

UNIVERSITY OF CAPE COAST

SMALL – SCALE INDUSTRIES AND POVERTY REDUCTION IN RURAL
GHANA: A STUDY OF THE BASKET WEAVING INDUSTRY IN THE
BOLGATANGA MUNICIPALITY

BERNARD ATAMAGSA AYUURE

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BY

BERNARD ATAMAGSA AYUURE

Thesis submitted to the Institute for Development Studies of the Faculty of Social
Sciences, University of Cape Coast, in partial fulfilment of the requirements for
the award of Master of Philosophy Degree in Development Studies

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DECLARATION

Candidate's Declaration

I hereby declare that this thesis is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature..... Date.....

Name: Bernard Atamagsa Ayuure

Supervisors' Declaration

We hereby declare that the preparation and presentation of the thesis were supervised in accordance with guidelines on supervision of the thesis laid down by the University of Cape Coast.

Principal Supervisor's Signature: Date:

Name:.....

Co-Supervisor's Signature: Date:

Name:.....

ABSTRACT

The study assessed the contribution of the basket weaving industry to poverty reduction in the Bolgatanga Municipality. The study covered 206 weavers, five leather workers, five straw sellers, two dye sellers, two exporting companies and three institutions that support the basket weaving industry. The study used accidental and purposive sampling methods and employed the exploratory research design. The main research instruments used for the data collection were interview schedule, interview guide and focus group discussion guide, while the SPSS was used for the data analysis. The study revealed income as the main motivation for weaving. The long standing problem of inadequate credit due to high interest rates and stringent collateral requirements involved in accessing bank loans as well as the low performance of promotional institutions affected the development of the industry in the municipality. The study recommended; the coming together of all stakeholders in the industry to determine a common price for the baskets so as to enhance the income of the weavers; the formation of weavers' groups to access micro credits to purchase raw materials to ensure continuous production of the baskets as well as the extension of the services of the promotional institutions to cover the weavers in their strides to reduce poverty.

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DEDICATION

To my parents Mr. and Mrs. Ayuure Peter Ayariga, my sisters Mrs. Elizabeth Abem and Miss Joyce Ann Ayuure.

TABLE OF CONTENTS

	Page
DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENTS	iv
DEDICATION	v
TABLE OF CONTENTS	vi
LIST OF TABLES	x
LIST OF FIGURES	xi
LIST OF ACRONYMS	xii
CHAPTER ONE: INTRODUCTION	1
Background to the study	1
Problem statement	7
Objectives of the study	8
Research questions	9
Significance of the study	10
Scope of the study	11
Limitations of the study	11
Organisation of the study	12

CHAPTER TWO: REVIEW OF RELATED LITERATURE	13
Introduction	13
Concept of SSIs	13
Overview of SSIs development in Ghana	16
Characteristics of SSIs	20
Importance of SSIs	23
Constraints of SSIs	25
Policies towards promoting SSIs development in Ghana	28
Models of SSIs growth	34
Theories of SSIs development	36
Concept of poverty reduction	41
Types of poverty	43
Gender and poverty	45
Policies and programmes towards poverty reduction in Ghana	47
The basket weaving industry in Bolgatanga	53
Baskets for export value chain	56
Conceptual framework of SSIs	58
CHAPTER THREE: METHODOLOGY	62
Introduction	62
Study area	62
Research design	64
Study population	66

Sample and sampling procedure	67
Sources of data	69
Data collection instruments	70
Pre-test of instruments	71
Data collection	72
Data processing and analysis	73
Ethical considerations	73
CHAPTER FOUR: RESULTS AND DISCUSSION	75
Introduction	75
Demographic characteristics of respondents	75
Importance of basket weaving	79
Promotion of small-scale industries	83
Basket weaving and poverty reduction	89
Respondents' perception of poverty	93
Causes of poverty among the respondents	96
Challenges of basket weaving in the Bolgatanga Municipality	98
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	102
Introduction	102
Summary	102
Conclusions	104

Recommendations	105
Suggested areas for further research	107
REFERENCES	108
APPENDICES	124
A: Interview schedule for beneficiaries of the basket weaving industry	124
B: Focus group discussion guide	131
C: Interview guide for small-scale industries development institutions	133

LIST OF TABLES

Table	Page
1 Population and sample size of respondents	68
2 Sex of respondents	75
3 Ages of respondents	76
4 Level of education of weavers by sex	78
5 Training of weavers	80
6 Awareness of supportive services by NBSSI / BAC by educational level of weavers	86
7 Weaver's awareness of supportive services by NGOs	89
8 Mean cost and selling prices of baskets by different groups	90
9 Number of baskets produced and profit per month of weavers	91
10 Poverty trend by marital status of weavers	95
11 Causes of Poverty among the respondents	96
12 Effects of Poverty among the respondents	97
13 Sources of start-up capital by respondents	99

LIST OF FIGURES

Figure	Page
1 Conceptual framework of SSIs	61
2 Marital status of respondents	77
3 Training agents of weavers	81
4 Weavers' perception of poor people	94
5 Weavers awareness of credits institutions	100

LIST OF ACRONYMS

AGI	Association of Ghana Industries
BACs	Business Advisory Centres
BBWCC	Bolgatanga Basket Weavers Co-operative Club
CBOs	Community-Based Organisations
CIKOD	Centre for Indigenous Knowledge and Organisational Development
EDIF	Export Development and Investment Fund
ERP	Economic Recovery Programme
FUSMED	Fund for Small and Medium Industries Development
GDP	Gross Domestic Product
GRATIS	Ghana Appropriate Technology Industrial Service
GSGDA	Ghana Shared Growth and Development Agenda
GSS	Ghana Statistical Service
HFC	Home Finance Company
IFAD	International Fund for Agriculture Development
ILO	International Labour Organisation
ISI	Import Substitution Industrialization
MCI	Millennium Cities Initiative
MDGs	Millennium Development Goals
MSIs	Micro and small-scale industries
NBSSI	National Board for Small-Scale Industries
NDPC	National Development Planning Commission

NGOs	Non-Governmental Organisations
NNCI	Nigeria National Council on Industry
NRGP	Northern Rural Growth Programme
OECD	Organisation for Economic Cooperation and Development
PAMSCAD	Programme of Actions to Mitigate the Social Costs of Adjustment
PNDC	Provisional National Defence Council
PREALC	Regional Employment Programme for Latin America and the Caribbean
PSI	President's Special Initiative
REP	Rural Enterprises Programme
REP	Rural Enterprises Project
RTSC	Rural Technology Service Centres
RTTCs	Regional Technology Transfer Centres
SAP	Structural Adjustment Programme
SBA	Small Business Administration
SPSS	Statistical Package for Social Sciences
SSIs	Small-Scale Industries
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USA	United States of America
VCTF	Venture Capital Trust Fund
VIP	Village Infrastructure Project

CHAPTER ONE

INTRODUCTION

Background to the study

Over the past three decades, developing countries have been pursuing political, economic and social developments which have created an enabling environment within which governments are mutually exploring the emergences of new opportunities such as access to information, raw materials, technology, finance and new markets including export markets to develop their economies and transform the lives of the citizens (Derbile, Ahmed & Dinye, 2012).

Ghana, like any other developing country, adopted industrialisation as an economic development strategy after the attainment of political independence in 1957 and through the 1960s to modernise its economy which was expected to result in higher and sustained growth rates to improve upon the lives of the citizens. According to Kwabena (2013), industrialisation is the process that changes a dominantly agrarian society into a society in which industries dominate, with regard to their contribution to GDP and employment.

The industrialisation policy adopted by the government was based on import substitution industrialization, which led to the establishment of many light industries across the country to produce goods that were previously imported to lessen over-dependence on foreign trade and save foreign exchange towards the

provision of developmental projects such as schools, hospitals, roads, and irrigational facilities to better the lives of the citizens (Quartey, 2006).

Ghana, in pursuing the import substitution strategy, however, did not process enough primary products for export, hardly started export promotion and diversification of the economy from heavy dependence on cocoa and gold as the main export commodities. Despite the attention and investment given to import substitution industries, the prices of their products were so high and even in some cases higher than the same products imported resulting in the faltering of industrial growth and employment (Seini, 2002).

The period between 1967 and 1972 saw some attempts being made to introduce macro-economic balance which led to the devaluation of the cedi and privatisation of a number of state-owned industries. However, this scheme of liberalisation did not directly affect most of the domestic industries as many of them produced well below their installed capacity due to their heavy dependence on imported spare parts and essential raw materials (Boeh-Ocansey, 1996).

The failure of the import substitution industrialisation policy of the post independence era to provide economic growth and employment to reduce the high levels of poverty, the world economic recessionary period of the late 1970s and early 1980s and the structural adjustment programmes of the World Bank and the IMF of the 1980s brought into sharp focus the growing importance of Small-Scale Industries (SSIs) in the industrial development of developing economies (Amakom, 2008).

The development of SSIs was, therefore, an essential element in the growth strategy of most economies and holds particular significance for the economy of Ghana. For instance, the sector represented 92 percent of Ghanaian businesses, contributed about 70 percent to Ghana's GDP and over 80 percent to employment for the year 2010 (Abor & Quartey, 2010). Through creativity and ingenuity, the SSIs mobilized local resources and produce goods and services that were in critical demand and thereby providing an effective means of stimulating indigenous industrial growth and enhancing greater employment of local technology leading to employment generation, efficiency, growth and poverty reduction since they use more of what a country possesses and less of what it lacks (Boapeah, 1994; Assefa, 1997).

SSIs do not only contribute significantly to improve living standards by reducing poverty in rural areas; they also bring about substantial local capital formation, resulting in higher level of productivity, and are increasingly recognised as the principal means for achieving equitable and sustainable growth, diversification of exports and dispersal of industries in most countries (Udechukwu, 2003).

In order to generate enough income to help minimize the incidence of high level poverty, food insecurity, promote industrialization, economic growth as well as mitigate rural-urban migration in most developing economies (Dandago & Usman, 2011), international funding bodies and economic growth analysts have suggested to policymakers to make greater efforts at promoting private sector development with SSIs being at the forefront in order to break the vicious cycle of

poverty in which many poor people are trapped (Snodgrass & Winkler, 2004; Beck, Demigruc-Kunt & Levine, 2003; Hallberg, 2001). However, some researchers such as Beck et al. (2003), Biggs et al. (1998), among others, have also generated results that small businesses do not have a positive role in growth and poverty reduction and so further investigation is necessary.

The potential of the SSIs in terms of economic growth, employment generation and poverty reduction is well acknowledged in developing countries. However, this potential remains largely untapped due to a number of challenges which continue to face the sector. Paramount among these are: ineffective national strategic agenda; capable but nonresponsive public sector; unfavourable macroeconomic conditions; unreliable and expensive infrastructure services; inadequate legal and regulatory regimes; inadequate managerial skills; inadequate capital base; poor entrepreneurial orientation; obsolete technology; corruption; and poor market access. These obstacles have hampered the growth of the SSIs and, hence, the centrality of the issue of competitiveness to Ghana's private sector development (National Development Planning Commission, 2010).

Although successive governments since the 1970's have formulated implemented policies and programmes to address these obstacles, such interventions are yet to have the desired impacts and enormous challenges still constraint the development of SSIs and hence poverty reduction in Ghana. Key institutions and policies such as The Office of Business Promotion (1970), The Private Sector Advisory Group and the Manufacturing Industries Act, 1971 (Act 356), The National Board for Small-Scale Industries (NBSSI), (1981), The

Economic Recovery Programme (1983), among others, were all set up to promote the development of small businesses in Ghana (Kayanula & Quartey, 2000; Aryeetey & Ahene, 2005).

