

Entrepreneurship Development and Opportunities for Skills Training For Job Creation in the Informal Sector of the Volta Region in Ghana

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Abstract

Competition for markets the world over among entrepreneurs has become increasingly sharp. The capacity and ability to meet or exceed the expectation of customers is defined by several factors. Two of these factors are the technical and managerial skills of the entrepreneur. Improvement in these skills can be done through the upgrading of their skills. Unfortunately, collaboration between educational institutions and the informal skills development sector has been minimal. Yet local artisans and entrepreneurs play a vital role in the national economy and in the promotion of technical and vocational skills through traditional apprenticeship training schemes. A cross-fertilisation of ideas and expertise between the informal skills training sector and technological institutions like the polytechnics can yield results which in turn will enrich their curricula and help develop local technology. This article on the informal vocational skills sector, investigated the problems and challenges facing the sector, among 250 local artisans and entrepreneurs in five districts of the Volta Region. The article assessed their skills training needs and constraints to determine which of these skills training needs or constraints could be satisfied by polytechnics in Ghana. The study found out that the level of education and technology among entrepreneurs is low and their capacity to generate employment for other people has been exaggerated. Skills training/acquisition is basically done through the apprenticeship or hereditary system. There is an overwhelming desire among entrepreneurs to upgrade their skills, but the opportunities for doing so are virtually absent. Access to credit is also low because of they do not have collateral security acceptable to financial institutions. The article recommends that: The expertise of the polytechnics in technical, vocational and managerial skills upgrading, as well as technology transfer should be put at the disposal of the informal sector. The government should provide support to the informal sector in their desire to upgrade their skills in collaboration with the polytechnics. An enabling environment to facilitate licensing and registration procedures and easier access to credit should be created by government if the informal sector is to play a meaningful role as the engine of growth.

Keywords: Entrepreneurship development, technical and vocational skills training, traditional apprenticeship schemes.

Introduction

The history of the informal sector in Ghana, with few exceptions, has been a history of neglect. The training of the manpower requirements for the formal sector, which provides only 20% employment opportunities, accounts for between 35% and 40% of government's total annual recurrent budget. On the other hand, the training and acquisition of skills in the informal sector with a larger potential for employment has had little support from government. The sector depends virtually on traditional apprenticeship schemes for skills training, the cost of which is borne by the individual trainees or their parents/guardians. The cumulative effects of this neglect of the informal sector have been low productivity, weak productive base, backward technology, low incomes and savings, low levels of skills, underemployment and unemployment.

The Government of Ghana, in a bid to arrest this situation, presented a proposal to the World Bank on "Vocational Skills and Informal Sector Support Project" for funding in 1991. The proposal identified the traditional informal apprenticeship system as an effective and market driven system by which entrepreneurs acquire skills. The proposal advocated that training in the informal sector should be supported. Ghana - Vision 2020 has also paid considerable attention to the need for training in the human development drives of the country in order to improve the technical proficiency of the Ghanaian labour force through increased opportunities for technical and vocational training including apprenticeship schemes. An overriding aim of government is, therefore, the establishment of sustainable training and skills upgrading as an integral part of working life in Ghana (Republic of Ghana: Vision 2020, 1995).

According to the 1991/92 Ghana Living Standards Survey (GLSS) the formal sector provided only about 20% employment opportunities, whilst the informal sector absorbed the remaining 80%. The training of the manpower requirements for the formal sector which provided only 20% employment opportunities,

accounted for 35.12% of government's total annual recurrent budget in 1987 and 40.7% in 1994 (World Bank Report 1992: 42). The training and development of skills in the informal sector have, however not received any serious efforts from government. The sector depends virtually on informal apprenticeship schemes for skills training. According to a recent World Bank Study, master craftsmen provide at least 90% of all training in Ghana, the cost of which is borne by the individual trainees or their parents/guardians. The GLSS (1991/92) has shown that about 25.7% of all employed workers had participated in one form of apprenticeship training or the other. The Job and Skill Program for Africa (JASPA) in 1989 also stated that, 38.3% of the urban labour force was employed in the urban informal sector excluding those involved in the informal sector on part time basis. The same report estimated that employment in the urban informal sector was growing at about 5.6% per annum. The JASPA report also estimated that the informal sector in Ghana was contributing about 22% of GDP (World Bank Report 1992: 7)

Despite the crucial role that the urban informal sector plays in employment generation and contribution to GDP, virtually no training schemes exist on a sustainable basis for upgrading the skills of those working in the sector, beyond the uncoordinated apprenticeship system (World Bank Report 1992: 7). Given the growing importance of training in the informal sector and its contribution to the economy of Ghana, it is strange that this type of training has never received support from the existing formal skills training establishments (World Bank Report 1992: 7). This situation amply demonstrates the neglect of the informal sector in Ghana.

The cumulative effects of the neglect of the informal sector have been low productivity, weak productive base, backward technology, low incomes and savings, low investment capital, poor managerial skills, low levels of skills, unemployment and under-employment (World Bank Report 1992: 7).

The Government of Ghana is not unaware of the situation in the informal sector. In fact, in 1991, proposal -" Vocational Skills and Informal Sector Support Project"- was presented to the World Bank for funding (World Bank Report 1992: 42). The proposal identified the traditional informal apprenticeship system as an effective and market driven system by which craftsmen and entrepreneurs acquire skills. It further pointed out that entrepreneurs in the informal sector put more premium on apprenticeship than all other forms of skills acquisition and they consider skills transmission to their apprentices as an integral part of their business (World Bank Report 1992: 43). The proposal, however, expressed dissatisfaction about the lack of opportunities for sustainable skills upgrading among local artisans and craftsmen in the face of rapid technological advances. It stated that over 95% of the skills training in Ghana is done through the traditional apprenticeship system and advocated that it should be supported (World Bank Report 1992: 43).

The few available studies on the informal sector concentrated on the training needs of the sector. Other aspects of the informal sector, like production inputs and marketing strategies, capital and financial assistance, types of technology among entrepreneurs, organisational constraints and the kind of environment within which the entrepreneurs operate have not received the kind of attention they deserve from researchers (Economic Commission for Africa 1986: 4).

Commenting on apprenticeship schemes, the President's Committee on the Review of Education in Ghana stated that JSS graduates who are unable to continue their education, should be given the opportunity to undertake apprenticeship in the formal or informal sector. The Committee pointed out that the content of training, duration and certification vary depending on the specific trade and apprentices acquire knowledge and skills on the job under the tutelage of master craftsmen/women in specific trades. The Committee urged government to provide opportunities for master craftsmen/women to upgrade their knowledge and skills from time to time (Republic of Ghana 2002:82).

