

UNIVERSITY OF EDUCATION, WINNEBA
COLLEGE OF TECHNOLOGY EDUCATION, KUMASI

**A CRITICAL STUDY OF THE CHALLENGES FACED BY SMALL AND
MEDIUM ENTERPRISES' MASTER CRAFTSMEN IN THE WELDING AND
FABRICATION INDUSTRY IN THE WA MUNICIPALITY**



JOSEPH KULAH

JULY, 2016

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**A Dissertation in the Department of MECHANICAL TECHNOLOGY, Faculty of
TECHNICAL EDUCATION, Submitted to the School of Graduate Studies,
University of Education, Winneba in partial fulfilment of the requirement for award
of Master of Technology (Mechanical Technology)**

JULY, 2016

DECLARATION

STUDENT'S DECLARATION

I, JOSEPH KULAH, declare that, this Dissertation with the exception of quotations and references contained in published works which have all been identified and duly acknowledged, is entirely my own original work, and it has not been submitted, either in part or whole, for another degree elsewhere.

SIGNATURE.....

DATE.....



SUPERVISOR'S DECLARATION

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

NAME: MR. STEPHEN K. AMOAKOHENE

SIGNATURE.....

DATE.....

DEDICATION

I dedicate this treasured piece of work to my mother Rita A. Kulah, my wife Victoria A. Gariba, my lovely children: Carl Bongangngmen Kulah, Clara Lebaalonnye Kulah, Callista Kanyire Kulah and my late father Bartholomew Kulah for their concerted efforts and prayers that have enabled me rise to this academic height.



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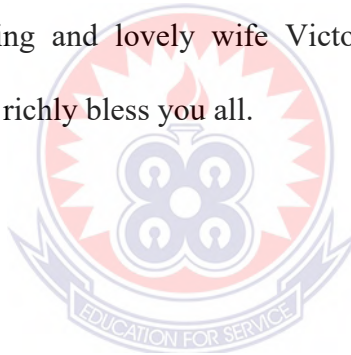
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ABSTRACT

Small Scale Enterprises (SMEs) contribute a substantial part to the development of every country especially in the developing countries. In Ghana, they were established before the development or the coming out of large sized and modern size industries. SMEs have attracted much attention in development studies in recent years. In Ghana, the activities of the small scale industrial sector confirm the important role they play in the national economy. Despite the contributions of the SMEs to local economic development, they are faced with many problems. SME operators in Wa Municipality are faced with a number of challenges. Some of these challenges are difficulties with accumulating start-up capital and loan from financial institutions to start up their businesses. Again also, small scale operators are highly constrained in terms of their managerial abilities due to their low background of education. They lack simple book keeping skills that will help them track the progress of their businesses. In addition the field survey revealed that SMEs have limited access to capital and operators' inability to register their enterprises and also insure them against all forms of risk; limited access to credit by operators; that affects plans that have implications on the growth and expansion of their enterprises and operators inability to compete in the formal sectors with their compatriots who are more formal and operating on relatively larger scales for contracts awards. The study recommends, among other things, the need for the recognition and subsequent formulation of specific and responsive policies and strategies aimed at fostering the growth and sustenance of the small scale sector at the local levels of governance in the study area. It recommends the need for them to build reliable and up-to-date database on small scale businesses based on which informed and responsive decisions can be made to address the challenges of operators.

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LIST OF ABBREVIATION

SME	-	Small and Medium Enterprises
GNAG	-	Ghana National Association of Garages
NBSSI	-	National Board for Small Scale Industries
NGO	-	Non Governmental Organization
ILO	-	International Labour Organization
GSS	-	Ghana Statistical Service
GEDC	-	Ghana Enterprise Development Commission
GRATIS	-	Ghana Regional Appropriate Technology Industrial Service
ITTU	-	Intermediate Technology Transfer Unit
EDIF	-	Export Development and Investment Fund
MPSD	-	Ministry for Private Sector Development
PSI	-	President's Special Initiative
RFSP	-	Rural Financial Services Project
REP	-	Rural Enterprise Project
SIF	-	Social Investment Fund
ASIP	-	Agriculture Services Investment Project
CBRDP	-	Community Based Rural Development Programme
ERP	-	Economic Recovery Programme
NVTI	-	National Vocational and Training Institute
OIC	-	Opportunity Industrialization Centres

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CHAPTER ONE

INTRODUCTION

1.1 Background of study

Cook and Nixson (2000) stressed that the development of small and medium enterprises (SMEs) is seen as accelerating the achievement of wider economic and socio-economic objectives, including poverty alleviation. SMEs represent over 90% of private business and contribute to more than 50% of employment and of GDP in most African countries (UNIDO, 1999). Small enterprises in Ghana are said to be a characteristic feature of the production landscape and have been noted to provide about 85% of manufacturing employment of Ghana (Steel and Webster, 1991; Aryeetey, 2001). SMEs are also believed to contribute about 70% to Ghana's GDP and account for about 92% of businesses in Ghana. SMEs therefore have a crucial role to play in stimulating growth, generating employment and contributing to poverty alleviation, given their economic weight in developing countries.

SMEs are important to almost all economies in the world, especially to those in developing countries. They contribute to productivity and job creation; they serve as a nursery for larger industrial development (Palma and Gabriel, 2005). In addition, SMEs tend to be the primary driver for job creation as they are labour intensive and employ more labour per unit capita than larger enterprises thereby creating more jobs in the economy. This is also evident in developing countries like Ghana as it is estimated that the sector employs about 70% of labour (Mensah and Rolland, 2004). Again according to Sowa et al (1992), even for some public employment, SMEs provide a useful supplement as a second job.

Aside the creations of jobs, the SME sector also provides investment opportunities, professional training, and skills are sources of tax revenue to the government. Most importantly, they create conditions for the provision of infrastructure and other facilities

such as water, roads and electricity as part of their contribution to rural development, regional growth and enhancement of decentralization and migration policies in Ghana (Yankson et al, 1985). Again, the government views SMEs as playing several important roles in the transition from a state-led to a private oriented development strategy (Aryeetey et al, 1994). The SME sector in Ghana is thus a major employer in the economy.

There have been a lot of studies about SMEs in Ghana. SMEs have also been the subject of discussions in so many seminars and workshops both locally and internationally. Again, governments at various levels (local, state and regional levels) have in one way or the other focused on the Micro and Small Enterprises. Governments almost all over the world had formulated policies aimed at facilitating and empowering the growth, development and performance of the SMEs. Some of the governments' efforts relate to focusing on assisting the SMEs to grow through soft loans, managerial training and other fiscal incentives through support from international agencies and organizations like World Bank and United Nations Industrial Development Organisation (UNIDO) (Hayford, 2012).

It has, however, been worrisome that despite the incentives, policies, programmes and support aimed at revamping the SMEs, they have performed rather below expectation in Ghana. Policy makers, academics and many other industrial players have posited reasons about the challenges facing SMEs in Ghana. This study is being conducted to investigate challenges facing craftsmen in the welding and fabrication industry in the Wa Municipality in the Upper West Region of Ghana.

1.2 Problem Statement

According to Boapeah (1993), SMEs are entangled with myriad of problems mitigating their growth in Ghana; notable among them are, lack of access to credit, competition from

large-scale industries, the over liberalization of the economy and difficulty in accessing advisory services and research findings. Again Sowa et al (1992) also enumerated some of the challenges confronting SMEs in Ghana. These included lack of credit facilities which has limited their operations. Some SMEs also complained about the cumbersome banking procedures and difficulties in accessing bank loans. Others also complained about the high interest rates charged by the banks. Also, Aryeetey (1998) observed that in Ghana only half of SMEs applications for formal finance such as bank loans had any chance of being considered and, according to him; about two thirds of micro enterprise loans are likely to be turned down. Most SMEs also lack formal training in their business lines.

These assertions above are corroborated by UNCTAD experts who reported that banks regard SMEs as high risk borrowers due to insufficient assets and low capitalization, vulnerability to market fluctuations and high fold up rates. Also paramount among these problems is high information asymmetry arising from SMEs, lack of accounting records and inadequate financial statements, making it difficult for creditors and investors to access the credit worthiness of potential SME proposals and advancement in technology. These problems still persist. Banks in Ghana for some years now have been challenged to establish SME departments to design services to suit the needs of the SME sector and to address the challenges faced by these SMEs, but questions have been raised as to the level of support banks offer to these SMEs, hence the question becomes, what is the impact of SME banking in the Ghana? (Hayford, 2012).

Despite the critical role SMEs play in the economic development in the country, they are faced with several challenges. Wa is in the Upper West Region of Ghana and the Regional Capital. SMEs play a very important role in the economic development of the region. Many people in this region are employed by SMEs such as pito brewing, barbering, chop

bars operators and Welding and Fabrication workshops. Despite the important role SMEs play in the development of the local economy, not many have been written about the phenomenon under study. This study is being conducted to investigate the challenges faced by SMEs master craftsmen in the welding and fabrication industry in the Wa Municipality in the Upper West Region of Ghana.

1.3 Research Questions

Due to the problem stated above, the research seeks to answer the following questions:

1. What are the operations engaged in by SMEs in the study area?
2. How does SMEs contribute towards the development of the municipality?
3. What are the challenges facing SMEs master craftsmen in the welding and fabrication industry in the study area?

1.4 Research Objectives

The objectives of the study are to:

1. describe the activities engaged in by SMEs master craftsmen in the welding and fabrication industry in the study area.
2. assess the contribution of SMEs master craftsmen in the welding and fabrication industry to local economic development.
3. investigate the challenges facing SMEs master craftsmen in the welding and fabrication industry in the study area.

1.5 Limitation

There is no doubt in the cause of data collection some difficulties were encountered, and they are enumerated as follows:

- Some of the respondents did not want to cooperate because they thought the researcher might have used the data for monetary gains somewhere.
- During data collection some of the respondents were suspicious about tax imposition on them by the government, so they try to avoid the interview or refused to answer the questionnaire.
- Few apprentices did not want to divulge certain information in the presence of their 'Boss'.
- Some of the apprentices also needed the approval of their 'Master' before they could speak to the researcher, so where the 'master' was not immediately available the researcher had to wait or recur another time.

1.6 Scope of the Study

Contextually, the study seeks to investigate SMEs in the Wa Municipality focusing on master craftsmen in the welding and fabrication industry. These include the activities they engage in, contribution to development, challenges facing them, etc.

Geographically, the Wa Municipality by administrative demarcation is situated in the Upper West Region and happens to be the only municipality in this region. The municipality serves as the economic and social hub of the region as it's capital, Wa doubles as the regional capital too. The Municipality is bounded to the North by the Kaleo-Nadowli District and to the south by the Wa -West District. In the East it is bordered by the Wa - East District and also shares boundary with the Wa-West District in the West. The Municipality lies within latitudes 10°40'N to 20°45'N. Longitudinally, this area occurs within 90°32'W to 10°020'W. The landmass of the Municipality is approximately 234.74 square kilometers and this represents a percentage of about 6.4 of the total surface of the entire region (Wa Municipal MTDP, 2006-2009).

1.7 Purpose of the Study

This research is intended to identify key challenges militating against the success of SMEs and also make appropriate recommendations for readdressing and eliminating them so that the SMEs could occupy their pride of place in the Ghanaian economy and hence play the vital role in the economic growth and development of Ghana.

The findings of the study would help policy makers to see the need to support SMEs, which would create employment for the youth and also equip them with modern infrastructure. It would also help target groups to find solutions to some of the problems facing SMEs in Ghana. It is expected that the outcome of this research would go a long way to ensuring a turnaround of Ghanaian Micro, Small and Medium Scale Enterprises (SMEs) sector.

The research will come out with a set of recommendations for various stakeholders for implementations. With the concerted efforts of all and sundry including governments, SMEs promoters, Agencies and Departments of Governments involved in the SMEs subsector, Non Governmental Organisations (NGOs), Banks, Investors, etc, it was hoped that the fortunes of SMEs in Ghana would dramatically improve. It was also expected that the outcome of this research would help future researchers who would try to do additional research and also help SMEs owners to have solutions to some of the challenges within the sector.

1.8 Organisation of the Study

The study has been structured into six chapters. Chapter one of the studies focuses on the key issues and challenges facing SMEs, it contains the problem statement, research questions and the objectives of the study. The research approach and methodology adopted for the study has also been discussed under this chapter.

Chapter two of the study contains a review of literature on related concepts relevant to the study with the aim of providing a theoretical framework for the research. It emphasises the most important and relevant definitions and concepts.

Chapter three of the study focuses on a review of the profile of the Wa Municipality (the study area). The review has been done to cover important issues of the municipality's current developments in the areas of its size and location, demography, local economy, employment and income levels. This, together with the literature review in chapter two are intended to provide the relevant background and framework for analysis of data collected on the municipality for the purpose of this study.

Chapter four presents a situational analysis on the SMEs sector based on field data collected on artisans within the Wa municipality. Issues that will be presented include the background of artisans; description and operational characteristics of enterprises; income levels of operators and their tax contributions, operators' location decisions and access to infrastructure as well as their operational challenges/problems.

Chapter five of the study presents discussion of results, presented in chapter four. The situational analysis in chapter six discusses summary, conclusion, recommendations and suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on concepts and theories on SMEs. It reviews literature on the definition of SMEs, characteristics of SMEs, policies and legal frameworks, contributions of SMEs and challenges facing the development of SMEs.

2.2 Definition of SMEs

The SME sector is quite amorphous and therefore defies a simple definition. There is no single uniformly acceptable definition of small firms (Storey, 1994). Also, according to Ward (2005), there is no universal definition for SMEs since the definition depends on who is defining it and where it is being defined. These firms differ in their level of capitalization, employment and revenue. Hence definitions which employ measures of size (net worth, profitability, turnover, number of employees, etc.) when applied to one sector could lead to all firms being categorized as small, while the same size definition when applied to a different sector could lead to different results.