The UNDP (1999), as cited in Mensah, Enu-Kwesi and Akorsu (2008), defines poverty as pronounced deprivation that involves a wide range of issues including hunger, lack of shelter and clothing, and inadequate access to health care, education and policymaking. Thus, poverty deprives people of basic needs and proscribes people from participation in the political, social and economic spheres that affect their lives thereby limiting their opportunities and choices; and preventing them from achieving their fullest potentials (Mensah et al., 2008). Against this background, Ghana is making concerted efforts at fighting poverty with the implementation of comprehensive poverty reduction strategies to support growth and poverty reduction.

According to the Ghana Statistical Service (2012), a rural area has been defined demographically as a place inhabited by less than 5,000 people. According to the report, the proportion of the population living in rural areas in Ghana is 49.1 percent. However, for the purpose of this study, a rural area is defined as a place with the following characteristics. First, an area of habitation where the majority of the people are engaged in primary economic activities such as farming, fishing and hunting, secondly, an area of the country where the income per capita is significantly lower than the national average, and thirdly, a place where the population lack basic social amenities like good drinking water,

electricity, health and sanitary facilities, good roads and entertainment centres (Abban, 1986).

The rationale for casting the rural areas into a much wider definitional framework is simply to bring out as prominently as possible the role that any new industrialisation in the form of SSIs programme in Ghana is expected to play if our rural areas are to be transformed into a position where they can enjoy, if not all, some of the amenities found in the urban areas of this country.

According to Chinsman (1998), rural communities are seriously marginalized in terms of basic indicators of development such as potable water, electricity, health care, educational facilities, recreational facilities and motorable roads which tend to make the inhabitants live at the margin of existence and opportunities. They also experience high population growth rates; high infant and maternal mortality, low life expectancy and a peasant population that lacks modern equipment that can guarantee sustainable exploitation of the natural resources on which they live. At the heart of the rural society is the role of women, who face the competing priorities of running the household, ensuring their children's survival and a myriad of other multiple tasks.

Basket weaving is a traditional occupation in the Bolgatanga Municipality in the Upper East Region. The industry is dominated by women who are very skilful in the weaving and earn a living from it especially through the export of the baskets within the last 20 years. A number of governmental institutions and NGOs have cherished the basket weaving industry as a potential engine for economic growth and poverty reduction in the Municipality. The exportation of

baskets led to the establishment of the Bolgatanga Basket Weavers Co-operative Club (BBWCC) in 1995 and other export companies in the Municipality as non-formal institutions mainly for the production and export of baskets.

Basket weaving is common in several communities such as Yarigabiisi, Gambibgo, Yorogo, Nyariga, Azeka, Aganbella, Yorogo, Tindonmolgo among others in the Bolgatanga Municipality with a numerical strength of more than 1,000 weavers, leather workers, straw sellers, dye sellers and exporters. The baskets produced in Bolgatanga are sold in other parts of Ghana as well as exported to Europe, Asia and the United States (Antwi-Asare & Rahaman, 2010).

Problem Statement

Despite the vital role that small-scale industries play in employment creation, poverty reduction and total contribution to the economy in rural areas, their growth and development are constraint by many factors. Under the Economic Recovery and Structural Adjustment Programmes during the 1980s, specific reforms such as credit delivery, entrepreneurship development and technology transfer were implemented to address some of the problems faced by SSIs to improve upon their performance. Such interventions are yet to have the desired impacts, and enormous challenges still constraint their development (Africa Development Fund, 2002).

Instead of the SSIs developing into medium and large-scale industries, many of them have stagnated on the number of people employed, while some have even reduced the number of employees or folded up entirely. In the same

vein, many of the medium-sized industries have also folded up instead of maturing into large-scale industries to offer employment to the active labour force and reduce unemployment and hence poverty in the long-run ((Dandago & Usman, 2011).

Although the limiting factors and industrial policies to promote the development of SSIs have been widely reported in the developing world and in Ghana through many studies, these industries are still performing poorly in Ghana, resulting in their inability to significantly reduce poverty. Given the contributions of these industries to the development of village-based economies, employment and, to some extent, poverty reduction, it has become more pertinent for the analysis of their importance and the problems that undermine their growth for planning purposes and future development policies towards poverty reduction in line with the achievement of the Millennium Development Goal one (Derbile et al., 2012).

Although anecdotal evidence is often cited pointing to marginal reduction in poverty within the Bolgatanga Municipality, on one hand, and increasing activities of the basket weaving industry, there exist few scientific researches within the municipality to establish the link between the industry and poverty reduction or otherwise. This underpins the need for the analysis of the relation between the basket weaving industry and poverty reduction in the Bolgatanga Municipality for planning purposes.

Objectives of the study

The main objective of the study was to assess the contribution of the basket weaving industry to poverty reduction in the Bolgatanga Municipality.

The specific objectives were to:

1. Examine the importance of the basket weaving industry in the Bolgatanga Municipality.
2. Describe the industrial policies implemented to promote the development of the basket weaving industry in the Bolgatanga Municipality.
3. Analyse the relationship between basket weaving and poverty reduction.
4. Discuss the challenges of basket weavers in the Bolgatanga Municipality.
5. Recommend possible interventions for policy makers on the development of the basket weaving industry and poverty reduction in the Bolgatanga Municipality.

Research questions

1. What is the importance of the basket weaving industry in the Bolgatanga Municipality?
2. What industrial policies have been implemented to promote the development of the basket weaving industry in the Bolgatanga Municipality?
3. How does the basket weaving industry relate to poverty reduction?
4. What are the challenges of the basket weaving industry in the Bolgatanga Municipality?

5. What measures can be put in place to promote the development of the basket weaving industry and reduce poverty in the Bolgatanga Municipality?

Significance of the study

Small-scale industries are now increasingly seen as potential sources of economic growth, employment generation and poverty reduction that contribute to improving the social and economic well-being of the citizen's especially rural women. In the light of government's priority in the fight against poverty through the launching of the Ghana Shared Growth and Development Agenda II (GSGDA), (2014 - 2017) and other poverty reduction strategies, the relevance of this study is, therefore, manifold.

Firstly, rural areas are the least developed in terms of infrastructure and are largely considered as the poorest segments of Ghana. A study targeting basket weavers who are mostly women is not only justifiable, but has the potential of informing policy makers towards effective and efficient allocation of resources to promote their development and reduce poverty at the local level. Secondly, it is hoped that this study will provide information on the nexus between basket weaving and poverty reduction and challenges of the basket weaving industry in the Bolgantanga Municipality. This will also inform policy makers about steps to take in solving the challenges faced by the basket weavers to make them more relevant in the development process in general and poverty reduction in particular.

In the academic realm, the study will contribute to understanding of the basket weaving industry not only as a unit of production for household

consumption as regarded in mainstream economic thinking, but as equally a unit of production when giving the necessary attention. The findings will also serve as a basis for further research by students and people in the academia.

Scope of the study

The focus of the study is on the basket weaving industry and its contributions to poverty reduction in rural areas. In view of the important role that the industry play in the development of rural Ghana, the problems they faced in the acquisition of raw materials as well as the production and marketing of their products, it is important to have an in-depth study into their operational bottlenecks and the failure of institutions and policies to adequately address the challenges so that this industry can effectively contribute to poverty reduction.

Spatially, the study is focused on the Bolgatanga Municipality in the Upper East Region of Ghana, which is bordered to the north by the Bongo District, south and east by the Talensi- Nabdam District, and to the West by the Kassena-Nankana East Municipality.

Limitations of the study

Data collection was very tedious and time consuming as the weavers and study communities were located far from each other resulting in traveling and walking over long distances to reach the respondents. As with most surveys, the study only captured the prevailing circumstances of the respondents at the time of gathering the data. Also, it is possible that some of the respondents did not provide their true situations during the interviews due to the sensitive nature of

some of the questions. Finally, the timing of the research, which coincided with the farming season made it more difficult as weavers were busy on their farms leading to the spending of more time for completion of the survey. However, these limitations did not affect the overall results and discussions of the study.

Organisation of the study

The study is structured into five chapters. Chapter One deals with the introduction which consists of background to the study, problem statement, objectives of the study, research questions, significance of the study, scope of the study, limitations of the study and the organisation of the study. Chapter Two reviews literature relevant to the topic. It examines the concept of SSIs, the overview of SSIs development in Ghana, characteristics of SSIs, importance of SSIs, constraints of SSIs, policies towards promoting SSIs development, models of SSIs growth, theories of SSIs development, concept of poverty reduction, types of poverty, gender and poverty, policies and programmes towards poverty reduction, the basket weaving industry, baskets for export value chain and conceptual framework of SSIs. Chapter Three describes the methodology which includes the study area, research design, study population, sample and sampling procedure, sources of data, data collection instruments, data collection, data processing and analysis and ethical considerations. Chapter Four deals with results and discussion while Chapter Five presents summary, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

This chapter reviews literature on the concept of SSIs, the overview of SSIs development in Ghana, characteristics of SSIs, importance of SSIs, constraints of SSIs, policies towards promoting SSIs development in Ghana, models of SSIs growth, theories of SSIs development, the concept of poverty reduction, types of poverty, gender and poverty, policies and programmes towards poverty reduction in Ghana, the basket weaving industry in Bolgatanga, baskets for export value chain and conceptual framework of SSIs.

Concept of Small - Scale Industries

The role of small-scale industries in economic growth and poverty reduction has emerged as an important topic not only for policy makers but also for academic research. The importance of small-scale industries arises in view of the dismal performance of previous policies that emphasized import substitution and large-scale industrialisation. Despite conflicting evidence obtained in several studies, it is generally agreed that encouraging the development of small-scale industries is one way of fostering economic growth and poverty reduction in developing economies (Mnenwa & Maliti, 2008).

The concept of SSIs relates, generally, to small manufacturing activities including primary products processing, handicrafts, repair services and

construction. SSIs are generally classified as informal sector economic activities consisting of units engaged in the production of goods or services with the primary objective of generating employment, creating economic growth and reducing poverty of the persons concerned. The revised International Labour Organisation (ILO) views the informal economy as the collection of marginal industries characterised by: low entry barriers in terms of skills, capital, and organization; family ownership industries; small scale operation; labour intensive production with outdated technology; unregulated and competitive markets; low levels of productivity; and low levels of capacity for accumulation (Flórez, 2002).

The definition of SSIs varies from country to country and from one time to another in the same country depending upon the pattern and stage of development, government policies and administrative set up of the particular country. Every country has set its own parameters such as turnover of the company, fixed investment or the number of employees, sales volume, and worth of assets of the firm to define SSIs (Rahman, 2001). According to Sunusi (2003) and Udechukwu (2003), the Nigeria National Council on Industry (NNCI) defines a SSI as any industry with a maximum asset base of not more than N50 million, excluding land and working capital and with employees of not less than 11 and not more than 100.

Wynarczyk, Watson, Storey, Short, and Keasey (1993) identified three key aspects such as uncertainty, innovation and evolution in which small and large businesses differ. According to them, uncertainty is a persistent feature of small firms which tend to have small customer bases and limited resources. The

innovation of either very new products, or marginal differences to well established ones, is key factor in the success or failure of new business start ups. Finally, evolution refers to the state of constant structural and market changes which small firms are likely to experience as they struggle to survive and develop.

In Ghana, the most commonly used definition of SSI is the number of employees of the industries. According to Kayanula and Quartey (2000), the National Board for Small-Scale Industries (NBSSI) defines SSI in Ghana by applying both the “fixed asset and number of employees” criteria as a firm with not more than 9 workers, and has plant and machinery (excluding land, buildings and vehicles) not exceeding 10 million cedis (one thousand Ghana cedis) and micro with employee less than five. They are divided into micro, small and medium industries.

