

AFRICA ALIVE

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A Microcredit World

By Sandy Student
Model United Nations Club Member, Edgemont High School

Microcredit is the lending of small sums of money to individuals in need, in hopes that it will help them start a business, pay debts, and generally improve their family's economic and social status. Money is not simply given out; the clients repay their loans. Microfinance institutions (MFIs) the world over are helping those in need, many of whom are women, become independent and secure.

Dedicated as International Year of Microcredit, 2005 expanded awareness of microcredit worldwide and strengthened the capital provided by MFIs. Still, more funds are needed to serve clients in need. Microfinance has grown dramatically - according to the United Nations Capital Development Fund, thirty million people worldwide already have access to microfinance programs, with over 10,000 MFIs worldwide. A rate of 30% annual growth has also been reported, a very high rate of growth for such a charitable system.

The founder and leader of microfinance is currently Bangladesh's Grameen Bank. It lends approximately 30 million dollars to 1.8 million clients, most of whom are very impoverished. Women comprise 94% of participants, and 98% pay back their loans in full. Without aid, only 4% of Bangladesh's poor could pull themselves above the poverty line over an eight-year period. Those with loans from Grameen had a 48% success rate in rising above the poverty line. The bank's founder, Muhammad Yunus, even won the 2006 Nobel Peace Prize for his efforts to alleviate his region and the world of poverty!

Africa Alive Microcredit Association is another organization fighting poverty with microcredit. Fundraising based in California, its efforts are directed toward women in Ghana and helping them earn a living; in fact, many of their crafts (such as handbags, fabrics, clothing, and jewelry) are innovatively sold online. The women are able to become self-sufficient and have a stable income through Africa Alive.

Microcredit is one of the most effective ways of helping the poor get on their feet. We are not all the same, and through microfinance, community needs can be addressed more effectively than with wide-sweeping methods such as the International Monetary Fund. With microcredit, little bits of human charity for little segments of humanity can have monumental effects.



Dzogbedze Traders Group with the first AAMA President, the late Rosemary Anumah



Dzogbedze-Alavanyo AAMA Chapter.

Brief History of Africa Alive-Microcredit Association

- October 2002: While visiting Dzogbedze-Alavanyo in Eastern Ghana, founder Jessica Wedge created a plan for Africa Alive Microcredit Association(AAMA) with her local host Phillip Kitsi.
- July 2003- January 2004: Coordinator Janét Hund implemented AAMA on her sabbatical leave from Long Beach City College (LBCC) through the training of 50 members which taught the women financial management, including monthly savings. Loans were provided to all members in Dzogbedze. AAMA hired full time Field Coordinator: Irene Abitty.
- March 2004: Savings & training for AAMA members in Keta, Ghana.
- October 2004: Savings, training & loans for 7 women in Ama Serwah Women's Project in Jisonaayili -Tamale, Ghana, sponsored by Phyllis Keh.
- December 2004: Loans for 60 AAMA members in Keta, Ghana.
- July 2005: LBCC Study Abroad group traveled to Dzogbedze, to visit AAMA and contributed donations to repair an elementary school roof.
- August 2005: Creation of AAMA website via leadership of LBCC Study Abroad students Arica Washington, Irma Soria & Jazmine Phillips. Go to: <http://www.aama-ghana.org/>
- November 2005: Samuel Ofori completed survey research on Dzogbedze AAMA members' program evaluation/satisfaction.
- July 2006: Through the efforts of Kojo Arkorful and the financial contribution of Evelyn Knight, AAMA registered as a non-governmental organization in Ghana.
- October 2006: Long Beach City College chartered AAMA student club.
- November 2006: Volunteer support from Edgemont High School MODEL UNITED NATIONS CLUB, Edgemont, New York.

ACTION RESEARCH

By *Janét Hund, Assistant Professor of Sociology, Long Beach City College & Africa Alive California*

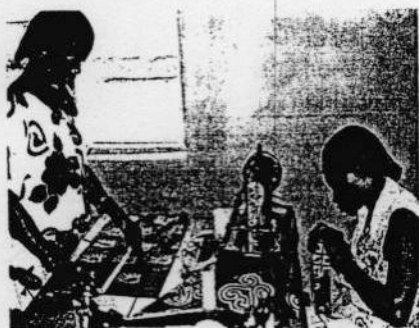
Action research, a form of applied sociology, involves participatory research for the purpose of making change. My venture into the microcredit world began during a one-year sabbatical leave from my college to determine what constitutes an effective, efficient microcredit program designed to eliminate poverty; in turn, I had the opportunity to practice applied sociology and implement Africa Alive Microcredit Association (AAMA).