On standardisation and regulation of apprenticeship schemes, the President's Committee on the Review of Education in Ghana, observed with much concern, the lack of uniformity in training content, duration and certification. The Committee urged government to standardise the content of training, duration and certification of apprenticeship schemes in collaboration with industry and other identifiable trade associations. The Committee recommended that:

- Government through the Ministry of Employment and Manpower Development should support institutions such as the Regional Technology Transfer Centres (RTTCs) and the Ghana Regional Appropriate Technology Industrial Service (GRATIS) Foundation and other organisations to build capacity for skills training to increase the enrolment of apprentices.
- Polytechnics and Technical Institutes, RTTCs, GRATIS Foundation and other NGOs should arrange training programmes for master craftsmen/women from time to time in order to upgrade their competence in modern and advanced skills.

Community based apprenticeship schemes should be formalised in all districts with the support of government (Republic of Ghana 2002:83).

Statement of the Problem

Stated below is a categorisation of the problems and issues investigated:

1. Skills acquisition and training
2. Marketing strategy and customer relations
3. Support activities/institutions, capital formation and banking habits,
4. Production and production inputs/raw materials,
5. Enabling and conducive environment.

Skills Acquisition and Training

The research investigated questions like, what opportunities for vocational/technical training and apprenticeship schemes are available to local artisans/entrepreneurs? What is the mode of transmitting these skills? What facilities are available for the transfer of technical and managerial skills? What percentage of artisans ever participated in skills upgrading/training programmes? What is the level of willingness to upgrade skills among local artisans?

Marketing Strategy and Customer Relations

What types of pricing policies are used by artisans? What types of demand situation are present? Do they keep and monitor records and client response? What marketing strategies are used by local entrepreneurs?

Support Activities/Institutions, Capital Formation and Banking Habits

What support institutions/activities exist in the study area? What are their banking habits? Do artisans have accounts for their businesses? What type of collateral security is expected and accepted by the banks or lending agencies? Which other sources of mobilising funds are available to them?

Production Inputs and Raw Materials

What items are produced and how are they finished? Is there any insurance covering the business? Do the products satisfy customers? Is production for local consumption or for export? What is the degree of standardisation of product and safety precautions? Are tools manually operated or power driven? Are tools/equipment imported or locally produced?

Enabling and Conducive Environment

Enabling environment is crucial for the success of any business venture. Which trade associations exist in the area and what is the level of organisation? What is the level of governmental and non-governmental support? What is government policy for establishing small scale businesses?

Objectives of the Study

The objectives of this article are:

1. To identify the constraints and needs of artisans and entrepreneurs, engaged in manufacturing, business and trading ventures.
2. To examine the needs that can be satisfied and under what pre-requisites.
3. To make recommendations on how skills training in the informal sector can be improved to increase productivity and standard of living among local artisans and entrepreneurs.

Hypotheses

1. Local artisans and entrepreneurs have a great desire to upgrade their technical, vocational and managerial skills but they are constrained by lack of opportunities for any such upgrading as a result they are unable to significantly improve upon the quality of the products for both domestic and foreign markets.
2. Access to credit among local artisans and entrepreneurs in the Volta region is very low because they hardly have collateral security to win the confidence of financial institutions for loans, as a result of which the expansion of their businesses has become very difficult.

Methodology and Scope of the Study

The study adopted an action research approach - a commitment to learning about real problems in a concrete situation that leads primarily to action. An overriding preoccupation of action research is to feed back what is found out immediately to the target groups, so that they can make immediate changes and adjustments to their projects and plans (Paul Nicholas 1991: 17).

The study employed a variety of methods which were either formal or informal participatory methods. The informal participatory methods included participant observation, case studies, the use of key informants, group discussions by focused groups and informal individual in-depth interviews, workshops and seminars. The formal methods involved the use of a series of structured interview surveys, systematic comparison and desk studies. This combination of different research methods was used to allow cross-checking of information collected in different ways. The study covered five districts in the Volta Region, namely, Ho, Hohoe, Kpando, Ketu and Akatsi Districts. In all 250 respondents, as stated in Table 1, were interviewed. Both qualitative and quantitative methods were used in analysing data.

There were two separate sets of questionnaires. The main questionnaire, which was administered to local artisans/entrepreneurs, consisted of 84 questions and was divided into eight sections. The eight sections covered

the following: Personal data and status of business; level of technology, skills training and acquisition; production inputs/raw materials, financial management, socio-cultural/attitudinal barriers, areas of possible assistance to local artisans/entrepreneurs and an assessment by observation of product quality and design, customer relation and safety standards, record keeping, neatness of workshop and master/apprentice relations. The second set of questionnaires centred on the support institutions (banks, local authorities, lending agencies, educational/training institutions).

Literature Review

Richard Cantillon an economist is regarded as the originator of the term 'entrepreneur'. He identified entrepreneurship as medieval French term which means 'people who get things done'. The meaning of the term 'entrepreneur' evolved by the early 18th century to refer to business contractors. Cantillon (1755) used the term to identify those individuals in the economic systems that accept risk to make a financial profit rather than depend on a regular salary for income. Pressman (1999) in sharing the same view with Cantillon (1755), described entrepreneurs as 'distinct from the masses' since they are the driving force behind the seemingly perpetual motion of the economy's circular flow of money and goods. Later in the mid-1960s, Peter Drucker (1961), described an entrepreneur as not only person who gets things done, but also as 'someone who identifies an opportunity, maximizes that opportunity and takes advantage of that opportunity'. Peter Drucker (1961) saw entrepreneurs as people who are quick in identifying opportunities and determine how best to seize those opportunities to their advantage.

Various Perspective of Entrepreneurship

Entrepreneurship has over the years, been defined by many researchers from many perspectives. As a phenomenon, it was argued that it should be able to answer the following questions:

- what unique function does the entrepreneur play in the economy, and
- what unique characteristic must an individual have to enable them perform this function?

Bull and Willard (1993) lamented that "the term entrepreneurship has been used for more than two centuries but we continue to extend, reinterpret and revise the definition". They were more concerned with getting a scope of definition of entrepreneurship rather than what actual contribution that it provides for an economy and individuals.

Gibb (1996) and Shane (1996) being more appreciative and realistic in their view about entrepreneurship perceived the contributions that entrepreneurs make to public policy goals as economic growth, increased productivity, job creation, technological innovation, deregulation and privatisation, and structural adjustments or realignments. Another perspective identified by Van de Ven and Huber (1990) is the process perspective. This perspective paid more attention to the starting conditions and functional end-points of entrepreneurship, but does not take into consideration of the processes that connect the two. In a further research Engleman (2004) said the process approach should be viewed as a necessary to explain entrepreneurship because they are more capable of accommodating the dynamic realities of entrepreneurial actions. A school of thought comprising of renowned economists also came out with two approaches, that is the "trait" and the "behavioural" approaches. These theorists postulated both the unique function and unique characteristics of entrepreneurs; researchers have since tended to focus on one or the other (Gartner 1989; Gundry and Welsch 2001).