According to Kufour (2008), the Ghana Statistical Service defines SSIs as firms that are functioning with less than 10 employees. From the various definitions, it can be said that there is no unique definition of scale-scale industry thus, an operational definition is required. However, there is empirical consensus on the use of number of employees in defining a small business, although the actual employee size differs from one definition to the other. The study therefore adopted the NBSSI definition of small businesses since it is the main body regulating the activities of small businesses in the country. The rationale behind this employee criterion is due to the fact that firms can easily be identified by the number of employees and in part because the process of valuing fixed assets is

difficult as a result of the continuous depreciation in the exchange rate of the national currency to the international currencies.

Overview of SSIs development in Ghana

This section reviews literature on economic events leading to the recognition of SSIs in Ghana as a sector with the potential to facilitate economic development and poverty reduction.

Immediately after political independence in 1957, there was an urgent need to achieve economic emancipation which would lead to employment creation and income generation for the citizens. This prompted the government to adopt and implement Import Substitution Industrialisation (ISI) policy as a development strategy with the aim of reducing the dependence of the country on imported consumer goods and to create employment opportunities. Since then, successive governments at different point in time have designed various industrialisation policies to suit the prevailing economic realities of such times.

There are as many varied definitions and explanations of industrial policy as there are varied views about its relevance. Central to these definitions is the recognition that industrial policy encompasses a deliberate attempt to promote industry as a whole or specific industry sectors that are considered important for economic growth and transformation. The United Nations Conference on Trade and Development (UNCTAD) (2011) defines industrial policy broadly to include all government measures aimed at improving the competitiveness and capabilities of domestic firms and promoting structural transformation. Such governmental

measures or policies are intended to stimulate domestic firms engaged in specific economic activities and promote structural shift in the relative importance of the economic sectors. The specific activities that are supported might not necessarily be in industry or manufacturing alone but policies targeted at non-traditional agriculture or services (Rodrik, 2004).

Even though the industrialisation policies have changed, with the changes in successive regimes, the main industrialisation objectives of employment generation, production of goods as substitutes for imported goods and poverty reduction have largely remained and were in tandem with the widely held view at the time that there could be no genuine political independence without economic independence. The ISI policy was supported by array of unorthodox policies including the erection of tariff barriers to protect domestic industry, the institution of quotas making it illegal to import foreign products beyond specified quantities. In addition, domestic industry benefited from subsidies and low interest rates (Kwabena, 2013).

This approach, according to Boapeah (1994), was adopted against the background of rudimentary state of indigenous industries in the late 1950s, limited number of capable local entrepreneurs and complete absence of capital market for entrepreneurs to access funds. One motive for using administrative controls to guide resource allocation was the belief that the results of market-determined prices and resource allocation would not satisfy the objectives for national development.

Despite the attention given to import substitution industries, the prices of their products were very expensive and the country soon found itself in foreign exchange crisis, which led to the development of the problem of under utilization of plant capacity (Boeh-Ocansey, 1996). Between 1970 and 1982, manufacturing output of the economy which stood at 13 percent per annum declined and its share of Gross Domestic Product (GDP) also showed a downward trend from 14 percent in the mid 1970s to 5 percent in 1981/82. Employment also declined from 89,000 to 66,000 between 1977 and 1981/82, while capacity utilization declined from 40 percent in 1978 to 21 per cent in 1981 (Boapeah, 1994). During this period, the economy was performing poorly in all the economic indicators resulting in harsh economic conditions.

According to Boeh-Ocansey (1996), the poor performance of the ISIs was due to the following reasons: under-utilisation of plant capacity, high dependence on imported raw materials, excessive protection, few domestic linkages, low employment generating capacity, neglect of small-scale industries, less involvement of the private sector and obsolescence of machinery. The failure of the Import Substitution and Large-Scale Industrialisation policies of the post independence era, the economic recession of the 1980s and the structural adjustment programmes led to the growing acceptance of the central role of SSIs in the socio-economic development of developing nations (Amakom, 2008).

SSIs are globally acknowledged to contribute substantially in enhancing poverty alleviation, equitable distribution of resources, income redistribution, technical and technological innovation, entrepreneurial skills development, and

general improvement in the living standard of the populace within an economic region and have been suggested by experts and international bodies as an effective strategy for development (Gebremarian, Gebremedhin & Jackson, 2004).

Moreover, they have been touted as strategic in ensuring food security, encouraging rapid industrialisation and reversal of rural-urban migration (Oyekanmi, 2003; Osalor, 2012). Small-scale industries do not only contribute significantly to improving living standards, they also bring about substantial local capital formation and the achievement of high level productivity and therefore any governmental policy that seeks to target poverty reduction, food security, and industrialisation as well as mitigate rural-urban migration must be hinged on the development of small-scale industries (Snodgrass & Winkler, 2004; Adam, 2005).

However, instead of SSIs developing into medium and large scale industries due to the many incentives provided by governments, many of them have stagnated on the number of people employed while some have even reduced the number of employees or folded up entirely. Combine factors of unfavourable macro-economic policies, fiscal and monetary policies, inadequate infrastructural support, raw materials supply bottlenecks as well as unfair competition from foreign firms, difficulty in accessing investible capital, poor working conditions, low technology, low quality products, inadequate networking, poor distribution system, inadequate managerial support, and inadequate market information amongst many others contributed to their collapse (Dandago & Usman, 2011; Aryeetey et al., 1994; Kayanula & Quartey, 2000).

To overcome these constraints so that SSIs can realize their full potential impact on the rural economy depends largely on the availability and provision of appropriate and cost-effective business development support services by government, development partners and donors. Therefore, key technical and financial institutions such as the Office of Business Promotion (1970), the Private Sector Advisory Group and the Manufacturing Industries Act, 1971 (Act 356), the National Board for Small-Scale Industries (1981), the Economic Recovery Programme (1983), the Investment Code of 1985 (PNDC) Law 116, Ghana Appropriate Technology Industrial Service (GRATIS) (1987), the Rural Enterprises Project (1995), the Ghana Free Zones Board, 1995 (Act 504), Export Development and Investment Fund (EDIF) (1997), Fund for Small and Medium Industries Development (FUSMED) (2000), the President's Special Initiative (PSI) (2002), Venture Capital Trust Fund (VCTF) Act, 2004 (Act 680) were all set up to promote the development of SSIs in Ghana.

Characteristics of Small-Scale Industries

According to the African Development Fund (2002), approximately 1.9 million households or 49 percent of all households in Ghana operate a small business with women forming 70 percent of those involved in SSIs activities. These industries are mostly categorised into urban and rural industries. The urban industries are subdivided into “organised” and “unorganised” industries.

The organised ones tend to have paid employees with a registered office whereas the unorganised category is mainly made up of artisans who work in

open spaces, temporary wooden structures, or at home and employ little or in some cases no salaried workers but rely mostly on family members or apprentices. Rural industries, on the other hand, are largely made up of family groups, individual artisans and women who are engaged in food production from local crops.

According to Ayeetey (1994), most SSIs are labour intensive businesses and are mostly located in rural areas in the country with centralised and or personalised management that has limited access to long term capital. Even where they have access to short term financing it is usually at a penal rate of interest and other conditional ties. Due to the nature of ownership and management, there is flexibility in decision making and often informal employer-employee relationship which boost the morale of the employees.

Dandago and Usman (2011) observe that most of the promoters and founders of SSIs are characterised by inadequate skills, low technical knowhow and insufficient capital formation resulting in the purchased of obsolete and inefficient machinery and equipment thereby making them dependant on imported raw materials and spare parts leading to low productivity and poor quality of their products. It is, therefore, not surprising that many of them had to either close down completely or scale down their operations at the expense of large-scale industries in the long-run.

Small-scale industries also make better use of scarce resources than large scale industries. Research in Ghana and many other countries have shown that capital productivity is often higher in SSIs than is the case with large scale

industries. Thus, it has been argued that promoting the small-scale industrial sector in developing countries will create more employment opportunities, lead to a more equitable distribution of income and will ensure increased productivity with better indigenous technology. These industries mostly cater for the needs of the poor and are easily adapted to customer requirements due to their flexible nature, which enables them to withstand adverse economic conditions (Steel & Webster, 1991).

Majority of SSIs are female-owned businesses, which, more often than not, are home-based and are mostly not considered in official statistics compared to those owned by males. This clearly affects their chances of gaining access to financial schemes, since such programmes are designed without sufficient consideration of the needs of businesses owned by females. These female entrepreneurs often get the impression that they are not capable of taking advantage of these credit schemes, because the administrative costs associated with the schemes often outweigh the benefits. Prior empirical studies in Ghana have shown that female-owned SSIs often have difficulty accessing finance due to lack of the necessary collateral to qualify for loans (Aryeetey et al., 1994; Abor & Biekpe, 2006).

Finally, SSIs do not have direct access to international and local capital markets because of higher intermediation costs of smaller projects and the lack of collateral security resulting in many of them relying on the informal sector for credit. Studies have revealed that in addition, there are limited linkages between the formal and informal financial entities, further stifling credit delivery systems

in Ghana to SSIs. The informal financial service providers, although playing a major role in rural financial intermediation, are largely not organised and their scope of activities has not been well documented to favour SSIs (Kayanula & Quartey, 2000).

Importance of Small-Scale Industries

The role of small-scale industries as engines of endogenous development in rural economies is increasingly recognised in development theory and has attracted the attention of policy makers. Most literature reviewed argue that governments in especially developing countries should promote the development of SSIs because of their greater economic benefits compared to large-scale firms in terms of jobs creation, efficiency, growth and poverty reduction (Gebremariam et al., 2004).

SSIs contribute to a country's national product by either manufacturing goods of value, or through the provision of services to both consumers and/or other industries. According to the Ghana Statistical Service (2008), the informal sector contributes about 88.6 percent of total employment in the country. Also, Fredua (2007), citing World Bank Report (2006), states that Ghana's informal sector contributes to its economic activities by employing around 70 percent of the total labour force. Kayanula and Quartey (2000), and Aryeetey (2001) further stated that SSIs are sources of employment generation, which helps the system in scaling down the extent of unemployment and poverty.

SSIs are often found to have some advantages over large firms in terms of undesirable working conditions, such as weaker autonomy, stricter rules and regulations, less flexible scheduling, and a more impersonal working environment leading to a high morale among the workers. Moreover, they tend to provide quicker services, quality products, fair prices as well as providing both formal and informal after sales service which makes them more attractive to customers. Further, small firms, to the extent that they operate in more competitive environments, may have a greater incentive to innovate as the personal rewards of potential innovators are higher (Brown & Medoff, 1989; Edmiston, 2007).

SSIs also contribute greatly to export promotion in many countries. For instance, according to Fabayo (1989), out of an estimated 30,000 manufacturing firms engaged in export trade in the USA nearly 70 percent were small firms. Also, the Japanese economy despite its level of development is still characterised by a strong vertical relationship known as *keiretsu* between small-scale industries and large-scale industries. According to Ljunggren (2007), the basket weaving industry in Bolgatanga (Ghana) earned about US\$ 4,766,737 from the export of baskets in 2001 which would go a long way to increase the income of the weavers and also the GDP of the Ghana.

Small-scale industries also play an important role in alleviating poverty as they act as an essential medium for the efficient utilisation of skills as well as resources available locally. They have often been described as improving the efficiency of domestic markets and making productive use of scarce resources, and thus facilitating long-term economic growth in poor countries towards

attainment of social and economic objectives, including female employment and poverty alleviation especially in rural areas. SSIs, therefore, play intermediate role in the development of medium and large scale industries as well as reducing regional disparities through the creation of employment and mobilisation of local resources more readily than the large-scale industries (Aryeetey & Ahene, 2005).