Venture capital trust fund Act, 2004 (Act 680) defines a small and medium scale enterprise (SME) as an industry, project undertaking or economic activity whose total asset base (excluding land and building) does not exceed the cedi equivalent of \$1 million US dollars in value. While the USAID defines SME as any enterprise with fixed assets not exceeding US \$250,000 excluding land and building. According to the International Labour Organization (ILO), no single definition can capture all the dimensions of “small” or “medium” business size. Most sized definitions are based on measures such as number of employees, balance sheet totals or turnover (Journal of ICA (GH), 2002).

The European Commission in 2003 adopted recommendation 2003/361/E by which Small Enterprises are categorized as having employees not exceeding 50, turnover not exceeding ten million Euros and balance sheet also not exceeding ten million Euros. Medium sized enterprises are categorized as having employees not exceeding 250, turnover not exceeding fifty million Euros and balance sheet not exceeding forty-three million Euros.

Countries like France defines SMEs as enterprises employing less than 250 employees, whilst Singapore defines SMEs as an enterprise having at least 30% local equity, fixed productive assets (defined as net book value of factory building, machinery and equipment) not exceeding \$15,000 and employment size not exceeding 200 people for non-manufacturing companies (Kayanula and Quartey, 2000).

2.3 Definition of SMEs in Ghanaian Context

In Ghana various definitions have been given for Micro, Small and Medium scale enterprises but the most commonly used criterion is the number of employees of the enterprise (Kayanula and Quartey, 2000). In using this definition, confusion often arises in respect of the unpredictability and cut off points used by the various official sources.

According to the National Board for Small Scale Industries (NBSSI, 1990) SMEs is defined in Ghana by applying both the “fixed asset and number of employees” criteria. It defines a small-scale enterprise as a firm with not more than 9 workers, and has plant and machinery (excluding land, buildings and vehicles) not exceeding 10 million Ghanaian cedis and micro with employee less than five.

As espoused by the Ghana Statistical Service (GSS), firms with less than 10 employees are small-scale enterprises and those with more than 10 employees are classified medium and large-sized enterprises. Ironically, the GSS in its national accounts considered companies with up to 9 employees as SMEs (Kayanula and Quartey, 2000).

The value of fixed assets in the firm has also been used as an alternative criterion for defining SMEs.

The Ghana Enterprise Development Commission (GEDC), on the other hand, uses a 10 million Ghanaian cedi's upper limit definition for plant and machinery. It is important to caution that the process of valuing fixed assets poses a problem. Secondly, the continuous depreciation of the local currency as against major trading currencies often makes such definitions out-dated (Kayanula and Quartey, 2000).

In defining small-scale enterprises in Ghana, Osei et al (1993) used an employment cut-off point of 30 employees and however, classified small-scale enterprises into three categories. These are:

- (i) Micro - employing less than 6 people;
- (ii) Very small - employing 6-9 people;
- (iii) Small - between 10 and 29 employees.

2.4 Operational Definition of SMEs

There are variations in the definitions of micro, small and medium enterprises. The most commonly used criterion is the number of employees of the enterprise. SMEs in Ghana tend to have few employees who are mostly relatives of the owner hence there is often lack of separation between ownership and control.

From the above discussion, both in Ghana and other parts of the world. It can be concluded that Micro and Small-Scale Enterprises has different definitions. As a result, an operational definition is important for the study. The most commonly used principle which has been identified from the various definitions is the number of employees of the enterprise. As contained in its Industrial Statistics, the Ghana Statistical Service (GSS) considers firms with less than 10 employees as Small Scale Enterprises (Kayanula and Quartey, 2000) and it is this definition that has been adopted and used in the course of the study. The employee principle which has been considered in this study is also in line with the definition of Small-Scale Enterprises adopted by the NBSSI. The idea behind this employee base principle is due to the fact that firms can easily be identified by their number of employees. Because the process of valuing fixed assets, will pose a problem since the mode of accounting system used by one enterprise will vary from one to the other as well as the continuous depreciation in the exchange rate often makes such definitions obsolete.

2.5 SMEs Development in Ghana

The government of the Gold Coast, an arm of the British Government pursued an economic policy that trained the rising middle class to manage the property of the European merchants and businessmen. According to Kayanula and Quartey (2000), small scale enterprise promotion in Ghana was also not impressive in the 1960s. Dr. Nkrumah (President of the First Republic) in his modernization efforts emphasized state participation but did not encourage the domestic indigenous sector. The local entrepreneurship was seen as a potential political threat. As the economy declined in the 1980s, large-scale manufacturing employment stagnated which forced many formal sector employees into secondary self-employment in an attempt to earn a decent income. In order

to solve these problems, governments have put in place measures to promote the growth of SMEs in Ghana by establishing organisations to support the activities of SMEs.

The National Board for Small Scale Industries (NBSSI) was established under Act 434 in 1981 as an apex body for the development of small-scale industries in Ghana. In order to create a single dynamic integrated organization capitalized and capable of responding to the needs of the SME sector, the government merged the Ghanaian Enterprises Development Commission (GECD) in 1991 and the Cottage Industries in 1994 with the Board. In 1987, the industrial sector also witnessed the coming into operation of the Ghana Regional Appropriate Technology Industrial Service (GRATIS). It was to supervise the operations of Intermediate Technology Transfer Units (ITTUs) in the country. GRATIS aims at upgrading small scale industrial at the grass root level. In 1992, the Government in an attempt to response to the private sector economic reforms undertook a number of measures. According to Kayanula and Quartey (2000), prominent among them is the setting up of the Private Sector Advisory Group and the abolition of the Manufacturing Industries Act, 1971 (Act 356) which repealed a number of price control laws, and the Investment Code of 1985 (PNDC Law 116) which seeks to promote joint ventures between foreign and local investors. In addition to the above, a Legislative Instrument on Immigrant Quota which grants automatic immigrant quota for investors was enacted. Government also provided equipment leasing, an alternative and flexible source of long term financing of plant and equipment for enterprises that cannot afford their own.

In 1997, government proposed the establishment of an Export Development and Investment Fund (EDIF), operational under the Exim Guarantee Company Scheme of the Bank of Ghana. This was in aid of industrial and export services within the first quarter of 1998. To further improve the industrial sector, according to the 1998 Budget Statement, specific attention was given to the following industries for support in accessing the EDIF

for rehabilitation and retooling: Textiles/Garments; Wood and Wood Processing; Food and Food Processing and Packaging (Kayanula and Quartey, 2000).

The Ministry for Private sector Development was established in 2001 to co-ordinate and harmonizes all inter-sectoral effort which aimed at the development of the private sector as the engine of growth and poverty reduction. The Ministry of Private Sector Development (MPSD) was charged with the responsibility to facilitate basic courses for the informal sector to awaken individuals and enterprises of the sector to the potential benefits of basic disciplines such as bookkeeping, banking and other entrepreneurship skills. The Ministry made progress towards relieving Small and Medium-Scale Enterprises (SMEs) of one of their major problems, which is access to affordable long-term funds. To boost the country's export trade, an Export Development and Investment Fund (EDIF), has been set up by the government to be given out on very liberal terms. The funds are administered by eleven (11) designated financial institutions. Furthermore, other schemes such as the Government Loan Guarantee, African Development Foundation, Italian Credit facility, etc was set up by the government. These schemes did not only solve the perennial problem of SMEs inability to provide collaterals demanded by banks, but also ensured an increased flow of capital to the private sector for innovation, technology development and adoption and development of new products and services for productivity enhancing investment activities (Kayanula and Quartey 2000).

The President's Special Initiative (PSI) was launched in 2002. It aimed at supporting the production of cassava as well as textiles and garments for export. They are accelerated export development for garment and textiles, salt mining, cotton production, oil palm production, cassava starch production and distance learning. These initiatives are intended to spearhead the expansion and deepening of the economy; create jobs and reduce poverty through agribusiness and export in Ghana. It is also intended to develop a critical mass of

high growth oriented internationally competitive exporting firms in the said sectors, targeting the American and European consumers markets. Currently, there is an ongoing Rural Enterprise Development Programme in which every district in Ghana is to identify three (3) enterprise projects for development.

2.6 Role of SMEs to Economic Development

Two schools of thought have emerged in the studies of SMEs. They are the pro-SMEs and anti-SMEs perspectives. Most donor countries and development agencies share the view of the pro-SMEs that is springing up. These entrepreneurial and innovative ventures help promote economic growth and help reduce the high poverty level in these developing economies (Beck & Demirguc-Kunt, 2004). The pro-SME has argued that SMEs enhance competition and entrepreneurship and thus have economic wide benefits in efficiency, innovation and productivity growth. Thus direct government support of SMEs can help countries reap social benefits. Second, SMEs are generally more productive than large firms but are impeded in their development by failures of financial markets and other institutions for capital and other non-financial assistances. Thus, pending financial and institutional improvements, direct government support of SMEs can boost economic growth and development. The growth of SMEs boosts employment more than the growth of large firms because SMEs are more labour intensive (Snodgrass & Biggs, 1996). So subsidizing SMEs may help reduce poverty (Beck & Demirguc-Kunt, 2005).

However, the anti-SME has questioned the efficacy of SMEs in promoting growth and reducing poverty. First, they argue that large enterprises may exploit economies of scale and more easily undertake the fixed costs associated with research and development, boosting productivity. They argue further that some researchers found that small businesses are neither more labour intensive nor better at creating jobs than large firms

(Thormi & Yankson, 1985). Moreover, they doubt the important role of small businesses and instead emphasize the importance of the business environment facing all firms, big and small. Small businesses create monopoly. They are of the view that if there are low entries and exit barriers, well defined property rights, effective contract enforcement, and access to finance, it will work to promote conducive business environment for all firms and not only small firms (Demirguc-Kunt et al, 2004).

Levy & Powell (2005) noted that, SMEs are thought to be flexible and innovative organizations that are able to respond quickly to customer and market demands (flexibility). Contrary to what happens in large firms. The production technologies of many manufacturing SMEs may inhibit flexibility (Gupta & Cawthorn, 1996), while Carrie et al. (1994) believe that it is people rather than technology that provides flexibility.

It is estimated that about 69% of the country's population are employed in the SME sector. Thus the sector provides employment for a considerable number of people both in rural areas as well as cities. However, despite this recognition and its significance for local and national economic development, research has not investigated systematically, the real strengths and weaknesses of these rural enterprises, at least in Northern Ghana where poverty is very high (GSS, 2007). SMEs and entrepreneurs are bedrocks of new goods and services, new methods of production, the opening up of an economy by setting or opening up of new markets, introduction of new sources of supply as well as industrial re-organisation (Jennings, 1994). So the innovativeness of these ventures is their capability to create a change by altering the conventional ways in terms of available technology, strategy, skills and styles.

Private sector development is said to be critical for employment creation, growth and development of Africa (Kurokawa et al 2008). The development of small and medium enterprises (SMEs) is acknowledged as a key condition in promoting equitable and sustainable economic development in Africa. This sector, in terms of economic development has the potential to provide for growth in employment and contribute towards reducing poverty among urban cities in most developing countries. In Ghana, a key strategy the government has adopted for increasing employment and production is to take measures to improve the capacity of the private sector as a means of accelerating the growth of small and medium scale manufacturing industries.

Another current happening is that most entrepreneurs are stuck at mainly the micro level. It is interesting to note that less than 5% of large businesses are Ghanaian owned. According to World Bank estimates, most businesses in Ghana, which account for 70% of employment in the country, fall within the categories of “micro”, “small” and “medium” entrepreneurs. Small enterprises in Ghana are said to be a characteristic feature of the production landscape and have been noted to provide about 85% of manufacturing employment of Ghana (Aryeetey, 2001). SMEs are also believed to contribute about 70% to Ghana’s GDP and account for about 92% of businesses in Ghana. SMEs have a crucial role to play in stimulating growth, generating employment and contributing to poverty alleviation, given their economic weight in African countries. SMEs forms a huge chunk of businesses in both the formal and the informal sector. Whilst SMEs in developed countries make a significant contribution to GDP and national employment, there is not sufficient data to say the same about SMEs in Ghana (Culkin and Smith, 2000).

SMEs in Ghana tend to have few employees who tend also to be mostly relatives of the owner hence there is often lack of separation between ownership and control. Also since SMEs do not traditionally rely on public funds there is lack of accountability and no

regulations to comply with in relation to compliance (Abor & Adjasi, 2007). Mostly, the owner managers of these SMEs are hampered by lack of managerial competencies (Gockel and Akoena, 2002). There are a number of factors which serve as barriers to the development of the SME sector in Ghana. These are identified as access to international markets, technology, equipment and finance (Aryeety, 1994).

In Ghana, about 48 percent of the population represents the youth population which is from ages 15-35 years of age. Like many African countries, Ghana's population is fairly youthful (Baah et al, 2007). A survey conducted amongst small scale enterprises in Ghana revealed that young people owned almost 40.0 percent of the enterprises. Younger youth aged 15-25 owned only 5.4 percent of enterprises whilst those aged between 26-35 years owned 33.8 percent (Osei, et al., 1993). From this, it is believed that micro and small enterprises in Ghana has a good future.

2.7 Policy/Legal/Regulatory Framework of SMEs

Deficiently conceived SME promotion strategies are equally to hold responsible. The extent at which the state regulates, support or inhibits SME growth requires a delicate balance: Overly protective SME development policies have proved ineffective in promoting a tough and dynamic SME sector. The outcome of such policies is a small-scale sector with low productivity, insufficient opportunities for dynamic growth and powerful vested interest (Matfobhi, 2001)

A legal and regulatory environment system that calls for complex registration and licensing requirements and demand tedious and costly reprinting practices imposes heavy cost on SMEs. By contrast, larger firms benefit from “administrative economies of scale” and often pass the burden of compliance requirements down their supply chains to SMEs (Matfobhi, 2001). In such an environment, informal sector enterprises are discouraged

from entering the formal sector, and in more extreme cases, formal sector enterprises are induced to “deformalize” their activities. As firms grow and become more “visible” their options for regulatory avoidance decreases, suggesting that there exists a theoretical break point in the cost of compliance (Matfobhi, 2001).