Timmons et al (1985) identified the trait approach to largely draw on the field of psychology and tried to identify a range of attitudes and personality traits that could distinguish unsuccessful entrepreneurs from non-entrepreneurs. His research was drawn on strategic management field that attempts to use entrepreneurial traits as a predictor of new venture success. Although the trait approach proved unsuccessful and was largely discontinued after the 1980s, the strategic management quest to link entrepreneurship to new venture performance has continued to the present. This involved looking for correlations between entrepreneurial variables, such as resource control or industry structure during market entry, with new venture performance variable, such as firm survival or growth (Gartner 1989; Gundry and Welsch 2001).

Gartner (1989) in another research on the behavioural approach argued that, in addition to risk-bearing, innovation and opportunity discovery, a number of defining acts are needed to distinguish the phenomenon of entrepreneurship. Among these was the act of new organisation creation. Bruyat and Julien (2000) proposed defining and bounding entrepreneurship with the concept of 'new value creation'. They argued that in so doing the most salient features of the entrepreneurship phenomenon are included, while lines of inquiry that are better suited to other fields, such as strategic management, are usefully excluded.

Dimov (2007) in a recent perspective on entrepreneurship, had reinterpreted some of the long-running themes of the field, such as opportunity identification, unique entrepreneurial characteristic, risk or uncertainty-bearing, and the link between entrepreneurs and enterprise success. Historically, the entrepreneur was positioned as a lone individual who scanned the external environment to discover new opportunities. In this interpretation the opportunity is thought to exist apart from the entrepreneur. However, a parallel interpretation that has been

gaining currency holds that opportunities are a joint product of the changing socio-economic environment and idiosyncrasies of the entrepreneur (Dutta and Crossan 2005; McMullen and Sheperd 2006). In this view, entrepreneurs do not discover opportunities but create them through an interactive process of action and interaction (Bruyat and Jullien 200; Dimov 2007; Gartner et al. 2006).

This perspective suggests that not only is the process of organizing to realize opportunities is a social process (Choi and Shepherd 2004; Jack and Anderson 2002; Kodithuwakku and Roas 2002), but also a process of creating the opportunities. Thus, Van de Ven (1993: 226) argues “the process of entrepreneurship is a collective achievement”. As a corollary to this view, attention is directed to the particular way entrepreneurs think and act to enable the creation and realization of new opportunities. This “thinking-doing connection” (Mitchell et al. 2007) has led to the study of successful entrepreneurship as a form of expertise (Mitchell 1995) or ‘maturity’ (Thorpe et al. 2006). Mitchell (1995) in further study identified successful entrepreneurship as a form of expertise that brings psychology back into entrepreneurship research by investigating the cognitive processes, or knowledge structures, that entrepreneurs use while interacting with other people and the wider environment (Mitchell et al. 1997; Mitchell et al. 2002).

In a separate but related interpretation, successful entrepreneurship as a form of ‘maturity’ avoids the information processing view of individuals, “preferring to analyze cognition as the largely intuitive and habitual recognition of patterns and pattern fit” (Thorpe et al. 2006). In both interpretations what becomes important is how socially embedded entrepreneurs approach their interactions with other people and the wider environment to make ambiguous and uncertain situations meaningful for the creation and realization of new value creating opportunities.

Marcketti (2006) discovered that not only have the necessary ingredients for successful entrepreneurship undergone significant reinterpretations, but the notion of what constitutes success in entrepreneurship has also been reconsidered. The traditional focus on financial return, venture growth, and even venture survival have all become suspect indicators of entrepreneurial success as the presence of several different types of entrepreneurs, including serial (Wright et al. 1997), portfolio (Carter and Ram 2003), and lifestyle entrepreneurs (Marcketti et al. 2006) have challenged conventional assumptions about the goals a new venture are intended to serve.

Wright et al (2006) identified a serial entrepreneur as a person who starts a new business and after having started, exists a previous business venture. In explaining further, he said ‘ a serial entrepreneur may treat entrepreneurship as a profession. Also, a serial entrepreneur may be in creating new ventures, but not necessarily in operating those ventures in the long-term. Portfolio entrepreneur as explained by Carter and Ram (2003) is a person who indulges in the creation of various business ventures of divers nature and actively part-takes in the day to day affairs of the business. Such an entrepreneur may either be the sole owner of the business or can be in partnership with other people. Marcketti et al (2006) explained the lifestyle entrepreneur as a person that identifies a business opportunity, establishes that venture, takes full managerial responsibilities and expands the venture as business activities go on.

Opportunities for Expansion of Entrepreneurship in an Economy

With the recognition that entrepreneurship is a fully social process, from the formation of entrepreneurial intentions to the creation of opportunities, their realization through various modes of organizing and the new value that is created, there is growing appreciation of just how much entrepreneurship is a product of its times, as entrepreneurs continue to both “reproduce and challenge the existing social order” (Aldrich 2005).

Entrepreneurship may have gained prominence based on its promise to fulfill public policy goals such as economic growth and increased productivity, but with rising social and ecological challenges to new and more pressing concerns. With each interpretation of entrepreneurship, from the time of Richard Cantillon (1755) to the present, two common themes have endured: the notion of the entrepreneur as someone who ‘gets things done,’ and the notion of entrepreneurship as a process with disproportionate power to drive and alter socioeconomic institutions. As Sarasvathy (2004) argues that, entrepreneurship provides a means “to create the society we want to live in form the society we have live in”. In Ghana, the growth of entrepreneurship is more eminent at the various levels of small and medium scale enterprises employment. Entrepreneurship is becoming increasingly important to economic development, employment generation and the increase of productivity. For example, over the past decade, employment in the “formal sector” has risen rapidly. In encouragement of entrepreneurs, funds are set aside by the government to finance this self motivated people in the form of loans.

The Role of Entrepreneurship and Education

In the process of making the world a global village, many opportunities have emerged but the identification of these opportunities depends much on the creativity of the individuals involved. Education has been identified as a means of transforming ones mentality and impacting creative ability for economic transformation. This is evident by a research conducted that revealed that: Development theory has traditionally emphasised the role of education as a key factor of economic growth while many economists have long argued for the crucial role of

entrepreneurship both in economic theory and economic development. Therefore it is no surprise that the notion that two necessary conditions for economic growth in developing countries are education and entrepreneurship seems a common place nowadays (Aligicia and Floran 2008).