Small-scale industries also assist in mobilisation of domestic savings and in fostering indigenous entrepreneurial capabilities. They are usually resource-based industries which are closely aligned with rural agriculture and thereby contribute to forward and backward integration between agriculture and industry on the one hand, and between different subsectors of industry on the other; they also promote rural-urban linkages. SSIs are also able to maintain a closer relationship with its customers, employees, and its suppliers than large-scale business due to their smaller base (Boeh-Ocansey, 1996).

Constraints of small-scale industries

SSIs potential to add value to the economic progress of Ghana had not been fully manifested, owing to several constraints which had bedevilled its growth and development. These challenges include: inadequate credit facilities, inadequate equipment and low technology, competition from foreign firms, inadequate entrepreneurial and business management skills and deficiency in policy formulation and implementation among others.

According to the Association of Ghana Industries (AGI) (2011), inadequate access to credit facilities is the leading factor stifling the growth of small businesses in Ghana. This stems from the fact that SSIs have limited access to capital markets, locally and internationally, in part because of the perception of higher risk, informational barriers, and the higher costs of intermediation as well as the lack of collateral security by many entrepreneurs. As a result, SSIs often cannot obtain long-term finance in the form of debt and equity, thereby leaving a lot of them to heavily rely on personal savings, traditional money lenders and borrowing from relations and friends, which make it extremely difficult to expand and enjoy economies of scale. According to HFC Bank (2004), the marginalization or limited access to credit has affected the ability of SSIs in Ghana to adopt modern technology in the production of goods and services. Similarly, Abor and Biekpe (2006) found that access to finance is a dominant constraint facing SSIs in Ghana. It should be noted that the availability of funds could improve SSIs' access to other resources such as human, information and physical resources.

Also, SSIs have difficulties in gaining access to appropriate technologies and information on available techniques, which limit their innovation and competitiveness. However, as a result of the low access and capital mobilisation, SSIs are not able to finance utilisation of labour saving technologies particularly when tools and equipments have to be imported. Boapeah and Poppe (1992) noted that about 95 percent industrialists obtain their supply of tools and equipment from external sources that is, outside their district of operation. With such a heavy

reliance on external supply of tools and equipment, price increases in these inputs or their scarcity could cripple industries in the district. This situation points to the precarious situation of small-scale industries in their quest to adopt and apply advanced technology. Ofei (2004) observes that there is a problem of inadequate access to modern technology in Ghana, resulting in many firms using old machinery and having problems of accessing spare parts for maintenance.

Furthermore, SSIs were previously insulated from international competition due to protectionism and other strategies, but many SSIs are now faced with the reality of stiff competition from foreign firms for market share in order to stay in business as a result of the combined effects of globalization and trade liberalization. With limited international marketing experience, poor product standardisation, little access to international partners among others impede expansion of SSIs into the international markets. Aryeetey et al. (1994) reported that only 1.7% of firms export their output in Ghana. Moreover, the preferences for imported goods by most Ghanaians further weaken the demand and exacerbate the poor performance of SSIs in Ghana.

In addition, inadequate managerial know-how due to low level of education, inadequate experience and exposure places significant constraints on SSIs development in Ghana. Even though SSIs tend to attract motivated managers, they are unable to maintain them due to competition from the large-scale industries that are better placed in good conditions of services. Despite the numerous Polytechnics, Technical and Vocational institutions that provide training and advisory services, there is still a skills gap among the small-scale

industrial sector as a whole resulting in many of them relying on apprenticeship training as the dominant source of skill acquisition. The aftermaths of these deficiencies are: ineffective planning and control, poor record keeping as well as faulty investment decision due to poor evaluation of projects.

Finally, there are no explicit industrial policies for SSIs sector and those that even exist are inadequate, inappropriate or inconsistent, which has contributed to also inhibit their growth and development (Ojo, 2006). These policies takes the form of laws which take immediate effect or retrospective effect and even under democratic dispensations, bills are rush through parliament under certificate of urgency. Also, there have been many changes in the existing policies resulting in the SSIs abandoning or revising their operations in line with new national policies which at the end of the day do not promote consistency and continuous development and growth in the sector. Also, the poor implementation of government policies regarding SSIs had led to “confusion and uncertainty in business decisions as well as weakened the confidence in governments’ capacity to execute faithfully its programmes” (Omoruyi & Okonofua, 2005:24).

Policies towards promoting small-scale industries development in Ghana

This section reviewed literature on the efforts made by successive governments and other stakeholders in promoting the growth of SSIs in Ghana. The idea of SSIs development which has been in existence since the 1970s was in line with the experience of the developed countries, where their economies have seen structural transformation from primary activities to industrial production

leading to diversification of their economies, protection from worsening terms of trade, creation of employment and income generation for the rapidly growing population resulting in a reduction in their countries overdependence on developed countries for the supply of manufactured goods, and the attainment of self-sufficiency.

As a result, many institutions and policies have been established and implemented respectively by successive governments to promote the development of SSIs. Some of these institutions and policies include: The National Board for Small-Scale Industries (NBSSI), The Economic Recovery Programme (ERP), The Ghana Regional Appropriate Technology Industrial Service (GRATIS), The Rural Enterprises Project (REP) and The Rural Enterprises Programme (REP).

The National Board for Small-Scale Industries (NBSSI) came into existence in 1981 with the mandate, to contribute to the creation of an enabling environment for small-scale industries development in the country. In order to operationalise this mandate, its principal tasks include establishing relevant infrastructure in all regions and districts in the country and establishing business advisory centres throughout the country to offer easy access to consultancy, technology adoption and training. In order to cover areas where it has no offices, NBSSI provides its services through mobile teams. Financing for its operations is from fees charged to trainees and from advisory services. In addition, the government provides for the remaining financing gap considering the development nature of the activities of the NBSSI (African Development Fund, 2002).

In 1983, the government, with support from the World Bank and IMF, launched the Economic Recovery Programme (ERP) (1983 – 1991), to reverse the economic decline and set the pace for a sustained development, in order to promote economic growth and create more employment opportunities for the rapidly growing population. The major industrial objectives were to increase the production of manufactured goods through the use of existing capacity, remove production bottlenecks in inefficient industries through selective rehabilitation, encourage the development of local resources to feed and promote the development of agro-based industries, develop economically viable linkages among local industries and among the key economic sectors of agriculture, construction, transport, health and education and encourage the export of manufactured goods and increase earnings from non-traditional exports (Sowa, 2002).

The country achieved an impressive measure of success since the introduction of the programme and was considered as a model of success for other Sub-Saharan countries. For instance, capacity utilization increased to an average of 45 to 50 percent and the average annual industrial growth rate between 1984 and 1990 was estimated at 4 percent. Real gross domestic product (GDP) in 1984 recorded a surplus ever since while inflation declined from 123 percent in 1983 to 39.7 percent in 1984. Overall balance of payment recorded a surplus of \$100 million in 1989 (Boapeah, 1994: 22-25).

The Ghana Regional Appropriate Technology Industrial Service (GRATIS) was also established in 1987 by the government with the mandate to

promote small-scale industries and industrialisation by developing and disseminating appropriate and marketable technologies to industry particularly, micro, small and medium scale industries. To operationalise its mandate, it established the Intermediate Technology Transfer Units, now called Regional Technology Transfer Centres (RTTCs), in the country. GRATIS foundation also has a core mandate of training in technical and entrepreneurial skills of master craftsmen/technicians and rural women in agro-process technology, entrepreneurial and basic management. It also carries extension services to support the development of rural industries, especially those employing women in food and agro-processing. GRATIS also manufactures and supplies machines, tools, plant and equipment, as a source of revenue. At the moment, GRATIS is providing all management and technical staff in the Rural Technology Service Centres (RTSC) established during Phase-I of the Rural Enterprises Project (African Development Fund, 2002).

GRATIS generates 70 percent of its operational budget and the government covers the remaining financing gap. In addition, International Financing Organisations such as; the European Union, Canadian International Development Agency, the Canadian University Services Overseas, British Voluntary Service Overseas, the German Development Services among others has provided investment funding and technical assistance. In 1999, GRATIS was incorporated into a non-profit making organisation limited by guarantee called GRATIS Foundation (African Development Fund, 2002).

The Rural Enterprises Project was initiated in 1992 and implemented in 1995 to 2011 by the government through The Ministry of Environment, Science and Technology with support from the International Fund for Agriculture Development (IFAD) to build on the government of Ghana's economic reforms and to encourage individuals and other private sector actors in rural areas to take advantage of opportunities created by the opening up of the economy. The objective of the project was to increase rural production, employment and income generation in order to alleviate poverty through the increased output of small non-farm industries. This was to be accomplished by: facilitating access to new technology and business advice; promoting easier access to financial services; improving the efficiency of existing small rural industries, supporting the creation of new industries, and removing transportation constraints through feeder road rehabilitation (African Development Fund, 2002).

The project has three main components such as Support for the Promotion of Rural Small-Scale Industries, Rural Finance Services Support and Infrastructure Support. The Project has reduced poverty by transferring technical skills to rural people making it easier to get a job or to improve the returns to their own businesses by improving the business skills of rural people, allowing them to start their own business or to reduce costs and increase benefits in their existing businesses. It has also reduced poverty by providing low-income people with access to banking services and capitals thereby generating new jobs as new businesses were created or existing businesses expanded.

The Rural Enterprises Programme (REP) (2012 - 2020) is also part of the efforts of the government of Ghana to promote the development of SSIs, reduce poverty and improve living conditions in the rural areas. REP is an upscale of the Rural Enterprises Project - Phases II & I (REP-II & I) which was implemented in 66 districts across the country from 1995 to 2011. The Programme seeks to upscale and mainstream, within public and private institutional systems, the district-based micro and small-scale industries (MSIs) support system piloted by REP-II & I to at least 161 municipalities and districts in all the ten regions of the country from 2012 to 2020. In July 2010, an Interim Evaluation of the REP-II, undertaken by IFAD's Independent Office of Evaluation, confirmed the relevance, efficiency and effectiveness of the REP model. Subsequently, the government of Ghana and the funding partners (IFAD and AfDB) decided to convert the experience into a nationwide programme known as the Rural Enterprises Programme.

The goal of REP is to improve the livelihoods and incomes of rural poor entrepreneurs with a development objective to increase the number of rural industries that generate profit, growth and employment opportunities. The Programme is linked to the Private Sector Development Strategy Phase II of the Ministry of Trade and Industry, which seeks to increase opportunities for the poor. It is underpinned by the government of Ghana Shared Growth and Development Agenda II & I. The Ministry of Trade and Industry has overall responsibility for the implementation of REP and chairs the Programme's Steering Committee. At the district level, the District Assemblies are the seat of

programme implementation and play a central role in coordinating the services, resources and activities of various district level stakeholders in the implementation of REP (Ghana Rural Enterprise Programme, 2012).

A number of policy papers have also been issued by governments over the past years in support of the SSIs sector development. According to Boapeah (1994), the various institutions and policies implemented mainly focused on medium and large-scale industries to the neglect of small-scale industries development as they were not considered as playing a complementary role to the large-scale industries in the development process and poverty reduction in the country.

Models of SSIs Growth

Industrial growth has been an area of study for many researchers over the years. The study of literature on SSIs suggests that all SSIs go through different stages of growth, also commonly called life cycles. Though the terms used by different authors may vary, the events through which each industry passes remain more or less the same. Most of the researchers suggest that each industry has to start, then grow while facing various challenges and crises, and finally mature and decline. Factors such as history of the industry, entrepreneur's characteristics, different agencies (market, government), geographical location of the industry, cultural and religious beliefs, as well as the technology and micro - environment either contributes to the success or failure of industries.