Based on my observations, I can attest that microcredit can serve as a tool to remedy poverty, and certainly, I can verify that microcredit contributes to women's empowerment. Yes, Africa is Alive, especially the women members of AAMA! After two years of AAMA in practice, we set out to conduct research on its efficiency and member satisfaction. The following are important steps of action research: listen to the people, do the research by collecting social facts to identify a problem, develop goals and then implement a course of social action, and finally evaluate the action taken. Consider these steps in connection to AAMA.

- 1. Listen to the people and collect the facts.** Prior to the creation of AAMA in Dzogbedze, Alavanyo, Ghana, a baseline study was completed by Philanthropy Host Family Service to determine poverty prevalence and needs in the village. Of the fifty women surveyed, most indicated they could benefit from loans of 300,000 cedis to 2 million cedis (\$35-\$240).
- 2. Identify a problem.** These women did not have the means to achieve financial mobility. Since they earned incomes of less than 100,000 cedis per month, they did not have the capital nor collateral for loans to start up any other business ventures. Typically, rural women in less economically developed countries or regions have less access to modern credit facilities such as banks; indeed, this was the case for the women in Dzogbedze, Alavanyo; clearly, this is conversely related to mobility.
- 3. Develop goals.** The goals began as such: seek funding for AAMA, develop a pre-loan education plan for AAMA members, and seek coordinator/volunteers of AAMA.
- 4. Develop a plan of action.** Jessica Wedge and Phillip Kitsi developed the AAMA rules and mission. Jessica Wedge and Janét Hund raised funds for the initial loans. Jessica and Janét created a pre-loan education program through consultation with other Ghanaian microcredit non-governmental organizations.
- 5. Evaluate the action.** The repayment rate for the Keta and Jisonaayili -Tamale branches stands at 100%. Prior to the 3rd loan cycle in Dzobedze-Alavanyo, the loan repayment was 100%; however, the Dzogbedze women have recently had to extend their repayment period. Samuel Ofori completed program evaluation survey research in November 2005. Read on for some results:

Thirty-six of the Dzogbedze-Alavanyo AAMA members were surveyed by Samuel Ofori in the fall of 2005 to evaluate the success of AAMA. The respondents ranged in age from 22-64 years old; most have a middle school education; none of the respondents have an income greater than 200,000 cedis per month (\$25).

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Left: AAMA Seamstresses: Florence & Gloria.

Middle: AAMA Tie Dye & Batik group members look on as Patience, AAMA treasurer, counts repayments & savings.

Right: Long Beach City College Study Abroad students enjoy the welcome to the village by the chiefs, elders and AAMA members.

AFRICA ALIVE

(Action Research continued from page 2)

All of the participants stated they experienced improvement in their lives with more than half indicating significant improvement. Improvement came in the following ways: providing food for the family and school fees for children, home improvement, malaria prevention/treatment, heightened self-esteem, and resolution of conflicts. Christina Pena stated, "With AAMA participation, I can now avoid conflict in the family." Tie-dye & batik group President, Patience, emphatically responded, "AAMA gives us something to do with our life." AAMA member, Elizabeth Latrey, a trader, 50 years old, expressed, "AAMA has empowered me and AAMA should be sustained and increased so more people will benefit."

One-third of the respondents indicated that AAMA reduces poverty. Most indicated that they learned through AAMA education to keep their families to a small size, the average being 3.6 children per participant. The women used the loans to improve their profession: trading, seamstress, baking, hairdressing, tie-dye & batik, farming; two respondents specifically stated they used their loan for their children: one, to pay school fees, the other, to pay for a daughter to learn a trade.

Most respondents indicated they continue to reap benefits of their financial education received; the largest amount in a member savings account is 500,000 cedis (\$62). Most indicated they would like to see continuing AAMA education, every 3 months. Most indicated they would like to receive subsequent loans (2nd or 3rd cycle loans). Most indicated they desire larger amounts of loans; loans thus far have ranged from \$30-\$120. Multiple members stated they would like to see the loan repayment period extended.

AAMA is continuing to plant seeds of women's social, psychological and financial empowerment. The first harvest of AAMA gardening reveals that Africa is Alive! Please consider a donation to AAMA which will sustain AAMA and promote greater social change for women of Africa.

AAMA Wish list:

- Expansion to a 4th village.
- Average loan size to \$100; 4th loan cycle in the amount of \$200.
- Quarterly education/training (financial, legal, women's empowerment, health) for AAMA members.
- Increased salary to \$150 per month for Field Officer Irene Abitty who services the 3 villages.
- Purchase of materials for the skilled women.
- Expansion of AAMA product sales.

Every (wo)man must decide whether (s)he will walk in the light of creative altruism or in the darkness of destructive selfishness.

~Martin Luther King, Jr.