Entrepreneurship on its own as a solution to growing economic crisis such as unemployment, balance of payment deficit, curbing inflation and equity is not enough. The language through which entrepreneurship can be communicated to the understanding of a country's economy is through education. A recent research conducted recognized education as the enabling factor for entrepreneurship was explicitly stated in World Bank documents: "Growth must be based on sound social and economic policies. To create the conditions for entrepreneurship, productivity and jobs, developing countries must invest in health and education, including early childhood education" (Wolfensohn, 2002).

Entrepreneurship has become a widely taught subject in the tertiary institutions; it is assumed that the students are matured to understand an economic situation from his or her own point of view and analyse information to arrive at a decision but as to if the student understand the need, depends much on the understanding of the reasons of which the subject is being taught and the method by which the subject is taught. In a thesis by Jean-Charles Cachon and Bary Cotton (2008), they identified four types of learning, a side the traditional lecturing, which includes active learning, collaborative learning, small group learning and 'learning by doing'.

- a) Active learning implies transforming the student into an active learner through debates, simulations and other activities where students are required to play an active role. Active learning alone has been measured as improving outcomes by 10% (Leitch and Harrison, 1999; Pascarella and Terezini, 2004)
- b) Collaborative learning involves 'a variety of educational approaches involving joint intellectual effort by students, or students and teachers together' (Smith and MacGregor, 1992: 10) emphasising the social interaction aspect of learning but also mimicking entrepreneurial as well as management behaviour. Comparing collaborative learning to competitive learning, an average increase of 19% measured.
- c) Small group learning techniques are reported as enhancing leadership, problem-solving and communication skills (Colbeck et al, 2000), with general learning results 19% higher than students who did not participate in such learning techniques (Spriner et al., 1999)
- d) 'Learning by objective' involves giving students "an active role in the learning process" (Heinonen and Pokikkijoki, 2006, p. 84) "as well as control and mould the learning situation".

In spite of the efforts being made by developing countries to catch up with the developed ones in term of venture creation, positive balance of trade, infrastructure development and technological advancement, they need to develop entrepreneurship in the educational sector. A system should be put in place to analyse the impact of entrepreneurship education in the economy, analyse the process that they go through in other to reduce the risk, encourage more graduates to undertake entrepreneurship projects and educate graduates on the availability or means of raising capital to finance their projects. These entrepreneurship skills can be acquired by artisans through informal training within the polytechnics in Ghana, to improve the quality of their products to enable them meet or exceed the expectation of their customers.

Analysis of Data and Discussion of Findings

Distribution of Questionnaires

(Legend: HO - Ho District; HE – Hohoe District; KP – Kpando District;
 KE – Ketu District; AK – Akatsi District, TL– Total)

<u>Respondents</u>	<u>Hohoe</u>	<u>Kpando</u>	<u>Ho</u>	<u>Ketu</u>	<u>Akatsi</u>	<u>Total</u>	
1. Carpenters	04	05		10	10	04	34
2. Fitters	07	04		10	07	02	29
3. Welders/Fabricators	02	01		04	04	01	12
4. Tailors	06	04		10	09	02	31
5. Dressmakers	07	07		12	08	02	36
6. Kente Weavers	00	00		06	05	00	11
7. Hairdressers	04	02		10	04	01	21
8. Fish smokers	02	03		00	03	00	08
9. Potters/Ceramic Workers	00	05		00	00	00	05
10. Chopbar keepers	06	04		10	08	03	31
11. Bakers	03	02		05	03	02	15
12. Goldsmiths/Blacksmiths	02	02		02	02	00	08
13. Ref/Aircon mechanics	02	02		03	02	00	09
14. TOTAL	45	41		82	65	17	250

Table 1: Source, Field Data 2012

Educational Background of Local Artisans/Entrepreneurs and the Status of their Businesses

The educational background of the 250 respondents was very modest. As many as 79.5% had only primary or middle school education or no education at all.

Table 2: **Level Of Education Of Entrepreneurs**

LEVEL OF EDUCATION	HO	HE	KP	KE	AK	TL	%
No Education	5	2	6	16	4	33	12.0
Primary School	5	7	0	7	3	22	8.0
Middle School	61	38	27	28	9	163	59.5
Technical School	8	2	4	1	0	15	5.5
Vocational School	1	1	1	2	1	6	2.2
Secondary School	7	2	3	2	0	14	5.1
University	0	0	0	2	0	2	0.7
Commercial School	1	1	1	0	0	3	1.1
Junior Secondary School	1	1	0	0	0	2	0.7
Post "A" L Fashion. Sch./Poly	0	0	6	8	0	14	5.2
TOTAL	89	54	48	66	17	274	100

Source, Field Data 2012

With regard to status of business, there was not even a single limited liability company. On the contrary, there were as many as 232 businesses which were sole proprietorships, constituting 92.8% of all the entrepreneurs surveyed.

Table 3: **Status of Business**

TYPE OF BUSINESS	HO	HE	KP	KE	AK	TL	%
Sole Proprietorship	75	41	38	63	16	232	92.8
Partnership	7	2	2	1	1	14	5.6
Co-operative	0	2	1	1	0	4	1.6
Limited Liability	0	0	0	0	0	0	0.0
TOTAL	65	45	41	65	17	250	100

Source, Field Data 2012

Level of Technology among Artisans

The level of technology is still very low among the local artisans/entrepreneurs. Artisans use mainly hand tools. Majority of them had the basic tools and equipment for their businesses, but depended on the services of more modern workshops for more complicated jobs. For instance, only 3.3% of the 250 artisans interviewed had fixed machinery in addition to hand tools and power tools. Furthermore, 41.2% of all the respondents had no electric power at their workplaces, even though there was electricity in the towns in which most of them were operating. Of those workshops connected with power, only 7.2% were three phase consumers.

Table 4: **Level of Technology**

TYPE OF TOOLS	HO	HE	KP	KE	AK	TL	%
Hand tools only	42	34	25	40	10	151	60.4
Hand tools and power tools	35	10	13	22	6	86	34.4
Hand tools and fixed machine.	3	0	1	1	0	5	2.0
Hand, power tools, fixed, machine.	2	1	2	2	1	8	3.3
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2012

Table 5: **Power supply to workshop**

POWER CONNECTION	HO	HE	KP	KE	AK	TL	%
No Power	27	21	17	30	6	103	41.2
Single Phase	50	20	22	30	10	129	51.6
Three Phase	5	4	2	5	1	18	7.2
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2012

Skills Training/Acquisition and the Capacity of Local Artisans to Generate Employment

Local artisans/entrepreneurs consider apprenticeship as an integral part of their business, hence they pass on their trades through apprenticeship. Almost all the entrepreneurs learnt their trades through apprenticeship schemes and a few through the family or hereditary system or through vocational and technical schools.