There are two schools of thought. The first suggests that the growth path followed by the industries is linear or predictable, and the second suggests that the growth is fairly opportunistic term or unpredictable. Growth can be defined in terms of revenue generation, value addition, and expansion in terms of volume of the business. It can also be measured in the form of qualitative features like market position, quality of product, and goodwill of the customers (Kruger, 2004).

Most widely used framework for studying the growth of an industry has been the life cycle analysis. In life cycle models, an industry's growth is considered as organic, and these assumed that this growth happens over a period of time in a linear phase. According to Churchill and Lewis (1983), industries move through five distinguishable stages of growth namely existence, survival, success, take-off and maturity.

Existence is the first of the entrepreneurial venture where the industry struggles to establish its processes and works without a formal structure in place. The owner of the industry takes close supervision of each and every business activity. At the survival stage, the business grows and the entrepreneur feels the need to have additional capital to expand the business. Since the business activity is growing, he/she prefers to add family members or known people as partners to expand the business. The main aim of the industry at this stage is to reach the break-even point so that adequate cash flow can be maintained to meet day-to-day requirements of repair and replacements.

At the success stage, the industry begins to earn profits which are invested in further business opportunity or continue with the same pace of growth. At this stage, the industry may take up team building and people development as some of its focus areas; however, these initiatives are driven by personal values and vision of the entrepreneur. At the takeoff stage, the focus is on further growth, expansion, and seeking new opportunities. The industry becomes more formal in nature, and work is properly defined and delegated to individuals. Finally, at the resource maturity stage, the industry is no more called a small industry but a company. At this stage, the company gives more emphasis on quality control, financial control, and creating a niche in the market for its products.

Levie and Lichtenstein (2010) and Levie and Hay (1998) have suggested that the stages model and life cycle theories of entrepreneurial growth do not provide ample evidences of the industry growth and development. In their review of literature of the last 40 years, they have found that there is no agreement on defining the stages of industries growth. Further, they have pointed out that previous researches lack proper evidences on what is the path of progress from one stage to another and the reasons behind the shift.

They have suggested a new dynamic stage theory, which argues that organisations are not like organisms, and their growth can be co-created with the help of shifting of internal as well as external environment. Dynamic stages offer that an industry can survive and maintain itself by being flexible and by adapting to continuous changes in the environment. The authors highlight the need to have

a sustainable growth approach instead of growing on the basis of number of stages.

Theories of SSIs Development

Endogenous development theory is understood as the hypothesis that improvement in the socio-economic well being of disadvantageous areas can best be brought about by recognising and animating the collective resources of the territory itself to provide for the livelihood of the citizens (Ray, 2000). This concept as a development approach was created as an alternative to the practice of central authorities in designing interventions which were top-down and deals with sectors of social and economic life in isolation from each other and or which assume that socio-economic problems can be solved by standard measures, regardless of location or culture (OECD, 1996/2).

According to Slee (1994), endogenous development is the local determination of development process and retention of the benefits of development within the locale. It is based on people's own resources, strategies, initiatives, values, knowledge and organisations. Endogenous development can be understood as localized change that is essentially initiated from within communities. Endogenous development is based on local people's own criteria of development and takes into accounts not just the material, but also the social, cultural and spiritual well being of peoples (Centre for Indigenous Knowledge and Organisational Development (CIKOD), (2010).

This type of development seeks to overcome a western bias by making people's worldviews and livelihood strategies the starting point of development. Endogenous development moves beyond integrating traditional knowledge in mainstream development and seeks to build bio-cultural approaches that originates from local people's worldviews and their relationship with the earth. Endogenous development aims at strengthening the resource base of the local people, enhancing their ability to integrate selected external elements into local practices and to broaden the options available to the people, without romanticizing their local views and practices (CIKOD, 2010).

For most people in these circumstances, their culture and faith provide direction in their everyday decision making and endogenous development aims to enhance this process. It requires a move away from the often prevailing notion that for true development to take place, innovations need to "come from outside" and "not from inside". Endogenous development or "development from within" does not mean that local communities are isolated from outside world and the opportunities that may be available there. It only entails people drawing knowledge and resources from external sources when they support local knowledge, institutions, initiatives, priorities and cultured (CIKOD, 2010).

As stated by Shortall and Shucksmith (1998:75), "development is not just about increasing goods and services provided and consumed by society, but involve enabling communities to have greater control over their relationship with the environment and other communities." According to this approach, empowerment, capacity building, carefully designed social animation and the

provision of suitable training and development institutions through central policies are key elements of the system. The adoption of this theory for the promotion of SSIs development will result in building the capacities of the local people to take charge of their businesses and create employment for the active labour force.

The growth pole theory of development, originated from British Economist, Sir William Petty (1623-1687). However, it was the French Economist, Francois Perroux (1903-1987), who is credited with formalizing and elaborating on the theory. Since then, the growth pole concept has been subjected to various definitions and interpretations, and its application has spread across the globe considerably. Monsted (1974) and Parr (1999) agree that the widespread use of the growth pole concept is reflected in the number of conferences and publications on the subject, as well as the apparent positive outcome of its application in developed countries in Western Europe, particularly in Great Britain, France and Italy, in terms of economic growth, employment generation and poverty reduction.

Regional development based on growth pole strategy became popular in developing countries in the 1960s, mostly in Latin American Countries, with national governments filled with optimism about its benefits for economic growth and social progress (Angotti, 1998). Ironically by the 1970s, the interest in the growth pole concept in developing countries had dwindled, after its application failed to yield the anticipated outcome (Gilbert, 1974). This fact notwithstanding, there is still some belief in the potentials of the growth pole concept today as an

effective strategy towards the development of small-scale industries in developing countries.

The growth pole theory, as originally formulated, assumes that growth does not appear everywhere at the same time as a result of inadequate investments due to limited resources but it manifests itself in “points” or “poles” of growth (Perroux, 1950; 1955). With variable intensities, the growth spreads by different channels and eventually affects the economy as a whole (Vanneste, 1971). If the growth pole has a local geographical base, then it is safe to assume that it can induce external economies in local firms. This means that growth is induced not only through direct trading between firms located in the same geographic area, but also through a structural change in the region. In that sense, Monsted (1974) asserts that local trade and business, which are not even directly associated with the growth pole will experience high demand induced by better resources and wages in the region.

A historical trend has been documented from the developed, industrialized countries suggesting that growth and development start from points of accumulation and concentration within a geographic area (growth poles). The argument is that these growth poles have the potential of giving birth to other centres of accumulation and concentration. The process is seen as a natural progression in the urbanization process, where relative growth in a country’s urban population is accompanied by an even faster increase in the economic, political, and cultural importance of cities (World Bank, 2000).

There are many pilot cases of growth pole projects in Africa such as The Alexandria City Development Strategy and Growth Pole Project in Egypt, The Madagascar Integrated Growth Poles Project and The African Millennium Cities Initiative involving seven cities, namely Kisumu (Kenya), Blantyre (Malawi), Kumasi (Ghana), Akure (Nigeria), Bamako-Sgou (Mali), and Louga (Senegal).

The Millennium Cities Initiative (MCI) is the most recent African experience with the growth pole strategy. It is a United Nations' African development initiative, established in the Earth Institute of Columbia University (New York City), and led by Dr. Jeffery Sachs. Among other things, the MCI intends to assist through research and policy analysis selected seven mid-sized cities across Sub-Saharan Africa, located near Millennium Villages, to achieve the Millennium Development Goals, by transforming the communities from subsistence lifestyles. The selected cities range from 120,000 to 1.3 million inhabitants and continue to experience rapid population growth.

The plan is to assist them to enhance their absorptive capacities through a balanced industrialisation process, which is expected to prevent them from growing into mega-cities with the attendant infrastructure problems and mega-slums. The project is also expected to improve capacities of the selected cities to attract investors and durable investments to spearhead the development of a sound industrial base that can sustain the burgeoning inner and peri-urban populations through domestic industries development and employment generation; and to serve as "regional urban centres in Africa, with the resulting employment and economic growth effects".

The concept of poverty reduction

Poverty is a major socio-economic problem that has attracted the attention of International Organisations and has been articulated as the number one in the Millennium Development Goals (MDGs), to reduce by half the world's population that live on less than \$1 per day by 2015. Against this background, developing countries have been making concerted efforts at fighting it with the implementation of comprehensive poverty reduction policies over the years. (Acheampong & Alnaa, 2013).

In Ghana, poverty has remained a disproportionately rural phenomenon up till now as 86 percent of the total populations, who live below the poverty line in Ghana given the lower poverty line of GH¢288.47 and upper poverty line of GH¢370.89 per adult per year live in rural areas. The study further indicated that 50 percent of these rural poor live in rural savannah (Ghana Statistical Service, 2008). According to Vandenberg (2006), Poverty could, therefore, be summed up as: a condition in which people lack satisfactory material resources (food, shelter, clothing, housing), are unable to access basic services (health, education, water, sanitation), and are constrained in their ability to exercise rights, share power and lend their voices to the institutions and processes which affect the social, economic and political environments in which they live and work.

Sen (1999) has characterized poverty as a “capability deprivation”, where a person lacks the “subsistence freedoms” he/she needs to lead the kind of life he or she has reason to value. He further asserted that this freedom has two faces:

opportunity and security. Opportunity requires education and a range of political and economic freedoms, while Security is viewed as a consequence of effective utilisation of the opportunities provided to a person and/or the household. The above definition implies that poverty is not only a state of existence, but also a process with multiple dimensions and complexities, which are usually characterized by deprivation, vulnerability and powerlessness. These characteristics combined impair people's sense of well-being.

Types of poverty

According to Mensah et al. (2008), poverty can be classified in several ways such as: absolute and relative poverty, chronic and temporary poverty, income and non-income poverty, objective and subjective poverty as well as urban and rural poverty. However, for the purpose of this thesis, only the income poverty and non-income poverty would be used as they are the most commonly used and easily understood by a greater number of people and would facilitate easy collection of data from the respondents and analysis.

Income and Non-Income Poverty

The World Bank (1990:26), as cited in Mensah et al. (2008: 129), defines income poverty as “the expenditure necessary to buy a minimum standard of nutrition and other basic necessities. According the World Bank (1990), persons who live on US\$1 per day income are unable to meet a minimum standard of living, and are thus termed extremely poor while daily income between US\$1 and

US\$2 measures moderate poverty that generally refers to conditions of life in which the basic needs are barely met.

A country is classified as extremely poor if, at least, 25 percent of the population live in extreme poverty and categorised as suffering from moderate poverty if at least 25 percent of the households live under US\$2 per day. By this definition, most countries in Sub-Saharan Africa are in extreme poverty. According to the Ghana Statistical Service (2007), poverty trends in Ghana in the 1990s indicate that overall poverty levels decreased between 1991/1992 and 1998/99 from 52 percent to 40 percent and to 28.5 percent in 2007. Extreme poverty also declined from 37 percent to 27 percent over the same period and from 27 percent in 1999 to 18 percent in 2007. In terms of regional distribution, the majority of both the poor and extremely poor were found to reside in the Northern, Upper East and Upper West Regions with the Upper East Region having extreme poverty of 60.1 percent (Ghana Statistical Service, 2007).

