (Salaried Workers) employs about 17.2 percent followed by Commerce with 12.4 and Small Scale Industrial activities taking 9.6 percent. Many factors interact to render some people vulnerable in the district which includes: lack of skill-training for the poor, use of outmoded methods of farming, inability to access health facilities due to poverty, inability to pay children's school fees, lack of funds to expand businesses due to inability to access credit to mention but a few ([www.ghanadistrict.com](http://www.ghanadistrict.com)).

Asante Mampong is the administrative capital of the Mampong Municipal district. It is the most well-endowed town in the Municipality. It is the forty-first most populous in Ghana, and the most densely populated town in the district with a population of 42,037 inhabitants ([World-gazetteer.com](http://World-gazetteer.com)). There are services like tertiary education, hospital, pipe borne water, electricity, high court, telephone services and banks. Economically majority of the people in the community are engaged in the informal sector. The main economic activities is farming and trading for both men and women, and driving for the men. Wednesday is a very busy day for the people in the community as it has been set aside as market day. People come from close and far communities to trade in Asante Mampong on Wednesdays.

The predominant language is Akan (Twi) which is widely spoken in Ghana even among the non-Akan ethnic groups to which I am very fluent and accurate in writing. Some can speak English language especially the educated ones. The people are predominantly Christians with few minorities finding their fates in Islamic and other religious domain. My choice of Asante Mampong arises from my familiarity with the town, as I have lived there for more than five

years. Also my parents and my siblings live there. Looking at the economy and the vulnerabilities it poses this town becomes an attractive site to study informal social protection strategies.



Figure 1: Map of Ghana Showing Asante Mampong

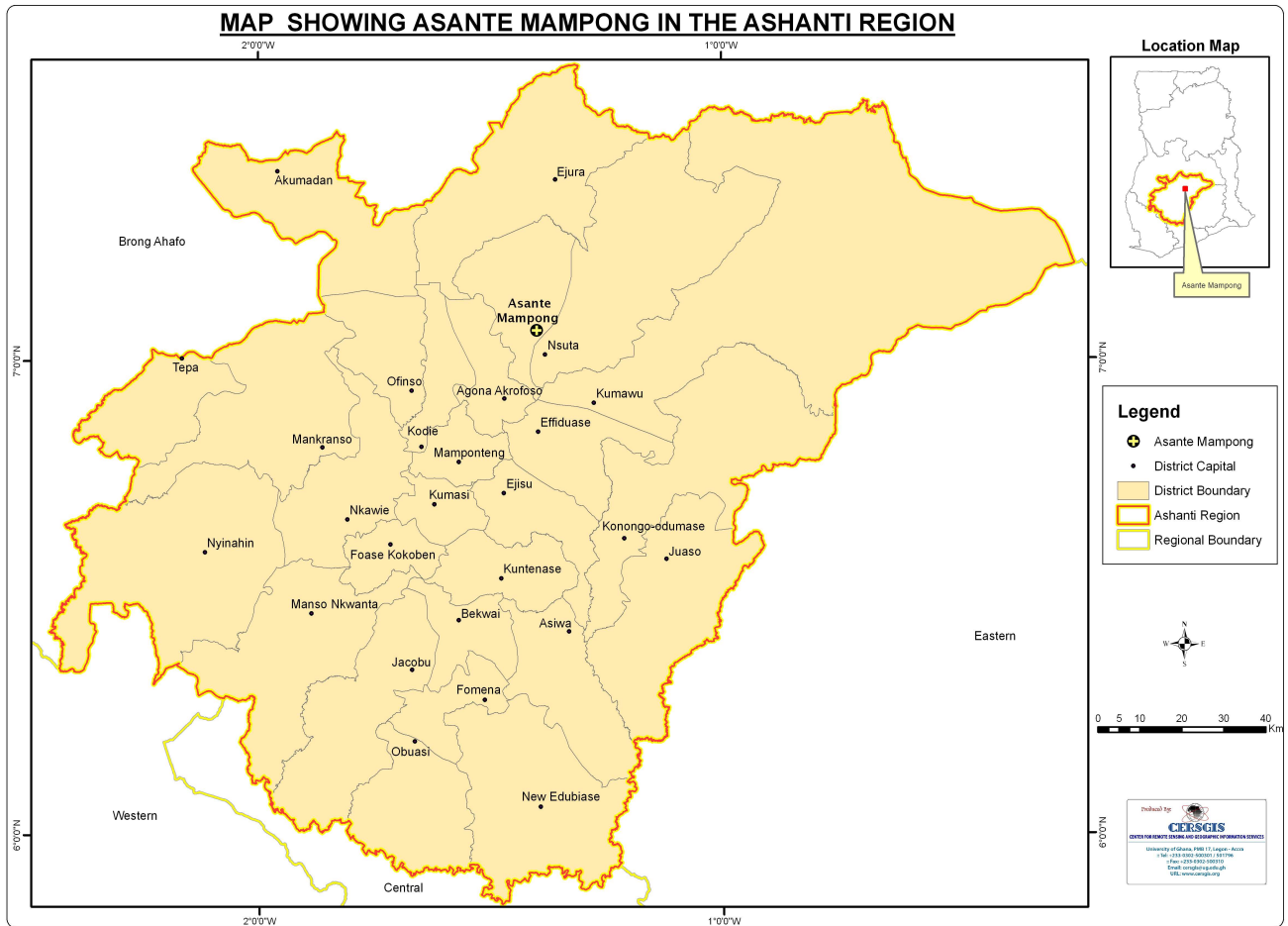


Figure 1: Map of Ashanti Region showing Asante Mampong

### 1.6 Significance of the Study

King et al (1994) provides two criteria for doing research. The research topic should be important to the lives of people and contribute to academic literature (King et al, 1994:15). This research is in line with these criteria, on the backdrop that, social protection is of crucial importance in sub-Saharan Africa because many countries in the region including Ghana experience severe chronic poverty and large social deficits. Formal insurance in developing countries are rare owing to market failure, high illiteracy rate, and high communication cost due to poor infrastructure. These according to Mazzucato (2009) coupled with the dangerous environment makes the cost of formal insurance high which most citizens of developing countries cannot afford. Insurance in these countries are usually achieved through reciprocal support arrangement sometimes referred to us informal insurance arrangement where there is risk-pooling among members to support each other in times of shock and adversities (Mazzucato, 2009).



There has been growing policy momentum in Ghana around social protection issues over the past five years, motivated by a concern to reduce poverty and vulnerability. By recognising that growth and mainstream development interventions are not sufficient to reduce the huge number of people living in poverty and to protect the people from natural or economic shocks, the Government of Ghana adopted two strategies to improve the situation of the vulnerable groups which are the National Social Protection Strategy (NSPS) and the Ghana Growth and Poverty Reduction Strategy (GPRS) (Abebrese, 2011). This study seeks to investigate the concerns of the people about social protection and the most important form of social protection available to them. Findings of this research will bring to the fore the important role played by the various actors especially the non-state actors in reducing poverty.

Also few studies have been done to assess the impacts of church welfare as a form of informal social insurance arrangement in helping to reduce poverty. It is therefore insightful to bring to bear how church welfare has helped the people to deal with social and economic insecurities.

Findings of this research will also serve as a reference point for future studies on informal social protection arrangements and in Ghana specifically. The study can form a basis of comparative study on the forms of social protection strategies available. Moreover, findings of this research can generate questions for future research.

### **1.7 Organisation of the Thesis**

The study is presented in six chapters. Chapter one is the introduction to the whole thesis. It focuses on the background of the study and research questions. It also presents the profile of the country (Ghana) as well as the study area. Other components of the chapter include the significance of the study and the structure of the thesis. Chapter two focus on the literature review and the theoretical approach guiding the study.

Chapter three present the research methodology. It discusses the methods used in the collection and analysis of data. It also highlights ethical considerations of this study. The chapter also focuses on the challenges and limitations of the study.

Chapters four and five present the actual findings of the research. In these chapters, the main findings are presented and explanations given. Certain comparisons have also been made with the information in the literature review and other secondary data. The concepts discussed have also been used here collectively as an interpretative guide. Chapter six presents the discussion of the findings and conclusions.

## **CHAPTER TWO**

### **LITERATURE REVIEW AND THEORETICAL APPROACH**

#### **2.1 Introduction**

In this chapter I will review the literature and identify common, general and contradicting findings from previous literature written on the subjects concerning my research topic. The focus of my study is to understand the measures and mediums through which people that lack formal social protection insure themselves against social and economic insecurities. I will therefore start with an overview of the literature on social protection outlining its different meanings. I will then look at some social protections policies and programs implemented by the Ghana government. Further I will outline the various mediums of social protection available. In the last section of this chapter I will explain the concept of social capital, which provides the theoretical framework of this study, and show how this framework can be relevant in the context of explaining informal social protection strategies.

#### **2.2 Review of Empirical Literature on Social Protection**

##### **2.2.1 Social Protection – What is it?**

Social protection has been given many different definitions and meanings by scholars and institutions. The United Nations Research Institute for Social Development has defined social protection as concerned with preventing, managing, and overcoming situations that adversely affect people's wellbeing (UNTISD 2010). Farrington, Slater and Holmes have also defined social protection as “the ways in which individuals’ or households’ resilience to adverse events can be strengthened” (2004:1). Looking at the two definitions we can say that social protection thus deals with both complete deprivation and vulnerabilities of the poorest and also with the need of the presently non-poor for security in the face of shocks and life-cycle events. Social protection thus consists of policies and programs designed to reduce poverty and vulnerability by promoting efficient labor markets, diminishing people's exposure to risks, and enhancing their capacity to manage economic and social risks, such as unemployment, exclusion, sickness, disability and old age. These functions for satisfying a set of needs are performed through various formal or informal arrangements and by various types of actors such as families, employers, non-profit organizations, public administrations to mention but a few.

Social protection is of crucial importance in sub-Saharan Africa as many countries in the region including Ghana experience severe chronic poverty and large social deficits (Mazzucato, 2009; Taylor, 2008). In Ghana there has been growing policy momentum around social protection issues over the past five years, motivated by a concern to reduce poverty and vulnerability. The government of Ghana recognising that growth and mainstream development interventions are not sufficient to reduce the huge number of people living in poverty and to protect the people from natural or economic shocks, adopted two strategies to improve the situation of the vulnerable groups which are the National Social Protection Strategy (NSPS) and the Ghana Growth and Poverty Reduction Strategy (GPRS I and II) (Abebrese, 2011).

The NSPS started in 2007/2008 accounting year. The strategy contained several different measures to reduce poverty and lead to the achievement of the first Millennium Development Goal of the UN. It includes three main strategies to tackle extreme poverty which are the establishment of a new social grant scheme to provide a basic and secure income for the most vulnerable households, better poverty targeting of existing social protection programmes, and package of complementary inputs (Sultan and Schrofer, 2008).

GPRS I (2002-2005) was to establish special programmes for the excluded and vulnerable. Among other things the GPRS I argued that gender discrimination is a consequence of poverty and that it has to be removed by Poverty Reduction Strategies (Abebrese, 2011). The GPRS II (2006-2009) focus was on growth and Ghana becoming a middle income country by the year 2015. Key social protection programmes implemented by the state include over the years include: the School Feeding Programme, the Education Capitation Grant, the National Health Insurance Scheme (NHIS) and the Livelihood Empowerment Against Poverty (LEAP) cash transfer programme. Even though some of these programmes are working very well to reduce poverty there are many challenges to be addressed. One of the problems has to do with targeting the poor but defining the needy is very challenging since measurement of poverty is ambiguous. According to Broch-Due (1995), far from being a straightforward condition of deprivation and destitution that is easily defined empirically, poverty is in fact a contentious and multifaceted concept which captures a vast range of social and historical struggles and constantly evolving cultural values. Most of all, in countries with a high amount of people working in the informal sector (in Ghana this percentage is about 80%) the targeting of the needy people is a crucial problem. People working in the informal sector mostly are not "visible" to the state (Abebrese, 2011; Oduro, 2010). Ghana has a long list of

groups considered as vulnerable. These people are sometimes called the invisible in the community in the sense that their level of social connectedness is low. They range from rural farmers to disadvantaged children, drug addicts and persons living in urban slums and migrants (Bhattamishra et al, 2010; Lyon, 2003; Oduro, 2010; Vanderpuye-Orgle and Barrett, 2009).

Literature has shown that in developing countries the vast majority of the population relies on non-state actors for social protection of any kind (Abeberese 2011, Di Falco and Bulte, 2011, Mazzucato, 2009). These non-state actors include Non-Governmental Organisations (NGOs), business associations, ethnic or religious associations, family, friends, and the community at large. In Ghana, less than 10% of the citizens receive formal social protection in any form from the state (Otoo et al., 2012). According to Abebrese (2011) informal and traditional forms of Social Protection which are based on extended family system or religious networks are normally those which the most vulnerable people have to rely on. Di Falco and Bulte, (2011) also shares similar view that citizens of developing countries usually seek protection in informal associations due to the lack of formal social security arrangements. Mazzucato (2009) also note that insurance in developing countries are usually achieved through reciprocal support arrangement sometimes referred to us informal insurance arrangement where there is risk-pooling among members to support each other in times of shock and adversities.

As much as insurance is important for vulnerable people, Mazzucato (2009) posit that for insurances to have a higher positive change in the lives of people, shocks and unpredictable events must involve great deal of lost else the person can afford to pay. He identified healthcare and funerals as the major shocks for which insurance is needed in Ghana. According to Goldstein et al, (2004), people practising informal social support system have better consumption pattern than those who are not. According to Mazzucato (2009), even if insurance or the amount received is small, they are important to those beneficiaries in the sense that death can be preventable if the person is ill and disputes can also be avoided during funerals. Vanderpuye-Orgle and Barrett (2009) also noted that many people in rural areas in Ghana are able to insure themselves efficiently against idiosyncratic shocks through social networks. Also groups in the Brong and the Central Regions of Ghana have improved the quality of lives in rural areas (Lyon, 2003).

It is argued that informal insurance functions very well when done in groups because members act as check on each other and information spread much faster (Dekker, 2004). As such, monitoring and enforcement mechanisms are seen as the ways to sustaining informal community-based insurance arrangement. These mechanisms ensures that people restrict themselves from unhealthy behaviours even if they are part of a group and that they will remain faithful after receiving help from the group (Mazzucato, 2009). Dekker (2004), found out that marriage relation, church membership and pre-school associations are fundamental in getting assistance in four resettlement communities in Zimbabwe. De Weerd et al, (2007) studied the forms of support in some communities in Ethiopia and Tanzania and found out that majority of the associations were focused on supporting members during funerals. But how much one is supported differ. For example, when a close relative dies, a member is supported a large amount than when a distant relative dies. It was common for members to pay monthly dues in Ethiopia while in Tanzania contributions were done at the time of need such as when a member is bereaved. Non-payment or non-compliance of rules and regulations do attract fines and sanctions. They also found that associations in both countries have a well-defined membership records and categories of membership are usually constant. Membership fees are usually paid after joining the group. Some of the associations had restrictions on membership such as age and gender so individuals have to meet such criteria before they can join. In the two countries, everyone is eligible to join funeral groups ones the person is willing to adhere to rules and regulations.

### **2.2.2 Providers of Social Protection**

There are three major producers of social protection which are the civil society, the market, and the state. Depending on its history, level of economic development, and political and social structures, each country has worked out its 'mode' of social protection, characterized by a particular combination of these producers. In Ghana, religious organisations are heavily involved in the provision of social protection. Kwarteng and Acquaye (2010) in a study of 10 churches both protestant and charismatic in Accra discovered that all the 10 churches support the marginalised and vulnerable such as widows, children, orphans, prisoners, persons with disability and sick people. This support is both monetary and non-monetary. Monetary forms of support include scholarship schemes for children and orphans and gift hampers of various food products at Christmas. A major form of non-monetary support especially for the sick is the emotional support provided by members of various sub-groups of churches such as the

Women's Fellowship, Youth Fellowship or the Choir who visit the sick, sing for and pray with them. They also found that, a charismatic church in Ghana known as Royal House Chapel provides life insurance for all of its members so as to prevent them from facing financial difficulties in their old age (Kwarteng and Acquaye, 2010).

Home town or ethnic associations also has a long history of the provision of social protection programs. These associations are noted to draw on their membership dues as well as donations to improve the living standards in their places of origin thereby reducing the risk of poverty and illness (Atta-Poku, 1996; Obeng, 2010). Obeng (2010) found that the '*Obuoman*' association (an ethnic association based in Accra) had among other things, provided potable water for their community of origin. Hometown associations have been seen in foreign lands as well. Atta-Poku found there were as many as 11 Ghanaian ethnic associations in New York City alone in the early 1980's that offer a variety of social protection programs to citizens at home (Atta-Poku, 1996). As far back as 1965, there were 94 ethnic associations in the Accra metropolitan area with a total of 16,900 members (Obeng, 2010).

Work based associations also offer social protection in Ghana. These associations provide financial support for their members and when members require more than they can afford, these associations liaise with banks or microcredit associations on behalf of their members (Barners and Peil, 1977). Lyon (2003) studied market women's associations and argued that one of the major functions of these associations is to share information on major transaction costs. Over time, the associations and their members know who to give credit to base on how credible the beneficiary is when it comes to repayment. These associations also offer welfare support mostly during funerals of a member or members close relatives both in cash and in kind (Bhattamishra and Barrett, 2008; Dekker, 2004; Goldstein et al, 2004; Lyon, 2003; MacLean, 2011; Vanderpuye-Orgle and Barrett, 2009; Bhattamishra and Barrett, 2010). Gore (1978, cited in Lyon, 2003: 16) refers to funeral donations as "an insurance scheme to ensure that trader's working capital is not lost" while Dennis and Peprah (1995: 46) sees it as a "cushion for unpredictability". A third important function of these associations is that they help to set prices by controlling supplies and the entry of other sellers into the market space (Lyon, 2003). According to Baah (2008), there are five types of farmers' associations in the cocoa industry in Ghana which have similar objectives which include obtaining farm inputs to improve yields and savings schemes among others. Baah believes that Ghana being one of the world's leading producers of cocoa is due in large measure to the work of the associations (Baah, 2008).