The SME sector has been the subject of numerous policy pronouncements, although the extent to which these have translated into SME development strategies varies between countries. As it would be expected, every country has its own approach to the definition of micro, small, and medium-sized enterprises. The very attempt to differentiate enterprises by size suggests an awareness of the part of policy makers that in order to help those enterprises in need of assistance, policies and initiatives should be designed to apply to specific categories of enterprises (Matfobhi, 2001). Small enterprise development policies are generally described in the broadest terms. On the whole, the governments, in line with current economic policies, emphasize the creation of an enabling environment by instituting market-oriented reforms, the facilitation of foreign direct investment (FDI) and export promotion (Matfobhi, 2001).

2.7.1 Legal and Regulatory Framework of SMEs

Statutory requirements for setting up businesses vary among countries, from strict to non-existent. In Burkina Faso and Samoa, obtaining a business license is a protracted process. Labour regulations are quite strict and wide-ranging in Burkina Faso. This applies to all enterprises, and it poses a major constraint on the competitiveness and expansion of smaller enterprises. Hence, many SMEs do not comply with these regulations, but in opting out, they “deformalize” their operations (Matfobhi, 2001). Also, the tax regime in Tanzania is unfavourable for SMEs development. Taxes are many, high and collected by various authorities. Furthermore, entrepreneurs are ignorant of tax matters and the cost of

complying with tax regulations is considered high. Whereas taxation of businesses is a necessity for national economic development, the present tax regime imposes a major burden on SMEs (Ngasongwa, 2002). By contrast, since 1992, a license is no longer required for the establishment or expansion of a business in Nepal, although all Enterprises are required to be registered.

The SMEs are theoretically better off as a result of the introduction of a system of self-assessment; however, in reality, tax officers often view their self-assessed submissions with suspicion, leading these enterprises to experience long delays and incur additional costs in pursuit of tax clearance (Matfobhi, 2001).

In discussion, the fact that governments are creating an enabling environment by instituting market-oriented reforms, facilitation of foreign direct investment (FDI) and export promotion is good. This is so because SMEs in the world face difficulties in accessing the markets be it global or domestic, more particularly the financial markets. So when structures are put in place to enable SMEs to access the market easily, it is a good policy and it will promote the development of SMEs.

Also, the researcher supports the idea that there exist difficulties of business licensing, registration and taxation worldwide. In Ghana the case is worse; the legal and regulatory framework is bureaucratic, costly and protracted. These legal and regulatory environments affect businesses adversely. However, SMEs are further constrained in this environment than larger firms due to the disproportionately costs of compliance.

In conclusion, therefore most informal enterprises have failed to formalize and micro enterprises have been unable to grow and graduate into Small and Medium Enterprises. However, there is the need for restructuring.

2.8 SMEs Support and Development Systems

Most businesses in Ghana fall within the informal sectors of the economy, and with an employment capacity of about 70% of the labour force. They range from farming activities, agri-businesses, light manufacturing, art and craft, textiles and garments, tourism, financial services, construction business, carpentry, just to mention a few. But due to lack of adequate attention and support, the growth of these sectors has suffered a great deal over the past decades, resulting in the shifting of focus from entrepreneurship to a proliferation of petty trading nationwide (World Bank, 2006).

2.8.1 SMEs Supports and Development systems in Ghana

The SMEs support and development strategies embarked in Ghana include the following: It was realized that the World Bank is supporting the implementation of Ghana's MSME Project which forms part of a broader poverty reduction and private sector development strategies of the country. The Project, therefore, aims at invigorating entrepreneurial activities at all levels, thereby promoting growth, employment generation and reducing poverty levels. It also seeks to build an integrated market access and trade facilitation infrastructure while proactively inculcating competitiveness among enterprises (World Bank, 2006). Further, the project is also expected to develop and strengthen, on a sustainable basis, the capacity of local intermediaries to deliver financial and non-financial services to MSMEs and ensure that MSMEs make productive use of these services. It was emphasized that Growth and employment in Ghana are directly linked to the growth of MSMEs. The Project comprises of three mutually reinforcing components: Access to Finance-significantly improving small and micro enterprises access to finance, thereby fostering their growth, competitiveness and employment creation, access to markets, trade facilitation and Entrepreneurship Development - help reduce operational, technical and

regulatory barriers to markets. Project support will focus on the development of a market of non-financial services to MSMEs through building sustainable delivery capacities for local service providers and other private sector and trade development support structures (World Bank, 2006). In discussion, the supports outlined above when properly embarked on will go a long way to reduce the problems facing the informal sectors, especially the problems with finance and marketing strategies, regulatory bottlenecks and entrepreneurship developments. This will further increase employment opportunities, build capacities and reduce poverty in general. In conclusion, the idea that the World Bank is supporting Ghana's MSME, which forms part of a broader poverty reduction and private sector development strategies of the country.

2.9 Challenges for SME Growth and development

It is clear that a vibrant SME sector can bring great benefits to developing countries. There is, however, a substantial gap between the sizes of the SME sector in developing and developed countries (IFC, 2006; cited in Newberry, 2006). Therefore, the gaps include the following: Firstly, SMEs face harsh regulatory and bureaucratic environment that solidify the dominance of large corporations in the formally regulated economy and incentivize entrepreneurs to operate informally, meaning illegally and out of the government's regulatory reach. These prohibitive factors disproportionately affect SMEs because of their limited human and financial resources (Newberry, 2006). In addition to these regulatory issues, SMEs are significantly under financed. This is mainly because of the logistical difficulties inherent in lending money to small businesses (Newberry, 2006). Also, SMEs are considered to be at a greater risk of failure, partially because company directors may have less collective management experience or business expertise than larger companies (OECD, 2006; Cited in Newberry, 2006). Foreign investors often shy away from investing

in SMEs because of unfavourable investment climates and the uncertainty of sufficient returns.

Finally, AKDN, 2008, emphasis that many SMEs find it extremely difficult to access financial services, specifically, loans that fit their needs. It was added that Micro finance institutions usually limit the size of loans they offer and have rigid repayment conditions not suitable for SME business activities. Many SMEs are either too small or have insufficient collateral or credit histories to be able to secure loans and financing from commercial banks in developing countries. In discussion, the researcher supports the views that SMEs play an important role in community development by building the growth of a nation's gross domestic product (GDP), sustaining and supporting the core livelihoods of families and households, central to the alleviation of poverty and employment creation, among others. Beside the under listed roles of SMEs, in nation building, the sector faces numerous challenges, such as poor access to financial services, harsh regulatory and bureaucratic environment, lack of access to market and managerial skills among others. In conclusion, in order to inherit the real role of SMEs to community development and nation building, then the challenges facing the sector needs to be effectively dealt with, by putting structures in place.

2.9.1 Trade Liberalization

Tambunan, (2008) investigated the relationship between international trade liberalization at the macro level and its micro- or firm-level adjustment effects in the South African manufacturing industry. Their findings suggest that there is a strong relationship between the average firm size and the volume of cross-border trade. More specifically, they find out that more than half of the firms that are not engaged in international trade are SMEs. At the other extreme, almost half of the firms involved in both importing and exporting

are large enterprises employing more than 200 workers. Therefore, it appears that large enterprises have been more successful than their smaller counterparts at integrating their manufacturing activities into the global chain of production.

According to Winters (2002), trade can affect poverty through different channels (economic growth, price changes and government revenue). Poverty remains Ghana's greatest challenge, analyzing the link between trade and poverty is crucial, and reducing its effects is the fundamental objective. Given the potential gains from increased trade, many countries are pursuing trade liberalization policies to achieve prosperity and growth and eventually alleviate poverty. The literature indicates that a close relationship exists between aggregate economic growth and poverty reduction. These simple correlations do not prove any causal relationship, but they do show the relevant role that pro-growth policies play in any poverty-reduction strategy.

It may be noted that the trade liberalization policies of the 1980s and even later exposed many SMEs to greater external competition than they were used to or could cope with. Aryeetey et al, 1994 identified this problem in 12.5% of medium-sized enterprises in Ghana. Riedel et al (1998) reported that Tailors in Techiman who used to make several pairs of trousers in a month went without any orders with the coming into effect of trade liberalization. It is again reported in Aryeetey et al. (1994) that only 1.7% of firms export their output as a result of limited international marketing experience, poor quality control, product standardization and little access to international partners.

2.9.2 Access to Credit

Finance is one of the life wires of every economic activity. Access to finance will provide start-up capital for the business as well as funds to meet operational costs. Not neglecting the fact that entrepreneurs may face lack of start-up financing as one of the difficulties. In

assessing start-up finance, there are other factors that come into place such as ignorance of sources of finance and lack of a saving culture. It is quite unfortunate that the problem with access to financial capital has been long due though there seems to be a little improvement. For instance, in 2003, it was recorded that the informal sector entrepreneurs in Ghana relied on their savings or borrowing from their friends and relatives as the main source of financing in the view of the fact that credit from the formal banking system to the informal sector is very limited. However, difficulties still exist regarding access to finance, domestic resource mobilization and the support necessary for SMEs to grow and contribute to the economy.

There are two main sources of finance for Micro and Small scale enterprises in Ghana: formal and informal sources. Formal sources of finance include Commercial Banks, Investment Banks, Savings and Credit Banks and Rural Banks set up purposely to offer financial assistance to domestic entrepreneurs. Other formal sources are funds introduced solely by government or with the support of donor agencies. It is said that, high interest rates, collateral requirements and cumbersome documentation demanded by the formal financial institutions deter many entrepreneurs such as dressmakers as well as hairdressers from easily accessing formal funds (Davenport 1967:134).

Informal sources of finance comprise local transaction among friends, relatives, private money lenders, traders, some Susu collectors, owners of capital assets and credit from NGOs. Studies have shown that across Africa, informal financial units exhibit a lot of diversity from country to country. In spite of the diversity, there is no barrier to entry; deposit mobilization and lending are done on small scale with little or no record keeping and lending often takes place between people of the same locality. However, interest rates are high under informal credit systems (Ayeetey et al, 1994).

Access to finance is major obstacle especially to female entrepreneurs. Due to the fact that they lack the savings needed for the equity payment required to get a loan and have less or no access to land or physical infrastructure, which could be used as collateral for a loan. It is very often difficult for women to get access to formal financial schemes. In addition to that, female entrepreneurs face the disadvantage that they often only have had a limited access to education which makes it difficult for women to fill in the complex forms for applying for a loan or keeping track for their business records. Many banks require business records as minimum prerequisites before granting credit. Accordingly, female entrepreneurs encounter difficulties when they want to apply for financial schemes.

To address this critical handicap, a number of financial intermediation schemes have been launched in the country with the overarching objective of providing easy access to finance the SMEs. For example, the government introduced Micro-Credit Scheme in the 2001/2002 periods where by close of 2004, credit amounting to U\$101,322 had been granted to over 1500 borrowers. Also the government launched a Micro-credit and Small Loans Fund as a follow-up to the earlier micro-credit scheme which became operational in 2006. The establishment of the fund was part of ongoing initiatives aimed at reducing poverty and promoting growth in the economy. Within two months of operation, over U\$161,700 had been disbursed to over 10,000 applicants within the Greater Accra Region alone.

The earlier schemes such as PAMSCAD Credit Line for Small Scale Enterprises, NBSSI Revolving Fund Loan Scheme and NBSSI Credit Scheme provided credit facilities to the SMEs. For example, in June, 2002, the NBSSI through its Revolving Fund Loan Scheme had granted over U\$2.5million to about 273 SMEs, the NBSSI had disbursed about U\$2,437 million to entrepreneurs in Brong Ahafo, Eastern and Northern regions of Ghana. Similarly, the PAMSCAD Credit Line for SMEs had grown from U\$4,700 million (seed

money) to US\$27,581 and had serviced about 1,158 projects. Currently, the projects that are on-going for the MSME sector include the Financial Sector Improvement Project, Financial Sector Strategic Plan (FINSSP), the Rural Financial Services Project (RFSP), the United Nations Development Programme (UNDP) Microfinance Project, the Social Investment Fund (SIF), the Community Based Rural Development Programme (CBRDP), Rural Enterprise Project (REP), and Agricultural Services Investment Project (ASIP). A recent impact assessment of the plethora of SME financing programs that have been implemented across the country suggests that significant challenges remain in ensuring the effectiveness of SME programs. The study found that access to finance was a significant problem for SMEs, even though other problems such as low cash flow, energy, high cost of non-labour inputs, increasing competition, and high cost of credit were also cited (Asiama and Osei, 2007).

2.9.3 Infrastructure

Infrastructure as it relates to provision of access roads, adequate power, water, sewerage and telecommunication has been a major constraint in the development of SMEs (Bokea, Dondo & Mutiso, 1999). Physical infrastructure is the totality of basic physical facilities upon which all other economic activities in the system significantly depend (Ukpong and Iniodu, 1991). According to Hirschman (1958), infrastructure are those services without which primary, secondary and tertiary production cannot function. These infrastructure can be extended to include education, public health, transportation, communication, power and water supply. Infrastructure therefore, can be seen as both a final good providing services directly to consumers and intermediate input that enter into the production function of other sectors and raises the productivity of the factors employed. Infrastructure

contributes to economic development through the promotion of private sector development by increasing access to the factors of production goods, and markets.

Awura (2006), states that an efficient transport network enhances the growth potential of a country, a reliable system of energy generation and distribution brings modern technologies and processes of SMEs. The availability of infrastructural facilities such as power, communications, water and transport, represents another important constraint on both the choice of SME opportunities and the scale of operation of each respective enterprise production as well as distribution depends vitally on the availability as well as reliability of physical infrastructure. Hulten (1997) have emphasized that the efficiency of infrastructure utilization is important to business and economic growth.