According to Sen (1984), non-income poverty focuses on basic needs and failure of human capabilities to function at a minimally acceptable level within society. He further argues that absolute deprivation in terms of a person's capabilities can imply relative deprivation in terms of income, resources or commodities, for the avoidance of shame, or for the maintenance of self-respect. He favours the capability to function as the criterion for assessing the standard of living and poverty, rather than the utility that might be derived from using that capability. Thus, a basic freedom from poverty is understood in terms of what

people can do and what they can be. This approach attempts to measure poverty in terms of outcomes or “ends”.

The main causes of poverty in Africa are low levels of productivity and the use of outmoded production technology, especially in the agricultural sector, which provides most of the employment and a large share of the continent’s Gross Domestic Product (GDP). Other reasons include high illiteracy and population growth rates, frequent natural disasters, inadequate infrastructure, and in some countries excessive dependence on a narrow range of commodities in the form of raw materials for export earnings.

Gender and Poverty

Gender is a socially constructed experience, not biological imperative and is rooted in social institutions, which results in patterns within society which structure relationships between women and men thereby given them differing positions of advantage and disadvantage within the institutions (Anderson & Collins, 2001). IFAD (2001: 28) and Radwan (1995) notes that “poverty is not gender neutral and women who make up a substantial majority of the world’s population are likely to be poor, malnourished and less likely to receive medical services, clean water, sanitation, and other benefits. The prevalence of female-headed households, the lower earning capacity of women, and their limited control over their spouses’ income all contribute to this disturbing phenomenon. These facts combine to ensure that poor women’s financial resources are meagre and unstable relative to men (Todaro & Smith, 2009).

A portion of the income disparity between male and female-headed households can be explained by the large earnings differentials between men and women. In addition to the fact that women are often paid less for performing similar tasks, they are, essentially, barred from entry into higher-paying occupations. Rural women have less access to the resources necessary to generate stable incomes and are frequently subject to laws that further compromise earning potential. Legislations and social customs often prohibit women from owning property or signing financial contracts without a husband's signature, and women are typically ineligible for institutionally provided resources such as credit and training. With a few notable exceptions, government employment or income-enhancing programmes are accessible primarily, if not exclusively, by men, exacerbating existing income disparities between men and women (Todaro & Smith, 2009).

But household income alone fails to describe the severity of women's relative deprivation because a higher proportion of female-headed households are situated in the poorest areas, which have little or no access to government-sponsored services such as piped water, sanitation, and health care, household members are more likely to fall ill and are less likely to receive medical attention. In addition, children in female-headed households are less likely to be enrolled in school and more likely not to be working in order to provide additional income to meet the needs of the family (Todaro & Smith, 2009).

Women's control over household income and resources is limited for a number of reasons. Of primary importance is the fact that a relatively large

proportion of work performed by women is unremunerated, for example, collecting firewood and cooking and may even be intangible, as with parenting. Women's control over household resources may also be constrained by the fact that many women from poor households are not paid for the work they perform in family agriculture or business (Todaro & Smith, 2009).

To improve living conditions for the poorest individuals, women must be drawn into the economic mainstream by increasing female participation in education and training programs, formal-sector employment, and agricultural extension programs. It is also important that precautions are taken to ensure that women have equal access to government resources provided through schooling, services, employment, and social security programs. Legalizing informal-sector employment where the majority of female labour force is employed would also improve the economic status of women (Todaro & Smith, 2009).

The consequences of the low economic status of women's have long-term economic implications as educational attainment and future financial status of children are much more likely to reflect those of the mother than those of the father. And considering that human capital is perhaps the most important prerequisite for growth, education and enhanced economic status for women are critical to meeting long-term development objectives of reducing poverty and improving the standard of living of the citizens (Todaro & Smith, 2009).

Policies and Programmes towards Poverty Reduction in Ghana

Since Ghana attained independence in 1957, all governments have pursued, with varying degrees of success, several policies and programmes to accelerate the growth of the economy which would lead to a reduction in the levels of poverty. According to Asante and Ayee (2004), poverty reduction is the “designing, implementing and targeting appropriate methods to ensure that scarce resources are allocated to activities that are likely to yield the greatest impact on the poor and decrease their levels of deprivation and vulnerability”. To this end, several poverty reduction policies have been formulated and implemented with the expectation of enhancing standards of living in the country. Some of the policies include: The Programme of Actions to Mitigate the Social Costs of Adjustment (PAMSCAD), Decentralization, Ghana-Vision 2020, The Village Infrastructure Project, and the Northern Rural Growth Programme (NRGP).

The Programme of Actions to Mitigate the Social Costs of Adjustment (PAMSCAD) was initiated in 1987 with the prime objective of addressing the needs of vulnerable groups who were in precarious condition due to the effects of SAP and ERP. The introduction of PAMSCAD came at a time of growing opposition to economic reforms in Ghana, with the Trade Union Congress leading the protest against mass retrenchments, extensive currency devaluation, and so-called cost recovery measures being introduced for education, health and other social services. The programme targeted retrenched workers from the civil service and state-owned industries, the so-called “new poor” and “vulnerable groups” in urban and rural areas (Sowa, 1993).

The programme covered a variety of activities, including urban public works, rural income generating projects, nutrition, education and school feeding. A major element (22% of the funds) was allocated to the "new poor" for compensation and training. Projects implemented under PAMSCAD included a set of community based projects that were to help in the rehabilitation and construction of social and economic infrastructure, thereby generating employment and reducing poverty (Asenso, 1991).

An assessment based on community-level fieldwork concluded that "the effect PAMSCAD has had on the communities in which the surveys were carried out has been very limited". Poor use of funds was at the root of these negative findings as nearly 80 percent of the funds went to the non-poor (redeployed public sector workers above the poverty line) while the vast majority (over 90 percent) of the poor received no benefit at all (World Bank, 1992). Asenso (1991) observes that poverty levels assumed dramatic proportions in certain urban and rural areas during this period. It has been asserted that the dismal result of the programme may be attributed to the inability of the programme to target the poorest of the poor for focused action. Stewart (1995) also attributes the poor performance of the programme to what she calls the "supply oriented" nature of the programme. That is, it arose out of the wishes of donors with little real ownership by government.

In 1988, the government of Ghana put in place an administrative and political structure known as the decentralisation policy that aimed to support a greater degree of popular participation in rural development and poverty reduction

by devolving central administrative authority to the district level. It fuses governmental agencies in the regions and districts into single administrative units under Regional Co-ordinating Councils or the District Assemblies to enhance service delivery for poverty alleviation, and since 1992 the government has channeled not less than 5% of national revenue to these Assemblies for development.

The emphasis on decentralization, according to Mensah et al. (2008), as a means to people's participation might prove a useful means of getting the voices of the poor heard through the growth of civil society, including a free press which would serve as a mechanism to hold government accountable in ways that will protect the poor. Decentralisation has been seen by donors, governments and academics as one of the most important and appropriate ways that will reduce the levels of deprivation and vulnerability of the poor (Asante & Ayee, 2004, as cited in Mensah et al., 2008). Effective implementation of poverty reduction strategies often requires detailed and specific local knowledge which may be most readily available through a decentralised and local system of governance, which enables the local government units to have technical and financial capacity to carry their assigned functions.

In 1996, the Government of Ghana launched a 25 year development framework called Ghana-Vision 2020 as a long-term “integrated programme of economic and social policies that provided a perspective framework for accelerated growth and sustained development” towards employment generation and poverty reduction among rural women. The Ghana-Vision 2020 states that

poverty should be fought at the economic level by improving employment opportunities through re-training and by increasing incomes through freeing farm prices and promoting income generation activities especially among rural women and urban poor; at the social level, by increasing access to basic facilities including health care, education, housing, safe drinking water, and sanitation and at the political level by promoting individual and community participation in the formulation, implementation and enjoyment of economic and development programmes. The document concludes by saying that these measures will have to be strengthened and enhanced in future if the battle against poverty is to be won.

In 1996, the Government of Ghana introduced the Village Infrastructure Project (VIP) at an estimated cost of US\$60 million to be implemented over a period of five years with the primary objective of reducing poverty and increase the quality of life of the rural poor through increased transfer of technical and financial resources for the development of basic village-level infrastructure that can be sustained by beneficiaries. The project would also support capacity building of District Assemblies to better plan and manage these investments and would empower rural beneficiary groups through training and other forms of technical assistance that would enable them to sustainably operate and maintain these investments at the community level (Sowa, 2002).

To achieve these aims, the project would finance civil works, provide equipment and technical assistance for the development of village-level infrastructure for rural water, rural transport, including intermediate means of transport (IMTs), and post harvest treatment of crop and animal products,

particularly storage, drying, and other simple processing techniques. All these benefits would help to reduce rural poverty, provide development, integrate the rural economy into the national economy and improve the overall quality of rural life (Brydon & Karen, 1996).

The Northern Rural Growth Programme (NRGP) is a special development intervention initiated by the Government of Ghana with funding and technical assistance from the International Fund for Agricultural development (IFAD) and the Food and Agriculture Organisation (FAO)/Investment Centre (IC). The programme commenced in 2009 with an overall sector goal of contributing to an equitable and sustainable poverty reduction and food security among rural households and a specific objective of increasing Northern Ghana rural households' income on a sustainable basis (African Development Fund, 2007).

The programme would be implemented in 32 districts located in Northern Ghana over a six-year period under four components: (i) Commodity Chain Development; (ii) Rural Infrastructure Development; (iii) Access to Financial Services; and (iv) Programme Coordination. According to Garba (2013), citing the NRGP Mid-term Report, stated that the programme has 45,000 direct beneficiaries in some 32 districts of the three Northern Regions and five districts in the Brong- Ahafo Region. The programme also aims at addressing challenges in the agricultural sector in Northern Ghana by focusing on specific activities that are geared towards improving production and marketing infrastructure, promoting out-growers schemes for industrial commodities, export fruits and vegetables,

networks producers' organisations and direct marketing by producers' organisations.

According to Braun (1998), the dismal performance of most poverty mitigation programmes in the past, was the overly concentration of governmental efforts at poverty reduction on the provision of physical infrastructure at the expense of empowering the people by way of either providing them with jobs or facilitating their own employment or well being. He argued that effective poverty reduction programmes should aim at offering employment and creating assets for the poor in the short and long-terms.

The basket weaving industry in Bolgatanga

Basket weaving is a traditional handcraft activity found throughout the country but more concentrated around Bolgatanga Municipality, Talensi/Nabdam District and Bongo District in the Upper East Region. According to the Centre for National Culture in Bolgatanga as cited by Ljunggren (2007) basket weaving around the Bolgatanga Municipality is believed to go back as far as the 16th century but the first historical record goes back to the 19th century. The original basket did not have a handle and was used as a filter for local brewed alcohol called pito. Later, the handle was added and the special "Bolga basket" was born. It is believed that the handle was added because of foreign interest as the local people are not accustomed to carry things in their hands but rather on their heads (Ljunggren, 2007).

Baskets weaving exist in several communities such as Yarigabiisi, Gambibgo, Yorogo, Nyariga, Azeka, Aganbella, Yorogo, Tindonmolgo among others in the Bolgatanga Municipality with a numerical strength of more than 1,000 weavers, leatherworker, straw sellers, dye sellers and exporters. The basket weaving sector is predominately dominated by women in the actual production phase, while the transportation and marketing sides are dominated by men with a small number of exporters that are linked with foreign importers.

In the Bolgatanga Municipality, the majority of the weavers depend on subsistence farming as their main occupation for survival with the weaving serving as a supplement (Bromley, 2011). According to Asante (2009), the weavers hardly made baskets just for aesthetics purposes unless they were specially commissioned by a buyer to do so.