Literature shows that family, friends and the community at large are the major source of social assistance to the elderly, the orphaned, the chronically ill and people living with disability (Abebrese, 2011; MacLean, 2004). The idea of community support is embedded in the very fabric of many African communities and evident in a variety of proverbs that speak to the importance of unity especially in the face of calamity. According to Iliffe (1987), endemic poverty did not exist in pre-colonial Africa because of the strength and cohesiveness of 'family' in Africa, which allegedly provided an almost universal 'safety net'. So here, destitution could then only be the result of the unusual social isolation of individuals. But even in welfare states, it remains an influential producer of welfare, supplying as it does much of the food, housing, education, and care to children and the elderly (Dei, 2001:3). These unremunerated activities performed by families have always represented a basic guarantee for the individual against the contingencies of life (Human Development Report, 2007). When old-age pension funds did not exist and the person had neither an inheritance nor an estate, the best guarantee for old age was to have many children who could later satisfy the basic needs of their aging parents, when the latter would no longer be fit to work.

Family in Ghanaian context is based on mutual interdependence; as a result Robert Rattray (1929) defined the extended family in Ghana as the primary political unit. Receiving economic assistance from extended family members has been part of the Ghanaian culture. The practice is based on the understanding that the basis of family wealth is derived from land and labour both inherited from common ancestors. Seeking for help from extended family members requires the fulfillment of certain responsibilities such as contributing labour when needed or participating in activities associated with rites of passage of family members. However, Oduro (2010) recount that the effectiveness of such assistance is dependent on many factors such as the size and composition of the family, the ability of the family members to assist, the benevolence to provide and how timely the support arrives, among others.

Although mutual interdependency is still vibrant in Ghanaian culture (Otoo et al, 2012), it is also true as MacLean (2011) notes that modernization is gradually diminishing this traditional form of social protection. Work done on other communities in Ghana lends further support to MacLean's (2011) assertion that the informal social support mechanisms are dwindling (Atobrah, 2009; Abebrese, 2011; Sackey, 2009). Atobrah (2009) in a study of care-giving



arrangements for the chronically ill in Ga families of Accra noted that unlike the past where healthcare costs were borne by the extended family, increasingly, this financial responsibility is left solely to members of the nuclear family. Others also argue that modernization coupled globalization and urbanization has weakened the extended family system (Abebrese, 2011). Sackey (2009) describes the declining role of extended family members and its implications for the quality of care that the elderly receive. Sackey (ibid) narrates the conditions of two sisters both seriously ill, an 85 year old with children and a 72 year old without children. The former has much better care because she can count on her children for support. The 72 year old, on the other hand, who has no children of her own, is at the mercy of the extended family whose assistance is not always forthcoming. As a result, she is in much poorer shape than her older sibling.

Another major form of non-monetary social assistance provided by the family is the provision of day to day care particularly for the elderly and the chronically ill. While Atobra (2009) sees this practice as fast disappearing, Manuh and Quashigah (2009) argues that this kind of care continues to exist and is largely feminised; female relatives are by and large the ones responsible for seeing to the day to day needs of the elderly and chronically ill in families. They note that female members of families have been known to quit their jobs to enable them provide care for chronically ill family members.

Non-governmental organisations and institutions are also noted for providing social protection for communities and individuals. A major social protection program in Ghana is the food aid and food for work programme administered through USAID's PL480 Title II programmes which aim to reduce the risk of hunger (Al-Hassan and Poulton, 2009). The programmes are implemented through the Catholic Relief Service (CRS), the Adventist Development and Relief Agency (ADRA) and Technoserve. The Catholic Relief Service commissioned in 1956 dispenses food aid in the form of feeding school children during lunch. It also trains farmers in ways of enhancing crop yield (Al-Hassan and Poulton 2009). The Adventist Development and Relief Agency helps to provide food by planting trees and food crops. Technoserve provides assistance to different agriculturally based associations which includes technical advice on ways of improving crop yield (Al-Hassan and Poulton, 2009).

In the same vein, other organisations work to reduce the risk of water borne diseases in the country. A major example of such an organisation is the Northern Region Rural Integrated project (NORRIP) based in the Northern Region of Ghana. Over the years, this organisation has provided about 3,000 hand pumps which provide water for about one million people which represent 4% of Ghana's population, (Cowater, 2013). In more recent times, community arrangements, particularly for the care of orphans and vulnerable children (OVCs) have become common. These arrangements have been crucial to the survival of OVCs particularly HIV/AIDS orphans in Ghana. For example, in the Yilo/Manya Krobo area of the Eastern Region of Ghana, one of the areas in Ghana with the highest record of HIV/AIDS orphans, (Atobrah, 2005), the queen mothers in the area formed an association called the Manya Krobo Queen Mothers Association (MKQA) and have identified over 1,000 orphans whom they provide with food, shelter, health care, clothing and education (Bortei-Doku Aryeetey et al., 2012). Each queen mother takes care of at least 6 orphans (Atobrah, 2005). Instead of placing the children in orphanages, the queen mother's believe that opening their own homes to the children will provide them with the enabling environment for proper growth and development. In an assessment of the kind of care that these OVCs get, Bortei-Doku Aryeetey et al. (2012) found that 77% had three meals daily and 47% were insured with the National Health Insurance Scheme. The financial resources needed to sustain the efforts of the MKQA come from a variety of sources including the Ghana AIDS Commission and various religious associations in the area.

Reviewing the literature on social protection has shown the many different sources from which one can get help from in times of need but neither answers the central question of why, and under what circumstances, one means of risk reduction is used in preference to others. This thesis therefore seeks to bridge this knowledge gap by exploring the various mediums through which the people secure their future against social and economic shocks. It does so by identifying where possible the strength and weakness of each medium in order to answer the question of why people choose one medium over another.

### **2.3 Theoretical Perspective**

A theory is an organized body of concepts and principles intended to explain a particular phenomenon (Leedy and Ormrod, 2005). Theories therefore explain "How" and "Why" something operates or as it does (Johnson and Christensen, 2008:7). Thus theoretical

frameworks are empirical or quasi-empirical theories of social or psychological processes which exist at a variety of different levels and apply to the understanding of phenomena (Anfara and Mertz, 2006). In the social sciences, different concepts and theories are used for choosing a methodological approach as well as for developing analytical tools for the research. Modern social theory is still plagued with a few problems. One of such problems relates to the practice of proving and disproving of theories within the framework of Kuhn's paradigmatic normal science or rapturous revolutions which ironically has provided social theory with its successes. Many a social science research has been set forth to either confirm or contest pre-existing theories either through logical argumentation or collection of empirical facts, as though reality were single-faceted. As argued, reality is multi-faceted and multi-layered (Noth, 1990). No single social science theory is thus capable of fully capturing the complexity of reality. Social theory, in actual fact, only guides researchers in the interpretation of reality but does not represent reality itself. Hence, in this study, theory will be used as an interpretative guide rather than as an object for confirmation or confrontation.

### **2.3.1 Social Capital**

Social capital is a sociological concept which gained wide popularity within the field of social studies. Bourdieu produced the first systematic analysis of social capital giving the contemporary definition of social capital as 'the aggregate of actual or potential resources linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition, in other words, to membership in a group (1986:248, 1980)'. He focused on the benefit that individuals get by virtue of their membership in a group and on the deliberate construction of sociability for the purpose of creating this resource. Bourdieu went on further to assert that the profits which accrue from membership in a group are the basis of the solidarity which makes them possible (1986:249). With this, Portes opined that "social networks are not a natural given and must be constructed through investment strategies oriented through the institutionalization of group relations usable as a reliable source of other benefits" (Portes, 1998:45). Coleman, on the other hand, defines social capital by its purpose as "a variety of entities with two elements in common: They all consist of some aspect of social structures, and they facilitate certain actions of actors – whether persons or corporate actors – within the structure" (Coleman, 1990:302). Here he looks at any aspect of the social structure that the actor can use as a resource for action. He specifies the content of this capital as including the following dimensions: obligations,

expectations, trustworthiness, information, norms and sanctions. Robert Putnam who recently popularized the concept defines social capital as ‘features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions’ (Putnam, Leonardi and Nanetti, 1993; 167). Putnam (2000) views social capital as a civic virtue of the individuals which in turn has more power when it is “embedded in a dense network of reciprocal social relations”. Social capital then can be seen as the collective value of all social networks and the willingness that arise from these networks to do things for each other. In general terms it is a resource available to and utilized by individuals linked together as a group.

To investigate the measures and mediums through which people who fall outside formal social protection insure themselves against social and economic insecurities, I use Putnam’s three components of social protection namely trust, social norms and obligations, and social networks (Putnam, 1993; 2000). Putnam’s notion of social capital view civic culture made up of a society that has high levels of trust and solidarity. According to Putnam civic culture is founded on generalised reciprocity, whereby a person may help someone and expect the favour to be returned in the future when it is needed. Generalized reciprocity is the altruistic pure gift but may involve a return of assistance if necessary in the long run. This is mostly practiced among kin. Here there is no expectation of immediate reciprocation, it is only hoped that it maybe reciprocated in the future when the need arise (Sahlins, 1978).

I will focus my analysis on the micro levels of interaction by individual relations identifying the conditions that account for how they play out on a daily basis life. I argue that this level of analysis and the object of such analysis are at the level of the individual and any kind of individual resources based on membership in a network as well as the choices in such level of interaction that produce mutual reciprocity and trust. In most cases, these mechanisms, forms and norms involve a strategic mixture of different social capital forms for achieving success. Micro level focus allows me to analyse the people’s interaction which directly or indirectly affect their choice of one medium of social protection over another. Also on a theoretical level, social capital can be seen as a way to bridge the ancient dichotomy of structure and agency (Coleman, 1988) as it represents one of the points of interaction between individual and society, since social capital allows the individual to act in certain ways, but only within a collectively defined and supported area of freedom. The central premise of social capital is that social relations and networks have value, underlined through trust and norms. The term emphasizes a wide variety of quite specific benefits that flow from trust, reciprocity,

information, and cooperation associated with social networks. The data at hand appear to show a sequence of pattern of behaviour which shows that peoples choices are built around a series of social networks, sustained on trust and norms. I will begin with Putnam's first component: trust, a key form of social capital that underlines daily interactions.

### **2.3.2 Trust**

According to Sharp and Randhawa (2012), 'within social capital, trust is a perception that the individual has towards known others in their immediate and wider communities, but also towards strangers and wider society. Putnam's idea of trust was based on "generalized trust" which is a characteristic of modern societies. Here generalised trust is seen as the basis for 'brave reciprocity' and networks, as it 'creates reciprocity and voluntary associations, reciprocity and associations' which strengthen and produce it (Siisiäinen, 2000:3-4). With this, Newton (1999:8) argues that individual actors do something for the general good not because they know other interactors but because they trust that their own action will be "rewarded" through the development of collective social relations. Luhmann (1988) opines that trust becomes very important when we leave the sphere based on familiarity and enter a world dominated by contingency, complexity and risks. Siisiäinen, (2000) thus argue that trust becomes essential when role expectations and familiar relationships no longer help us to anticipate the reactions of our individual or collective interaction partners. Trust then is a concept based on social ties formed on a belief shared as a part of a social relationship, relating to responsibilities of partners and has nothing in common with calculated rationale; rather it's a result of social solidarity.

Trust, is a crucial concept in the daily activities of the people of Asante Mampong in their attempt to ensure their security economically and socially. It influences their choice of social protection medium. Savings and credit societies require considerable mutual trust. Susu was previously being collected by private individuals usually men who went to the clients, collected their contributions and saved it for them. These private individuals charged fees when client withdraw their savings. Insurance with this method was risky since these private individuals sometimes eloped with their client's life savings. Micro finance companies came to relief the people of the threat which these private individuals posed. But some micro finance companies also posed the same threat to their clients by eloping with their savings as this incidence was very rampant in Mampong. As a result, the people begin to look out for

some indications which make these companies thrust worthy. They prefer to save with micro finance companies which has branches in other communities networked together to enable them access their money wherever they go. Some people who had experience that problem many times found it very difficult to trust micro finance companies so they found alternative in credit unions and other informal mediums available to them.

Trust on the part of the micro finance companies to the clients was different. For a loan to be granted to an individual, a sales executive must guarantee the credit worthiness of the client in addition to the collateral the client must present which she arrives at through the personal relationship they develop with clients through their day-to-day encounter. Through daily transactions with clients, the sales executive becomes familiar with the client's life details which are important to the companies during loan processing. Trust in credit unions also takes a different form. One needs members from the union to serve as guarantors during loan application. For one to guarantee a loan for the other they need to be sure of the credit worthiness of the applicant, because when the money is not paid back the guarantors will be held responsible for repayment. Guarantors become aware of the credit worthiness of loan applicants by becoming friends and getting to know each other for a long time in order to build upon such trust. Trust therefore becomes a key social capital which they tap into for their daily transaction.

Trust towards strangers is offered on a basis of their future reciprocation of it (Blois, 1999; Popper, 2013). Trust then becomes the essential strategy for dealing with uncertain and uncontrollable outcomes in any given interaction. Underpinning communal living is trust with the assumption about future reciprocation. Trust works through multiple channels. Trust as linked with reciprocity can be balanced, generalized, and negative. Reciprocity, whether is balanced (such as economic exchange, trade, and monetary transactions), negative (such as antagonism in exchange, blackmailing, cheating, and stealing) or generalized, which is strictly personal, connected with exchanges of intrinsic values and is presumably altruistic is an important feedback mechanism in gauging the levels of trust between actors (Sahlins, 1978). Portes (1998) assert that embedded in reciprocity is the assumption that individuals are motivated by 'consummatory' motives which are 'deeply internalised norms, engendered through socialisation in childhood or through experience later in life by the experience of a shared destiny with others'. Reciprocity therefore 'resolves problems of collective action and binds communities as it transforms individuals from self-seeking and egocentric agents with

little sense of obligation to others into members of a community with shared interests, a common identity and a commitment to the common good' (Adler and Kwon, 2002: 25).

Recipients of social capital want the benefits of it, and are thus motivated by them to continue on in that direction. Simmel (1950) argues that 'reciprocity transactions and the norms and obligations that emerge are the result of personalized networks of exchange'. On the other hand, occasionally trust is abused, leading to a breakdown in interaction. When this happens, trust becomes a cultural mechanism used to define and reinforce the boundaries of the network that exist between people. The forms of social capital are self-reinforcing and cumulative by nature (Siisiäinen, 2000). According to Putnam two factors in turn create trust in a circle such that: trust creates reciprocity and voluntary associations, reciprocity and associations strengthen and produce trust (Putnam, 1993:163-185). Coleman (1988) added that the more social capital is used, the more it grows. Let us now look at norms.

### **2.3.3 Norms**

According to Gouldner (1960) the reciprocity norm is a social rule that maintains, among other things, that people should return favors and other acts of kindness. Burger et al (2006) adds that adherence to this rule allows for smooth and fair social exchanges. Hector and Karl-Dieter (2001) define norms broadly as 'sanction-supported behavioural regularity in a group of people, where the regularity exists in part because each group member thinks that he or she ought, other things being equal, to act in accord with that regularity. These sanctions consist of disapproval and its consequences.'

There are two explanations regarding the social rules that obligate people to return a favor: self-presentation and internalized standards of behaviour. Self-presentation account ensures that individuals return favors out of a concern for what the other person will think of them. Here the reciprocity norm is usually understood, and people who violate the norm may be seen as ungrateful or as "free-loaders" (Cialdini, 2001). On the other hand, people enjoy the rewards that come from showing to others that they return favors. The second explanation which points to internal standards of behavior is that the widespread acceptance of the reciprocity norm may lead individuals to adopt the rule as a personal standard for evaluating their own behavior (Burger et al 2006; Perugini, Gallucci, Presaghi, & Ercolani, 2003). With this, people may feel good about themselves when they live up to the reciprocity rule as it will be considered as doing the right thing or vice versa (Burger, 1999).

Every community has norms that govern social interactions which may be formal (established in codes) or informal (tacit and immersed in that particular social and cultural context). As the people of Asante Mampong live communally such as giving donations at funerals and the other ceremonies which was seen as an act of generosity the intent behind them was for them to be reciprocated by the receiver when the need arise. The people have internalized these behaviours and any act that goes centrally to this is seen as “out of way”. The existence of norms regulates the behaviour of people in ensuring that they live up to community’s expectation. Coleman (1990), therefore, sees norms as crucial in responding to any externalities that may result due to the behavior of others’.

#### **2.3.4 Social Networks**

Trust and norms of reciprocity function within the context of social networks. The central proposition of the social capital theory is that networks of relationships constitute a valuable resource for conducting social affairs, providing their members with “the collectivity-owned capital, a credential which entitles them to credit, in the various senses of the word” (Bourdieu, 1986:249). According to Portes whereas economic capital is in peoples bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationships. To possess social capital a person must relate to others, and it is those others, not himself, who are the actual source of his or her advantage (1998:48) Networks becomes important when they constitute reciprocity. Uphoff (2000) emphasizes that networks highlight patterns of social exchange that exist over time which are important for social capital.