2.9.4 Institutions

The idea of SME promotion has been in existence since 1970 though very little was done at the time. Key institutions were set up to assist SMEs and prominent among them is the Office of Business Promotion, the present Ghana Enterprise Development Commission (GEDC). It aims at assisting Ghanaian businessmen to enter into fields where foreigners mainly operated but which became available to Ghanaians after the “Alliance Compliance Order” in 1970. GEDC also had packages for strengthening small scale industry in general, both technically and financially.

The Economic Recovery Programme (ERP) instituted in 1983 has broadened the institutional support for SMEs. The National Board for Small Scale Industries (NBSSI) has been established within the Ministry of Industry Science and Technology to address the needs of small businesses. The NBSSI established an Entrepreneurial Development Programme, intended to train and assist persons with entrepreneurial abilities into self-employment. In 1987, the industrial sector also witnessed the coming into operation of the

Ghana Appropriate Technology Industrial Service (GRATIS). This is a move by the government of the day to reduce the dominance of foreign nationals in the country.

Supervise the operations of Intermediate Technology Transfer Units (ITTUs) in the country. GRATIS aims at upgrading small scale industrial concerns by transferring appropriate technology to small scale and informal industries at the grass root level. ITTUs in the regions are intended to develop the engineering abilities of small scale manufacturing and service industries engaged in vehicle repairs and other related trades. They are also to address the needs of non-engineering industries. So far, ITTUs have been set up in Cape Coast, Ho, Kumasi, Sunyani, Tamale, Takoradi, Koforidua and Tema.

2.9.5 Access to Training

Education is one of the factors that impact positively on growth of firms (King and McGrath, 2002). Those entrepreneurs with larger stocks of human capital, in terms of education and (or) vocational training, are better placed to adapt their enterprises to constantly changing business environments. SMEs also lack business and marketing skills that may allow them to put together viable business proposals. They have less access to formal channels that provide comprehensive skills training because they are mostly unaware of the existence of such programmes and even when they are aware, their time constraints may limit their access to such programmes. Moreover, some of them may lack the needed basic educational qualification for such skill training and are therefore cut off from benefiting from such programmes, where these programmes exist. However, irrespective of the constraints that face them, especially the women among them access to training and retraining is an important tool, which can enhance their economic activities to improve their earning power. It is paramount therefore that efforts be enhanced by all stakeholders – government and government agencies, women advocacy groups, other civil

society groups, and international development partners to promote training for women at all levels and in all spheres of endeavour.

In order to generate enough income to help minimize the incidence of high level poverty in most developing economies, international funding bodies and economic growth analysts have suggested to policy makers in developing economies to make greater efforts at promoting private sector development with SMEs being at the forefront (Snodgrass & Winkler, 2004). According to Beck, Demircuc-Kunt & Levine (2003), the World Bank approved more than \$10 billion in support for SMEs development programmers on grounds that it has the ability to promote economic growth and alleviate poverty.

The government continued supporting programmes aimed at skills training, registration and placement of job-seekers, training and re-training of redeployees. This resulted in a 5% rise in enrolment in the various training institutes such as the National Vocational and Training Institute (NVTI), Opportunity Industrialisation Centres (OIC), etc. As at the end of 1997, 65,830 out of 72,000 redeployed who were re-trained under master craftsmen have been provided with tools and have become self-employed.

The Economic Recovery Programme instituted in 1983 has broadened the institutional support for SMEs. The National Board for Small Scale Industries (NBSSI) has been established within the Ministry of Industry, Science and Technology to address the needs of small businesses. The NBSSI established an Entrepreneurial Development Programme, intended to train and assist persons with entrepreneurial skills into self-employment. In 1987, the industrial sector also witnessed the coming into operation of the Ghana Appropriate Technology Industrial Service (GRATIS). This was a move by the government to reduce the dominance of foreign nationals in the country (Kayanula and Quartey), 2000.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Methodology is very critical to any research. This is because it is the methodology that will show readers the processes that the researcher went through before arriving at the final conclusion. This chapter discusses the research approach, data needs for the study, data requirements and collection methods, sampling techniques, data processing and analysis tools that will be employed in this research.

3.2 Research Design

The choice of which method to employ depends on the nature of the research problem. According to Morgan and Smircich (1980) the actual suitability of a research method, derives from the nature of the social phenomena to be explored. The research method employed for the study is the case study method. A case study entails an observation of a single group or event at a single point in time, usually subsequent to some phenomenon that allegedly produced change (Nachmias, 1992).

According to Haggett (1977), the case study approach is an empirical enquiry that allows for an in-depth investigation of the dynamics of a particular system. The case study presents a systematic enquiry into an event or a group of related events aimed at describing and explaining a particular phenomenon of interest (Bromley, 1990). This study designed will be employed for the research because the issue under exploration is a contemporary phenomenon within a real-life context with basis on multiple sources of evidence.

The case study is an explanatory method which makes it easy to ask and seek answers for the relevant 'why', 'when' and 'how' questions linked to the research. The understanding of fieldwork relationships associated with case studies can be the greatest advantage

(David and Sutton, 2004). In order to understand and examine the challenges faced by SMEs in the Wa Municipality, case study method has been selected. The use of case study to probe an area of interest in-depth is particularly appropriate as described by Patton (1987), case studies become particularly useful where one needs to understand some particular problem or situation in great-depth, and where one can identify cases rich in information.

Case study is not intended as a study of the entire organization. Rather it is intended to focus on a particular issue, feature or unit of analysis (Mohd Noor, 2008). In order to understand and examine the challenges faced by SMEs in the Wa Municipality, case study method has been chosen.

Johnson (1994) stated that case studies lack scientific rigour and reliability and that does not address the issues of generalization. However, there are some strengths of case study. For example, it enables the researcher to gain a holistic view of a certain phenomenon or series of events and can provide a round picture since many sources of evidence were used Gummesson (1991). Hartley (1994) also indicated that case study can be useful in capturing the emergent and immanent properties of life in organizations or communities as well as the ebb and flow of community and organizational activity, especially where it is changing very fast. Case studies also allow generalizations as that result to findings and using multiple cases can lead to some form of replication.

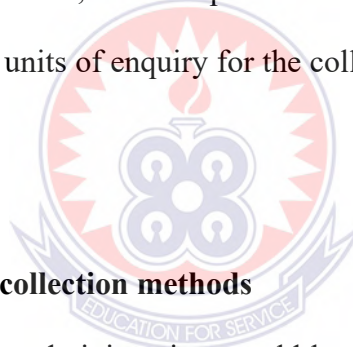
3.3 Research Variables

According to Mugenda and Mugenda (1999), a variable is a measurable characteristic that assumes different values among subjects. They are therefore logical groupings or expression of attributes (Babbie, 2007). Miller and Brewer (2003) indicate that variables help in moving a research from a conceptual to an empirical level, employing the variables

as key elements of the research problem. Guided by these understanding, the key variables which this study seeks to find out are the various activities undertaken at the study area, their contribution in terms of employment and income to local development, the challenges which are faced by the enterprise owners working in the area. These variables will help in the realisation of the objectives of the study.

3.4 Study Population

The study population is usually the institutions or individuals who possess certain features or a set of features the study intends to examine and analyses. The population of this study is the artisans and enterprise owners who are working at the study area. The study population comprises the artisans, the enterprise owners and institutions such as Banks and NBSSI. These form the units of enquiry for the collection of all the requisite data for this study.



3.5 Data sources and data collection methods

Interviews and questionnaire administration would be carried out through field visits to the study area during which artisans within the study area will be interviewed.

Tables 3.1 below summarizes the variable, target group and data collection methods which would be employed to collect data from the workers in the study area.

Table 3.1: Data Sources for the Study

Variable	Target group	Methods to collecting data
1. The name of welding and fabrication enterprises	Enterprise owners, Artisans	Questionnaire surveys
2. Demography of the respondents	Enterprise owners, Artisans	Questionnaire surveys
3. The effects of their activities on the lives of residents of the Metropolis	Enterprise owners, Artisans	Interview and questionnaire surveys
4. Support or otherwise the enterprise owners are getting from the external agencies	Enterprise owners, GNAG, SMIDO,	Interview and questionnaire surveys
5. Problems/challenges faced by the artisans	Enterprise owners, Artisans	Interview and questionnaire surveys
6. Any possible solutions to help improve the study area.	Enterprise owners, Artisans	Interview and questionnaire surveys
7. The roles of the particular institution	NBSSI, BAC, Bank	Questionnaire surveys
8. What is the collaboration between the institution and the SMEs?	NBSSI, BAC, Bank	Questionnaire surveys
9. Ways of collaboration between the institution and SMEs.	NBSSI, BAC, Bank, etc	Questionnaire surveys
10. Characteristics of SMEs	NBSSI, BAC,	Questionnaire surveys
11. Successes and failures in their dealings with SMEs	NBSSI, BAC, Opportunity International, Rural Bank, etc	Questionnaire surveys
12. How they are addressing the problem.	NBSSI, BAC, Opportunity International, Rural Bank, etc	Questionnaire surveys

Author's Construct, 2015.

3.5.1 Observation

In the course of questionnaire administration, observations will also be made to buttress and add to the information gathered. Observations will be made on the state of facilities and services at the locations where they work and how these facilities contribute to the development of the area.

3.6 Sampling Procedure

A sample is thus a representative selection of a population that is examined to gain statistical information of the whole. According to Nachmias (1992) the impossibility of surveying the entire population due to financial and time constraints makes sampling an essential element in research work. The process of sampling makes it possible to limit a study to a relatively small portion of the population.

The Wa Municipal was purposively sampled because they exhibit all the characteristics of the phenomenon under study in the Upper West Region. Again, the purposive sampling technique will be used to select the various institutions contacted for the study. These institutions include: the Municipal Business Advisory Centre of the National Board for Small Scale Industries, the Municipal Planning Unit and some Micro Finance Institutions.

3.6.1 Sample Size Determination

The selection of respondents for the questionnaire administration and interviews will be carried out through a number of approaches. The Municipal Business Advisory Centre of the National Board for Small Scale Industries, the Municipal Planning Unit and micro finance institutions will be selected purposively and interviewed. Table 3.2 provides a summary of the institutions and the number of research questionnaires that will be administered at these respective outfits.

Table 3.2: Summary of Institutions that will be Interviewed

Institutions	Number of Research Questionnaires Administered
Municipal Business Advisory Unit of NBSSI	1
Municipal Planning Unit	1
Micro Finance Institutions	2
TOTAL	4

Author's Construct, 2015

Since all small scale operators within the welding and fabrication section in the Wa Municipality cannot be captured within the time frame within which the research will be carried out, specific locations within the municipality will be selected and studied into details. These areas are Wa Magazine off Kperisi Tumu Road, Magu, Kunta, Kabanye, Zongo, Wapani, Dokpong located within the Wa Municipality.

The respondents to the research questionnaire will be enterprise owners who are located in the areas stated above. However, only those enterprise owners who will be present on the day of the visit of the researcher will be interviewed.

3.7 Data processing and analysis

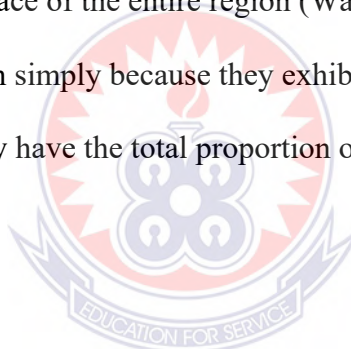
This section presents a descriptive analysis of the sampled data. The quantitative data gathered will be coded and entered into datasets using Microsoft Software Programme for Social Sciences such as Statistical Package for Social Sciences (SPSS) whereas inferences will be drawn from the qualitative data to support the analysis. The responses will be analysed to show summary of issues and information in order to communicate in simple and more concise manner making use of graphical representations such as tables, bar charts and pie charts.

3.8 Profile of Wa Municipal

3.8.1 Location and Size

The Wa Municipality by administrative demarcation is situated in the Upper West Region and happens to be the only municipality in the region. The municipality serves as the economic and social hub of the region as its capital, Wa doubles as the regional capital too. The Municipality is bounded to the North by the Nadowli/Kaleo District and to the south by the Wa- West Districts. In the East it is bordered by the Wa -East District and also shares boundary with the Wa-West District in the West. The Municipality lies within latitudes 1°40'N to 2°45'N and longitudinally, 9°32'W to 10°20'W. The landmass of the Municipality is approximately 234.74 square kilometers and this represents a percentage of about 6.4 of the total surface of the entire region (Wa Municipal MTDP, 2006-2009).

The settlements were chosen simply because they exhibit the characteristics that will help in the study. Again they have the total proportion of small scale industries in the municipality.



3.8.2 Physiographic Characteristics

Relief and Drainage

The Municipality has two main drainage systems- Sing-Bakpong and its tributaries to the south and Billi, tributaries to the north. The streams are seasonal that is, they dry up during the long dry season and when in the rainy season, the streams could overflow their banks. Several dams have been constructed in the Municipality to serve among others agricultural, industrial, domestic purposes.

Climate and Vegetation

The Municipality has two marked seasons one occurring in the dry season and the other in the wet season. The dry season, which is a long one, is characterized by the hazy harmattan winds and the wet season distinguished by its erratic rainfall pattern hinders all-year farming. The area receives its share of the South-West Monsoon winds from the Atlantic Ocean during the months of March to September. The North-East Trade winds coming from the Sahara desert which blow over the Wa Municipality happen in the months of October to April. Characteristically the harmattan wind at this period facilitates bush-burning and the consequent result is desertification that results. The rainfall is experienced between June and September and with a mean annual rainfall ranging from 840 mm to 1400 mm (Meteorological Services Department-Wa, 2010). It is common to experience seasons of heavy downpours.

The area is predominantly covered by the Guinea Savannah grassland consisting of short trees apparently dispersed. The vegetation is made up of shrubs with varying degrees of heights. The common trees in this vicinity include the shea tree, baobab, dawadawa, kapok, etc. Among the fruit trees, the Municipality supports the cultivation of especially mango and cashew. The vegetation particularly the tree and plant species are fast disappearing due to unmonitored human activities such as burning for charcoal, bush burning, construction and overgrazing.