Table 6: *Entrepreneurs' acquisition of skills*

TYPE	HO	HE	KP	KE	AK	TL	%
Family Vocation	16	7	16	15	7	61	24.4
Apprenticeship	62	31	22	46	8	169	67.6
Vocational School	1	4	3	1	1	10	4.0
Technical School	3	0	0	0	0	3	1.2
School. of Fashion/Poly.	0	1	0	1	0	2	0.8
Technical .Sch.& Apprenticeship.	0	1	0	0	0	1	0.4
Family & Apprenticeship.	0	1	0	0	0	1	0.4
Apprentice.&Voc. School.	0	0	0	2	1	3	1.2
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2012

Most of the interviewees contended that even though they were aware of the existence of formal training institutions like vocational or technical schools and the polytechnics, the academic entry requirements had prevented them from having access to these places to upgrade their skills. Consequently, only 28.0% had participated in skills upgrading courses of one kind or the other. Seventy-two per cent have, however, never had any opportunity to upgrade their skills.

Table 7: *Participation in skills training*

PARTICIPATED	HO	HE	KP	KE	AK	TL	%
Yes	25	21	5	14	5	70	28.0
No	57	24	36	51	12	180	72.0
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2012

The desire or willingness among entrepreneurs to upgrade their skills is very strong. The research revealed that 90.4% of respondents expressed the readiness to participate in skills upgrading courses. Only 3.5% were disinclined to participate in skills upgrading courses. These people were mostly artisans above sixty years and felt there was no need at their age for further training. Eighty-seven point two per cent (87.2%) out of the 226 respondents who were willing to participate in upgrading courses were ready to pay for the courses provided that the cost implications are reasonable and affordable. The lack of opportunity to upgrade themselves have compelled local artisans to continue passing on their mediocre skills levels to their apprentices from generation to generation.

Table 8: *Desire to participate in skills upgrading*

WILLING	HO	HE	KP	KE	AK	TL	%
Yes	72	45	41	52	16	226	90.4
No	10	0	0	13	1	24	9.6
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2012

Table 9: Readiness to pay for upgrading

WILLING	HO	HE	KP	KE	AK	TL	%
Yes	68	45	41	48	16	218	96.5
No	4	0	0	4	0	8	3.5
TOTAL	72	45	41	52	16	226	100

Source, Field Data 2012

Chop-bar keepers and fish-smokers did not acquire their skills through formal apprenticeship. This is because chop-bar keeping and fish-smoking are basically family or hereditary skills and were inherited from within the family. Other traditional trades like pottery and kente weaving are also transmitted as family skills. Apprenticeship is, however, beginning to emerge as a mode of transmitting and acquiring skills in the pottery and kente weaving industries as well.

The duration of apprenticeship varies from one trade to another and also depends on the level of intelligence of

the apprentices in question. Apprenticeship ranges from a minimum of two years to a maximum of five years depending on the trade and the locality of the workshop. A few apprentices are compelled by poverty to do one or two more years of apprenticeship after the expiry of their agreements in order to defray the cost of training/graduation. The cost varies from one trade to another and from locality to locality. The cost of entry and graduation, in 2004, ranged from ₦1,000,000.00 to ₦1,500,000.00. Local entrepreneurs are creative and talented in their various trades but majority of them have not had the opportunity to upgrade themselves, hence there is very little diversity among them.

Table 10: *Staff employed*

STATUS		HO	HE	KP	KE	AK	TL	%
Employed staff	30	19	15	13	8	85	34	
Employed no staff	52	26	26	52	8	165	66	
TOTAL	82	45	41	65	17	250	100	

Source, Field Data 2012

Contrary to expectation, local artisans hardly generate any significant employment opportunities for other people. Entrepreneurs rarely employed staff because of the army of apprentices at their disposal who provided them with free labour. Chop-bar keepers and pottery workers are the only trades that employed staff to assist them in their businesses, because they normally have no apprentices.

Table 11: *Gender of staff employed*

GENDER		HO	HE	KP	KE	AK	TL	%
Female	46	50	31	11	15	153	48.7	
Male	59	18	54	16	14	161	51.3	
TOTAL	105	68	85	27	29	314	100	

Source, Field Data 2012

Production and Production Inputs/Raw Materials

The groups of artisans covered by the research may be divided into five main categories:

- Metal workers - fitters, mechanics, fabricators, goldsmiths, blacksmiths and welders.
- Wood workers - Carpenters.
- Textile workers - Tailors, dressmakers, and kente weavers.
- Service providers - Bakers, chop-bar keepers and refrigeration/air-conditioning mechanics.
- Pottery and ceramics workers.

Financial Management, Customer Relations and Marketing Strategy

The establishment of businesses was mainly financed through personal savings and a few others through family assistance. Banks and other lending agencies play a negligible role in the provision of start-up capital. For instance, 87.6% started their businesses through either personal savings or family assistance or a combination of the two. Only one person started his business with a bank loan.

Table 12: *Source of start-up capital*

SOURCE		HO	HE	KP	KE	AK	TL	%
Family Assistance		20	12	8	11	3	54	22.5
Personal Savings	50	27	21	47	11	156	65.1	
Money Lenders	2	3	2	1	0	8	3.3	
Family Loan		2	0	0	2	1	5	2.1
Bank Loan		0	1	0	0	0	1	0.4
PS & Family Assistance	6	1	0	4	2	13	5.4	
FL & Money Lenders		1	0	0	0	0	1	0.4
PS, FL, ML & FA		0	1	0	0	0	1	0.4
Friends' Assistance		1	0	0	0	0	1	0.4
TOTAL		82	45	31	65	17	240	100

Source, Field Data 2012

The practice of operating business accounts with the banks is rare among the artisans, even though some keep personal accounts. Worse still, they do not keep records of their business transactions. Consequently, local entrepreneurs are seldom considered worthy customers for bank loans because of the insistence on the operation of viable business accounts, proper record keeping of transactions and the possession of collateral security. It is perhaps instructive to observe that 85.2% had no business accounts.

Table 13: *Existence of bank accounts*

BANK ACCOUNT	HO	HE	KP	KE	AK	TL	%
Yes	15	8	6	5	3	37	14.8
No	67	37	35	60	14	213	85.2
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2004

Only 45 entrepreneurs had ever applied for loans from the banks, of which 12 were granted. Thirty-three applications representing 73.3% were not considered. The picture painted above clearly demonstrates the marginalisation of the informal sector entrepreneurs in financial circles.