Gudeman (2001) argues that we all live in associations or communities that offer a degree of certainty and security. As such the people of Asante Mampong have no access to formal insurance as they fall outside the government social protection umbrella so they depend on mutual reciprocal arrangements which serve as social protection for them. They invest in relationships with their neighbors and the people in the community which they can draw support from in times of need. Ineffective as it may be, Dercon (2004b) agree that informal social support enable people to handle adversities in many regards.

This discussion so far has emphasized the view that social capital includes both the network and the assets that may be mobilized through that network (Bourdieu, 1986; Coleman, 1988; Portes, 1998). Although many scholars disagree on what exactly constitutes social capital



(Adler & Kwon, 2000, 2002; Payne et al., 2011), a consensus is growing that social capital stands for the ability of actors to secure benefits by virtue of membership in social networks or other social structures (Portes, 1998).

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

The focus of this chapter is to outline the methods of data collection. In it I will touch on the reflexivity debate, specifically my positionality in the fieldwork process as the “researcher”. I describe my experience of gaining entry and negotiating my way through diverse gatekeepers and building rapport and trust with my informants in Asante Mampong. This discussion will be done in the light of the participant observation, informal conversations and interviews. I will reflect on the complexities of the positionality of the anthropologist vis-à-vis their informants from the perspective of my insider/outsider relations, where I share certain cultural and social markers with my informants. All the above have a significant impact on issue of power relations in the field which is a key ethical issue that influenced the entire fieldwork process.

#### 3.2 Anthropology of Home: Researcher’s Insider/Outsider Positions

Choosing to do fieldwork at home, in Asante Mmampong and on social protection, was hugely influenced by my interest in issues relating to poverty reduction. More importantly, I chose this fieldwork site because of issues of access, finance, language and familiarity since this place offered me the possibility of some comfort to operate.

Anthropologists who do fieldwork at ‘home’ face different professional subjective realities different from those who do fieldwork ‘abroad’ as they are faced with issues of equality and, the necessity to recognise the 'conceptual frameworks of one's fellow-citizens.

My research topic placed me in a position to do a community study focusing on how people build social protection through social networks. I became visible in every aspect of the peoples life which was irritating to some community members. At the same time other people also found my energy towards the fieldwork amazing which made them willing to assist me when the need arises. I was found in church, in their homes with the susu sales executive, on the street, at funerals, and wedding ceremonies. I was also present during community meetings and other functions such as the annual general meeting held by the Assemblies of God credit union. My presence at these places made the people to put me in different

positions. As I took up these different positions on the field, to some degree I was an insider because I could understand at least some of the reasons behind their choices, since I was a member of the community and also had no formal social protection. I understand their language and therefore could do a follow up on questions to clarify any issue that I had not understood properly.

Critics of native anthropology have suggested that when a person is already an “insider,” they sometimes struggle to see what they take for granted (Becker, 1971; Kuwayama, 2003). When I got to the field I was eager and ready to document everything going on but two weeks into the fieldwork I started losing momentum as everything seemed ‘normal’ with nothing special or interesting to document. To be able to distant myself as a researcher made me an outsider. So doing I was able to see beyond the ‘normal’ to document salient information for the study. Distancing myself as a researcher I found myself in the middle of ongoing interactions, relationships and topics of conversations which ranged from economic to personal. This kind of switch from insider to outsider, though unnoticeable to the people, was fully obvious to me. But this manifested itself more fully when interactions and topics of conversation moved to personal matters concerning security. There, I found my levels of knowledge inadequate and thus almost fully reliant on my informants to give me details on issues discussed.

These positions had a marked influence on my relationship, my levels of access as well as the knowledge that I gained in the fieldwork process. Shore (1999) recognised and pointed out that it is difficult to talk about the significance of ethnographic fieldwork in any meaningful sense without being personal. Fetterman also argues that “the ethnographer is a human instrument...relying on its senses, thoughts, and feelings, thus the human instrument is a most sensitive and perceptive data gathering tool” (2010:41). Being the sole human instrument and one of the main data-gathering tools of this ethnography, I will discuss my experiences on the field and its profound influence on my data starting with methods of data collection used.

### **3.3 Data Collection Method Used**

Gupta and Ferguson (1996) points out ethnographic fieldwork as the basic methodological values for anthropological knowledge arguing that fieldwork defines anthropology as a discipline by marking and policing its boundaries. Ethnographic research requires the

researcher to spend considerable time in the field, and study the phenomenon within its social and cultural context. The goal of ethnography is to obtain an in-depth understanding of the history, practices, values, traditions, and circumstances of the individuals, groups, and surrounding natural and cultural resources being studied. Ethnographic research requires the use of multiple methodologies, including secondary data research to get background information on the individuals or groups being studied, historical research, observation, and interviewing. The prevailing data collection technique is participant observation which was invented by Malinowski for the researcher to live with the people being studied and learn to participate in ongoing activities and record observations (Eriksen and Nielsen, 2001). Ethnographic material based on participant observation is rich and in-depth about human behavior due to the first-hand observation that is involved, usually conducted over an extended period of time.

### **3.3.1 Participant Observation**

Starting the fieldwork was not easy since I was faced with the challenge of where to start, how to start, and to whom do I go to for information and most importantly who should present me to my informants. The figure of “the gatekeeper” has great implications on how an ethnographer is perceived in a community (Curran, 2006). My research topic placed me in a position to do a community study focusing on social networks. I chose the church (a place where one can build social capital) as my starting point. I started by attending church services regularly, listening to sermons, announcement and taking note of other verbal and non-verbal clues from church activities, and eavesdropping on peoples’ conversation during service. By doing this, I got to understand how the church perceives welfare contribution (as a medium of social protection) and its impact in people’s life.

I also attended church leaders-meeting whenever I was allowed to sit in the meeting. During the period of my field work there were 9 leaders-meetings held. Meetings on Tuesday evenings were cancelled whenever it rained or light went off. Out of the 9 meetings I was only allowed to sit in three. With the first meeting I wasn’t allowed to sit in because they had not accepted my request to do the work in the church. With the other five meetings, they told me it was a confidential meeting which does not concern my work. One was the last meeting they did when the old Revered Minister was leaving and the other was the meeting they held in receiving the new one. With the rest I was just told it did not concern my work without any

specific reason. But even the three I attended was very useful. It provided me with understanding of how the church welfare system operates. It enlightened me on the deliberations that go on before the church agrees on who they deem fit to help even though the church welfare has a constitution which outline the criterion for distributing benefits.

I also joined some of the sub groups in the church including: the youth fellowship, Monday class group and the senior choir. This enabled me develop networks including the deputy church steward, who is also the leader for the Monday class. He introduced me to some recent beneficiaries of church welfare including a chorister who sought assistance from the church for his surgery and a senior high school student who sought help from the church to realize his dream of continuing his education. I also got to know a member of the choir who single handedly helped another chorister who was in need even before that person received help from the church as a whole. By attending sub-group meetings, I got an idea about how members perceived church welfare against the other social protection mediums. Most importantly I got an understanding of how members build up social capital using their participation in the subgroups activities and their dues contribution.

I participated in four church weddings and eight funerals. By participating, I got to understand how members use the church as a medium of social support in times of needs. I also got to understand the importance of church welfare contribution in the lives of the people. Funeral and wedding ceremonies were good places to observe how people use reciprocal arrangements as a means of insurance. During these events, one can witness the importance of the quality of one's social networks for insurance purposes. Funeral ceremonies were a good way of developing networks from which I selected my informants and an arena for conversations which increased my general understanding of social support in everyday life. During these ceremonies, I eavesdrop on conversations and did my best to jot down what little I perceived and understood and think I can use these observations as the backdrop for the main analysis. It was very difficult to listen to conversations since there was a lot of noise and a lot of activities going on at a time. There were times when I lost focus on what I was observing but I always tried to keep myself in check to get good information.

My mother introduced me to a trader who lived in the building where she had her cosmetics shop. This onion seller agreed to allow me to be with her on market day's whiles she sells her onions. My main purpose for going to help her sell her onions was to get information on the general concerns of the people about social protection in their daily life. I also wanted to find out which form of social protection is important or available to these people who work in the informal sectors. But I got more than I wanted. This enabled me to develop networks and also provided me with information about how traders and buyers relate with each other helping themselves to manage limited resources they have to their advantage. It also gave me information on how these traders come together to help each other in times of need.

I was also listening to Mighty FM, the only radio station in Asante Mampong and following closely their programs and announcements to examine their influence on peoples' choice of insurance system. They advertise daily for some of the micro finance companies on their packages such as the susu, child welfare account, funeral loans to mention but a few available for people to patronise. I listened on two occasions to programs where they invited managers from two micro finance companies one at Mampong and one from Agona, a 20 minutes' drive from Mampong, to educate the public on the packages they have for them. They gave about 10 minutes and allowed the public to call in to ask questions and make suggestions for the micro finance operation. On the two occasions, the program lasted 30 minutes each. Although there are many micro finance companies operating in Mampong, 3 out of the 8 callers who called during the first program suggested that the micro finance which is situated in Agona should establish a branch in Mampong for them to work with them even though they all said they were currently saving with other micro finance companies at Mampong. There was also an occasion when they invited the secretary of the driver's cooperative union on their program - '*Ekwanso kose kose*' (a road safety program) to talk about the benefit of joining the cooperative union.

### **3.3.2 Informal Conversations**

During the fieldwork period, I became very familiar with many susu contributors by following a sales executive on her daily susu rounds. As a result I had many informal conversations with most of these contributors whenever I got the chance. I always kept our unfinished conversations in mind to continue the next day. The conversations I had with these susu contributors gave me data that I think will work well as a backdrop to an analysis of the

concerns of the people about social protection in everyday life and the most important form of social protection to the people. I decided not to write while I was chatting with these susu contributors, because I felt it would make an unnatural situation. And no matter how many times I explained to them that I was a researcher anytime they saw me with my small note book, they referred to me as a susu collector who was being trained by the sales executive (Alice) to succeed her. Alice had previously trained a young man who replaced her when she took a maternity leave for three months. Her son was seven months when I was doing my fieldwork and she was not even pregnant, still some thought she was training me to succeed her.

Some of the people were unwilling to grant me formal interviews. Anytime I requested for formal interview, they assumed I was a spy sent by the micro finance company to investigate details of their financial life since most of them had either taken loans from the company and were contributing susu to pay up the loan or they were contributing the susu in order to secure a loan. I, however, always had with me a little notebook I could write in as soon as I got the chance out of the sight of the informants. As a rule, I wrote down most of the conversations in the evening when I got to my room.

On 23rd of August between 9am and 2pm I attended annual general meeting of Assemblies of God Credit Union. This gave me opportunity to interact with many members to solicit their concerns about using the services of credit unions for social protection purposes. After that meeting I took out time to also go to the credit unions office to interact with some of the customers who walked in to make transactions.

Anytime I felt tired and did not want to go out, I went to my mums shop to sell the products. This gave me chance to interact with the customers on issues concerning their finances, especially when they asked me to reduce prices of items for them. I always use this as avenue to engage them in informal conversations which I later jot down salient points after they were gone.

### **3.3.3 Interviews:**

After having engaged in participant observation for some time, I realised I needed to conduct some interviews with key informants on more focused issues such as people's aspirations concerning social protection, and the use of trust, norms of reciprocity, and social networks

as a means of insurance. This was to enable informants to present their own personal narratives. According to McCracken (1990:9), “the long interview gives us the opportunity to step into the mind of another person, to see and experience the world as they do themselves”. It is a powerful method to enter the mental world of the individuals, to take a glimpse of the categories and logic by which the individuals see their world. Through this understanding, it allows researchers to situate the information into its fuller social and cultural context without which it would be more difficult for researchers to understand how culture mediates human action.

Through semi-structured in-depth interviews with key informants I collected data about different topics that are relevant to my project. Each interview began with some preliminary remarks to create a relaxed atmosphere and a trusting relationship. After this, the purpose of the study was explained to the participants and they were assured of confidentiality of the information they were about to give. The consent of the interviewees was requested before an interview was done. The interviews were average two hours long. The interview guide I started using, were followed more or less from the individual situation and the objectives of the study. The main points of the guide include the most important form of social protection available to the people, how they use the services of institutions, associations and their involvement in communal activities to for social protection purposes, and the short falls of these mediums of social protection. I used the tape recorder in only ten (10) of the interviews; the remaining twenty one (21) were hand written. I tried to write down important points even during the tape recorded interviews. Most of the interviewees refused to be voice recorded. They felt more comfortable to have an informal conversation with me when I did not record or write anything they said. As much as I tried to explain to them that I was just a student/researcher and assured them of confidentiality and anonymity, they still were not comfortable being taped recorded. For example a policeman told me that for security reasons he doesn't want his voice to be recorded. He even refused to answer questions regarding the preparations he was making to secure his future against social and economic shocks. But after the interview I engaged him in an informal conversation without writing and he willingly told me about the preparations he has made to secure his future against shocks without me even asking.



I conducted the first interview on 23rd August and the last one on 25th December 2013. All the respondents were interviewed at places convenient to them and to me such as their homes and places of work. Where a respondent had agreed to participate in the study but was busy, agreements were reached to meet at a more convenient time. The rationale behind this was to ensure that participants are relaxed and comfortable, while giving them a high sense of confidentiality that will boost honest responses to interview questions. I consider twenty eight (28) of the interviews as very informative and good base for analysis. Many of the informants I met several times and those I have data from informal conversations and participant observation, in addition to the interview data.

### **3.5 Discussions of Reliability and Validity**

Green and Thorogood (2009) describe reliability in qualitative studies as “issues such as accuracy of reporting, consistency of reporting, consistency of coding, and thoroughness of analysis” (p. 287). Interpretationists hold no brief for reliability; what one sees is what you get. Honigmann states that “speaking realistically, there is practically a zero probability of ever testing the reliability of a comprehensive ethnographic report, so one ought to stop talking about replication as a technique of verification” (Honigmann, 1976:246). What anthropologist aim for is validity which is the degree to which scientific observations actually measure or record what they purport to measure (Pelto and Pelto, 1978:33). Green and Thorogood (2009) define validity in a qualitative study as “the ‘truth’ of the findings...and involves attention to the quality of analysis and techniques to aid the credibility of interpretation” (p. 287).

As a result, it is important that I provide detailed report of my research processes and the ‘context’ within which the data is organized, interpreted and analysed. By this, readers of my work can come to their opinion in full knowledge of the setting. According to Jeremy Narby (1998:153) “appearances are misleading, and reality is often double-edged”. A triangulation of data in the form of semi structured interviews with the participants, in addition to observations can also add to the validity of the study. Furthermore, an extended period of time at the study site allowed me to get to know the area, the people and their way of life through repeated observations. The data were collected over six months, from mid-July to end of December 2013. I have reflected on my role as the researcher and the interaction with the participants, and how the data are results of this interaction (Green and Thorogood, 2009).

Providing an understanding of the context which the data are collected in can also add credibility to the study.

### **3.6 Ethical Considerations**

This study has been done in consideration of the ethics and codes of conduct of the anthropological researcher. Permission letter to do the study was obtained from the course coordinator of the Department of Social Anthropology at the University of Bergen. A copy was given to the leaders of the Methodist church to seek their permission in order to use the church as a study site. A copy was also given to the managers of the micro finance companies and the credit union to seek their permission too. A copy was given to the heads of all the associations, unions and groups I used in my study to seek their permission first. Full consent of the participants was sought before any interview was conducted. The purpose of this research and what it is about was explained to the respondents at the beginning of each interview to seek their consent before participation. I tried to make sure that all the most important details were communicated to them, such as the right to withdraw from the study at any time, that it was voluntary, that they didn't have to answer any questions if they didn't want to, that choosing not to participate would have no negative implications, and that their identity would be protected. Hence all the rights and moral values of the participant have been treated with respect. To ensure that this study is not used to harm the participants, all the names used here are pseudonyms.

I ensured that their data will not only be treated with privacy but also all the information given will not be used in any manner that would damage their personality. I first sought permission from the participants before publishing their information including such things as photographs that were shot during the course of the study.

Considering the benefits of the study to the participants, this study may not have any direct benefit to the participants. I also informed them about this in the consent procedure. Hopefully the results of the study will contribute to new knowledge about the phenomena, and may then benefit other people in the future, who are in the same situation as the participants in this study.

### **3.7 Challenges and Limitations of the Study**

As argued by Marshall and Rossman (1999), every research has some limitations. In this research, a number of challenges were faced. It took a longer period for me to start the fieldwork than I expected. I had to wait longer days before the church gave me permission to start. Same can be said with the micro finance company. On 14th July, I went to church very early, even before church began and went to the vestry to make my mission known to the leaders of the church. The administrative leaders are three, two men and a woman. I told them of my mission and gave them the introductory letter I got from our course administrator before I left for the field. They accepted it and said they needed to discuss it with the other leaders and the Pastor for all of them to agree first before I can start my study in the church. But they told me I could attend church services and church programs. Leaders-meeting takes place every second Tuesday, so I had to wait after two whole weeks before I received news from the elders on phone that I can start the research. Every decision concerning the running of the church is discussed at leaders-meeting. During the waiting period I got myself well acquainted with the deputy church leader who gave me a lot of information about the church and also introduced me to some of the recipients of church welfare. Also on 2nd September while I was doing my hair in a saloon in our neighborhood, a susu collector came to collect susu from the hairdresser. I asked for her permission to join her in her susu rounds, she told me to seek permission from her manager first. I went to the bank on four different occasions before I met the manager who agreed for me to join the lady on her susu rounds. On 18th September I joined Alice on her usual susu rounds. This guide worked very well for me, I got to know a lot of susu contributors I used for my study and the town very well.