The Built Environment

This area consists of towns and villages, the built environment however is described by residential, educational, recreational, commercial, transport, infrastructure, and so on. To some extent, this environment has been the essential driving force that has influenced the depletion of the natural environment owing to the upsurging residential, commercial infrastructure needs among others. The Wa Municipality has Wa as its biggest settlement

which experiences radial and concentric patterns of growth (Town and Country Planning Department-Wa, 2007). Other major towns in the municipality are Busa, Charia, Boli, Kpongu, Kperisi, Mengwe Goripie and Kolpong among others.

3.8.3 Demographic Composition and Features

Population Size, Growth and Density

From the 2000 Population and Housing Census (PHC), the Wa Municipality had a total population of 98,675. Population estimate for the year 2009 is 116, 229 (MoH, 2009). The population growth rate of the Municipality is 2.7 percent for the rural periphery and a 4 percent for the urban centre (Wa Statistical Service Department, 2009). The urban population rise is attributed to the influx caused by rural in-migrants. The average population density is about 84 persons per square kilometer .This implies a high pressure on land and infrastructure to say the least.

The 2000 Population and Housing Census revealed that population of the municipality is a predominantly youthful one with females out numbers the males. According to the census report 47 percent of the total population was in the age group 0-14 and a 4.3 percent of the population was aged that is 65 years and more. It means therefore that 48.7 percent was in the working age cohort. The male and female proportion of the population was 47 percent and 53 percent respectively. Projection for 2008 year indicates about 74,029 youthful side and 7,390 aged population. The dominance of the females over the males can be attributed to the relatively higher out-migration of the male population outside the Region and the Municipality.

Ethnicity

Over 95 percent of the people belong to one lineage that is the Mole-Dagbane group (Wa Municipal Assembly, 2005). There are Waalas and Dagaabas in this Municipality. The Waalas on the one side are the indigenous people. The Dagaaba appear to be the most populous in the Municipality. The adoption of Islam mainly by the Waalas and Christianity by the Dagaabas echoes a factor of value differences between the two groups. Other ethnic groups found in the Municipality include the Frafra, Akan, Sissala and Moshies. All these diverse ethnic groups have co-existed to maintain peace in the Municipality.

Literacy Level

Literacy among men is greater as compared to their female counterparts. The reasons have been because females tend to drop out of school due to pregnancy or early marriages. Socio-cultural factors are also responsible for the literacy discrepancy between these sexes. The literacy structure between the rural and urban areas show positive in favour of the urban centres and most of this literate population is in the Wa Township. Whilst about 7 out of every 10 males can be said to be literate, only about 4 out of every 10 females are literates. Evolving policies and programmes such as functional literacy programme have high potential of improving literacy in the Municipality (Wa Municipal Medium Term Development Plan, 2006-2009).

3.8.4 Economic Characteristics

The economy of Wa Municipality is dominated by agriculture with commerce and industrial sectors least developed. Agriculture accounts for about 80 percent of the municipality labour force, commerce account for about 12 percent, while industry and other sectors account for about 8 percent.

Agriculture Activities

The agricultural economy in the municipality is done on subsistence bases. The farming system in the District is dictated by the agro-ecological conditions; largely by the rainfall pattern which is uni-modal. The two types identified in the municipality are compound and bush farms. Crops planted are mostly maize, groundnuts, sorghum, roots & tubers and vegetables. Stimulant crops such as tobacco are also planted but on a very small scale. Plantation crops such as cashew, mangoes and cotton are established by farmers in the municipality on a small scale.

The raising of large ruminants, small ruminants, poultry and pigs is a common practice in most households in the District. Cattle, however, is treated as a household asset and directly under the control of the family head. Small ruminants, pigs and poultry can be owned by individual members of the family.

Service Activities

The major activities in this sector are commerce (retailing and wholesaling) and the rendering of services. Activities within the service sector can be further broken down into those belonging to the formal and informal sectors of the municipality's economy. Within former are civil servants who constitutes about 37.4 percent of the total number of persons employed in the service sector. Other commercial activity providers include drivers, retailers and wholesalers and petty traders.

Industrial Activities

The dominant economic activity (agriculture) does not yield the necessary returns for any meaningful standard of living. The result is widespread poverty among the population with severe impact on women and children. Thus, the women engage in other minor small-scale industries to generate income to supplement their earnings. The major small-scale

industrial activities in the municipality are shea butter extraction, pito brewery, local soap manufacturing, dressing making, hair dressing and pottery. Most of these small-scale industries employ less than five persons, which is usually family labour and are dominated by women which is attributed to the southward movement of the men in search of more lucrative jobs.



CHAPTER FOUR

RESEARCH FINDINGS

4.1 Introduction

This chapter presents findings from the field survey conducted. It discusses the structure of SMEs, sources of capital and challenges faced by SMEs in the study area.

4.2 Structure of Small Scale Businesses in the Wa Municipality

4.2.1. Type of Ownership

The survey revealed two types of activities operating in the study area. These were the business enterprises and the artisanal activities. That is, the workers in the study area comprised business enterprise owners such as food vendors and artisans such as welders and fabrication installation fitters, etc. However, the study area is dominated by artisans who constitute about 70 percent of the workers with the rest representing business enterprises. All the artisanal enterprises interviewed are individually owned and operated. Thus the responsibility for making decisions for the day-to-day running of the enterprises lies solely on the individual owners. In other words, SMEs in the study area are mostly sole proprietorship and are individually owned. The lifespan of Welding and Fabrication Enterprises in the Wa Municipality ranges from a minimum of one year and a maximum of 35 years. On the average, the enterprises have been in operation for 25 years and have been operated under the individual ownership and management type, for these periods of their existence.

Table 4.1: Category of Enterprises in the Study Area

Category of Activity	Frequency	Percentage
Welding and Fabrication	60	75.3
Food	21	29.7
Total	81	100

Source: Field survey, March, 2016.

4.3 Enterprise Description and Operational Characteristics

4.3.1 Age and Gender

The survey revealed that the population structure of the workers in the study area fall within the youthful age group (table 4.2). For instance of those interviewed, 63 percent fall within the age bracket of 40 years and below. The survey indicates respondents' minimum age of 20 and maximum age of 50 years. The average age of artisans interviewed is 30 years.

Table 4.2: Ages of Respondents

Ages of Respondents	Frequency	Percentage
20-30	24	35
31-40	19	28
41-50	8	12
61-60	5	8
61+	4	7
Total	60	100

Source: Field survey, March, 2016.

The age structure in Table 4.2 gives credence to the fact that welding and fabrication enterprises in the study area are a source of employment especially for the youth. It is a “survival of the fittest” scenario due to the absence of any clear cut Government policy to

absorb the teeming youth or give them employable skills. As a result, SMEs become an attraction for many youth who learn various trades in order to earn a living.

Again, the survey revealed that the gender structure of respondents point towards a male dominated activities. In fact, all the operators interviewed, including persons under apprenticeship training in their respective enterprises happen to be males. The reason for the prevailing gender structure is quiet simple. The nature of the various activities engaged in by operators such as vulcanizing, auto mechanics; metal works and welding and fabrication are such that, they require considerable strength. These activities are characterised by the use of human strength in performing a number of operations such as lifting heavy materials and equipment as well as operating machines. Traditionally, the above artisanal activities are considered suitable for males other than their female counterparts.

4.3.2. Levels of educational Attainment

The educational level of the category of people in an important sector like the SMEs sector as shown in Table 4.3 below indicates their level of understanding about basic principles of their work. The survey revealed about five categories of operators with respect to educational attainment. These are operators who have never being to school, and operators who have obtained education up to the primary, Junior High School (JHS) and Technical/vocational levels respectively.

Table 4.3: Levels of Education

Level of Educational Attainment	Percentage of Artisan
Never	20
Primary	16
JHS	54
SHS	4
Technical/Vocational	4
Tertiary	2
TOTAL	100

Source: Field survey, March, 2016.

From Table 4.3, about 20 percent of artisans interviewed have never being to school, representing a good proportion of the total number of respondents. About 16 percent of operators have obtained education up to the primary level while a substantial proportion; constituting 54 percent have been educated up to the Junior High School Level. Again, 4 percent completed their education at the SHS level whilst another 4 percent completed their education at technical/vocational training. Only 2 percent of the operators have completed tertiary education. That is in all, about 90 percent of the operators either did not attend school or they completed their education at the basic level.

The educational level of operators is generally low. For this reason, operators are deficient when it comes to important enterprise operation and management issues such as simple book-keeping and reading simple diagnostic machines. Again, the operators find it difficult getting along with modern trends in the automobile industry such as increasing modernization of cars. There is a history of poor record keeping habits from operators. Only five percent keep some form of records. This is mostly due to the low level of education among operators. They do not have the knowledge in book keeping.

Moreover, the data above indicates that a substantial proportion of the artisans obtain formal education only to the Junior High School level. This implies that the decision to either further their education or enter this sub-sector is made immediately after basic level of education. Unfortunately there is neither a policy nor a programme in place to help these teeming youth to acquire additional skills such as furthering their education.

4.3.3. Marital Status and Household Size

The survey shows that 62 percent of the operators are married while 38 percent are not. The household size of the respondents, which is an indication of the number of people who depend on incomes they earn from their various activities, differs among those who are married and those who are not. In all, the maximum number of dependants on operators is 5 with an average dependant size of 3 persons. Operators who are married have average household size of 4, made up mainly of their partners and children. The average number of dependants on operators who are not married is 2, made up mainly of siblings and other relatives.

From the above, it is evident that SMEs especially those in the welding and fabrication sector in the Wa Municipality, apart from serving as a major employment avenue for a substantial proportion of the youth in the municipality, provides the source of livelihood for the households of the same proportion of people it employs. The facts that about 90 percent of the operators sustain the livelihood of their household solely with incomes they generate from their respective activities give credence to the above assertion.

4.3.4 Number of Apprentices under a Master Artisan

The number of apprentices under one master artisan varies from shop to another. However, the survey revealed there are about seven categories of apprentices in the study area. About 20 percent of the master artisans have 1-5 apprentices under training, 30 percent have 6-10 apprentices, 5 percent have 11-15 apprentices, 20 percent have 16-20, 8 percent have 21-25, 7 percent have 26-30 and 10 percent have 30 and above apprentices.

Table 4.4: Number of Apprentices under a Master Artisan

Number of Apprentices	Percentages
1-5	20
6-10	30
11-15	5
16-20	20
21-25	8
26-30	7
30+	10
Total	100

Source: Field survey, March, 2016.

That is on the average, a master artisan has 20 apprentices under training. In one instance, one of the master artisans by name Master Tahiru, a welding and fabrication expert, has more than 40 apprentices under training. The researcher wondered if these apprentices are not too many for one master. He responded in the negative saying that the number of apprentices is not even enough. Here there was a lot of division of labour and each apprentice specialise in the area he has an interest. Again, some of his customers come from Burkina Faso, Mali, Niger and Nigeria. So he needs more hands to cater for these customers. When a new apprentice comes, the person is assigned to one of the chiefs and this is based on the person's interest.

The survey unravelled that the number of apprentices under one master depends on so many factors. Some of these factors include the perception of experience of the master artisan in terms of the number of years he has been in the trade, the type of trade he practices, his experiences with apprentices he has trained and how he treats his apprentices. If the perception of the people in the study area is that one particular master knows his job, the possibility is that that particular master artisan will have many apprentices if he so wishes.

Plate 4.1: A Master and his Apprentices at Work



Source: Field Survey, March, 2016.

4.3.5 Size of Enterprise

Often, the size of these small scale enterprises is determined in terms of the number of persons they employ and persons under apprenticeship training. This comprises hired labourers, food sellers, welders and fabricators. About 48.5 percent of the enterprises

provide employment for one to five persons, 35.7 percent of them employ six to ten people whilst the rest employ eleven or more people.

Table 4.5: Number of Person Employed

Number of People Employed	Percentage
1-5	48.5
6-10	35.7
11+	15.8
Total	100

Source: Field survey, March, 2016

Majority of the businesses employ one to five people. Of those who employ six to fifteen people are those business owners who have established in the business with two or three shops. Those employed comprise shop assistants and hired labourers who are paid according to services they render. At times also, wards of business owners who are on vacation or awaiting results also provide assistance. These are on temporary basis. There are situations where some of these wards are under apprenticeship learning from their parents so that when they become old or after their demise, their wards will take over from them. As a result, they are introduced to loyal customers, people they own and where and how they acquire their raw materials. In a sense, they are taught the rudiments.

Plate 4.2: Operational Characteristics of Enterprises in the Study Area



Source: Field survey, March, 2016.

4.4. Source of Start-up Capital

Three sources of start-up capital were identifiable among the enterprise owners interviewed. These were self-finance through accumulated personal savings, support from friends and relatives in the form of loans and remittances and institutional credits from banks. About 64 percent of the enterprises obtained capital through personal savings while 24.2 percent obtained capital from friends and relatives. Under these two financing arrangement, operators invest initial capital and subsequently ploughs back returns that accrues to ensure continued operation of the enterprise. Only 11.8 percent of the enterprises approached banks for start-up capital.

Operators' seemingly lack of interest in institutional credits and financing arrangements is primarily due to the cumbersome conditions and formalities that characterises these

institutions. In most cases, operators are assured of obtaining assistance only on condition that they can provide guarantors who happen to transact business with the particular bank from which credit is being applied. The problems that operators face manifest themselves in two folds. First, it is very difficult to provide such persons required by the banks. Secondly, even in instances where such persons have been provided, operators' applications are only declined on grounds that they lack the collateral required to qualify them for the loans. The collateral demanded according to the operators is not only unaffordable but hostile looking at their size and scale of operation.