Table 14: *Application for loans*

APPLIED	HO	HE	KP	KE	AK	TL	%
Yes	17	8	10	7	3	45	18.0
No	65	37	31	58	14	205	82.0
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2012

There is poor record keeping among entrepreneurs. This state of affairs, to all intents and purposes, may be attributed to the low level of education among entrepreneurs. The research revealed that 68.4% of those interviewed kept no sales registers, 72.4% kept no expenditure registers.

Table 15: *Keeping of sales register*

SALES REGISTER	HO	HE	KP	KE	AK	TL	%
Yes	30	12	17	16	4	79	31.6
No	52	33	24	49	13	171	68.4
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2012

Table 16: *Keeping of expenditure register*

EXPEND. REGISTER	HO	HE	KP	KE	AK	TL	%
Yes	21	12	17	9	5	69	27.6
No	61	33	24	56	12	181	72.4
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2012

None of the 250 entrepreneurs had an insurance policy for his/her business, even though about 70% of the entrepreneurs solely depended on their businesses for survival.

Table 17: *Insurance of business*

INSURANCE	HO	HE	KP	KE	AK	TL	%
Yes	0	0	0	0	0	0	0.0
No	82	45	41	65	17	250	100.0
TOTAL	82	45	41	65	17	250	100.0

Source, Field Data 2012

Table 18: *Other sources of income*

OTHER SOURCES	HO	HE	KP	KE	AK	TL	%
Yes	27	16	15	14	5	77	30.8
No	55	29	26	51	12	173	69.2
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2004

None of the 250 businesses was registered with the Registrar General's Department as a legal entity. This situation is perhaps due to the cumbersome registration procedures, the demanding requirements for registration and the low level of education among the local artisans. What they claimed to registration, was in fact, registration at the District Assembly and the Internal Revenue Service levels.

Table19: *Certified registration*

REGISTERED	HO	HE	KP	KE	AK	TL	%
Yes	59	31	39	46	8	183	73.2
No	23	14	2	19	9	67	26.8
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2012

Even though the banks do not give start-up capital, it appears not much consideration is given to businesses that are even already established. One hundred and fifty-eight entrepreneurs expanded their businesses. Out of this number, only 3.8% did so through bank loans, whilst 85.5% of the expansion of business was done through personal savings.

Table 20: Financing of expansion

SOURCE	HO	HE	KP	KE	AK	TL	%
Family Assistance	1	3	1	0	2	7	4.4
Personal Savings	45	23	10	47	10	135	85.5
Money Lenders	2	0	0	0	0	2	1.3
Bank Loan	1	2	0	3	0	6	3.8
PS and FA	1	0	0	0	2	3	1.9
PS and FL	1	0	0	0	0	1	0.6
PS and BL	0	1	0	0	0	1	0.6
PS, ML, Family Loan	0	1	0	0	0	1	0.6
Gov. Organisation Assist.	1	0	0	0	1	2	1.3
TOTAL	52	30	11	50	15	158	100

Source, Field Data 2012

Socio-cultural and Attitudinal Aspects of Business Operation Among Entrepreneurs

A remarkable feature of entrepreneurs in the informal sector, is their ability to form trade associations, wherever they find themselves to promote the development and aspirations of their trades. Some of the trade associations the study chanced upon are;

- (i) The Ghana National Association of Garages (GNAG)
- (ii) The Ghana National Tailors and Dressmakers Association (GNTBA)
- (iii) The Small Scale Carpenters' Association, a Division of Trade Workers Union (TWU) of the Trade Union Congress (TUC).
- (iv) Ghana Hairdressers and Beauticians Association (GHABA).
- (v) National Air-conditioning and Refrigeration Workshop Owners Association (NARWOA).
- (vi) The Restaurant and Chop-bar Keepers Association.
- (vii) Ghana Union of Trade Associations (GUTA).
- (viii) Council of Indigenous Business Associations (CIBA).

Membership of these associations among entrepreneurs was quite good even though some of the associations were poorly organised. The Ghana National Tailors and Dressmakers Association is well organised at Hohoe and Ho. The same could be said for the Ghana Hairdressers and Beauticians Association. Of the 250 entrepreneurs interviewed, 58.8% were members of one trade association or the other.

Table 21: Membership of association

STATUS	HO	HE	KP	KE	AK	TL	%
Yes	51	18	26	42	10	147	58.8
No	31	27	15	23	7	103	41.2
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2004

Some of the associations were instrumental in arranging skills upgrading courses through governmental and non-governmental organisations, occasional arrangements for the supply of production inputs, standardisation of prices, lobbying for tax reductions and exemptions and social welfare benefits for their members. For instance, 44.2% had benefited from one form of assistance or the other by virtue of belonging to trade associations.

Table 22: Benefited from association

STATUS		HO	HE	KP	KE	AK	TL	%
Yes	13	10	10	24	8	65	44.2	
No	38	8	16	18	2	82	55.8	
TOTAL	51	18	26	42	10	147	100	

Source, Field Data 2012

About 41% of the entrepreneurs were, however, not members of any trade association. This is because they either had no confidence in the leadership of the associations or felt their businesses were not well established to make the joining of trade associations prudent. To them, joining trade associations comes with duties and obligations like the payment of dues, levies and taxes.

Despite the fact that most entrepreneurs belonged to trade associations, there were no concrete efforts to establish common workshops for the promotion of their trades. The artisans gave the following reasons for their inability to come together:

- Confidentiality of trade secrets,
- Competition among entrepreneurs for the limited customers in the localities,
- Suspicion among entrepreneurs,
- Protection against and security from real or imaginary enemies who might want to destroy their businesses,
- Lack of specialisation among entrepreneurs.

Enabling and Conducive Environment

Registration of business is saddled with certain obstacles for the small and micro enterprises. Procedures and processes for registration of trades are cumbersome and time consuming. The Incorporation Act of 1961 has not been reviewed to cater for the registration of small and micro businesses as legal entities. Given the low educational background of the local entrepreneurs, it is understandable that most of the artisans have not been able to register their businesses as legal entities at the Registrar General's Department.

With regard to the financial environment, local entrepreneurs have not had much consideration from the financial institutions in the study area. The requirements for lending money out to small scale businesses/entrepreneurs are difficult for the bulk of lowly educated entrepreneurs to meet. Some of the requirements, for example, are as follows:

- The possession of a business account that must have been satisfactorily operated for a minimum of six months.
- The entrepreneur must have a reliable character/reputation and must have proper records of business transactions.
- The viability of the project he/she intends to embark upon must not be in doubt.
- Evidence of insurance cover for the business when the loan is beyond ₵10 million.
- The possession of collateral security in the form of mortgaged land or houses, government bonds, treasury bills and fixed deposits (Ghana Commercial Bank 2004).