Also political issues dominated general conversations at home, market places, in cars, work places, media and even church announcement. I arrived during the ruling of the court case between the two major political parties in Ghana over the true winner of the 2012 elections. August, 28<sup>th</sup>, was scheduled as the judgment day where the verdict was presented. Discussions about the ruling and fear of war after the judgment dominated conversations all over. Even after the declaration of the verdict, the discussion about it still dominated for over a week before people started talking about different issues. The judgment day was marked by uncertainty and nervousness both in the media and in ordinary people's discussions. The police warned the media about what they say and the general public about their celebrations

after the verdict. They brought ammunitions to scare the public, so everyone remained indoors on 28th August. Shops were closed; public transport was also scares that day. The whole country was very quiet that day. My Father called my mum and warned her not to let any of us go out that day, especially me. This slowed down the pace of my study.

Another of such problems encountered during the field work was that not all conversations were smooth running and comfortable as the researcher encountered “declining subjects” – people who refused to speak. When all attempts to convince them to participate fail, such respondents were excluded from the study. Most respondent also refused to be voice recorded. As a result I had to write down most of the interviews. Some of the respondents could not remember some of the events in their life. This compelled me to devise techniques to enable the participant remember by using significant events to help them remember dates and events.

Coming from a developed country also seemed to attach me to “riches” in the eyes of my respondents. Any time I gave my introductory letter to officials, they ask me what I will give to them after giving me the information I need. Even most of the respondent asked me either before or after the interview what I was going to give them. Apart from the fact that I was not in a position to give money, giving money out in a research may raise a lot of ethical issues as it may lead to bias responses. Most people would just participate and give you untrue responses just to get the money. I therefore explained to the respondents in a friendly manner that the research is purely an academic exercise and hence no fund was attached to it. This convinced some of them to participate well.

Related to the above point was the problem of expectations of the benefits of the research for to the community. The gate keepers, who I contacted in order to get access into the field, asked this question. Even though I explained to them from the onset that the research is purely an academic exercise, they kept on asking if the Norwegian Government would come to their aid after this research. It was obvious that lying to them that the research will benefit them directly would have influenced them positively but I did not do that as that would have been ethically wrong. Grbich (1999) noted deception regarding the purpose of the research as well as violating promises of confidentiality, are serious ethical issues.

Most people also misrepresented my role on the field. Some saw me as a susu collector, others as an NGO representative and others as a spy from the micro finance companies. I

tried my best to explain to most of them about my role as a student and a researcher, but some of them still did not believe me.

## CHAPTER FOUR

### SELF-INSURANCE THROUGH SAVINGS AND JOINING OF ASSOCIATIONS

#### 4.1 Introduction

The findings and discussion of this research will be presented in two chapters. This first chapter presents the findings on the various medium through which the people of Asante Mampong secure themselves against future shocks. The discussion will look at how trust, norms, and social network are manifested and used by the people in their insurance process. I will begin the discussion looking at the concerns of the people about their security. It will be followed by how the people patronise daily susu scheme to secure their future. I will later discuss credit union and finally take us through workers union. In this section I will discuss the results in light of previous literature and my own reflections.

The whole discussion is solely focused on self-insurance. This self-insurance is achieved through daily susu contributions with micro finance companies, credit unions and also by joining occupational associations which has many benefits for its members. It is sometimes difficult to solely focus on one theme without mentioning one of the others in the same relation. For this reason I cross-reference as much as possible to show the links between the themes.

The fifth chapter discusses the findings of the research on the role of church in helping people to deal with insecurities and reciprocal support arrangements among the people.

#### 4.2 Concerns of the People about Social Protection

As I lived in Asante Mampong for six months participating in all social activities including following a sales executive of a savings and loans company for two months, securing their future against social and economic shocks was central in the daily activities of the people of Asante Mampong. On one of our usual susu collection rounds we got to a primary school canteen where five women sell food. One of them said with a worried face after handing her susu book which had GH 2.00 in it to Alice that “*nowadays I am not contributing well to this susu at all*”. This woman was contributing to another susu with a different micro finance company. In case of needs she will be sure to get help from at least one of them. She said “*if one cannot help the other can help*”. At first she used to contribute GH 5.00 daily but there

she was contributing GH 2.00 daily. When she was asked why she would not concentrate and contribute to daily susu with only one micro finance company she said *“I am contributing so that anytime I get an emergency like any of my children get admission in school or become sick or I get funeral in my family I can secure loan to sort myself out”*.

As I continued to chat with this woman it was revealed that she was a vibrant member of the Methodist church, she was a member of two subgroups in the church; a secretary of the women fellowship and member of Monday class. She was also a member of a clan in the community known as the *“Bretuo clan”*. She contributes welfare dues monthly in all these groups she belonged to and participated in all their activities. She also belonged to a five-member rotating savings and credit association (ROSCA) at the canteen where she sells food. In this association the five food vendors regularly contribute to a pool of funds that is given in whole to each contributor in turn. They contribute GH 5.00 each every Friday which is added together and given to one person in turns. As I sat down with her chatting I saw that she had oranges, bananas and one pineapple in a basket under her table which she told me she intend to give to a neighbor who was admitted at the hospital that she plan to visit later that day.

All these engagements amazed me so I asked her why she chose to do all that. Her answer was straight and sticking; *“I cannot look up to the government for my security for the future, so I am doing what I can do to insure myself against the inevitable shocks in the future. All these things I am doing are for my own good. I consider it as throwing my money away now and reaping it in the future”*.

This woman told me that, as much as she needed to save money with the micro finance company in order to be assured of loan in times of need, she needed to be connected with other people in the community in a network based on trust and reciprocity to be sure that she is fully covered for insecurities in life. Asante Mampong is a community where majority of the residents work in the informal sector. As a result, these people see themselves falling outside the government umbrella where they can receive security from the government against these future shocks. With this they live everyday of their life securing their future against social and economic shocks. In their daily life they evoke all the three forms of social capital labeled by Putnam as trust, norms of reciprocity, and social networks as a livelihood strategy.

### **4.3 Self-insurance through savings**

In this study I found that security against future shocks is very important to the people. The security plan which is based on individuals building up social capital through incorporating networks of other individuals and institutions. Savings with micro finance companies or credit unions, will give them access to loans whenever the need arise. There are many micro finance companies in Ashante Mampong which include; Multi Credit Savings and Loans Limited, We Enable Micro finance, First National, Star Plus, Snappi Abbah Trust, Otuasekan savings and loans ltd, etc. During the five months period of my stay new micro finance companies kept springing up and some also kept collapsing, this makes it risky for those saving with micro finance companies. This also made it very difficult for me to keep record of the exact number of micro finance companies in Asante Mampong. But the most stable ones are those I have mentioned above. All these micro finance companies have succeeded in cultivating a savings habit in its clients, thus helping to improve upon their standards of living. They have encouraged savings and investments among the people and given them access to a financial intermediary that otherwise was not opened to them in the traditional banks.

During my stay in Asante Mampong, I got the chance to accompany a sales executive from Multi Credit Savings and Loans Limited during working hours for two months. The sales executives usually sold the company's product to the general public. My main reason for accompanying her was to enable me find out which products are patronized by the people and why they patronize such products. It was also to enable me to understand how issues labeled as trust, norms and social network play out here. The company has many packages for its customers but my observations indicate that not all of them are patronized by the people. The few that are patronize by the people per my observations include Group Loan Facility, current account, savings account, special loans for taxi drivers, and susu scheme. The susu scheme is the medium through which all these packages are patronized by the people.

#### **4.3.1 The Susu Scheme**

This package involves the sales executives carrying banking services to customers' door steps. This is normally called daily susu where the sales executives goes to the customers to collect their contribution for savings and takes it to the bank at the end of the day for keeps. This service relieves the customers of the stress of queuing at the banking halls to make



transactions. It also saves them time of walking to bank which they invest this time into doing something else. Most of the customers only went to the office when they were seeking for loans or when they had problems or there was a mistake with their record books. The sales executives serve as competent intermediary between the people and the company. As we went round daily the sales executive and the customer develops personal face-to-face relationship in which the sales executive becomes familiar with the day to day activities of the customer.

The study showed that self-insurance through cautionary savings with micro finance companies and credit unions notably through the daily susu scheme, is mostly patronised by those who work in the informal sectors, even though few people who work in the formal sector and house wives also contributed. The people had many different reasons for contributing the susu. Some contributors had taken loans from the company and were contributing to pay for the loans, others were also contributing in order to acquire loans, others too were contributing as savings for their own personal benefits (these were mostly people who did not qualify for loans such as house wives and those who work in the formal sectors). Contributors were mostly petty traders, hairdressers, seamstress/tailors, carpenters, auto mechanics, and corn mill operators. My observations showed that people who have these occupations are mostly people who lack higher level of education since all the people I spoke to had not more than secondary education. According to Barners and Peil (1977) banks in West Africa are becoming more interested in traders and other small depositors, but they still have considerable difficulty dealing with illiterate customers. However, participation in these susu requires no formal education and is often seen as more likely to serve individual needs. In a Nigerian based study it was found that no woman without an education has a bank account and only one with more than primary education contributed susu. Almost the same tendency was present among men, as a few uneducated individuals did report using the bank and a few relatively educated men belong to credit associations even though susu associations were found to be popular among teachers in some schools (Barners and Peil, 1977).

Self-employment was the most popular job in Mampong since majority of the people work in the informal sector. However, getting access to capital is very difficult in Ghana, as a result loans from credit unions and micro finance companies becomes the surest means to get money to invest in businesses which the people heavily relied upon for investments and other important emergencies. In an interview with the manageress of a credit union she revealed that not everyone can access loans from the official banks as a result the savings and credit

unions becomes the choice of these people. Other studies have also shown that majority of the population in developing countries are too close to the poverty line to be attracted to banks, yet they need some way of saving for relatively large purchases (Barners and Peil, 1977) as a result these institutions step in to help out. Barners and Peil (1977) argued that savings societies are attractive to those with a relatively regular, though small, income who aspire to improve their capital. The study of an Accra factory found that a third of the workers belonged to one or several susu groups (Date-Bah, 1974). A study by Barners and Peil (1977) confirms this. They founds that in Nigeria, susu associations are patronized by between a seventh and a quarter of the population who fall within the category of those people who have not benefited from formal education, the self- employed, those in unskilled or semiskilled occupations, and women who are widowed or divorced.

Trust was very significant in the daily interaction between the micro finance companies and their clients especially in loan acquisition. Observations showed that loan acquisition was very important to the people in their security plan, but not all the people qualify loan acquisition since loans are given to people who have the means of paying it back. They are given to be invested into something that generate returns for the purpose of repayment such as businesses so they can invest it into the business and pay later, those who do not have businesses do not qualify for loans. Before a loan will be granted to an individual, the sales executive must guarantee it in addition to the collateral the client must present which is preferably their business. The sales executive must confirm that the client owns the business and assure the bank of the credit worthiness of the client. The sales executive arrives at these convictions through the interpersonal relationships they develop with the clients over a period of time through daily sales activities. So here trust becomes a key social capital which they tap into for their daily work.

As I went round with Alice to the customer's houses and work places, I got to develop personal relationships with these clients as well. Alice already knew almost everything about the clients since she used to tell me a lot about their life. I got to know their homes, some of their relatives, what they do for a living, and I even got to know their future plans through informal conversations with them. We always chat with them when we go to collect their daily susu and through this medium we get information on the day to day developments in their life.

Madhavan and Landau (2011), points out that one of the assumptions underlying social capital is the fact that trust is circumscribed by certain attributes, namely, ethnicity, nationality, residential history, or organizational affiliations. What underpins the relationship between Alice and her clients is one that is framed within the context of personal relationship. Personal relations are a powerful source of social capital because they establish obligations only toward those linked by reciprocity. From the conversations that go on between Alice and the susu contributors during our daily rounds shows that they have an ongoing personal relationship spanning many months or years. In other words, this personal relationship may have been cultivated during their interaction on business levels daily. Building trust in a personal relationship takes time as it requires reciprocity to establish a link that goes beyond self-interest. From such social relations experienced as personal relations emerges trust. According to Torche and Valenzuela,

‘Developing trust in a friend as opposed to a confidence man takes time because it requires building a personal relation, one that transcends – without cancelling – individual self-interest. Building personal relations requires, by necessity, time, but once they are established, trust ceases to be a conscious choice, becomes embedded in reciprocity, and usually acquires the taken-for granted character of familiarity. ...trust is the type of social capital that allows us to establish and maintain relationships with strangers. As such, the basis of trust cannot be reduced to encapsulated self-interest’ (Torche and Valenzuela, 2011:187-188).

Within this social relationship are the norms such as trust which govern the transactions which occur in this relationship. According to Warner (2011), ‘norm governed exchanges in any business under ideal transaction conditions implement acceptable tradeoffs between informational privacy and competing goals’. But sometimes these interactions between the micro finance companies represented by Alice (the sales executive) and their clients can be fraught with conflict. This is because trust and norms do not always evoke a positive ending interaction. An example of such situation is the case of Martha.

After going to her house countless times to meet her absence, we finally met Martha who told Alice she travelled. Immediately upon seeing us she started to explain to us the reason why we have not been seeing her even without Alice asking her anything. She had taken loan from the company and was contributing daily susu to repay the loan. But as at the time we met her, the payment date had expired long time ago and she was asked to pay penalty for breach of

contract, which had also expired for about five weeks. After explaining herself for about seven minutes while Alice stood very quiet staring at her, she finally concluded that she was not going to contribute the susu that day since she just arrived from her journey and had no money on her. At that point I realized that Alice became very angry but did not want to react so she told me we should just leave the house at once. Alice told me on our way out that she will tell her manager not to grant loan to Martha again since she was not credit worthy. Martha used to sell ladies sandals and took loan to change into selling plastics. But during the time I was there she was unemployed. So there was no means to pay her debts.

We can see in this case that trust have been abused, leading to a breakdown in transaction. In such cases, trust becomes a cultural mechanism used to define and reinforce the boundaries of the network of house agents and their activities in the city. In such instances, according to Torche and Valenzuela (2011), trust takes on the idea of enforceable trust that is used to ensure compliance with agreed-upon rules of conduct.

The people had various reasons for contributing the susu scheme which had a bearing on loan acquisition. Loan acquisition was very important to this people as they considered money to be able to solve most of life problems. Kwesi illustrated this as: *My main focus is on the loans, I save to be able to access loans in times of need. I take loans and contribute the daily susu to repay the loans, when I finish paying I take new one again. I use the loan to do everything I want to do.*

This was very common among the people. Even before they join a susu scheme they first of all inquire about the availability of loans and the requirement of accessing loans. On the first day I accompanied the sales executive on her usual susu collection rounds two new members joined the susu scheme, diapers seller and a teacher. Before joining the susu scheme, the diaper seller asked about the criteria for loan acquisition. The sales executive told her she needed to have contributed susu for at least 20 days and also be self-employed so that her job can be used as collateral. The diaper seller asked if one needed a third party as a guarantor before loans can be approved which the sales executive answered negatively. There she became very excited and told us she wanted to join. The teacher also asked if he could also access loans but the sales executive said he could contribute it as investment for his future but cannot access loans since they grant loans to only traders. The teacher then decided to contribute towards his own future. Since that day the teacher contributes GH 5.00 on good days and GH 3.00 on bad days but the diaper seller always contributes GH 3.00 daily.

Another case on this point about a trader who joined the susu scheme during one of our susu rounds with the assurance that she will be able to access loan in the shortest possible time to invest into her business. She told us that she sells fish on retail in the surrounding villages. She wanted a loan of GH 500.00 to invest into her business so she asked about the conditions of accessing loans from the company. Alice told her she had to contribute towards the daily susu for at least 20 days as the first condition and right there she told Alice to register her. Alice asked her to bring three passport size photos, an ID card, utility bill and a phone number that the bank can reach her on. After Alice had registered her she told the woman she will bring her the susu book the next day. The fish seller started contributing to the daily susu on that day even though she didn't have the susu book. She started by contributing GH 6.00 and the days that followed. On days when she was not at home she left the book with the money inside in a small locker in front of her house for Alice.

From the two cases presented above, it is clear that loans from these micro finance companies serves as an important livelihood and security option for the people. But before an individual can qualify to access loans, there are regulations that he needs to follow such as membership, regular contribution of susu, trust, to mention but a few. Every context has certain norms that govern the social interactions of individuals or groups. Some of these norms may be established in codes, while others are immersed in that particular social and cultural context. Moseley and Stoker (2010) points out that the existence of norms guarantee and regulate the behaviour of actors in ensuring that they all keep their promises and all profits gained from such an interaction are equally shared among them, especially in situations where the people involved are not familiar to one another.

The susu scheme was considered as a major medium and means for insuring ones immediate and distant future needs. As a result every possible arrangement was made by the people to contribute to susu scheme. Even many employers made their employees register and contribute daily susu as a way of securing their future. One client, a mason who had 7 workers made it compulsory for his entire staff to contribute daily susu to secure their future. Some of them were very happy about their master's policy but others were not but they had no choice but to contribute. Their master used to give each of them GH 6.00 daily but he decided to divide the money into two equal parts and contribute half as daily susu for them. My observations during those two months showed that this practice was typical for apprentices whose bosses were contributors of the daily susu scheme. These bosses qualify for loans but the workers and apprentices do not qualify for loans. To qualify for loans you

must be self-employed so that your business could serve as collateral for loans. So contributing to daily susu for these apprentices was to serve as a start-up capital for them when they complete their training or to cushion them against future insecurities since they did not qualify for loans in times of need. The only security for them will be their own savings, and the surest way to ensure that they save was through the contribution of daily susu scheme.