As far as other institutional support apart from the financial institutions are concerned, the survey shows that these small scale business owners are generally ignorant of the existence of such institutions set up for providing them with financial support or facilitating their access to such assistances from other sources. These enterprises are not familiar with institutions like the National Board for Small Scale Industries and the Business Advisory Centre all of which are located in the Wa Municipality to facilitate their operations. This is perhaps due to the fact that none of the operators have registered with either of these institutions. Even though this is the case, it is still important for these institutions to reach out to the operators as a first step to offering them the services for which they have been established to render.

4.5 Trade Unions

From the survey, it was found out that only 2 percent of the people have had any dealings with the National Board for Small Scale Industries, a body responsible for ensuring the growth of small scale industries. Though the Municipal Business Advisory Centre exist among other things to facilitate the organization of these enterprises into viable associations and by so doing giving them the opportunity to participate in decision making,

none of the operators interviewed gave evidence of having ever come into contact with this outfit itself or any particular programme(s) that it has organised to this effect.

Rather what exists is that they have grouped themselves into clusters depending on the activity they undertake. Currently there are many informal associations in the study area. They are formed along ethnic, religious, interest and activity lines. These associations are mainly welfare groups and concern themselves with donations to bereaved members and toward marriage donations.

Contrary to the formal sector where there exist well organised trade unions and pressure groups, small scale operators in the study area are not organised and therefore lack an effective and strong front to push forward their grievances. While there are few avenue for taking part in decisions that affect them in the Municipality, operators lack an effective medium to respond to policies and issues that are inimical to their existence.

4.6 Contributions of SMEs in the Study Area to local Development

4.6.1 Human Capital Formation and Skills Acquisition

Small scale industries in the study area make a significant social contribution by improving the human resource base of people in the Municipality especially people within the low income bracket. SMEs provide wide opportunities for entrepreneurial initiatives, knowledge and awareness of broader horizons, up grading of skills and additional means of realizing increased expectations in the study area. The welding and fabrication enterprise in the Wa Municipality welds about 80 percent of the cars in Wa. This makes welding and fabrication sector, one of the important places for the acquisition of skills and knowledge in trades such as fitting, upholstery, welding in the Wa Municipality and beyond. Development of small scale businesses in the area has also help in the allocation,

utilization and effective and efficient management of scarce resources that abound in most rural areas or simply help to avoid underutilization.

4.6.2 Employment

Welding and fabrication enterprises in the study area serve as a source of employment for people in the study area. Most of the businesses in the study area were started at the micro level comprising of only one person with the support of the family if married. Today, most of them have grown their business to the extent they employ other people to help them. Table 4.6 summaries the number of people employed by businesses in the study area.

Table 4.6: Number of people that each of the enterprises employ

Number of People Employed	Percentage
1-5	48.5
6-10	35.7
11+	15.8
Total	100

Source: Field survey, March, 2016.

SMEs have been a source of employment for most people from various income brackets. This sector has served as a refuge for a number of people especially those within the low income bracket. It is easy to start and it is flexible as compared with the formal sector. One needs small start-up capital. As a result, people who cannot find a place in the formal sector go there.

4.6.3 Income Generation and Tax Contributions

On the average, according to the respondents interviewed, 64.2 percent makes sales of less than Ghc100 per day, whilst 37.1 percent makes sales of between Ghc101- Ghc500, with the rest making more than Ghc500 per day. This is coming at the background of the fact

that 40.9 percent of the number interviewed invested nothing or below Ghc50 at the commencement of the business notwithstanding all the constraint confronting them.

It should be made known that operators generally find it very difficult declaring their average monthly earnings. The difficulty is due to lack of records keeping of their income. Besides, for most of the operators who work on contractual basis, income does not often come on monthly basis. Rather, incomes are obtained on the delivery of specified products or services. This could take several months depending on the volume of products to be supplied, availability of money to purchase raw materials and the ease or otherwise with which raw materials can be obtained.

Table 4.7: Annual Income Levels of operators

Type of Activity	Range of Income(GH¢)	Average Annual Income (GH¢)
Carpenters	1000.00 – 600000.00	20000.00
Welders and Fabricators	3000.00 – 15,000.00	5000
Communication Vendors and Food Sellers	500.00 – 3000.00	1000

Source: Field survey, March, 2016.

On taxation, there exist no relationship between the activity types and the amount of money charged by the Municipal authority as tax from the operators. The survey shows that about 70 percent of the operators pay nothing towards revenue mobilization by the assembly. In fact, the operators who constitute 64.9 percent have never paid anything to the assembly since their establishment. Three categories of taxes were identified during the survey. These are ground rent, poll tax and VAT. The survey revealed enterprise owners pay VAT on materials purchased in addition to payment of Ghc 1.00 as poll tax.

It becomes difficult to mobilise funds in the form of taxes from operators due to the nature of activities undertaken by them. This is because businesses are not registered and as a result lack of accurate data on their activities. It will be a mere misconception to conclude that the 70 percent non-tax payment rates among operators in the Municipality represent evidence of tax evasion attempts on the part of operators. Instead, it is a manifestation of first; the poor relationship that exists between the operators and the Municipal authority; lack of support for these enterprises by the Municipal authority; and lack of accurate and up-to- date data by the Municipal assembly on these operators that will enable it target them to collect tax.

However, taxes constitute a substantial part of government revenue in Ghana. Notwithstanding the importance of taxes to the development of Ghana, tax collection agencies have not been able to meet their collection targets. This is because the Municipal authorities have not been able to have a database of all taxable entities in the area. Again, some of these small scale industries are very small and by their nature cannot be taxed under Ghana taxation laws.

4.7. Institutional Support

The institutional arrangements for supporting local economic activities in the Municipality can be categorised into public and private sector. During the survey two of these institutions were interviewed. These are the Municipal Business Advisory Centre and the African Development Bank.

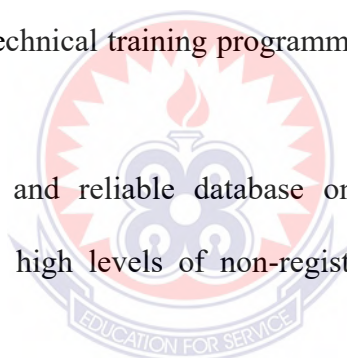
The Municipal Business Advisory Centre of the National Board for Small Scale Industries outfit, among others, is involved in:

- providing technical and managerial training programmes to clients;
- providing financial assistance;

- assisting in the registration of businesses
- providing technical support and guidelines on Business Plan preparation and group formation.

The main target groups for these outfit are small scale businesses in the Municipality. Some of the activities of this outfit include, training of local entrepreneurs in savings culture, quality management and business registration. Though the Business Advisory Centre indicated evidence of support for some of these small scale businesses in the Municipality, none of the operators interviewed reported having received support from this outfit. In its operations, some of the major problems the centre faces are:

- Inadequate financial resources
- Lack of interest in technical training programmes on the part of local enterprises and entrepreneurs.
- Lack of up-to-date and reliable database on small scale businesses in the Municipality due to high levels of non-registration on the part of owners of businesses.



In essence, the company targets small and medium sized enterprises-artisans, cottage industries, individuals, organized groups, co-operatives, micro enterprises and entrepreneurs. To these target groups, the bank provides assistance in the form of commercial loans, Susu (mobile banking) services and micro-finance schemes.

Commercial loans are given to business entities, small, medium and large who need loan facilities to expand their business whiles the micro finance schemes are designed for individuals who lack the capacity to operate bank accounts. Such individuals are brought together on the basis of similar activities. For example, mechanics are provided with training in simple book keeping. The groups are made to operate bank accounts for

sometime after which loan facilities are given to them in groups to expand their activities. The aim is to provide security which would not be possible on individual basis and to reduce the high incidence of defaulters.

Though these banks exist to provide institutional credits and other supports, operators do not approach them for such assistance. According to the operators, not only is the rate of interest charged on loans by these banks too high; the collateral demanded by them can also not be provided.

On the part of the banks, however, the major challenge they face is high default rate on loans. Because of this, the banks do not see it prudent to give loans; instead, they invest in treasury bills and other ventures which totally deviate from the purpose for which they exist.

4.8 Challenges of Small Scale Businesses

4.8.1 Start-up capital

The survey revealed that one of the major problems facing small scale industries in the study area is start-up capital. This is because they struggle to mobilise finance and expand their operations.

Table 4.8: Source of Start-up Capital

Source of start-up capital	Percentage
Capital from financial institutions	11.8
Capital from family members	24.2
Personal savings	64.0
Total	100.0

Source: Field survey, March, 2016.

The above explain why most of the businesses were not able to expand their production level because of the limited capital base associated with financing through own saving. Access to credit is very difficult due to high cost of borrowing as well as lack of qualification to obligations to collateral securities. Finance through own savings were common among micro-entrepreneurs who either moved into the activity from another economic activity or had a history of income-earnings. However, the study revealed that it is one of the major causes of backwardness of many small scale businesses. This source of funding is limited as to the amount of money which the operator can raise is too small to expand their businesses. This calls for a concerted effort to register more financial institutions so that cost of borrowing will reduce.

4.8.2 Marketing and advertisement

The survey revealed that only 10 percent of the operators at the study area are registered. This mostly applies to shop owners who have been applying for loans from financial institutions. The study revealed that they are registered because it is one of the conditions for acquisition of loans. Out of this, only 2 percent of the respondents carry out an advertisement on some local Fm Stations. There is a problem with marketing and advertisement of products and services in the study area. The scenario can be described as “frowning in the dark”, no one sees you.

The operators do not carry out any form of conscious advertisement for their product and services. However, the operators engage in some form of informal advertisement such as relying on customer loyalty, family friends, church members and on the goodwill of the operators in the area. The impression is created that advertisement is not good. The operators somehow attribute their success to help from pastors and mallams. As a result, it will not be surprising that early in the morning, one will find shop owners sprinkling

various concoctions and recitations to invoke their objects of worship. It can be concluded that, in the absence of any help from the city authorities, the operators have turned to religion as their last hope. This is because looking at the small nature of their businesses and the cost of advertisement, without any external help, it will be very difficult for people to see the kind of products and services the operators in the study area offer.

4.8.3 Low Level of Education

The survey established that about 90 percent of the operators in the study area completed basic education or did not have education. As a result most of the operators cannot read or write. This hinders their operations in various ways. For instance, during the process of apprenticeship, apprentices need basic understanding of concepts such as measurement, management, force and friction to be successful. With this, the operators find it difficult managing their businesses as they do not even have simple book -keeping.

Again, the operators find it difficult to be abreast with latest trends in welding and fabrication technology. Today, cars are seen as complex machines run by sophisticated computer systems and people who fix them are no longer called mechanics or "fitters "but highly skilled automotive technicians who are well vest in troubleshooting problems using the latest programmes and software to diagnose, service and repair modern cars. The operators find it difficult working on the electronic cars which are being imported into the country. The challenges artisans are facing due to low level of education are enormous and the number of artisans are eroding.

CHAPTER FIVE

DISCUSSION OF RESULTS

5.1 Introduction

The chapter presents the discussion of the results; objectives of the study, and description of activities of SMEs in the study area. It also assesses the contribution of SMEs to local economic development; investigate the challenges facing SMEs in the study area. This chapter discusses the main issues that arose during the previous chapter.

5.2 Structure of SMEs in the Wa Municipality

The SMEs in the study area exhibit the sole proprietorship model of ownership. This structure is not different from what exists in Ghana according to literature (Ofori-kumah et al, 2013). The study revealed that all the SMEs in the study area are individually owned and operated. Many factors account for the dominance of this business model in the study area. These include low income and mistrust among SMEs operators. Many of the SMEs operators do not see the need to join with others as they are afraid merge may create problems for them later on. As a result, mutual support and other benefits that accrue from associations with other similar activities are non-existent. They consequently, lack the opportunity to make collective decision on unfavourable policies.

Moreover, SMEs in the welding and fabrication sector in the study area are male dominated and women are not encouraged in the occupation. This is due to the considerable strength required in activities undertaken by operators. Operators within this sector fall within the youthful age bracket with an average age of 20 years. Moreover, decision by operators to join this sector is made immediately after basic level of education. In view of this, the educational background of operators is generally low. Important

enterprise operation and management skills are also lacking among operators as a result of their low levels of educational attainment.

The study revealed that there are two levels of engagement as far as employment into the SMEs are concerned. These are the apprenticeship and employment mode of recruiting. Under the apprenticeship system, a person willing to learn a trade will contact a master in the trade. He/she pays the necessary charges and is admitted as a junior apprentice. The apprentice may not be paid wages but something for upkeep based on the generosity of his master and income generated from the enterprise. On the other hand, many of these SMEs in the welding and fabrication industry employ people who are experienced. About 84.2 percent of SMEs in the study area employ 10 or less people in their enterprises.

5.3 The Contribution of SMEs to Local Development

SMEs in the study area are sources of human capital formation and development. They help in the informal acquisition of skills especially the youth in the study area. The welding and fabrication sector serves as one of the important places for the acquisition of skills and knowledge in the study area. Due to limited opportunity available for youth training and development, the sector has become a safe haven. Those who could not continue their education to the Senior High School level are absorbed and trained by the sector.

Again, SMEs serve as a source of employment in the study area. It is a form of opportunity for the youth in the absence of any credible government policy. Many of the youth in the study area see SMEs as an avenue to dispense their skills and develop their potential.

5.4 Sources of Start-up Capital and Income Earnings

The major source of start-up capital among operators is self-finance through accumulated personal savings. Operators under this financing arrangement invest initial capital and subsequently plough back returns that they accrued to ensure continued operation of the enterprise. Whereas operators do not approach banks due to lack of collateral, cumbersome conditions and formalities that characterize these institutions, are also generally ignorant of the existence of other governmental institutions such as Venture Capital Limited that have been set up to assist them financially among other things.

Annual Income levels range between GH¢1000 and GH¢9360. On the whole, operators find it difficult to declare estimates of their net income as they do not keep records on their income and expenditure.