Another factor that has made the financial environment even more hostile is the high interest rates. All the 250 respondents complained bitterly about the high rates of interest charged by the financial institutions and other lending agencies. For example, interest rates were as follows in 2004:

- Agricultural ventures/fisheries; 25% per annum.
- Manufacturing/Export; 27% per annum
- Overdrafts; 30% per annum.
- All other loans; 35% per annum

(Ghana Commercial Bank 2004)

Level of Concentration and Technology for Welding/Fabrication, Black/Goldsmith and Fitting

There is a high level of geographical concentration of welding/fabrication and fitting at Ho, Hohoe and Denu/Aflao, and the other district capitals. Most of them operate at low levels of technical development and inputs. Production techniques were assessed to be basic and most of the craftsmen had no machines. Potentials for development and expansion exist as most of them possess the special skills. Blacksmiths and goldsmiths have low levels of geographical concentration except in Alavanyo where the blacksmithing trade is a traditional trade and has great potentials particularly for the production of light fire arms.

Constraints.

The generally low standard of technology and equipment curtails the technical performance of the crafts and in addition influences the quality of finishing. The partly rudimentary character of production reduces marketability of products and limits them to the local level. In some areas such as at garages the low technology level is aggravated by low skills level of its workers.

The market for fitters is choked with poor quality replacement parts and imported used engines which rob them of job opportunities. Most fitters also lack the appropriate tools and equipment for their work. Although a few of the fitters had received some management skills training many lacked access to appropriate technology and equipment to put them into practice to improve performance. Blacksmithing is a dying trade because of competition and the limitation to adjust skills to new techniques and products from welding/fabrication. This situation has been worsened in the Alavanyo area by the ban on the production of fire arms.

Level of Concentration and Technology for Carpenters and Refrigeration/Air-conditioning Mechanics

Carpenters are concentrated in Hohoe, Kpando, Ho, Denu, Aflao and Akatsi. The trade is flourishing, business was assessed as good and it has a good potential for development. Technology among carpenters is mainly manual - planing and sawing. Spraying is, however, mechanised. Refrigeration/air-conditioning activity, on the other hand, is not strongly geographically concentrated in the districts and is only beginning to make an impact even in Ho. Technology level among refrigeration/air-conditioning mechanics was assessed to be low.

Constraints

Carpenters in the region have difficulties in getting wood for their work because of the ban on chain saw logging. The scarcity of wood has resulted in the springing up of many middlemen in the input trade, thus rendering the price of wood very high. Processing of wood is mostly manual. Machinery is not available and finishing is mostly done through manual sanding. The marketing strategy among the entrepreneurs was found to be poor. Most carpenters produce on demand and mainly for the local market and only a few of the carpenters have showrooms separated from their workshops. Investment levels and operational expenses are low. In all the districts visited the trade associations are weak and their operations do not contribute to the strengthening of the trades. With respect to refrigeration/air-conditioning mechanics, spraying and body works are done outside their workshops. Another constraint facing them is the non-availability of non-CFC refrigerants for the modern systems.

Chop Bar Keepers, Bakers and Fish Smokers

Level of Concentration and Technology

Chop bar keepers are fairly spread in the districts with heavy concentration in the district capitals. This situation also applies to bakers. Fish smokers are concentrated at Kpando Torkor, Aflao, Denu and Adafianu. The level of technology is low. There is heavy dependence on traditional methods in these trades. Their main source of energy is fuel wood which is very expensive.

Constraints

Inputs are available but expensive in Ho but are cheaper at Hohoe for chop bar keepers. Fish smokers depend on fuel wood for their operations. Chop bar keepers still use traditional ways of processing food for sale. Marketing of fish and foodstuffs is a risky venture because they are highly perishable commodities and the women do not have modern means of preserving them. Other constraints of these trades are eye problems associated with the excessive heat and smoke generated by traditional ovens. Although investment levels are fairly high for chop bar keepers and bakers, they do require more financial support. There is, however, under capitalisation among fish smokers because of lack of capital base. There are also no new skills apart from what was learnt from parents. The trade associations are weak and poorly organised, thus their contribution to change is poor.

Kente Weaving, Tailoring, Dressmaking and Hairdressing

Concentration and Level of Technology

Tailors, dressmakers and hairdressers are concentrated in the district capitals with only a few outside the district capitals. Kente weaving is mainly done outside the district capitals and is highly concentrated at Kpetoe, Agbozume and Klikor. The weavers have the basic equipment and machinery but largely depend on others with modern workshops to service their trades. Processing and finishing are quite good for those who have improved machinery and equipment.

Constraints

The investment level in kente weaving trade is fairly low. The inputs, though available, are expensive. Kente weavers at Kpetoe, Agbozume and Ho expressed concern about the high cost of quality yarns. They also complained about the lack of consistency of particular shades of colours of yarns as a major constraint facing the kente weaving industry. Skills levels were assessed to be high and the entrepreneurs are quite creative and talented, but majority of them have not had the opportunity to upgrade their skills hence there is very little diversity. Kente weaving is basically a hereditary trade and weavers do not belong to any trade associations. The products are mainly marketed locally and the trade lacks marketing strategies.

Tailors and dressmakers identified the importation of second hand clothing as a major constraint to the patronage of their trade. They stated that their trade was based on seasonal demands during Christmas, Easter and other festivals. They also mentioned poor quality of sewing thread and non-availability of good quality ones as major constraints. The trade associations are well organised at Hohoe, Ho and Akatsi for tailors and hairdressers.

Constraints common to all the Trades

Apart from the specific constraints associated with specific trades, most of the constraints identified apply to all the trades studied. For instance, lack of access to credit from the lending agencies because of lack of collateral security stands out among the principal constraints identified. When entrepreneurs were asked to prioritise their constraints, 108 respondents (44%) mentioned the lack of finances and poor access to credit as their number one constraint.

About 23.5% mentioned lack of market/poor patronage as their first major constraint whilst 10% mentioned the high cost of inputs. In sum, financial constraint/lack of patronage and the high cost of inputs accounted for 78% of the first or major constraints. About 26.5% of the entrepreneurs interviewed refer to constraints linked to inputs, the high costs and lack of raw materials. Only 0.4% of the responding 245 entrepreneurs mentioned lack of skills as a first and major constraint.