To support the above claim, there was the case of a fish seller who left her susu book with a restaurant operator who happens to be her customer. This restaurant operator contribute susu for herself and also the fish seller on daily basis, so she had two susu books, one for her and the other belongs to the fish seller. They had an arrangement whereby the fish seller gives fish to the restaurant operator to sell her food and use the fish money to contribute to daily susu for the fish seller. This fish seller always asked Alice wherever she sees us if her customer (the restaurant operator) contributed the daily susu for her. There are days when the restaurant operator did not contribute daily susu for the fish seller, so when we tell the fish seller about it, she gets angry.

Further, throughout my two months susu rounds with Alice, I never saw Akos; a client. She always leaves her susu book and money with a pastry seller by the road side to pay for her. This practice was very typical of some of the contributors. They usually leave their contribution and the book with people at home or their work places to pay on their behalf. Some even hide it somewhere in their houses for Alice to pick it up. There was another case of a woman I never met who kept her book and money in a drawer at her kitchen for Alice to pick it up. This usually happens on Wednesday which is the market day in Asante Mampong. Since most of the contributors are traders who go to the market to sell on market days they leave their 'susu' with other people to be given to the sales executives. Also people who wish to contribute but never get the chance to be around when the susu collectors come around leave theirs with other people to contribute for them. A lady who works at the electricity company always contributed for her husband whose workplace was outside the reach of Alice. She had his book and money and always Alice went to her office to take it. These arrangements being made by people in order to get the chance to contribute the susu implies that susu is very important to these people and they will do all they can to contribute even if they do not have access to the sales executives.

Contributing towards susu seemed very important to the people in many ways. They saw their contributions to be able to help them when the need arise. The susu contributions could be used as a back-up for any situation in life as a result these people explored all avenues available to them in order to contribute the susu. They recognized the importance of social networks helping them to contribute the susu when they do not have direct access to the sale executives.

#### **4.3.2 The Insecurities Associated with Micro Finance Companies**

Susu was previously collected by private individuals, usually men, who went to the clients, collected their contributions and saved it for them. These private individuals charged fees when client withdraw their savings. Insurance with this method was risky since these private individuals sometimes eloped with their client's life savings. Micro finance companies came to relief the people of the risk which these private individuals posed. But some micro finance companies also posed the same threat to their clients by eloping with their savings as this incidence was very rampant in Mampong. There was a case of a micro finance company in the building where my mother had her cosmetics shop which got closed locking up with it many people's investments. I saw the micro finance company in operation during the first three months of my field work. This company also had the daily susu product for sale. They also had a package in which they had in stock many different kinds of home appliances and other equipment where customers specify the ones they want to own. And they contribute daily susu and when the price is fully paid for, they give the item to the customer. As I sat in my mother's shop daily, I saw people going into that company to make transactions. I even became friends with some of the workers. But after a while the company was closed unannounced and the workers were no-where to be found.

For the first two weeks after the unannounced closure of the micro finance, many of their worried customers came to our shop to ask if we had any information about the where about of the workers of the bank which we always answered negatively. Most of their customers came to sit in front of the bank on many days waiting and hoping that the bank will be opened, but to no avail. There were instances where I saw some of the customers shedding tears and pronouncing curses on the workers of the micro finance. One woman said she had contributed GH 700.00 and wanted to withdraw some money to invest in her business but the bank manager told her to fill a form and come back the following week to make the

withdrawal since there was no money at that moment. She said the manager knew he would be gone by then. Her expressions indicated that she had so much pain in her heart. She cursed the manager many times while shedding tears. For some of them after coming there and waiting for a while will just go away quietly, others too went away insulting and cursing the workers of the micro finance company. This was the atmosphere at the place until at least two weeks before people became aware that the workers were never going back to work.

On one of my usual rounds on the field I received a call from my mum to go to the shop to see what was happening. When I got to the shop there were lots of people in front of the bank. The bank was opened and all the things in the room were being brought outside. I asked one of the women standing there and she told me that the shop owner was selling the things in the shop to recover his rent. It was evident that the bankers owe him rent. But it was shocking that the things in the shop were not many as compared to the things I saw in the shop when it was in operation. All the computers and the commodities they had as part of their packages were gone. What was left was furniture. I guess the manager had it all planned, so he took the things that were important. After bringing all the things out, he wrote 'for sale' on A4 sheet of papers and pasted it on all of the items. He made the prices very affordable. People bought some of the items on that day. The rest of the things were put in front of the shop on the days that followed for sale. Gradually all of them got sold out and after a month the room was rented out to a seamstress.

When trust is broken it has many consequences. Torche and Valenzuela put it as:

Trusting others involves, in the first place, predictability in the behavior of others [...] But the trust expectation involves more than stability. It involves also the competence and self-interest of others, and, particularly, their integrity, honesty and moral character: I expect the trustee to keep promises, pay debts, and include my interests in his dealing with me even when betraying my trust results in a higher gain for him. Thus, the problem of trust would not arise if 'full monitoring and control of somebody's performance' [...] were feasible, nor would it arise if 'we were all hopelessly moral, always doing what we said we would do in the circumstances which we said we would do it' ... (Torche and Valenzuela, 2011:186).

As a result of the insecurities that the micro finance companies pose due to broken trust, the people begin to look out for some indications which make these companies thrust worthy. They prefer to save with micro finance companies which has branches in other communities



which are networked together to enable them access their money wherever they go. Some people who had experience that problem many times found it very difficult to trust micro finance companies so they found alternative in credit unions and other informal mediums available to them. In an informal conversation with Alex (a member of a credit union), he disclosed that four different micro finance companies had eloped with his savings over the past seven years. All those micro finance companies did not have branches in other communities. So he has vowed never to save with any micro finance company again. He said he will only save with credit unions which he consider to be safer since it is non-profit-making money cooperative whose members can borrow from pooled deposits at low interest rates. In the next section I begin with the packages and the benefits of the credit unions and end that section with the problem associated with credit unions as a medium of social protection.

#### **4.4 Self-insurance through Credit Unions**

There were many credit unions in Asante Mampong but the most popular one was the Assemblies of God Credit Union Ltd. It is a parish/community-type Non-Banking Financial Institution which was established in 2007 to create wealth, reduce poverty and enhance the standard of living of members of the Assemblies of God church. In an interview with the manageress of the union she disclosed that the union was introduced to the church by a formal head Pastor who realized that members of the church experienced poverty. She said the participation of the church members in terms of financial contributions to programs were very low. It was started with 80 church members but later it was opened to all the members of the community to join regardless of the person's religious background. She confessed that *“even a fetish priest is welcome to join the union, looking at the membership of the union now, church members are just a few as compared to non-church members”*.

This credit union was different from the micro finance companies and other credit union in Asante Mampong although they all render similar services to the people. It is a union which considers itself as a family which ensures the welfare of its members. Its motto is ‘Credit Union!...Happy Family’ and the slogan is ‘One Heart, One Soul, One Savings’. As at 23<sup>rd</sup> November 2013 during the annual general meeting, membership of the union was over 1,600 with active members of around 900 as stated by the committee chairman.

The union has many packages for their members including normal savings account (where savings withdrawals are discouraged); current account where savings could be withdrawn at any time with the payment of ledger fees or charges; special savings for School fees, weddings/marriages and the like; and group savings for corporate bodies. Members who cease to save for six months shall have their account closed to dormant fund. As a result members are indirectly being persuaded to save regularly in order to keep their account active. Majority of the members are working in the informal sector whose main purpose of joining the union was to be able to access loan in times of need, and the savings account was a requirement for securing a loan.

The credit union also have the following loan products for their members which includes provident loans for School fees, medical bills and the likes; business/project loans; car loans for commercial vehicle drivers; funeral loans in times of bereavement; and emergency loan for disaster. The funeral loans are given for a period of two weeks. Right after the funeral, the loan is expected to be paid back. Loans are granted to shareholding members only after they have been nursed and saved regularly for the minimum of seven months. The granting of first loans does not exceed twice ones savings. All loan applicants are required to have the prevailing minimum shares.

All loans are appraised by the loans committee based on the 5cs of granting loan which include Character/credit worthiness depending on recovery records, Capital of the branch, Collateral/co-market, Capacity to pay, and Circumstance. They consider an irregular saver as a delinquent borrower and do not qualify for loan. The manageress of the union disclosed it in an interview when asked how they determine who deserves to be given loan:

We encourage all members to save for some time, during that period we observe the financial status of the person; those who do not save regularly do not qualify for loans because we declare them incapable of paying the loans. We don't entertain it when you join the group and all of a sudden bring huge amount of money and within few weeks request for a loan. You first have to register as a member, and save for a period of six months and be able to buy our minimum share to become a member which is GH 100.00 within that six months period. Even when the time comes for us to give loans we give it according to your savings, if you have small savings you will get small loan,

but it also depends on the purpose for which the loan is being taken. If you want it for a bigger project you make sure you save more to attract huge loan. (Interview with manageress on 19/11/2013)

In requesting for loans the following are accepted as collateral; shares and savings deposit, certificate of investments example Treasury bills, wage assignment or post-dated cheques, government leases or life insurance policy and most importantly a co-makers or co-signer. Co-makers or co-signer are also members of the union who serves as guarantors during loan application. The reason for including the guarantors when requesting for loans was explained by the manageress of the union as:

Our main purpose for setting up this union is to reduce poverty. We have realized that a lot of people need help. But not all of them can go to the bank and ask for help, and besides since we all live in this community and know each other we are obligated to help ourselves. The three guarantors that we request for during loan processing should all be members of the union, so if you are not trust worthy no one will guarantee loan for you. As we go about our daily businesses like petty trading, not all of us can go to the bank to request for loans in times of need. For example, there is no way a pepper seller can go to the bank for loan, but once you are in this credit union you can get access to loan whenever you want. And since we are all members of this union and we know each other there is no way one can say she/he will not guarantee a loan for you. If you are a trust worthy person people in the union will guarantee loans for you and since you also know them you will pay the loan in time so as not to disgrace the guarantors. When the other also need loan you also guarantee it for them. We freeze the guarantors account until you pay the loan before the guarantors can withdraw their monies. As a result the guarantors can force them to pay when they are proving difficult during payment. So you have to live cordially with people in the community and make sure you make a lot of friends within the group. This promotes communal living among us. (Interview with manageress on 19/11/2013)

Within the operations of the credit union, three forms of social capital (trust, norms of reciprocity, and social networks) can be identified. As the union entreats members to build up

social networks based on trust and reciprocity it increases their social capital. In defining social capital, Hanifan contrasts social capital with material goods by defining it as:

“I do not refer to real estate, or to personal property or to cold cash, but rather to that in life which tends to make these tangible substances count for most in the daily lives of people, namely, goodwill, fellowship, mutual sympathy and social intercourse among a group of individuals and families who make up a social unit... If he may come into contact with his neighbor, and they with other neighbors, there will be an accumulation of social capital, which may immediately satisfy his social needs and which may bear a social potentiality sufficient to the substantial improvement of living conditions in the whole community. The community as a whole will benefit by the cooperation of all its parts, while the individual will find in his associations the advantages of the help, the sympathy, and the fellowship of his neighbors” (Hanifan, 1916:130-131).

This definition points to the understanding of the union which falls on the central premise of social capital that social networks have value. Here social capital refers to the collective value of all "social networks" [who people know] and the inclinations that arise from these networks to do things for each other “norms of reciprocity” (Putnam, 2000). For example, at the end of the unions annual general meeting the special guest of honor concluded his speech by entreating all members present to at least try to make friends with five people so that in case of loan request some of them can serve as guarantors for them. This makes us see the potential of building social capital through expanding so networks. According to Goldstein et al, (2004), mutual insurance is most practiced by informally interconnected individuals or groups rather than the whole community. It is argued that informal insurance functions very well when done in groups because members act as check on each other and information spread much faster (Dekker, 2004). Monitoring and enforcement mechanisms are seen as the ways to sustaining informal community-based insurance arrangement. These mechanisms ensures that people restrict themselves from unhealthy behaviours even if they are part of a group and that they will remain faithful after receiving help from the group, (Mazzucato, 2009).

#### 4.4.1 Benefits for Members

My observations indicate that the establishment of the credit union seems to be working very well to achieve its aim of reducing poverty and to improve the lives of the people in the community. This benefit manifested itself mostly in savings (through daily susu scheme) and loan acquisition by the people. Economically the services of the union seem to have benefited its members greatly especially those who work in the informal sector. In an interview with the manageress of the credit union she stressed that:

Our services have improved the lives of a lot of people in this community. Especially drivers will attest to that. Since we established this union we have bought more than 20 commercial vehicles for drivers. Taxi drivers have collected loans to buy taxis. Even people take loans from us to buy big trucks for carrying sand. Drivers are credit worthy because they receive money daily. Traders have also benefited a lot, some of them sell tires, some market women and petty traders of food stuffs have all benefited from our loan services greatly. (Interview with manageress on 19/11/2013)

Evidence of the benefits shows itself more clearly in an interview with Opoku, one of the members of the union on 21/11/2013 when he was asked to describe his experience as part of the first members of the group. He owns one of the biggest bag shops in Mampong. His shop is always being advertised on the local radio station. He is 43 years old with six children. He has secondary education and his wife has basic education.

Opoku used to sell bags on a mat on the floor in the market while his wife sold plastic rubbers. He disclosed that his savings helped him to get small capital which enabled him to access loans on three occasions from the union which he has used to open a bag shop and employed a young guy as a sales boy to help him to manage it. Now his wife also sells some of the bags on market days in the nearby communities. Opoku revealed that contributing to savings with the union has really helped him a lot. After saving little monies for a while he first took loan to buy a tricycle truck called “*Aboboyaa*” (in the local dialect) to help him to carry his bags to the market place for sale. He also rented the tricycle out to other people for money. That helped him to pay the loan quickly and it also relieved him of some household expenses such as his children’s school fees. Through his daily susu contributions and loan acquisitions from the union he has been able to take care of his children through school. As at the time of the interview one of his children had completed polytechnic, one had also

completed nursing training, one was in the secondary school and two were in basic school, while the last born was still a baby.

It is not only in economic terms that the union has benefited the people. The union has also helped to improve the life of the people socially. In an interview with the manageress of the credit union she revealed that status change has a link with financial status of people. She said that when one has money it changes their lifestyle in a positive way. And that when friends meet and they ask each other what has happened which have brought so much improvement in their life they always introduce new members to the union. She emphasized that commercial drivers have benefited a lot. She said drivers who used to drive other peoples car has now become car-owners which is a serious status change in Asante Mampong. Also petty traders who used to sell their food stuffs on tables after saving for some time and acquiring loans now go on trek with their stuffs (go to other communities to sell their products there). She concluded by saying “*I will say that it has helped to change the destiny of a lot of people*”.

James a member of the union also had this to say about his status in his family:

Now that I don't depend on any family member for my survival they all respect me very well. They think that I am rich but I know that it is this little susu contribution and the loans from this union that help me out. They have seen that I have been able to take care of my children for one to complete the university, one has also finish training college and the rest are also in school, all with the money I get from trading. It even shocks them! I have put all my trust in this union I don't have any other savings anywhere so any help I need they give it to me. (Interview with James on 19/11/2013)

Apart from the services they provide for their members such as savings and granting of loans, the union also provides financial education for its members. Every year the union organizes annual general meeting which they use as a medium to educate and advice the members on how to manage their finance to secure their future against social and economic insecurities. During my stay in the field I attended the year's annual general meeting. They invited three resource persons from various financial institutions to advise and educate the members on how to secure their future. These speakers all stressed that one should not rely on other people sole for survival, but they always take initiative in whatever they do like trying to save regularly so that whenever they are in need they could seek help from the union which is

actually the unions main purpose. The supervisory committee chairman advised the members to try very hard not to at least withdraw their savings especially the shares which make them members of “the happy family” (credit union).

The guest speaker also advised the people not to see the union as only a loan provider but as a place where they can save for their future endeavors. He likened a person who saves to a person who is building a house. The house is for future generations, so when you go to withdraw some of your savings, it is like going to the mason and asking him to remove the roofing sheet and the windows for sale because you need the money. When you do that you disrupt the smooth operation of the building process. So people should cultivate the habit of saving and not withdrawing the money.

In an informal conversation with Mary, a member of the union she confessed that the unions’ advice to them on how to manage their finances and their daily susu has made her money conscious. She said she does not waste money anymore but rather save every little money she get through the daily susu and by the time she realize it has become big for her to use it to do whatever she want.

Education is not the only medium through which the union tries to communicate to it members the need to save more to secure their future. It instills in the members this value by giving gift to some selected members based on their attitude towards savings. During the annual general meeting, 50 selected members were given packages wrapped in very nice plastics.

#### **4.4.2 Problem Associated with Credit Unions**

Although the credit union was doing so much to fulfill its mission, there is a setback which needs to be elaborated. This has to do with lack of privacy. Having a third party to serve as a guarantor before a loan would be granted to an individual was seen as privacy invasion by majority of the people. They believed that having another person to know about one’s financial difficulty and loan processing was like “washing ones dirty lining in public”. They preferred to process their loans without involving a third party.

A diaper seller who wanted to join the susu scheme of a micro finance company express her concerns about this lack of privacy. Before joining the susu scheme she asked if one needed a

third party as a guarantor before loans can be approved which the sales executive answered negatively. There she became very excited and told us she wanted to join. She later revealed through informal conversation that she contributes towards a susu scheme at a credit union, and before one can access loans one needs to bring three guarantors from the group to guarantee for the loan which she felt uncomfortable about. She did not want other people to know the details of her financial life, and asking for someone to guarantee a loan for her will mean letting the person to know about these details which she was not ready to do, as a result she prefers to join another susu scheme with a company where she would not need guarantors when accessing loans.