The handcraft industry, which includes the production of straw baskets, hats, fans, and mats, has put the name of Bolgatanga on the world tourism map. The 'Bolga baskets' are important source of income generation and serves as an important tool towards poverty reduction for thousands of rural people in the Bolgatanga Municipality. Most of the baskets are exported abroad, particularly Western Europe, Asia and the United States. The sector, which is characterised by low capital investment, a high share of value addition, and export demand with high potential for foreign exchange earnings, has a high potential for self-employment and improving livelihoods in the area (Bromley, 2011).

The basket weaving industry comprised the weavers, middlemen, leather workers, straw-pickers/buyers, dye-sellers, exporters, importers and NGOs. Apart

from the importers who are based abroad, the industry is concentrated around Bolgatanga with some exporters based in the capital Accra. The production and sale of the baskets start with the purchase of raw materials such as straws and dye. The straw grows around Asante and Brong-Ahafo Regions in the central part of the country, while the dye is produced in Nigeria. The straws are purchased and transported by wholesalers to Bolgatanga where they are sold to the weavers on individual basis or on group basis (Antwi-Asare & Rahaman, 2010).

The straw for the weaving is prepared by splitting, rolling and dying by either the weavers or other people for a small amount. After this, the weaver then weaves the basket and either sold directly to an exporter who visits the village or at the basket market in Bolgatanga which takes place every three days. Middlemen also purchase the baskets at the market and then sell to the exporters who then hire leatherworkers to put leathers on the handles of the baskets for export. The weavers are the largest group of stakeholders in the industry (Ljunggren, 2007).

The individual producers are artisans who sell to a variety of buyers including production subcontractors, export promotion companies and regional traders. Many of the weavers belong to weaver groups consisting of 20-50 persons and are in most cases founded on the basis of location, links to community-based organizations (CBOs) and non- governmental organizations. The weaver groups are functioning as both as a social group that weaves together and or as a business group in case an importer placed an order. The groups buy

raw materials in bulk; have bank accounts and leaders who take care of communications to NGOs and exporters.

In case an order is placed, the leaders will negotiate the conditions with the middlemen in terms of time, quality, designs and size and then distribute the order to the weavers. The weavers who work on their own baskets are paid based on the number of baskets they are able to produce (Ljunggren, 2007). The exportation of baskets to America, Asia and Europe led to the establishment of the Bolgatanga Basket Weavers Co-operative Club (BBWCC) in 1995 and other exporting companies in the Municipality as non-formal institutions mainly for the production and export of baskets (Antwi-Asare & Rahaman, 2010).

Baskets for Export value chain

The baskets for export value chain are an important source of income and poverty alleviation strategy for thousands of rural people. According to Action for Enterprise (2006), from 1993 to 2003, exports of baskets grew to over US\$12 million. A wide variety of market actors such as international importers, export agents, export promotion companies, production subcontractors, brokers' or subcontractors, regional traders and individual weavers participate in the baskets for export value chain.

The International Importers are primarily based in Europe, the US and Asia. They include wholesale distributors, representatives of large retail chains that import directly, buyer intermediaries and other more informal traders (some

of whom are from Ghana or other West African countries). These buyers have standing relations with export agents in Ghana that conduct most of their business by visits, email, and telephone. The Export agents are companies who have established close relationships with importers and handled export orders and shipments for international markets on a fee basis. The Export Promotion Companies are companies who carry out part or all of the production process internally. Some have relatively large-scale internal production capacity while others limit their role to product finishing. Almost all of these companies also source products from subcontractors and sell directly to both international buyers and also to export brokers/agents (Bromley, 2011).

The Production Subcontractors are privately owned enterprises and producer groups that produce for the export market but do not sell their products directly to international importers. Their products are usually sold either to a broker or to an export promotion company. They frequently subcontract with individual weavers to fulfill orders. Also, the Brokers or Subcontractors are individuals who serve as an intermediary between export production companies and production subcontractors (Bromley, 2011).

The Regional Traders are individuals and small firms who buy products from subcontractors in local markets and export them to neighbouring countries. Most products are then exported from the neighbouring countries to international markets. Finally, the Individual Producers weave the baskets and sell to a variety of buyers including production subcontractors and export production companies.

Many individual producers have relationships with several buyers; though some work exclusively with single ones (Bromley, 2011).

The Ghanaian baskets for export value chain enjoyed strong growth from 1993 to 2003, which was primarily driven by a handful of lead firms that successfully penetrated the global market, especially Germany, for utilitarian shopping baskets. Success was due to a variety of factors including: 1) the successful participation of lead firms in European wholesale trade shows and subsequent management of trade relations with importers; 2) the ability of lead firms to organise large-scale production among producers; and 3) the acceptable price and quality of the end product (Action for Enterprise, 2006).

With the emergence of Vietnamese baskets in the international market, the Ghanaian value chain began to lose market share. The Vietnamese producers and exporters have been successful at copying the Ghanaian basket designs and then producing them at a lower cost and delivery at a much faster rate than the Bolgatanga weavers. Both the international buyers and Ghanaian export companies concluded that, to compete on the world market, Ghanaian firms needed to differentiate themselves from higher cost and lower quality baskets by producing better quality baskets at the same cost regularly infused with new and innovative designs. These baskets would appeal to a large percentage of the end users and help Ghana regain its competitiveness (Action for Enterprise, 2006).

Conceptual Framework of small - scale industries

Poverty remains the greatest challenge for Sub-Saharan Africa rural population whose livelihoods are mainly derived from farm and non-farm activities. Statistics indicate that 1.2 billion people worldwide are in dollar poverty, consuming less than a dollar a day. Of the dollar poor, 75 percent of them work and live in rural areas (IFAD, 2001: p.15). However, within the rural households, poverty levels are highest among female headed households and this gender dimension to poverty has serious implications on efforts to achieve the millennium development goals.

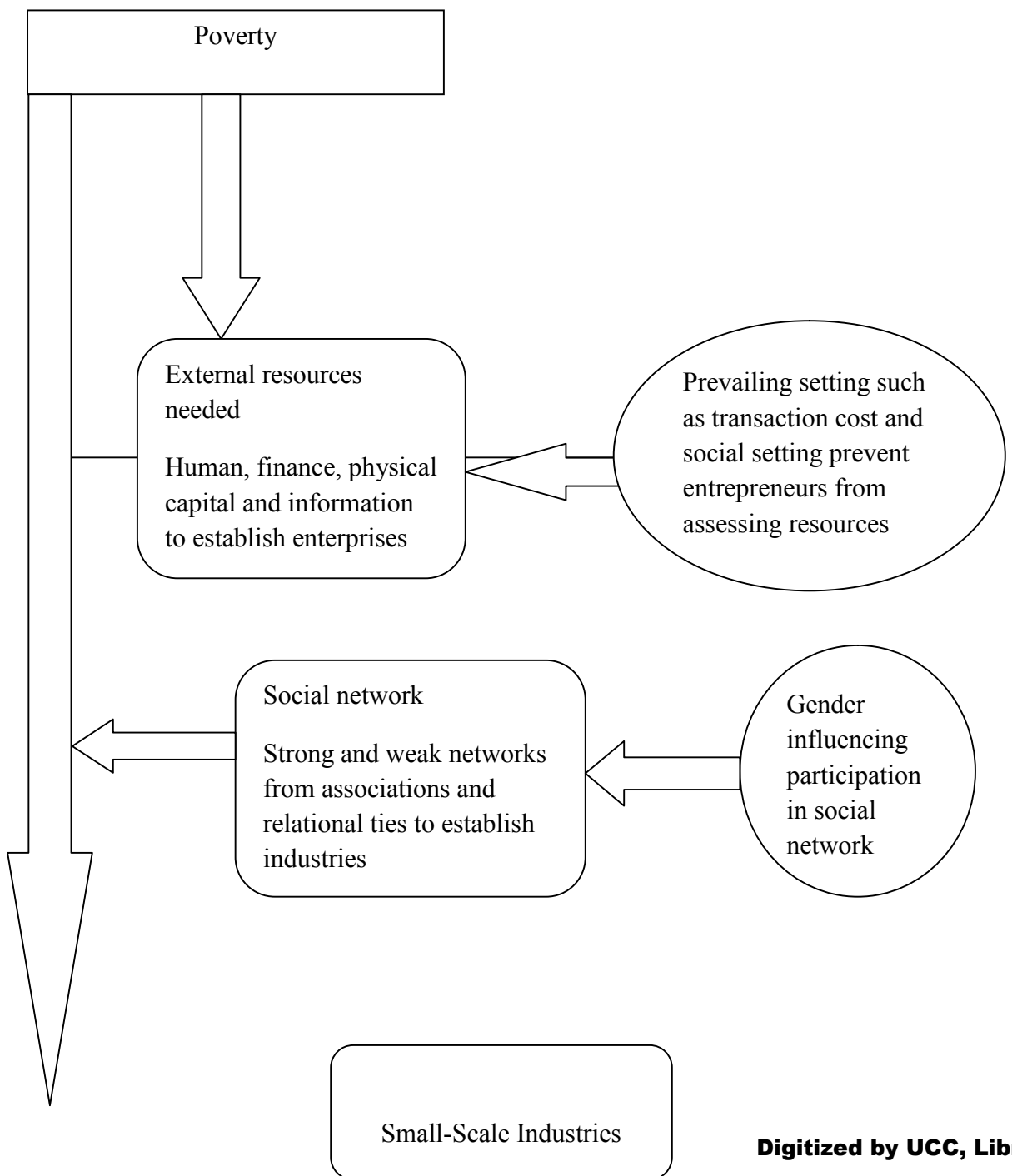
While it has been observed that improving farmers' productivity have significantly contributed to poverty reduction, it has also been established that activities of small-scale rural industries also contribute significantly to the rural economy (Lanjouw & Feder, 2001; Davis & Bezemer, 2003). According to Haggblade, Hazell and Brown (1989) and Ngqangweni (2000), there is a robust forward and backward production linkage between non-farm and farm activities. Based on that premise, the past decade has witnessed significant investments directed into small-scale industry programmes as a strategic poverty reduction option for the rural economies (Bolnick, 2003; Akweshie, 2007).

From Figure 1, once SSIs have been identified as an effective means of reducing poverty, external resources such as human, finance, physical capital as well as information would have to be mobilised by the entrepreneurs for their development. In most cases, the entrepreneurs does not have enough resources because rural industries operate in a setting where there is little support services, poor infrastructure as well as inadequate access to formal microfinance markets

making it difficult for the rural entrepreneurs to approach the formal markets and other institutions for assistance. (Zuwarimwe & Kirsten, 2010).

As a result, the last resort for rural entrepreneurs is social networks with relatives and friends for more business information, obtaining credit facilities during establishment, repayment of loans and forming contractual relations governing employees and employers at low transaction costs, which, in turn, leads to higher levels of performance. Most studies on social networks and economic development nexus have associated the level of social networks with the ability of entrepreneurs to access information and resources from inside and outside their locale for the purpose of alleviating poverty (Granovetter, 1973).

There is also a gender dimension to the use of such social networks as the social structure influences who participates in particular social networking platforms. It is important to note that discourses on gender in Ghana usually slide into an analysis of the disadvantaged position of Ghanaian women as they struggle to realize their full potentials in the society. The reason for the greater focus of women rather than men is primarily because of the patriarchal nature of the Ghanaian society. Oyekanmi (2003) defined patriarchy as a set of social relations with material base that enables men to dominate women. Deriving from the above, it is clear that the disadvantage of women stems from socio-cultural factors such as deprivation, customary values and traditional paternalistic life styles which continue to make women gradually slip out of mainstream social and economic life within the household almost unnoticeably (Dinye & Derbile, 2004).