Table 23: First major constraints

CONSTRAINT	NUMBER	%
Financial	108	44.1
Lack of market/Poor patronage	58	23.7
High cost of inputs	25	10.2
Stiff competition	3	1.2
High taxes	1	0.4
Lack of labour/staff	6	2.4
Lack of customer confidence	2	0.8
Lack of inputs/raw materials	15	6.2
Lack of tools/equipment	25	10.2
Lack of skills	1	0.4
Tribal conflicts	1	0.4
TOTAL	245	100.0

Source, Field Data 2012

Though the entrepreneurs appreciate their lack of technical and managerial skills, most of them argued that, with access to credit and high patronage of their products/services, they could pursue courses to upgrade their skills. However, it has to be stated that access to credit and patronage could become better when skills are upgraded. Some other general constraints identified are the lack of appropriate equipment, tools and machinery, seasonal demand for goods and services, too many middlemen in the inputs trade leading to the high cost of inputs. Additional constraints common to the trades are lack of customer confidence, availability of cheaper imported substitutes and poor quality of spare parts.

Cumbersome registration procedures/processes, high taxes and high utility bills, lack of power supply to workshops and excessive bureaucracy in dealing with public officials and the high rents charged by landlords were also mentioned by the respondents as constraints. One hundred and twenty-one respondents (56.5%) proposed the provision of financial assistance and improved access to credit as a solution to their constraints, whilst 16.4% of the respondents proposed the easing of access to inputs on credit as a solution.

Table 24: How to solve the major constraints in the opinion of the Entrepreneurs

SOLUTION	NUMBER	%
Access to Credit/Financial Assistance	121	56.5
Ease of Access to Inputs on credit	35	16.4
Improved purchasing power of customers	9	4.2
Access to Ready Market	14	6.5
Tools/Equipment on Hire Purchase	13	6.1
Better Customer Relations	2	0.9
Establishment of Association	10	4.8
Reduction in Interest Rates	1	0.5
Diversification	2	0.9
Skills Training	6	2.7
Reduction in Taxes/Utilities	1	0.5
TOTAL	214	100.0

Source, Field Data 2012

Other proposals include the provision of tools and equipment on credit/hire purchase basis, arrangements for inputs at cheaper prices and a review of the lending rates. The establishment of strong associations to lobby tax concessions and other requirements were also highlighted by the respondents. Better customer relations through being courteous to customers were mentioned as a contribution to better performance. The entrepreneurs also

proposed an extended and sustainable skills training for those already in service, together with technology transfer programmes in collaboration with the polytechnics. Entrepreneurs were asked about their knowledge of services provided by Ho Polytechnic. About 22% of the respondents stated that they had never heard anything about the institution. Although 77.6% of the entrepreneurs interviewed had heard of Ho Polytechnic, they did not know that the doors of the institution were open to private entrepreneurs for skill training programmes.

Table 25: Knowledge about Ho Polytechnic

STATUS	HO	HE	KP	KE	AK	TL	%
Yes	62	39	38	44	11	194	77.6
No	20	6	3	21	6	56	22.4
TOTAL	82	45	41	65	17	250	100

Source, Field Data 2012

When asked why they had not as yet consulted the Ho Polytechnic for skills upgrading and technology transfer to improve their trades, 61% stated that they had no knowledge of the opportunities the institution could offer them. Only 4% attributed their inability to consult the institution to lack of entry requirements whilst 15% of them mentioned time constraints or personal problems.

Table 26: Why Ho Polytechnic was not yet consulted

REASON	NUMBER	%
Lack of knowledge of the opportunities there	95	61.3
Lack of entry requirements	6	3.9
No Link Between Ho Polytechnic & Local Entrepreneurs	13	8.4
Time Constraints/Personal Problems	23	14.8
Business not Well Established	3	1.9
Lack of Finance	15	9.7
TOTAL	155	100.0

Source, Field Data 2012

There is an overwhelming desire among local entrepreneurs to upgrade their technical, vocational and managerial skills through short courses at Ho Polytechnic in order to improve their businesses. When respondents were asked to indicate the areas where they would want to consult Ho Polytechnic, the overwhelming majority (96%) indicated upgrading short courses in vocational, technical and managerial skills. Only 2% opted for normal academic programmes.

Areas where entrepreneurs wish to consult ho Polytechnic for assistance

AREAS FOR UPGRADING	NUMBER	%
Technical Skills	90	45.5
Vocational Skills	82	41.4
Managerial Skills	17	8.6
Consultancy Services	5	2.5
Normal Academic Programmes	4	2.0
TOTAL	198	100.0

Table 27: Source, Field Data 2004

Summary of Findings and Conclusion

The level of education among local artisans/entrepreneurs is quite low and business ownership is mostly sole proprietorship. The level of technology of local enterprises is low with the majority still using traditional/rudimentary methods of production which results in low productivity.

Local entrepreneurs consider apprenticeship as an integral part of their business. Ninety-two per cent (92%) learnt their trades through the apprenticeship or hereditary system. About 70% had never had the opportunity to upgrade their skills. There is an overwhelming desire among entrepreneurs for skills upgrading. Almost 92% expressed the readiness to participate in skills upgrading courses and 87% of them were ready to pay for the courses provided the cost was affordable.

Raw materials/production inputs are generally available but expensive. Products are meant for local consumption and are in most cases not standardised. The market is choked with second hand parts and goods, effectively reducing patronage of local goods. Finishing is largely poor because of lack of appropriate production tools.

The establishment of most of the businesses surveyed was mainly financed through personal savings and family assistance. Banks played a negligible role in providing start-up capital.

It can therefore be concluded in line with the hypotheses of the study that:

- Local artisans and entrepreneurs in the Volta Region, have a great desire to upgrade their technical and managerial skills but they are constrained by lack of opportunities for any such upgrading as a result they are unable to significantly improve upon the quality of the products for both domestic and foreign markets.
- Access to credit among local artisans and entrepreneurs in the Volta region is very low because they hardly have collateral security to win the confidence of financial institutions for loans, as a result of which the expansion of their businesses has become very difficult.

Recommendations

The researcher recommends that:

- Ho Polytechnic and other technical and vocational institutes in the Volta Region should organise short courses in modern and advanced skills for local artisans and entrepreneurs in collaboration with RTTCs, GRATIS Foundation and other NGOs from time to time to satisfy their aspirations for skills upgrading.
- The Ho Municipal Assembly and the other districts in the Volta Region should support research into the problems of the informal sector and facilitate the transfer of technology to local small scale businesses as a complement to their traditional methods of operations to ensure increased productivity.
- The various District Assemblies should facilitate in the acquisition of land for the construction of workshops or the establishment of light industrial areas in the district capitals with access to utilities to liberate entrepreneurs from the exploitation of landlords who charge very high rents.
- Financial institutions should review their requirements or conditions for lending to small scale businesses and to reduce interest rates to encourage entrepreneurs to take loans for the expansion of their businesses in order to generate employment.

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