Within social relationships are norms such as privacy which govern transactions which occur in the relationship. According to Warner (2011), 'norm governed exchanges in any business under ideal transaction conditions implement acceptable tradeoffs between informational privacy and competing goals'. But in the case of credit unions norm of privacy did not act favorable for the people. In the next section, we will look at the benefits associated with insuring ones future with workers union.

#### **4.5 Workers Association**

Joining occupational associations was also a medium through which the people of Mampong insured their immediate and distant future. Occupational associations are a long-established feature of the West African town (Lloyd, 1953:30-44). Commercial driving was one of the most popular jobs among the men in Asante Mampong so I choose to look at how the members of the cooperative transport union insure themselves with the services of this union. In Ghana, the Ghana Private Road Transport Union (GPRTU) is the umbrella group that unites private commercial vehicle owners and their drivers in Ghana. The organization has branches in all the 10 regions of Ghana and is a member of the Ghana Trades Union Congress. All commercial drivers must belong to a branch of this union in their region. But the Mampong drivers realized that they had special needs which the GPRTU could not address, as a result in 1996 they started their cooperative union to help reduce poverty among themselves and to help each other in times of need.

The union as a whole had many incentives and protection for its members which individuals could not get on their own. As a result of these benefits that the union provides for it



members many drivers in the Mampong transport yard are members of the union. As much as this study has found unionism to be very important Barnes and Peil (1977) considered it more relevant in older crafts, with longer apprenticeships and fairly good earnings which may be improved through group action. The union gives financial services of various kinds to its members such as giving loans without interest to members in times of need and giving the person enough time to repay it. When a member is in dying need of financial assistance, he only needs to write a letter to the union, which then will investigate the matter and react to it. Members make monthly contributions of GH 1.00 each. The union also have daily susu scheme for their members. The union has also made free health insurance card for all of its members to enable them to enjoy the free medical care under the health insurance scheme of Ghana.

In an interview with the funeral chairman of the union he revealed that the union had acquired plot of land at 'Daho' a suburb of Mampong to distribute it to all its members. Each member was entitled to half plot of land. The union did this in responds to serious legal problems on land acquisition in Ghana in recent times. In the Ghanaian society it is prestigious to own a house so the union encourages its members to try to own a house. So giving them piece of land is the first step to getting them to start building.

When a driver loses his car to accident or mechanical fault he goes to the station to work with the station master at the union's desk for his daily pocket money. If the drivers are many they run shifts. The funeral chairman I interviewed for instance lost his car in an accident three years ago but has been working with the station master at the station for his survival. There were two drivers whose cars were at the mechanic shop but there were at the station helping the station master to take records of the cars which will load at the station. This, they confessed helps them to get money to cater for themselves and their family.

When a member is involved in an accident the union executives rush to the place and provide all necessary assistance to the situation at hand. They take care of all the cost such as hospital bills that may arise. In November, one of the drivers I interviewed was involved in a highway robbery on his way to Kumasi in which he and some of the passengers were beaten up mercilessly and all their money taken away. I was told the union reported the incidence to the police, delegated another driver to take the passengers to their destination and took the driver to the hospital and paid all the medical bills. Also when a driver is involved in a serious

accident which makes him incapable of driving for over a year or ever again, the union provides money for the person's upkeep for the first three months.

On 17th December during 'Ekwanso Kose Kose' Program on Mighty FM (a local radio station in Mampong) they interviewed the secretary of cooperative drivers' union about its operations. The secretary revealed that the union was going to give GH 1000.00 to every member of the union as their Christmas bonus since Christmas was approaching. The money was going to be given to all registered members regardless of the time you joined the union. This money was supposed to help to relieve the members of the Christmas financial stress. He emphasized that the union cared about its members so much and will do anything to relieve its members of economic and social stress. This made listeners of the program very happy so when the telephone lines were opened many people called in to congratulate the union for good work done over the years.

The union provides many other services to its members aside helping it members financially. When a member gets any case with the police service the union goes to help the person out. For example when I finished interviewing the funeral chairman of the union the station master and some of the members who were sitting under the tent when we were sitting were gone. When I asked of the where about of the station master because I wanted to interview him, I was told he had gone with some of the executives to the police station to help one of the drivers (member) out on a police case. Seth a member of the union was arrested by the police and his car was kept in police custody on an account that his documents had expired. He told the union about it and they went to sort it out for his car to be release to him which the union helped him to renew his documents later on.

When a member is bereaved, aside the regular welfare entitlement that is given to the bereaved person, members again make in prompt to contribution by collecting GH 1.00 from all the drivers who will be willing to pay and add it to the GH 100.00 for the bereaved person. This contribution is voluntary but contributing to it guarantees the contributor reciprocity in the future, as a result members do well to pay it. Seth a member revealed in an interview that the union helped him so much when he lost his mother. He said apart from the money given to him as part of the benefits every member enjoys, the union granted him GH 500.00 loan without interest which he used for the burial and funeral ceremony of his mother. When a member dies the union pays for the coffin, dressing of the corpse and music at the funeral.

During an interview session with the funeral chairman of the union, six women dressed in black and white cloth entered the tent and without any word they started greeting by shaking hands of everyone under the tent starting from the station master who was sitting by a table in the middle of the tent. After the greetings, they exchanged pleasantries with the station master and told them of their mission. They only came to offer their appreciation to the group for the support they gave them during the burial and funeral of Opoku (a deceased member).

Members of the union consider themselves as siblings who are obligated to help each other in times of need. As I sat in the tent interviewing members of the union these drivers called each other “*Onuia*” (sibling) whenever they wanted to seek each other’s attention. Although joining and contributing dues to the union was voluntary many of the drivers participated in it because of the benefit they would reap in the near future. De Weerd et al (2007) posit that norms are not made necessarily to maintain an association but the motivations within the arrangement do. However, Barners and Peil, (1977) argued differently that unionism is more important for the better educated. They reported that in Kukuri, only a minority of potential unionists belong when they have a choice as many saw union membership as a means to pay dues rather than an activity in which to participate.

So far the discussion has been around insurance that is calculated. Here people contribute to daily susu with the micro finance companies and credit unions in order to receive help in a form of loans when the need arise. They also choose to join associations and participate in it bearing in mind the good incentives and security it provides for its members. All these are some of the strategies and the mediums through which people of Asante Mampong insure their future against risk. But one important question arises when we think of the other things the people do which offer them these same security. Let us look at going to church regularly and joining church associations, and visiting the sick and helping out neighbors when they are in need. All these things are essential of communal living but does it have any other motive aside that? Let us look at it in the next chapter.

## **CHAPTER FIVE**

### **CHURCH MEMBERSHIP AND RECIPROCAL SUPPORT ARRANGEMENTS**

#### **5.1 Introduction**

The church is a very important medium of social protection for the people. Through church service participation and joining of sub-groups in the church people are able to build relationships they continuously make investments into, which they can draw upon when the need arise. In this chapter I will present my findings on how the people build upon social capital using their participation in church to insure themselves. I will use the Methodist church welfare system of Asante Mampong as a case to discuss this. My choice of Methodist church is due to my familiarity with the welfare system of that church since I have been a member of that church from infancy. I will also present my findings on the reciprocal arrangements practiced by these people during funeral and marriage ceremonies as a form of social insurance. I will conclude each section by discussing the findings in relation to other literature and broader anthropological theories.

#### **5.2 The Methodist Church Welfare System**

The church welfare was set up to seek the welfare of the entire membership and to offer advice and general assistance to individual members in times of need or otherwise. Membership is compulsory to all church members. Registration fee for new members is GH 1.00 and a contribution of GH 1.00 monthly for all members. When the need arise members of the congregation are called upon to contribute some extra levies to supplement. This normally happens when the church has many welfare benefits to pay within a short period of time. These extra contributions are done through a practice called 'Appeal-for-fund'- during the normal Sunday church service members of the congregation are asked to make donations from their heart to support the welfare. There is also a monthly contributions call 'poor fund' which is optional. The main purpose of the 'poor fund' is to support the invalids in the church. Funds from the welfare contributions are used to operate a savings account with one of the rural banks in the community and the trustees of that account are the Superintendent Minister, the chairperson and the financial secretary of the church. The Superintendent

Minister and any one of the two shall have the authority to sign for the withdrawal of any approved monies.

The welfare fund is not used to grant loans to individual members or an organization of the church. A member's benefit is limited to mother, father, a spouse and two children. A declaration form is filled by all members during the registration to declare parents, spouse and next of kin where no replacement is accepted for mother or father.

The welfare committee makes regular visits to the sick and invalids. The invalids consist of people who are incapable of doing any work to take care of themselves or even to move about on their own. The invalids enjoy the welfare benefits as full paid members even though they no longer contribute to church welfare.

### **5.2.1 Benefits for Members**

In case of any death or distress on any member the leader then report to the welfare committee of the church. The committee then deliberates on it and takes a decision on whether the person deserves any benefit from the church or not. This discussion takes place at leaders meeting where all the leaders of the various organisations in the church meet with the superintendent minister to discuss issues concerning the church. The welfare committee does not pay any benefit to members who default for three months however the church take charge of any issue concerning such people.

At the death of a member the welfare pays GH 100.00 to the family and at the death of spouse, a child or a parent the welfare pays GH 50.00 to the member. When a member is on admission at the hospital a welfare benefit of GH 10.00 is paid to the person. When a member undergoes surgery the welfare pays GH 20.00 to the person. During wedding ceremony the beneficiary receives GH 20.00 as welfare benefit from the welfare fund. Upon transfer from the community, a member receives GH 50.00 as welfare benefit.

### **5.2.3 Procedures Concerning Provision of Help to the Needy**

Below I present two cases of the discussions that go on at leaders-meeting concerning providing help to the needy. This meeting was held on Tuesday 27<sup>th</sup> August 2013. The steward of the church presents the agendas for the meeting and takes minutes as well. The

superintendent minister sets the agenda in motion and also present the final decision after the deliberations. The first agenda for the meeting was about a boy who failed his high school final exams and needed help from the church to re-write the exams. That was the day when the church met to finalize their decision whether to help him or not.

#### **5.2.3.1 Case 1: Evans Needs Help in Order to Realize his Dream**

Before that meeting, I had an interview with the church steward who revealed that the Evans was very passionate about continuing his education to the tertiary level but when his result came out he failed. He then wrote a letter to the church to find admission in another school for him and also help him to finance his education. In the first meeting concerning his case the superintendent minister chose three leaders to make investigations about the student. This three member committee was to find out who financed his education through senior high school. Secondly they were to find out about his family background, most importantly if his parent were alive and working. Thirdly, they should find out what help they can give to him and how much it will cost to help. Lastly they were to find out if the boy had made some preparations financially towards his education. They were given two weeks to present their findings.

After the two weeks their findings were that the boy lost his dad long time ago and his mother was very sick and had even under gone surgery which makes her incapable of working to take care of the boy. Secondly he had no other family member to help him and that he was working to cater for his education which was even the main cause for his failure since he didn't have time to study. He devoted all his time working to pay his fees and other expenses. There was a secondary school in Mampong which was ready to accept him to enroll in the final year. The admission and tuition fee was GH 700.00. They wanted a school which was very close where the boy could enroll as a day student in order to save boarding cost. Lastly he already has GH 300.00 saved towards his education.

After a series of discussions it was concluded that the church should not take up full cost of his education. The boy already had GH 300.00, the church only needed to add up GH 400.00. The boy did not contribute towards church welfare so the GH 400.00 was to be taken from the church and presented to the boy in the name of the church welfare.

In an interview with the Evans in October, he told me that he got the money ending of September to pay the admission and tuition fee. He was in school and although he is finding it difficult to meet his daily expenses he appreciate what the church did for him. The church has helped him to continue his dream. However, the church welfare system presented above indicates that the church cannot be depended upon sole when it comes to security in terms of finance. So this implies that the people may need other mediums through which they can get security in addition to the church. Looking at the discussion that goes on before the church agree to provide support to the needy which emphasize the fact that the needy must not sole depend on the church for total support in times of need. Before they agreed to help the student to pay his admission fee, they investigated to find out if he had some savings on his own before they added the rest. Even the help they provided did not cover all his expenses in school; they only provided part of it leaving the boy to cater for his feeding and other expenses. As a result the student will surely have to depend on support from other mediums in order to survive in school.

#### **5.2.3.2 Case 2: Siaw Needs Help to Undergo Surgery**

The second agenda for the meeting was about a sick man who needed help from the church to foot his surgery bill. The superintendent minister suggested that since the sick person could not benefit from the church welfare since he was not a contributor, the only option they had was to appeal to the church for the money through the offering known as ‘Appeal for funds’. Some of the leaders supported this idea by arguing in favour of his past deeds for the church. A leader said: *Siaw participated well in church activities, he was a committed chorister. He was always there for the church so the church should help him in his time of need.*

Some of the leaders were also against it by arguing that he has a large family who are capable of helping him out. One leader asked: *He has 10 siblings, why are they not helping him?* Another leader also added: *They were even 13 but some died, some are even gainfully employed, some of them are even migrants in the developed countries. Only GH 400.00, why can't the family pay? Even the wife of the Superintendent Minister at 'Sekyere Dumase' (one of the villages around Mampong) is his younger sister; they should be able to help him!* (There was a lot of talking among the leaders about his family members that can help and the reason why they are not helping).

The superintendent minister reasoned that the sick person was a neglected member of his family. So he tasked the leaders to go and find out the reason why his siblings have neglected him to enable the church to first of all reconcile him with the rest of the family members. A leader chipped in by saying: *He is a very lazy man. He is a radio repairer by profession but he prefers being a sales boy which is not stressful. He even contributed in the collapse of a woman's business. So maybe that is why the family do not want to help him.*

In spite of these deliberations the superintendent minister concluded that they should help the man. After the meeting I had an informal conversation with one of the welfare committee members who revealed that the sick person stopped contributing to church welfare over three years ago when he lost his job. She also revealed that the church helped him to secure a job as a sales assistant in a church members' provision shop after he collapsed his own mechanics shop. *"He again contributed to the collapse of the provision shop by squandering the sales. The police arrested him and kept him in jail for days and even tried him in court. It was the church that paid money and guarantee his bail"*. So in her opinion the congregation will get angry and not contribute the money since they were tired of always contributing money to help only one person. This made me curious and I really wanted to be present when the church tries to raise funds to help the man.

The following Sunday during church service one of the choristers announced to the congregation about the need for them to contribute money to help save the life of one of the choristers without mentioning the name of the person. He told the congregation that they needed to raise GH 400.00 to pay for the surgery of a man suffering from prostate cancer. He said that the sick person's participation in the church's activities was very encouraging and now the person needs help from the church to survive against death. He pleaded with everyone present to help to save a brothers life. He asked three ladies from the choir to sing a song about helping one another and a lot of people got up to put money in the offering bowl which was placed in front of the congregation in the middle of the church. After about 15 minutes of donation they were able to raise GH 420.00.

I was introduced to Siaw by the steward so I visited him many before the surgery and also after the surgery to have informal conversations with him. Siaw was not comfortable with formal interviews where I needed to record and probably take notes. He preferred chatting freely with me without any recordings or note books around. I had many conversations with



him about his sickness and his life in general. Most of the times we had many repeated conversations but there was always new things coming out so each section was worth it.

He was 54 years old and had 9 children. His oldest daughter was a primary school teacher; four of them were living with people as maid servants while the rest lived with their mother. He got separated from his wife about in the year 2000 when he could not provide for the family. Siaw was very active in the church choir prior to his sickness. His late father was a choir leader so he joined the choir at a very tender age and since then he has been an active member. He was the conductor of the choir. He was noted for his unique participation at the 'wake' during funerals. He was always found at the funeral grounds at dawn to lead and conduct the choir to sing before the casket will be opened for people to see the corpse. He loved music a lot so his participation in the church choir was his only source of happiness. He got sick for the first time in June and his daughter took him to the hospital. He had national health insurance scheme (NHIS) so it covered part of the cost. They admitted him at the hospital and when it was time for him to be released his daughter did not have money and he had no one to pay the GH 144.00 needed for his release. He called the superintendent minister to help him out which he did.

Exactly a month after his release he got sick again. This time around his daughter had no money to care for him. So he called his friend (Amoah); the secretary of the church choir to help him out. Amoah also contacted his friend who is a medical doctor and a member of the Methodist church for help. After a series of test Siaw was diagnosed of prostate cancer and needed to undergo surgery which cost GH 400.00 to be paid as soon as possible. The cost of the entire test was paid by Amoah. The GH 400.00 charge for the surgery was a very cheap one which covered only medical expenses as the doctor did not charge for his services; he was only doing them a favour since the patient was a church member. Amoah again gave Siaw GH 100.00 to cater for himself until they find the GH 400.00 needed for his surgery. Siaw was also a member of a prayer group in the community. When his sickness became serious he sought help from the prayer group as well. They also prayed for him and raised some funds for him through offertory for his upkeep.

During the period of his sickness his acquaintances and people he did not know from the community but heard of his sickness through the church and friends visited him on countless occasions to sympathize with him, pray for him and also presented him with money and food. According to him his sickness and his request for help from the church integrated him more

into the community. To him it rather extended his social network as it since people he did not know prior to his sickness heard about his condition through the church 'Appeal for funds' and came to build relationship with him by sympathizing with him. Even though he had not contributed to those new relationships he started enjoying benefits from them and promised himself to reciprocate when the need arise.