Financial constraint is among the major factors that hinder the activities of small scale businesses as per my findings. Most businesses (70.8 percent) in the Municipality finance their businesses through own savings. However, due to availability of credit unions and other financial institutions, 12.5 percent of the businesses are able to access loans from them for the financing and operating of the industry. But high interest rates discourage many of the operators from accessing loans from banks.

5.5 Challenges Faced by SMEs in the Study Area

The difficulty involved in acquiring land and the land tenure system present operators with a number of challenges. Paramount among these challenges includes;

- Difficulty in obtaining meters for electricity supply as the Ghana Electricity Company Limited requires that operators produce a permit certifying that the Municipal Assembly has approved of their places of occupation;

- Limited credit worthiness by operators as they must demonstrate that they have permanent places to operate before they can qualify for institutional credits.
- Operators suffer loss of customers and business capital in the event of eviction
- Finally, operators reported that they are unable to compete in the formal sectors with their compatriots who are more formal and operating on relatively larger scales for contracts awards. This is because the current Procurement Act requires the submission of certain vital information and documents as part of the tendering process which such as business registration certificates, and operation permits which these informal artisanal enterprises are unable to produce.



CHAPTER SIX

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter is the last chapter for this study. It summarizes the findings from the survey in the previous chapter and findings. The chapter moves on to talk about recommendations that can be used in organizing and integrating Small Scale Enterprises into Municipal Medium Term Plan in helping to contribute their quota towards the development of the municipality which is in line with the objectives of the study. The chapter ends with a general conclusion to the study that will improve the management of SMEs in the municipality.

6.2 Summary of findings

The researcher purposively sampled the Wa Municipality as a case for primary data due to the nature of SMEs in the study area. In all 81 questionnaires were administered to SMEs in the municipality in addition the each institutional questionnaires administered by the Municipal Business Advisory Centre of the National Board for Small Scale Industries, the Municipal Planning Unit and two Micro Finance Institutions.

In summary, the study revealed that the structure of the SMEs in the study area exhibit the sole proprietorship model of ownership. This structure is not different from what exists in Ghana according to literature (Ofori-Kumah et al, 2013). That is all the SMEs in the study area are individually owned and operated. These sole proprietors have apprentices that are being trained in addition to the few that they employed and this also makes them coming together as groups unattractive. Among the factors that account for the dominance of this

business model are low income and mistrust among SMEs operators. This makes them to lack collective decision on unfavourable policies affecting their business.

It was also revealed that the SMEs in the welding and fabrication sector in the study area are male dominated and women in the study area are not encouraged into the occupation, and this is due to the considerable strength required in activities undertaken by operations. In addition, men found in this operation are within the youthful age bracket with average age of 30 years. It was revealed that majority of the operators join the sector right after basic level of education. This makes the educational attainment of the respondent low.

According to the field survey, the sources of start-up capital are self-finance through accumulated personal savings. The respondents do not approach the financial institutions due to the lack of collateral and cumbersome conditions characterize with these institutions. In addition, the sector is faced with certain challenges that affect their operations. Among some of the challenges are difficulty in acquiring land, obtaining meters for electricity supply, inadequate bank loans and their inability to compete with their compatriots who are more formal and operating on larger scales.

Despite these challenges faced by the SMEs in the Wa Municipal, the sector continued contributes massively in the informal sector of the economy. It serves as an important place for the acquisition of skills and knowledge among the youth in the municipality. Many of the youth who are unable to continue their education after the Junior High School are absorbed and trained by the sector. The sector is also a source of employment among the teaming youth in the study area since the public sector have not provided a clear-cut of government policy to absorbed them in the public sector.

6.3 Conclusion

Small scale enterprises are very important to the development of local economies more especially in developing countries. The study clearly established that small scale enterprises play important role and it should be supported. The study however established that aside these roles that this sector plays, it is plagued by many challenges.

One of the main challenges that are faced by small scale enterprises is access to start up capital. Another is that the small scale enterprises have problems with how to manage their businesses. Despite these challenges, the sector has some potentials which if harnessed can lead to the growth of the local economy. It is recommended that the Wa Municipal Assembly should recognize and integrate the Small Scale Enterprises into Development Plans and build a reliable database on small scale sector activities and operators. Again, the Assembly should facilitate the formation of groups and associations by small scale enterprises operators and also facilitate small scale operators' access to credit facilities. When this is done, the study area will benefit immensely from the activities of small scale enterprises.

6.4 Policy Recommendations

The Local Government Act, (Act 462, 1993) that establishes the District Assembly concept in Ghana makes it the responsibility of the various Local Government Authorities to promote and ensure socio-economic development of all areas that fall within their respective boundaries. In view of this and against the background of the key issues identified in the study, the Municipal Assembly should make conscious effort to ensure the growth of small scale enterprises in the municipality. This can be done through the following ways.

6.4.1 Organizing and integrating the Small Scale Enterprises into Municipal Plans

Medium Term Plans at the local level, it is important that the Municipal Assembly recognizes and formulates specific and responsive policies as well as strategies aimed at fostering the growth and sustenance of the small scale enterprises. These policy interventions should be reflected in its Medium Term Development Plans. In pursuit of this, the Municipal Assembly should identify specific groups and types of small scale activities in its jurisdiction and target them accordingly. Plans and strategies to provide credits or to assist small scale enterprises operators to obtain credits should be identified and clearly spelt out. Programmes to provide operators with technical and managerial training and to assist them in the registration of their businesses should be identified and captured in its Medium Term Development Plans with the assistance of National Board for Small Scale Industries.

6.4.2 Build a reliable database on small scale Sector Activities and Operators

The need to build up-to-date and accurate database on all small scale enterprises in the Municipality is a very crucial step in identifying and responding to their needs. The collection, analysis and management of data on small scale operators should be made the joint responsibility of the Municipality Business Advisory Unit of the National Board for Small Scale Industries, the Municipal Planning Unit and the Municipal Statistical Department. The Municipal Business Advisory Centre should play the lead role and in doing this, should go to the operators and register their businesses. This approach will not yield any success. Instead, the Centre should reach out to these operators at their various places of location to have them registered. The rationale here is to make it less cumbersome for them to register their businesses and to have adequate and reliable data that will help

to effectively assess the needs of operators based on which effective and workable planning interventions can be done.

6.4.3 Facilitate the formation of groups and associations by small scale enterprises

Operators

The Municipal Assembly through its Business Advisory Centre and the Planning Unit should encourage operators to form groups and associations in the Municipality. Such groups or associations should be formed in manageable sizes along the lines of activity types and clusters of location in space. This will allow for easy identification of groups for all purposes by the Assembly.

In essence, they should also see the need to organize themselves into associations or groups of manageable sizes with dedicated leadership.

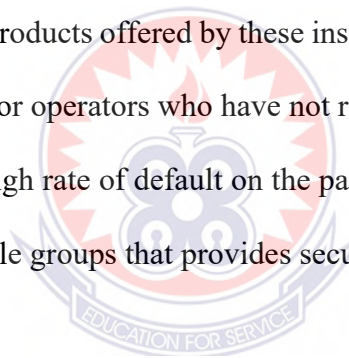
The advantages that shall accrue to operators by doing this cannot be over-emphasized. First, it will enhance their opportunities to participate in decisions that affect them since they can easily be identified in more organized groups. In any case, it is quite easy to deal with organized groups than individuals in any development intervention. Secondly, operators can easily access institutional credit facilities in groups.

Leadership of the various associations should be in regular touch with the Municipality Assembly through the Business Advisory Centre of the National Board for Small Scale Industries. In this way, their needs can be well expressed and taken to the Municipality Assembly for redress. The Centre in turn, should serve as the link between the operators and the Assembly and should advocate for the course of the operators and enhance their participation in decision making at the Assembly level.

6.5.4 Facilitate Small scale Operators' Access to Credit Facilities

The Municipal Assembly through the Business Advisory Centre should facilitate the acquisition of credit by small scale operators from the Micro Credit institutions operating in the Municipality. This can be made possible through effective collaboration between the financial institutions (particularly, Micro Credit Financial Institutions) and the Assembly.

The micro financial institutions in the Municipality should collaborate with the Municipal Business Advisory Centre rather than dealing directly with individuals or groups of owners of small scale enterprises. Such collaboration will provide three major forms of advantage; first, it will ensure that only persons registered with the Centre can benefit from the micro-finance schemes and other products offered by these institutions. Secondly, it will serve as an incentive and attraction for operators who have not registered with the Centre to do so. Thirdly, it will reduce the high rate of default on the part of operators since they can now be found in easily identifiable groups that provides security against loan defaulters.



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APPENDIX A

QUESTIONNAIRE FOR MASTER CRAFTSMEN

The researcher is a master of Technology (M TECH) Mechanical student of the University of Education, Winneba –Kumasi campus writing on the topic “**A critical study of the challenges faced by small and medium enterprises master craftsmen in the welding and fabrication industry in the Wa Municipality**”.

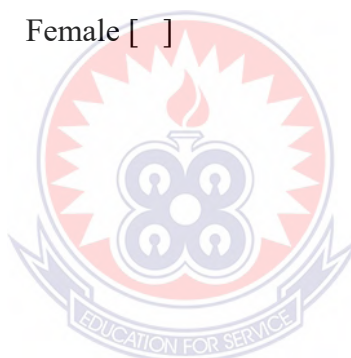
This Research Instrument is structured to seek for primary data for the conduct of the aforementioned academic work. Your support and co-operation is very much expected and your responses will be treated with utmost confidentiality.

Please, you are kindly requested to provide an answer by ticking [✓] or circling the options whichever you think is appropriate.

1. Gender Male [] Female []

2. How old are you?

- A. Below 18
- B. 18-25years
- C. 26-35years
- D. 36-45years
- E. Above 45 years



3. What is your level of education?

- A. Primary
- B. Secondary
- C. Tertiary
- D. Vocational
- E. No education

4. Marital status

- A. Single
- B. Married
- C. Divorced
- D. Widow/Widower

5. What is your family size?
 - A. 2-6
 - B. 7-10
 - C. 11-14
 - D. Above 14

6. How many years have you been in this venture?
 - A. 1-3years
 - B. 4-6years
 - C. 7-9years
 - D. 10-12years
 - E. Above 12years

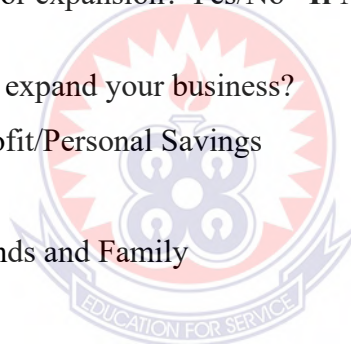
7. What influenced your choice of venture?
 - A. Money
 - B. Interest
 - C. Research
 - D. Demand/Need
 - E. Other (specify)

8. What was your start-up capital?
 - A. Less than GHC 100
 - B. Between GHC 100-200
 - C. Between GHC 200-300
 - D. Between GHC 300-400
 - E. GHC 400 and Above

9. How much do you averagely earn a day?
 - A. Less than GHC5
 - B. GHC51-GHC70
 - C. GHC71-GHC100
 - D. Above GHC100



10. How did you generate it?
- A. Relatives
 - B. Friends
 - C. Financial Institutions
 - D. Money Lenders
 - E. Personal Savings
11. Where do you borrow from?
- A. Banks
 - B. Microfinance companies
 - C. Small Scale Enterprise Loans
 - D. Do not know of such institutions
 - E. Other (specify)
12. Do you have plans for expansion? Yes/No **If No, move to question 14.**
13. How do you plan to expand your business?
- A. Plough back profit/Personal Savings
 - B. Bank Loan
 - C. Loan from Friends and Family
 - D. Money Lenders
14. How many years do you intend to achieve this objective?
- A. 1-2years
 - B. 3-4years
 - C. 5-6years
 - D. 7-8years
 - E. Above 8years
15. What do you channel your revenue into?
- A. Savings
 - B. Family expenses
 - C. Purchase more Food stuffs
 - D. Educational Expenses
 - E. Other (specify)



16. How do you save? If you do not save, **move to question 18.**

- A. Susu Collectors
- B. Banks
- C. At home
- D. Other (specify).....

17. How much do you save a day?

- A. Less than GHC10
- B. GHC10-GHC20
- C. GHC 21-GHC30
- D. Above GHC 30

18. What is the greatest internal impediment on your business?

- A. Capital is too small
- B. Have no expansion ideas
- C. Family Dependency
- D. Impulse Buying
- E. Other (specify).....

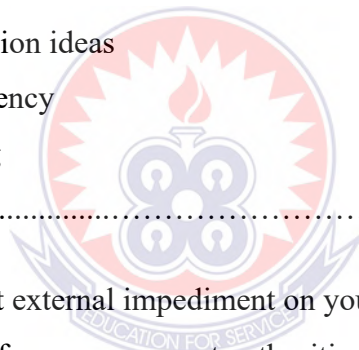
19. What is the greatest external impediment on your business?

- A. Harsh attitudes from government authorities (A.M.A)
- B. Location
- C. Lack of support from government and businesses
- D. Other

20. Are you part of any street food association(s)? Yes/No

21. If yes, Please Name it/them

22. If No, Why?



23. What kind of training would you like to have to enhance business expansion?
- A. Seminars on entrepreneurship
 - B. Seminars on savings
 - C. Seminars on investment
 - D. Seminars on management/accounting skills
 - E. Other
24. What help do you need to boost your business?
- A. Provision of Capital
 - B. Training Programs
 - C. Build appropriate structures
 - D. Promotion of the sector e) other.....

Thank you for your time and co-operation



APPENDIX B

QUESTIONNAIRE FOR MUNICIPAL DEVELOPMENT PLANNING UNIT

The researcher is a master of Technology (M TECH) Mechanical student of the University of Education, Winneba –Kumasi campus writing on the topic “**A critical study of the challenges faced by small and medium enterprises master craftsmen in the welding and fabrication industry in the Wa Municipality**”.