Akan Proverb:

A bird must fly in order to eat.

(Women must work harder to make ends meet).

Africa Alive Contacts

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SPONSOR A WOMAN

Individuals and businesses may sponsor a loan to a woman with a donation. This donation will help a woman establish or improve a business to secure her livelihood & that of her family.

Please make your check payable to PHFS (Philanthropy Host Family Service) and write "Africa Alive" in the memo portion of the check. PHFS is a U.S. based non-profit that serves as our fiscal sponsor. Your donation to Africa Alive is tax deductible. Tax ID number is 68-0450774.

Donations in any amount are welcome!
Thank you so much!

Send your donation to:
Africa Alive Microcredit Association
3428 Long Beach Blvd., #197
Long Beach, CA 90807

AAMA: Ama Serwah Women's Project: Shea Butter Production

By Phyllis Keh, *Ama Serwah Women's Project Coordinator*

I have always wanted to know how shea butter is produced. In 2002, my dear friend and adopted son, Joseph Opoku Ware, escorted me to an Islamic village, Jisonaayili, in Tamale, Ghana, where we found women making shea butter. We introduced ourselves to the Chief Pumaya, who was 110 years old at the time! Through his linguist, who translated the Dagbani language into English, we were told that the Jisonaayili women are very poor and could benefit from a shea butter cooperative. To begin their association, the women needed to purchase commodities such as pans in which to make shea butter. We met with the women selected by the Chief. Only one woman named Asana Mohammed spoke English. She became our interpreter and is now the co-coordinator for the group. Following are the members:

Damata Abukaria, mother of 8 children
Azare Mohammed, mother of 5 children
Damata Iddrisu, mother of 5 children
Lasas, mother of 6 children
Salema Majeed, mother of 5 children
Ramata Mohammed, mother of 2 children
Alimatu Haruna, mother of 2 children
Sekena Iddrisu, co-coordinator

The Ama Serwaa Women's Project formed an alliance with AAMA and initiated Micro-credit loans in 2004. We initially loaned the women between \$50-\$60 per person and have since increased to \$100.00. The women use the loans to purchase and grind the shea nuts. They are given six months to pay back the money. Upon repayment, we give them an increased subsequent loan. The women feel empowered that they have started their own business.

I purchase shea butter from these women and sell in bulk to small businesses in the U.S. who in turn make body creams, lotions and soap. Four-ounce jars are sold at \$16-\$20 (retail price). Half of the proceeds are deposited into a bank account for future loans.

The shea tree and nuts are uniquely grown in Africa. The secret within its fruit has been known to traditionalists for centuries.



Early users were noted women such as the Queen of Sheba and Cleopatra. Today, this tree may be found in 19 contiguous countries across Africa. Without human assistance, the shea tree bears fruit the size of a plum. When the fruit turns yellow-orange, the taste parallels custard. The women have informed me that the fruit is much healthier than an orange!

Transmitted through many generations, the production process of shea butter is complex. Between April and August, the women pick the fruits off the ground. They eat the fruits and preferably sun-dry or roast the seeds. To remove the seed from the nut requires the use of a stone, hammer, or pestle to crack the nut. The women cannot afford mechanical devices. Once the seed is dried, it is then pulverized into a fine powder. The women mix and hand-stir the ground powder with water before cooking. The mixture is boiled until it turns to a creamy white color. For a more yellow color, the women will add a natural root. If the shea butter is overcooked or undercooked, it will smell bad. After cooking and mixing rigorously by hand, the shea butter is placed into a pottery jar to set for an entire day before it is sold locally or shipped globally.

Studying Microcredit in Ghana

by Maria Greschenko, Long Beach City College Student

The Africa Alive Microcredit Association not only educates and empowers low income African women to start businesses of their own and make ends meet, but the help that the program offers to Ghanaian women also serves to inspire students who traveled with the 2005 Long Beach City College Ghana Study Abroad program. Student Irma Soria reflects, "An experience that was extremely emotional was the weekend visit to the Alavanyo village in the Volta region of Ghana. Witnessing firsthand the microcredit program taking place there made my spirit soar. Watching all those women working and struggling to survive reminded me of the women in my family, especially my mother. I was surprised to learn that the women in the village farmed because in Mexico, men dominate the farming. I was emotionally enriched by the strength as well as the spunk of the women participating in the program. They were as funny as they were hard working."

During their study of the Microcredit program, students experienced Ghanaian hospitality. When asked about her stay while studying the microcredit program, Soria said, "I was also very moved and touched by the words of the village chief. His warm welcome of us foreigners, the appreciation he demonstrated in regards to our volunteer help, his belief in the power of education, and the amazing hospitality given by the people of the village all made the visit an unforgettable experience."