According to Siaw, his hope for help in times of need is in the church, as he does not contribute to any susu since he was unemployed. Although he has family members in the community his hope was not in them. He said there was an evil spirit in his family that is preventing the members to progress in life as a result he and his siblings hardly participate in the families affairs such as funerals. They believe that the family members are witches who can harm them when they see them. He gave an example of his brother in the USA by saying that; *"Ever since he visited Ghana two years ago his life has never been the same again. His finances have gone down drastically and his health also keeps deteriorating"*. His brother used to send him money but since his last visit he has not been able to send money to him again due to the challenges he was facing which they have attributed to witchcraft from their family. As a result he has devoted all his time in participating in church activities and helping people in the church when his services were needed so that, in times of need he can count on the church for help.

There are only two family members that he went to for help, his Auntie and his younger sister. His Auntie was sick with stroke yet she manages to give him part of the money sent to her by her children for her upkeep. At times she gives him GH 5.00 or GH 10.00. She always calls him to check up on him and to invite him over for food. This Auntie was very close with his father when he was alive.

Although his younger sister was helping him out he felt she was not doing enough. She was a teacher and the wife of the superintended minister of the Methodist church in one of the nearby villages. In one of our informal conversations he told me this about his sister;

She has only sent me GH 70.00 ever since I got sick. I called her after my surgery to remind her about how our late father used to send me to take money to her when she was in the teachers training college at Akokari when they were young. Our father did not cater for my education because he could not pay for all of us. As a result I dropped out of school and forced to myself learn radio repairing which the people of Mampong has helped to collapse. They

don't pay for my services when I repair their machines for them. That was why I stopped working and since then life has become very difficult for me. After reminding my sister she felt so sad and started crying and apologizing to me on the phone and promised to try her best.

I also had an informal conversation with Amoah about his reasons for choosing to single handedly help Siaw during his sickness. He stated that *"I felt the need to help him out when I realized the church was incapable of helping him at that moment. He needed help urgently and the church welfare was not strong enough in terms of resources to offer much help in an urgent manner. Before they can offer help to people in need they need to decide at leaders meeting and organize themselves well before they can help"*.

He said that when the choir heard about the sickness they did what they could do for him which was to pray for him to get well soon. After sometime he realized the man needed more than just prayers. And he knew the financial situation of Siaw since he used to pay his choir welfare dues for him. He also knew Siaws' family very well since Siaws' parent were both choristers and they had been friends for a long time. He also admired Siaws' participation in church activities. He said *"Siaw always kills himself for the church. He is always available when we need him. I believe that whatever a person sets out to do he should do it whole heartedly. So seeing that the church is all that Siaw has got and looking at his die-hard spirit for the church I decided to help him when the church was not capable of helping."* He was part of the leaders at the leaders-meeting who were championing the fact that Siaws' participation in church activities is very encouraging so the church should help him out.

The two cases presented above indicate that people still get help even without contributing to the church welfare. The church welfare is strictly for those who contribute to it. The church takes charge on issues concerning those who do not contribute towards welfare. The church looks at the person's participation during church activities in deciding to help when the need arises. In the case of Siaw, his participation in the church choir and his die hard spirit for the church was the deciding factor. In the case of Evans, his participation in the junior choir was the deciding factor.

#### 5.2.4 The Other Phase of Church Welfare

The two cases presented above suggest that the church is a very important medium through which one can seek assistance in times of need. But informal conversations and observations also suggested otherwise. This was the opinion of the church steward about who to contact first for help in times of need;

It is the family! The first people to seek help from must be your parents, siblings, uncles and aunties before friends and outsiders like the church come in. Every individual belong to his/her family more than the church or the community. That is why when someone ask for help from the church a committee is set up to investigate his background to see if the family is incapable of helping before the church provide help. The people in Asante Mampong practice the matrilineal family system. Although it is every father's responsibility to take care of his children, at a certain stage of the children's life he allows the maternal family members to come in and support in raising the children since the children belongs to their mother's lineage. So in times of need, one must contact the family members for help first. The church only gives help when their investigations show that none of the family members can help.

During a church society meeting on 18<sup>th</sup> August 2013, I overheard a conversation between three women who sat behind me about their disappointments in church welfare system. These women were comparing the cost involved in hosting church representatives when they attend one's program to the amount that one will receive from the church as welfare benefit. They were of the opinion that the church was not a reliable medium of social protection. One woman said: *Welfare benefit is not important and significant because the money you will spend in cooking and buying drinks for the church members who will attend the funeral or wedding ceremony is more than what they will give to you as welfare benefit.* Another woman added: *It can even be four times that amount! The benefit for wedding is cheating. Even now people prefer to do their weddings at rented places outside the church like hotels, parks, and other public places whiles they invite the pastor of the church to come and bless it there for them. The church benefit so much from offerings taken at wedding ceremonies, instead of giving all of that money the young couples the church take greater portion of it for its own benefit.* The other woman also added: *If you don't go to church people will say you are a*

*devil that is why I come to church. I am only here to worship God and not to depend on any help from the church.*

The cost and benefit analysis that dominated the women's conversation was evident at the burial and funeral grounds of Mary on Saturday and the thanks giving church service on Sunday. The church did the burial service for the deceased. So after the corpse has been buried we all went back to the church hall and the family of the deceased brought pastries and minerals from booth of their cars to serve us. They gave each of us a pack of pastry and a canned mineral all together costing about GH 2.00. We were about 70 people in the church so in estimation they spent around GH 150.00 since there were still some left overs.

At the funeral grounds the church presented donation of GH 100.00 and the women fellowship also presented GH 50.00. The GH 100.00 represented the welfare benefit for the deceased who was a member of the church and her daughter who is a member of the church. The daughter was the organizing secretary of the women fellowship so the GH 50.00 was presented to her as her welfare benefit from the women fellowship. The church nominated the women fellowship, singing band, Christ little band and the youth fellowship to represent the church at the funeral grounds. These organisations were asked to dress in their uniform to identify themselves at the funeral grounds. The people from these organisations that showed up at the funeral grounds were about 40 people beautifully dressed in their respective organisational uniform. After the donations all these people were marched into a nearby house by the daughter of the deceased. I followed them out of curiosity and when we got there they served everyone with mineral and a piece of fried chicken all costing about GH 2.50. So in all she spent about GH 100.00 again on refreshment at the funeral grounds.

On Sunday during the thanks giving service at church, the family presented GH 50.00 and 200 Methodist hymn books to the church to show their appreciation to the church for their help during the final funeral rite of their beloved sister and mother. The following Sunday there was also a thanks giving service of a deceased member and the family after presenting GH 200.00 also promised to build a six classroom block for the Methodist primary school to show their appreciation to the church for their help. That family was a very worthy family with most of the members being migrants in the developed countries. The thanks giving service where members of the family had to donate things to the church was a ritual since that happened with all the thanks giving services I attended in the church. Most of the furniture and the beautifications in the church hall are actually things donated by family members

during thanks giving service. These items had inscriptions on them to show the family that donated them.

This spending on refreshments and thanks giving service leaves as with this question; what is the main purpose of the welfare benefit for funerals? From the three women at the society meetings perspective, the funeral benefits given to people during funerals do not really benefit the people much looking at the expenses they make refreshing the guest and the donations they make at thanks giving service. This expense actually becomes huge when the church members have to travel to attend your funeral and probably stay overnight. With that the bereaved have to arrange accommodation and food for the guests, and this actually can cost a lot depending on the number of people attending and the neighborhood where the funeral is being held.

The money given to the bereaved as welfare benefit from the church was not significant security to the beneficiaries. What was important to them was the presence of the church members dressed beautifully in their various organizational uniforms at the funeral and the burial service that the church performs for the deceased. Church performing final funeral rites for the deceased is very important in Ghanaian culture as people pride themselves in it. Attendance to funerals and other social ceremonies is very important to people. *“The more people attend your program the more respect you attain in your community. And the people that attend the program must in some ways belong to different organisations dressed in their respective uniforms. The more organisations that show up at your program the more popular you become among your peers” (Mary, church member).*

Also as attendance goes with donation which suggests that the more people attend your program the more you get donations which are mostly used to reduce expenses made. To maintain or build social capital, personal relations are depending on presence and donations. According to Torche and Valenzuela (2011:188), what is present is what simply appears, and it is also what is given, received as a gift before any decision. To them, presence and donation are mutually constitutive, and that, to give something means to make oneself present, and he who is present always gives something, if only his presence and all that comes with it (ibid:188). Social capital as a resource build through presence and donation in this study proved to be double edge: either beneficial or rather costly. In the case of the church attending ones funeral and performing the burial ceremony, the individual ends up spending more money on their reception instead of gaining to reduce cost even though the church make

donations when they attend. After the funeral the family members then again have to go to the church to make donations to the church again during the thanksgiving service in monetary form and sometimes with other material goods. This makes counting on the church for financial security in times of shocks such as funeral becomes difficult. How important is this funeral security for the people involved? Dercon et al (2004) posit that funeral cost are very substantial even though the full cost are hard to estimate. In Ghana, healthcare and funerals are the major shocks for which insurance is needed (Mazzucato, 2009). According to Mazzucato (2009), for insurances to have a higher positive change in the lives of people, shocks and unpredictable events must involve great deal of lost else the person can afford to pay and funerals demand huge amount of money to perform in Ghana.

By joining churches and associations within the church and partaking in their activities and offering selfless services to these groups, one gets the assurance that these groups will stand by them in times of need. These engagements builds up social capital which one can depend on when the need arise.

The reciprocal exchanges which serve as a means of building social capital manifested both materially and non-materially (Homans, 1958, Johnson, 1971). During funerals and other events, family and friends show their support by providing physical labour and making monetary donations and presenting various gifts. In the case of Siaw who had no money to pay his welfare dues at church his labour and die-hard spirit towards church activities stood in for him in times of crises. His friend Amoah and the church agreed to help him by considering his non-material contributions such as ‘his participation’ in church activities. A 34 years old woman living in a family house confessed in an interview that whenever there was funeral or any crises in her family where members of the family must contribute to help, she only contribute her labour whiles the other well-to-do family members contribute money and labour. Two of her brothers abroad always send money home whenever there were crises but they never show up. She on the other hand contributes her labour by going on errands and helping in the organisations of ceremonies. To her, her labour and her brothers financial support all range equally in the eyes of other family members.

Benefit of social capital, in a form of reciprocity, also manifested in the lives of the invalids of the church. The church showed support to these people through the collection of the poor fund monthly and visiting them monthly at home to give them some money for their upkeep. That money was not enough to cater for their entire needs but it helped to cushion them while

their family members take up the rest. During Christmas the gift of rice, drinks and canned fish the church gave to these invalids was to assure them that the church still remember their contribution when they were able bodied in the past. So here the church was just reciprocating what they invested into the church years ago. Individual contributions or investments in the past are not circled out and appreciated, but all invalids in the church enjoy the same benefits. This is one effect of social capital as Coleman (1990) notes also that social capital is a public good, in that its benefits are appropriated by all those involved in a social structure, not only by those who invested in it.

### **5.3 Reciprocal Support Arrangement during Funeral Ceremonies**

The people of Asante Mampong believed in the reciprocal attendance of ceremonies. There are different days for different category of people to attend funerals in Asante Mampong. Saturdays are the days that corpse are buried. People travel from faraway to partake in the burial ceremony. As a result of this, funeral ceremony is held for the travellers to make their donations after the burial ceremony before they leave for their various destinations.

When the guests arrive the funeral announcer is alerted of their arrival who then announces their presence by mentioning the name of the person they have come to support and their relationship to that person, the organization they are from, and the place where they have travelled from. These people then go round to greet everyone sitting on the first role as tradition demands. After the greetings a family member offers them a place to sit. After they are seated the announcer welcomes them and asks them to make it clear to them if they have come to greet them or to offer them financial support to reduce their cost. After a while representatives from these guest goes to the donation table and make their donations. The announcer first mention the name of the organization or association the guests belong, the name of the person in whose name the donation is being made, their relationship to that person, the amount they are donating and the purpose of the donation.

During the funeral of Mary, about 150 people from the GPRTU, Kumasi branch attended the funeral and donated GH 500.00 to support their chairman kwesi the son of the deceased. Also about 50 Christian mothers from Krofrom (a suburb of Kumasi) came to donate GH 150.00 to support one of Mary's daughters who belonged to the association. Again about 15 teachers from Ghana National Association of Teachers also came to donate GH 100.00 to support one



of the deceased daughters who is a retired teacher. The “*Bretuo*” clan of Mampong also donated GH 20.00 to the family members to reduce cost since the decease belonged to the “*Bretuo*” clan. The Mampong Methodist church also donated GH 100.00, GH 50.00 to family members to reduce cost in the name of the deceased who was a church member, and GH 50.00 to the daughter of the deceased who is a church member. The women’s fellowship also donated GH 50.00 to the daughter to reduce cost.

After the donations the bereaved family members in whose names the donations were made takes the guest to a place and serves them with food and drinks. The guests in turn, calculate the amount of their donation by the type of reception they have receive and makes sure their donation exceeds the cost of their reception. If their donation is below the reception they contribute extra money right there and present to the bereaved. Since the main purpose of the donation is to help cover funeral cost. Usually the people from Asante Mampong only receive drinks and pastries whiles guest who travel far receives local dish such as rice, ‘*kenkey*’ (*local dish made from corn dough*) and drinks.

As I sat on a funeral grounds one Sunday afternoon, a woman sitting next to me asked me why I was at the funeral ground. She asked if I knew the deceased or any of her family members. This may indicate that there is a norm not to show up at a funeral if you do not know either the deceased or any member of the family. As I sat there all the people that showed up at the funeral knew either the deceased or the family members as they were attended to by the bereaved family members.

There were not many people present as I saw many people leaving the funeral grounds when I reached there. Most of the people that showed up there just stay for a while, chat with people, make their donations and left. When they arrive at the funeral grounds, they go to stand in the middle of the gathering since the tents are always made in a circular model and go round to greet all the people who sit on the front role. They do this for everyone present to acknowledge their presence. This was a ritual since everyone that showed up did the same thing. After greeting they look for a place to sit, others also just find friends around and stand at the back to chart with them.

After some time, they go to the donation table to make their monetary donations. At the donation table there were mostly two men who are the family members of the deceased. They always had receipt books in front of them which they gave to donors after accepting their

payments. They also had records book in which they wrote the names donors and to whom the donation was made. Record keeping was a very important feature at the funeral grounds.

All the donations were made to specific people for specific reasons. The donations were either made to individual members of the family or to the family as a whole. When the donation was made to the whole family the purpose was for them to use it to pay for the cost incurred in hiring chairs, tents and musicals for the funeral. When the donations go to individuals it was for them to use it to reduce their expenses made as a result of the funeral. So with this the more your love ones attend the funeral the better your chance of getting more money to reduce your cost. Some people however ends up profiting greatly from donations made to them at funeral. A woman said *“Ah! I made a lot of profit from that funeral. I made as much as GH 4000.00 from donations during the funeral of my late brother. People attended that funeral!”*

The community people do not stay for long at the funeral grounds on Sundays. Sunday is the day that the community people make their donations and also make their presence known at funerals, so they manage their time to attend funerals of all their loved ones. There is always more than one funeral at Mampong. There was a weekend when they had as many as eight funerals in Mampong alone. On that day and any other days when there were other funerals, on my way to the funeral grounds I met a lot of community members dressed in funeral cloths either going or returning. They attend one funeral, announce their presence and make their donations and then leave for another funeral if they need to be present. One thing was very clear; they always made sure that the person in whose name they attend the funeral should see them at the funeral grounds before they leave the funeral grounds. This practice is to assure them a reciprocal gesture in the future.

Making donations is very important as the bereaved person may not recognize attendance of all those who attended the funeral as a result of them having a lot to do and the stress that comes with funeral organization and the grieve at that moment. The surest way to recognize the generosity of their loved ones is through the information in the donation records book. There they find information on those who showed loved towards them in times of need. The recipient keeps this record book and is continually vigilant to reciprocate at an opportune time. The amount does not necessarily have to be the same as what was donated as a result a subtle permanent indebtedness is created between the giver and the recipient.

Those who could not attend the funeral in person sent their donations through other people to be announced to the hearing of everyone present. There is the believe that physical presence and donations are equally important so if for other reasons one is not able to attend the funeral their donation can equally cover up for them, although there were some instances where physical presence was critically important. This mostly depended on ones relationship to the bereaved or the deceased. At one of the funerals I attended, I overheard a conversation between two elderly women sitting next to me. One was complaining bitterly about her biological brother who did not attend her late husband's funeral. She said it with so much pain describing to the other woman how she confronted her brother afterwards. She told her that she will retaliate should he lose any of his loved ones. The other woman was in full support of her decision to retaliate and told her that if it were to be her, she would not have spoken to him ever again.

Funeral is a big expense in Ghana which could pose as economic shock. Van der Geest (1995) argues that funerals in Ghana are less a matter of showing respect to the deceased and making his/her life complete, but rather they are occasions for the family to celebrate itself and indulge in self-praise. He considers the social prestige of a family to be at stake at a funeral, where by the family will be inclined to spend a lot of money on this public post-mortem (ibid). It is a family's responsibility to arrange a funeral, but ones social capital becomes very important during funereal. The quality of the social capital that lies in relationship for the dead person and the kin (bereaved family members) is revealed through attendance and donation. The list of attendance and donations at Mary's funeral presented above shows the quality of her social capital as well as that of her family members. Prominent people and groups travelled from far and near places to attend her funeral and to make huge donations. Another big expense, not necessary a shock, is marriage. During marriage ceremony ones social capital matters a lot. In the next section I discuss how social capital manifest to benefit the couples during marriage ceremonies.