This Research Instrument is structured to seek for primary data for the conduct of the aforementioned academic work. Your support and co-operation is very much expected and your responses will be treated with utmost confidentiality.

Location:

Date of interview:

1. What are the common types of SMEs in the municipality? Please list them.....
2. What are the characteristics of SMEs in the municipality in terms of
 - i. Size?
 - ii. Scale of operation?
 - iii. Number of persons employed?
 - iv. Level of educational attainment of operators?
 - v. Technology used?
3. What are the contributions of the SMEs to local economic development in terms of
 - i. Employment creation.....
 - ii. Skills acquisition and development.....
 - iii. Revenue mobilisation (*please provide record of sector’s contribution over the years*).....

4. What are the problems/challenges faced by SME operators in the municipality in terms of:
 - i. Access to land?
 - ii. Access to credit facility?
 - iii. Business registration?
 - iv. Access to facilities and services?

5. What are the causes of these problems/challenges?

6. What are the effects of these problems/challenges on the operations of the SMEs?
.....

7. What can be done/ is being done to address these problems/challenges?
.....

8. Which institutions should be involved in addressing these problems/challenges?
.....

9. What roles should they play to address these problems/challenges?
.....

10. What measures and strategies has the Municipal Assembly instituted to promote and sustain the SME operations?

11. How many operators have benefited from these initiatives?

12. How were the beneficiaries selected?

13. Do SMEs pose any problems/challenges to the municipal assembly?
A. () YES B. () NO

14. If yes, what are these problems/challenges?
.....

15. What are the causes of these problems and challenges?

.....

16. What are the effects of the problems and challenges in the municipality?

.....

17. What can be done to address these problems and challenges?

.....

18. What potentials/resources exist that can be used to promote and sustain the growth of the informal sector in the municipality?

.....

19. What can be done to further integrate the informal sector into the economy of the municipality?

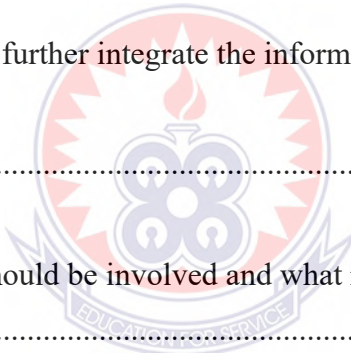
.....

20. Which institutions should be involved and what roles should they play?

.....

.....

.....



Thank you for your time and co-operation

APPENDIX C

QUESTIONNAIRE FOR FINANCIAL INSTITUTIONS

The researcher is a master of Technology (M TECH) Mechanical student of the University of Education, Winneba –Kumasi campus writing on the topic “**A critical study of the challenges faced by small and medium enterprises master craftsmen in the welding and fabrication industry in the Wa Municipality**”.

This Research Instrument is structured to seek for primary data for the conduct of the aforementioned academic work. Your support and co-operation is very much expected and your responses will be treated with utmost confidentiality.

Please, you are kindly requested to provide an answer by ticking [✓]

Indicate the name of the Financial institution you work for.....

1. How long have you been in SME banking?
2. Less than 2 years [] 3 years [] 4 years [] 5 years [] Over 5 years []
3. Which financial services do you offer your SME customers?
4. Overdraft [] Trade credit [] SME banking [] Cash management []
Business advice [] Others (specify).....
5. How is your relationship with your SMEs?.....
6. Poor [] Good [] Very good [] Excellent []
7. What conditions do you consider when extending credit to customers who are SMEs
.....
.....
8. Years in existence [] Past and projected Cash flows [] Credit history [] Line of
business [] Collateral [] Business location []

9. What has been the major challenge for your SMEs banking unit?

10. Management [] High default rate [] Monitoring [] other (specify) []

11. Do you have a client SME in the Ghana Club 100? If yes please name them.

.....

12. Apart from the provision of financial assistance to the SMEs, what other service do you render to them?

13. What recommendations would you like to give which you believe would be a panacea to surmount the financing challenges facing SMEs

.....

.....

Thank you for your time and co-operation



APPENDIX D

QUESTIONNAIRE FOR NATIONAL BOARD FOR SMALL SCALE INDUSTRIES

The researcher is a master of Technology (M TECH) Mechanical student of the University of Education, Winneba –Kumasi campus writing on the topic “**A critical study of the challenges faced by small and medium enterprises master craftsmen in the welding and fabrication industry in the Wa Municipality**”.

This Research Instrument is structured to seek for primary data for the conduct of the aforementioned academic work. Your support and co-operation is very much expected and your responses will be treated with utmost confidentiality.

Location:

Date of interview:

1. What are types of local SMEs that the NBSSI support? **Please list them**

.....
.....

2. Do SMEs register their business with this outfit? A. () YES B. () NO

3. If yes, how many SMEs have registered with this outfit.....

4. If no, why do informal business operators not register with this outfit?.....
.....

5. What are the characteristics of SME operators in the municipality in terms of?

i. Size.....

ii. Scale of operation.....

iii. Number of persons employed.....

iv. Level of educational attainment of operators.....

v. Technology used.....

6. What are the problems/challenges faced by SME operators in the municipality?.....
.....

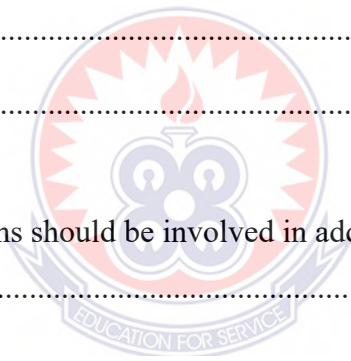
7. What are the causes of these problems/challenges?.....
.....

8. What are the effects of the problems and challenges on private informal businesses?.....
.....

What can be **done/is being done** to address these problem/challenges?

.....
.....

9. Which specific institutions should be involved in addressing these problems/challenges?



10. What specific roles should they play to address the problems and challenges?
.....
.....

11. How do the NBSSI support SMEs in the municipality?

12. With which institutions/agencies does the NBSSI collaborate to support private SMEs in the municipality?

13. What roles do these institutions/agencies play?

.....
.....

14. What can be done to further support informal business operators in the municipality?

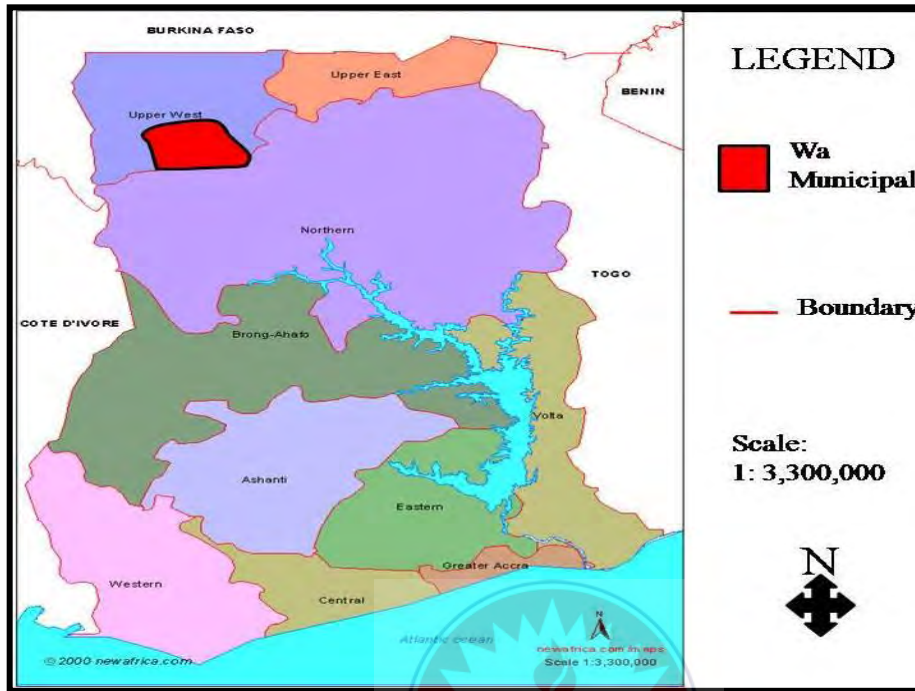
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Thank you for your time and co-operation



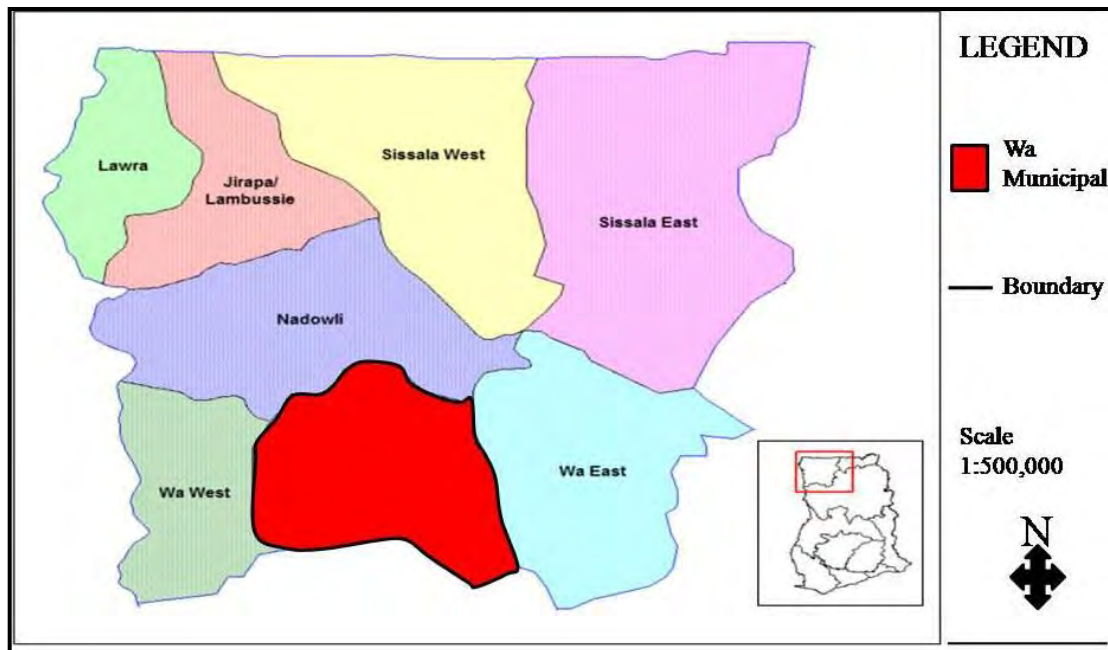
APPENDIX E

Appendix E 1: Wa Municipality in National Context



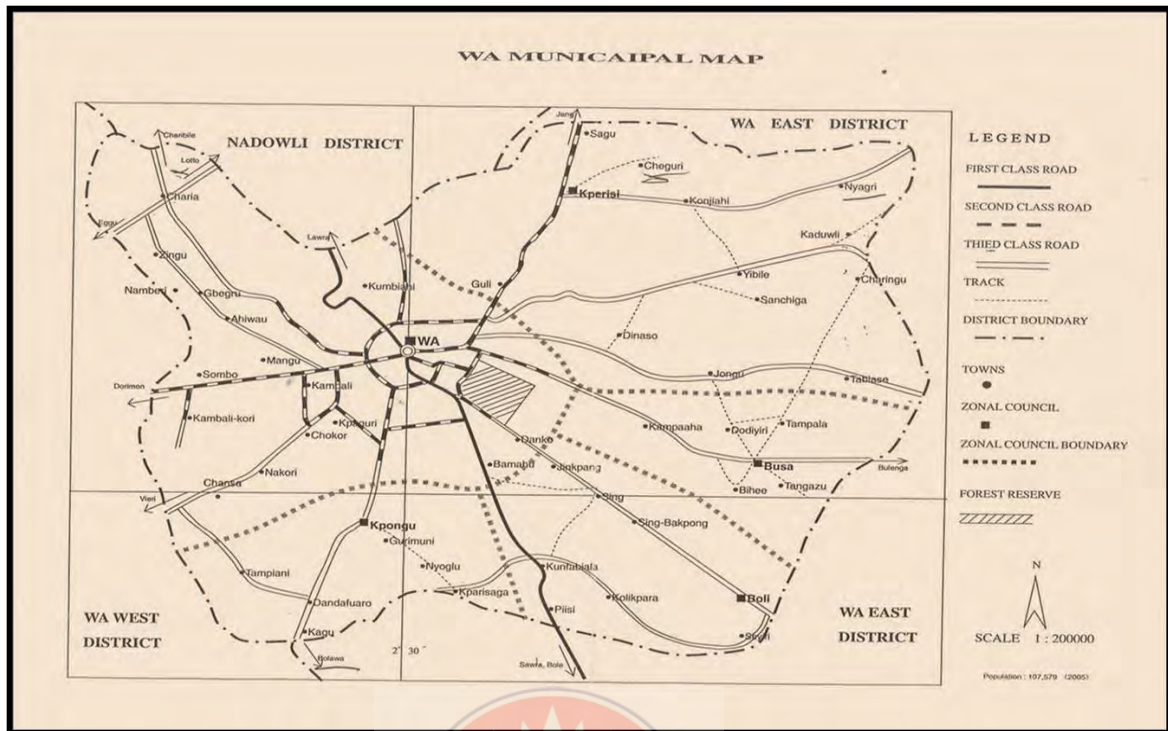
Source: newafrica.com, 2000, retrieved on 10/05/2012

Appendix E 2: Wa Municipality in Regional Context



Source: Wa Municipal Assembly, 2006

Appendix E 3: Map Showing Settlements in Wa Municipality



Source: Wa Municipal Assembly, 2006.

Appendix E 4: A welder doing welding at his shop



Source: Field Survey, March, 2016.

Appendix E 5: An auto mechanic teaching his apprentice some work under a Pick-up



Source: Field Survey, March, 2016.

Appendix E 6: A welder cutting metal pipes for work



Source: Field Survey, March, 2016.

Appendix E 7: A welder working on a burglar proof



Source: Field Survey, March, 2016.