#### **5.4 Reciprocal Support Arrangement during Marriage Ceremonies**

During marriage ceremonies the reciprocal support arrangements manifest itself through attendance, giving of gifts, and donation of money to the couple. Attendance to ceremonies is very important to these people and marriage ceremonies are not exceptional. It is through attendance that donations are made, so it is assumed that the more people attend a program

the more donations one receives and vice versa. During ceremonies relatives, friends, neighbors and colleagues are expected to grace the ceremonies with their presence. During marriage ceremonies attendance is recorded through photographs. There is a section on the program where the couple takes photographs with relatives, friends, neighbors and colleagues. These photographs serves as a record for the couples to know those that attended their wedding so that they can reciprocate when the need arise.

Below is the order of photograph at one of the weddings I attended.

- Groom Only
- Bride Only
- Bride and Groom Only

Couple with:

- Officiating Ministers
- Junior Choir
- Singing Band
- Boys & Girls Brigade
- Christ Little Band
- Susanna Wesley
- Police Service
- Brides Family
- Grooms Family
- Both Family
- Hair Dressers
- Friends of Groom
- Friends of Bride

The couple was members of the Methodist church. The groom was a member of junior choir, Boys and Girls Brigade, Christ little band and a police officer. The bride was also a member of Singing band, Susanna Wesley and a hair dresser. So looking at the order of photograph presented above, they both expected to take photographs with members of the associations they belonged to, their colleagues at work, family members and friends. I did not feature in any of the photographs because I did not belong to any of the categories above. I was only at the wedding ceremony to make some observations for my thesis.

Gift giving and receiving seems to be very important since there was always a special table set aside called “Gift table” where mostly two people seated who receives the gift on behalf of the couple and record it. These people are mostly trusted friends or relatives of the couple, in many cases siblings of the couple. Setting this gift table triggered my thoughts that the guests were expected to present gifts to the couples, although it is superficially portrayed as voluntary kind gesture by the donor. These gifts were received and recorded in a records book. In this records book, the name and the item presented were recorded and given to the couple afterwards for them to see “who brought what?”

Previously gifts given during marriage ceremonies were items needed to set up a home such as cooking utensils, room decorators, cloths etc. But in recent times these items have been substituted with money although few items are still presented. On the program of all the marriage ceremonies I attended during my field work, there was a slot for presentation of gifts. Weeks before the marriage ceremony, announcements are made to inform the guest of the wish of the couple concerning the gifts to be presented to them during the ceremony. Mostly the couples wish was for the gifts to be presented in monetary form. This was because couples always prepare their home before marriage, so the material things presented to them as gifts are in some situations never used by them since they might have bought some during their marriage preparation stage. They end up giving those gifts out to other people as gifts which make one commodity change many hands without finding it usefulness. Five people I had informal conversations with concerning the presentation of items as gift against money all chose money over material gifts due to the reason above.

Aside the normal gifts which are mostly wrapped and presented at the gift table, there are many donations of money separately presented to the couple during marriage. During the marriage ceremony, the couples are made to stand in front of the guest and many donations are made to them. These donations are meant to help reduce their expenses and also to help them to start life. In an interview with a church steward he said “*we consider marriage as a journey that requires great preparation, so as they begin that journey we give them the money to help them buy some of the things they will need to go through it peacefully. That money is just a token for the person to feel the sense of belongingness to a group. That is the main reason why we give that money*”. Here we see that even though marriage is not a shock

or risk it also needs great preparation and savings towards it. As such friends and loved one are ready to support the couple with monetary and material gifts to begin this journey when the need arise.

During one of the marriage ceremonies, there was a lady in her mid-thirties dressed very beautifully in a dress that could pose as a wedding gown had it not been for it being wine in colour. She donated so much money to the couple. She always stood up to donate money anytime they mention any amount. So I got closer to her and started to engage her in an informal conversation. She revealed to me that she was the brides' best friend and that she also got married the previous week. Her friend was so supportive during her wedding. The friend donated so much money so she was there to reciprocate, and that she wants to do more than what her friend did for her. She told me that she could not under any circumstances have missed her friend's wedding or refused to donate at the wedding. She said that the next thing to expect after the wedding is naming ceremony of a child so her participation and donation at the wedding will determine what the friend will do for her when the time come. And for those reasons she could not under any circumstances missed her friend's wedding or refuse to donate money to support her.

## CHAPTER SIX

### DISCUSSION OF FINDINGS, AND CONCLUSIONS

#### 6.1 Discussion of Findings

Building social capital for Insurance purposes has been the central theme in this thesis. The findings in chapter five have shown that insurance in this society is usually achieved through the informal means such as reciprocal support arrangements where there is risk-pooling among members in a social network to support each other in times of shock and adversities (Mazzucato, 2009). Not having access to formal social protection makes them to employ all other means available to them thereby engaging in multiple insurance arrangements through social capital. Other studies elsewhere have proven multiple insurance to be helpful. Donald McCloskey (1976) confirms this by arguing that scattering of plots serves as insurance against crop failures for farmers. The idea being that, if one plot did badly but another one did well, the farmer would still have enough to survive from all of his plots put together. For instance, in Botswana, self-insurance is practiced by cattle owners who keep their herds at several widely separated cattle posts, where the chance of loss at each cattle post is independent of the others (Cashdan, 1985).

Investing in relationships by visiting friends and neighbours in times of trouble, attending their ceremonies and helping them out in one way or another builds up social capital which one can depend on when the need arise. With these, one gets the assurance that these people will stand by them in times of need (Gudeman, 2001). Although these gestures may be seen as spontaneous generosity, in a way if they are seen as a means of building social capital which in a way confirms Mauss (1970) argument that every act of generosity has economic self-interest in it since they are expected to be reciprocated in times of need.

The study has shown that the people still heavily depend on kin for both material and non-material support during funerals. I observed that all the people who were present or gave donations at funerals were people that were related to the deceased and family members as friends, co-tenants, colleagues at work or from school, church members, members of associations and organizations. Most of these people travelled from faraway places to attend the funeral and make their donations. Colleen Leahy Johnson (1974) presents a similar case on the Japanese culture. "Following the death of an *issei* parent ... the family sits down to examine the list of donors. As the list is divided, the eldest son receives most of the *koden*,

pays the expenses, and keeps on his own list those names of people who are strictly the parents' friends. Each sibling records the names of his own friends who contributed, and he receives that part of the *koden* ... Later, as the parents' friends die, the eldest son returns the obligation ... each sibling has his own list of donors, whose gifts must be reciprocated at the death of the donor or a family member of the donor. As he discharges these debts, he also gives *koden* to co-workers, neighbors, and friends when their parents or siblings die” (p.299). Personal relations cultivated through interaction over a period of time are a powerful source of social capital because they establish obligations only toward those linked by reciprocity. Building trust in a personal relationship takes time since it requires reciprocity to occur and establish a link that goes beyond self-interest. From such social relations experienced as personal relations emerges trust. According to Torche and Valenzuela,

‘Developing trust in a friend as opposed to a confidence man takes time because it requires building a personal relation, one that transcends – without cancelling – individual self-interest. Building personal relations requires, by necessity, time, but once they are established, trust ceases to be a conscious choice, becomes embedded in reciprocity, and usually acquires the taken-for granted character of familiarity. ...trust is the type of social capital that allows us to establish and maintain relationships with strangers. As such, the basis of trust cannot be reduced to encapsulated self-interest’ (Torche and Valenzuela, 2011:187).

The social capital developed out of personal relations seemed very important to these people. Personal relations ideally are defined by co-presence and reciprocity such that in the context of personal relations, social capital is to a large extent an involuntary by-product of the relationship, and is often indistinguishable from familiarity.

Just like other communities social relationships in Mampong are governed by the obligations to give and receive (Cashdan, 1985; Colleen Leahy Johnson, 1974; Malinowski, 1920; Mauss, 1970). But these reciprocal exchanges are all constituted packs of insurance for the future (Cashdan, 1985). Favors done for people such as visiting a sick person and presenting them with fruits, attending burial and funeral service of a friend’s mother, donating money and presenting gift at a friend’s wedding are all done with the hope of reciprocity in the future (Cashdan, 1985; Colleen Leahy Johnson, 1974) although they may seem like an act of generosity in the surface (Mauss, 1970). Even though all the people that gave donations at funerals and the other ceremonies presented it as an act of generosity the intent behind them



was to be reciprocated by the receiver when the need arise. The records keeping at funerals and marriage ceremonies served to ensure that a favor done is not forgotten. When these favors are not returned, they bring about strain in social relationships. Johnson documented how normatively these gestures of reciprocity are expressed in local sayings: “One must give from the heart”; “If you allow a favor to go by unnoticed, you will never be blessed”; “You be good and think of others, and they won't forget you”; “I will treat you kindly and you will do the same with me” (Johnson, 1974:296).

This confirms Mauss observations in Polynesia. Mauss focused on the behavior of gift giving that is superficially presented as spontaneous generosity but is actually carefully staged, seen as an obligation and it has a foundation of economic self-interest. In Polynesia he looks to find the spiritual mechanism that obliges people to return gifts. The Maori of NZ have a term hau that means the spirit of things and this spirit goes with a gift and obliges one to return. A physical object is animated by the hau of its forest, of its soil and this spirit pursues those who hold the thing and ultimately wants to return to the place of its birth, its owner. Mauss believed that this was the spirit behind the obligation for exchange to continue. When someone gives they gain authority and power over the recipient and this leads to obligatory circulation of wealth. There is a bond created by the transfer so to give something is to give a part of oneself. When you receive you are receiving part of the giver's spiritual essence. The thing given is not inactive. It is alive and often personified, and seeks to bring a replacement to its original clan and homeland.

People build social capital as a livelihood strategy in the absence of formal social protection. As Gudeman show that we all live in associations or communities that offer a degree of certainty and security (Gudeman, 2011). With this, family, friends and the community at large are the major source of social capital (MacLean, 2011). The idea of this community support is embedded in the very fabric of many African communities and evident in a variety of proverbs that expresses the significance of unity especially in the face of misfortune. As people invest in social relationships by helping each other in times of need, it offers them a degree of predictability that those gestures will be reciprocated when the need be. As argued by Cashdan (1985:456) that the simplest form of reciprocity is a norm of sharing and gifting which acts like insurance as the risk is shared among a number of different individuals protecting each from the possibility of a catastrophic loss. And the 'payment' for this

protection becomes the obligation to help when someone else is in need. Most of the people in Asante Mampong as stated in chapter 1 are vulnerable as they fall outside the government social protection umbrella so social capital build through trust, mutual reciprocal arrangements, and investments social networks, not forgetting self-insurance serves as a livelihood strategy for them. Ineffective as it may be, Dercon (2004b) agree that informal social support enable people to handle adversities in many regards. Mazzucato, (2009) also adds that even if insurance or the amount received is small, they are important to those beneficiaries such that death can be preventable if the person is ill and disputes can also be avoided during funerals.

## **6.2 Conclusions**

The aim of the study was to gain a better understanding of the measures and mediums through which the people of Asante Mampong in the Ashanti Region of Ghana insure themselves against social and economic insecurities. It sought to achieve this by examining how the people uses the services and their membership of micro finance companies, credit unions and workers unions/associations to build up investments to secure themselves against immediate and distant future. It further examined how church membership and church welfare system play out to helping the people to deal with insecurities. Lastly it examined how the people use reciprocal support arrangements to build up social capital for themselves which they can draw upon when the need arise.

The study showed that social protection was central in the daily activities of the people. They lived their life fulfilling communal obligations and securing themselves against future shocks of different kinds which was inevitable. The fear of these future inevitable shocks such as financial insecurities, illness and expenses such funerals and marriages made the people to constantly explore the options of insurance available to them in other to secure themselves for these hard times to come. Asante Mampong is a community where majority of the residents work in the informal sector. As a result, these people see themselves falling outside the government umbrella where they can receive security from the government against these future shocks.

Findings from the study also showed that building social protection starts as personal issue end up becoming a social issue as people try to incorporate network of other individuals and

institutions in their security plan. Their security strategies include self-insurance through savings with micro finance companies and credit unions notably through the daily susu scheme. In spite of placing money in the center of their entire problem, their daily activities did not exclude the fact that network of people is very crucial in insurance process since informal group-based risk-sharing arrangements is an option for people in developing countries. They join many associations in church and in the community and contribute towards welfare in these associations. They visit their friends and neighbours at hospitals and at home when they are sick, attend funerals and other ceremonies of loved ones and try as much as possible to live cordially with people in the community by helping each other in times of need. They do all these with the hope that it will be reciprocated when the need arise. Social capital becomes very important or decisive, because independent of a person's valuables, social capital comes to be seen as a civic virtue of the individuals which this in turn has more power when it is "embedded in a dense network of reciprocal social relations" (Putnam, 2000). The social capital they build for themselves then becomes a resource available to be utilized for mutual benefit for the individuals involved.

The study has shown that the strategies that this people use to secure their future manifest in two ways. It may come either intentionally through precautionary savings with micro finance companies, credit unions or joining many associations which has many incentives for its members, or not necessarily always acting intentional or calculating by living in a community and doing what community expects of an individual such as helping one another in need. With this help is not necessarily strictly calculated argues. In other words people's relationships are not based on business only, but rather on mutual expectations. Relationships are not always based on economic self-interest but rather on mutual expectations as Gudeman (2001) puts it that the individual is "embedded" in a web of dependencies, obligations, common plans, and creation of meaning. They invest in relationships over time building expectations and outstanding claims through trust and norms. The findings from this study support Gudeman when he argues that even when people do business in an impersonal, calculated way their activities are dependent on "the presence of communal relations and resources for [their] success." For Gudeman we all live in associations or communities that offer a degree of certainty and security which enable us to depend on each other in times of shock.

Even as people try to contribute saving with micro finance companies and credit unions in order to be able to easily access loans from these companies in times of need, these same

people will depend on other members of the union to guarantee these loans for them. For one to guarantee loan for the other there should exist communal living arrangement between them. So as they live cordially with people in the community they build up social capital which enable them to count on each other for support when the need arise. Mauss disagree with this by contesting the idea that there is a 'natural economy', that in the state of nature or in primitive life an individual acts like a self-interested bartering unit; every behavior is calculated in economic terms. Mauss sees that the system of exchange in traditional societies involves three obligations: giving, receiving and repaying. He argues that gift giving is a behavior that is superficially presented as spontaneous generosity but is actually carefully staged, seen as an obligation and it has a foundation of economic self-interest.

The study further showed that aside savings for investments, social and economic insurance is one of the key services offered by the micro finance companies and credit/workers unions. These services are also provided by the church and other associations in the community, and the prime motive for most to join them. The social aspect of insurance draws on the central premise of social capital: that social relations and networks have value, underlined through trust and norms. The term emphasizes a wide variety of quite specific benefits that flow from trust, reciprocity, information, and cooperation associated with social networks. Here, the group members saw themselves as family helping and standing by each other in times of need providing emotional and physical support. With economic aspect some of these groups offer loans to members, with strictly enforced rules governing repayment. Members have to present a case for obtaining a short-term loan, and the most commonly accepted reasons are offered to provide additional cover mainly for shocks. With the credit unions and micro finance companies investing into businesses was a major reason for granting loans.

When investigating networks of people on whom they would turn to for help and to whom they would give assistance in times of need, interviews showed that majority of them did not recognize their extended family as capable of helping them. They only recognized their nuclear family as the only family they could turn to for help and vice versa. They then focus on their nuclear family where they believe solidarity lies. With a list of people and institutions people can turn to in times of trouble the extended family was the last to be recognized by the people. They rather recognize church associations, workers unions, credit unions and microfinance to be able to help them out instead of the extended family members. But my observations showed otherwise as the extended family was the most important when it comes to major shocks such as funerals although the others provide significant help. This

finding provides support to Robert S. Rattray definition of the extended family in Ghana as the “primary political unit” because of the mutual interdependence of the members. Even as an individual sought help from extended family members, he was in turn required to fulfill certain responsibilities, such as contributing labour when needed or participating in activities associated with rites of passage of family members.

Colleen Leahy Johnson (1974) findings among the Japanese show that the extended family members are the main medium through which funerals are organized. My study also showed that all arrangements and cost are mostly shared among the family members. The people who attend funerals and make donations are people who relate to members of the bereaved families through occupation, religion, friendship, education, neighborhood, associations etc. The extended family provide majority of the physical labour and finance during funeral ceremonies. So commitment to the family becomes the most important insurance against funerals.

From the data we have seen that social capital plays a significant role in the daily activities of the people, even the micro finance companies and credit unions also utilize social capital for their own benefit in their transactions with the people. However the benefits that the individuals achieve are determined by factors such as one’s network such as exploiting kin and social relationship. Hence, a balancing act is required in their social protection strategy. The participants in this study had several mediums at hand, including contributing to savings with the micro finance companies and credit unions, joining church and community associations and contributing to welfare, engaging in reciprocal support arrangement with neighbors and friends, and contributing to ROSCAs which was not so popular.

Furthermore, several of the participants can be said to have a high sense of coherence, which can be related to their ability to use the mediums they had available to cope positively in their situation. Ineffective as these mediums might seem, this study agrees with Dercon (2004b) that informal social support enables people to handle adversities in many regards. What is significant here is the fact that livelihoods in Asante Mampong, and generally in Ghana are embedded in social relationships. At the center of these social relationships are individuals who are members of many different social circles. These relations are very important to further individual goals and aspirations. It is clear that the people are conscious of this fact and through social networks, coupled with trust and negotiated and accepted norms of

expected behaviours employ them to accomplish their goals and further their present as well as future aspirations.

In conclusion, this study has contributed empirical evidence on the lives of the people of Asante Mampong on how they deal with social and economic insecurities or challenges. It has applied the concept of social capital to the investigation of the various mediums through which people insure their future in the absence of formal insurance.

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