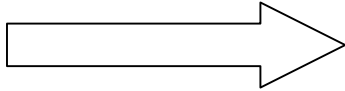


Figure 1: Conceptual framework of SSIs

Source: Adapted from Zuwarimwe & Kirsten (2010).

CHAPTER THREE

METHODOLOGY

Introduction

This chapter presents research methodology which covers the study area, research design, study population, sample and sampling procedure, sources of data, data collection instruments, pre-test of instruments, data collection, data processing and analysis as well as ethical considerations.

Study area

The Bolgatanga Municipality was established in 2004 by Legislative Instrument (LI) 1797 (2004). It is the regional capital and is bordered to the north by the Bongo District, south and east by Talensi- Nabdam District, and to the West by Kassena-Nankana Municipality (Bolgatanga Municipal Assembly, 2012).

The guinea savannah woodland consisting of short deciduous trees widely spaced and a ground flora dominates the natural vegetation of the municipality. The most common economic trees are the sheanut, dawadawa, baobab and acacia. The climate is classified as tropical and is characterised by the existence of a

fairly long rainy season from May/June to September/October and a long dry season from November to April. Studies have shown that the dry season has become longer compared to the last 30 years as a result of the increasing desertification of the Sahel region (Bolgatanga Municipal Assembly, 2012). The population of the municipality was estimated at 131,550 with a male population of 62,783 and a female population of 68,767 in 2010. The municipality has an urban population of 65,549 and a rural population of 66,001 (Ghana Statistical Service, 2012).

The Bolgatanga Municipality has taken far-reaching measures to ensure that education, both the process and infrastructure, are greatly improved. In 2000, almost half of the population of the municipality (47.7%) had attained only primary education and those who had attained JSS or middle school education were about 24.5 percent of the population. About 2 percent of the population was in pre-school, about a fifth (21.6%) had attained secondary education or some education from a training institution, and only 4.2 percent of the population had attained any tertiary education (Ghana Statistical Service, 2002).

Agriculture and handcraft works are the main economic activities in the municipality. However, agriculture stands as the main activity and takes advantage of the available fairly rich arable lands (52,030 ha). Agriculture is carried out in a more traditional way and the main staple crops are millet, sorghum, maize, rice, groundnuts and sweet potatoes. Livestock rearing and poultry production are also important economic activities. Almost all the farmers are involved in the breeding of at least one type of livestock or poultry which

serves as a good source of income for the farmers and also provides protein to the population (Bolgatanga Municipal Assembly, 2008).

Industrial activities are not well developed in the municipality. The few that are operational mainly employ women who are engaged in groundnut oil extraction, processing of dawadawa, as well as steaming/drying and grinding local rice. Small handicrafts such as the production of straw hats and baskets, leather tanning, leather bags and hats form part of the industrial activities in the municipality. Weaving has contributed more than any other economic activity to listing the municipality on the map of global tourism (United Nations Development Programme, 2010).

In spite of several efforts, the story of poverty is yet to be told differently, especially in the Upper East Region where the poor, according to the Ghana Statistical Service (2007), accounted for 70.4% of the population. There is no any other region in the country other than the Upper East Region which recorded such extremely grim statistics and therefore it is appropriate to describe the region as occupying a zone in the country where people are faced with endemic poverty (Abane, 2008).

Research design

According to Miller and Treitel (1991), research design means all issues involved in planning and executing a research project – from identifying the problem through to reporting and publishing the results. The design normally

contains, among other things, the logical sequence in which the study is to be carried out, as well as the elements of the study, its methods of data collection and analysis and all administrative procedures that need to be considered for the study to be carried out without problems or delays (Sarantakos, 1998). A research design, therefore, helps prevent methodological errors, enables accurate assessment of validity and reliability and ensures accurate estimation of cost and time for the research (Creswell, 2009).

The research design for this study was a study that employed the exploratory research design. A study is an empirical inquiry that investigates a contemporary phenomenon within its real context when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used (Yin, 1991:23; Neuman, 1997). The exploratory research design was chosen because the study intended to explore general information about the development of the basket weaving industry and its contribution to poverty reduction in the Bolgatanga Municipality.

There are three broad categories of research methods, namely quantitative, qualitative and mixed research methods. Quantitative research is a means for testing objective theories by examining the relationship among variables. These variables can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures. Researchers who engage in this form of inquiry have assumptions about testing theories deductively, building in protections against bias, controlling for alternative explanations, and being able to generalise and replicate the findings (Creswell, 2009).

Qualitative methods produce detailed and non-quantitative accounts of small groups, seeking to interpret the meanings people make of their lives in natural settings, on the assumption that social interactions form an integrated set of relationships best understood by inductive procedures (Payne et al., 2004). Inherent in this approach is the description of the interactions among participants and researchers in naturalistic settings with few boundaries, resulting in a flexible and open research process. These unique interactions imply that different results could be obtained from the same participant depending on who the researcher is, because results are created by a participant and researcher in a given situation.

Mixed research method is an approach to inquiry that combines both qualitative and quantitative approaches in tandem so that the overall strength of a study is greater than either qualitative or quantitative research (Creswell, Plano & Clark, 2007). According to Burgess (1984), the used of the mixed research method allow researchers to obtain a variety of information on the same issue, to use the strengths of each method to overcome the deficiencies of the other, to achieve a higher degree validity and reliability and to overcome the deficiencies of single-method studies. The mixed method was, therefore, adopted for this study because of it flexible and open research process.

Study population

The study population covers the weavers, leather workers, straw sellers, dye sellers, exporting companies, the business advisory centre and non-governmental organisations based in the Bolgatanga Municipality. According to

Antwi-Asare et al. (2010), the numerical strength of the industry is more than 1000 local people who live in rural communities in the Municipality. The choice of the basket weaving industry is based on a genuine interest in the lives of the respondents. The life-stories of these respondents are unbearable and fascinating, because of the harsh living conditions of the area and the often degrading treatment of women as a result of traditions and customs combined with their tenacity to survive.

Sample and sampling procedure

Sampling is the process of selecting a sub-set of people or social phenomena to be studied, from the larger population to which they belong, in one of several ways so as to be either non-representative or representative (Payne & Payne, 2004). According to Sellitiz et al. (1976), sampling offers many advantages such as the need for quick information in order to change a policy, provision of better option since it addresses the survey population in a short period of time and produces comparable and equally valid results and is also less demanding in terms of labour requirements, time and other resources.

The sampling procedures used in the study are the accidental sampling and purposive sampling methods. Accidental sampling involves choosing the available individuals for convenience sake at any time and place to serve as respondents during data collection and continuing the process until the required sample size has been obtained. This sampling procedure was therefore, used to elicit information from the individual respondents. The purposive sampling was

used primarily to elicit information from focus group discussion participants who have expertise in the area being researched.

The sample size was estimated by using a table developed by Kregcie and Morgan (1970). Given the target population, the required sample size was read from the table. A target population of 1000 corresponds to a sample size of 278 from the table based on a confidence level of 95 percent and tolerable error of 5 percent. However, due to the constraint of resources such as time, money and the dispersed nature of respondents, the sample size of 278 could not be covered, but 206. The empirical basis for this reduction is also consistent with Sarantakos' (1998, p.158), who states that “if the population is homogeneous with respect to the study object, a small sample may suffice. Also, 5 leather workers, 5 straw sellers, 2 dye sellers, 2 exporting companies and 3 institutions were interviewed as well as 2 focus group discussions organized.

Table 1: Population and sample size of respondents

Community	Weavers population	Sample size
Zoorebiisi	12	12
Assogribiisi	20	17
Zobigo 1	20	16
Zobigo 2	31	16
Azeka	26	14
Vea	53	36
Atoobiisi	64	38

Yarigabiise	18	15
Aduah	58	42
Total	302	206

Source: Field Survey, 2014

Sources of data

Data sources enable the researcher to systematically gather information to answer the research questions conclusively. Primary and secondary sources were used. The primary sources provide a description of an investigation written by the person who conducted it. According to Asamoah-Gyimah (2012), it is important to read primary sources, because they allow more informed judgement about the quality and usefulness of the information. The primary sources of data were collected through interviewing and focus group discussions.

Interviewing involves posing questions to respondents for answers in a face-to-face situation to obtain reliable and valid measures of characteristics, behaviours, attitudes among others in the form of verbal responses from one or more respondents. There are many types of interviews, each of which differs from the others in structure, purpose, role of the interviewer, number of respondents involved in each interview, form and frequency of administration. These types, however, fall under two main categories namely structured and unstructured interviews. Interviewing is more suitable for use with illiterates and was, therefore, appropriate for this study, because of the high illiteracy among the beneficiaries in the basket weaving industry.

A focus group discussion is a group discussion of 6 -12 persons guided by a facilitator, during which group members talk freely and spontaneously about a certain topic to obtain in-depth information on the problem being studied. The group members are selected because they have similar education, social status, occupation, and income among others. When organising focus group discussion, it is important to arrange a convenient time and a suitable location, accessible for all attendees so that people will feel free to talk and share their experiences and opinions. Group members can be selected by approaching and discussing with existing group members who agree to participate or randomly sample and allocating groups to participate.

Secondary data are processed information in the form of magazines, journals, books, newspapers, personal notes, biographies, institutional memoranda and government pronouncements that are relevant to the topic and were collected by reviewing existing or available documents concerning SSIs and poverty reduction in rural areas.

Data collection instruments

The instruments for the collection of data for this study were interview schedule, interview guide, and focus group discussion guide. The interview schedule was used to gather information on the establishment, types and sources of inputs, production, marketing, importance, challenges as well as causes and levels of poverty among the weavers of the industry from respondents on one-on-one basis.

The structure of the interview schedule consists of both closed and open-ended type of questions, in order to elicit enough feedback from the individual respondents. The closed-ended questions ensured quick responses to the questions, while open-ended questions afforded the respondents the opportunity to give other details for which pre-determined answers could not be provided at the time of designing the interview schedule. This method of data collection is also convenient for respondents who have low level of formal education.

The interview guide was employed to source general information on the institutions supporting the basket weaving industry, objectives of these institutions, their support services to the industry and the challenges they encountered. The focus group discussion guide was employed to source general information on the benefits, demand, marketing, support services and challenges of basket weaving from selected individuals who were considered relevant to the topic being studied. This instrument was chosen because it allows the selected individuals the opportunity to collectively air their views on the subject matter. The instrument also allowed multiple checking of information gathered earlier through the use of the interview schedule.

Pre-test of instruments

Pre-test of instruments is the small test of single elements of the research instruments on selected respondents to determine their effectiveness on the study and the reaction of the respondents so that unknown problems can be solved before the main study can begin (Sarantakos, 1998). The interview schedule was

pre-tested on a sample of 12 respondents on the 6th of August, 2014 at Yorogo. Three field assistants and the team leader were involved in the pre-test of the instrument. The results of the pre-test of the interview schedule showed that the questions were adequate and suitable for the study.

Data collection

Data collection refers to that part of the research process where researchers may leave the comfort and familiarity of their homes and universities to travel to distant places, to camp out with other people and live in cultures that are very different from their own to collect data in a naturally occurring setting (Payne et al., 2004). The researcher recruited and trained three field assistants to administer the interview schedule where there was daily supervision and evaluation to ensure that responses from respondents were consistent with the questions in the interview schedule.

The team read the questions out and explained them to the respondents in order to solicit their responses which were documented for analysis. With the assistance of the Administrative Officer of BBWCC, the Administrative Officer of Trade Aid Integrated and representatives of exporters, the researcher visited the targeted communities in advance and met with identified leaders of various weaving groups.

After explaining the rationale of the survey to them, convenient days for data collection from the various communities were determined and documented where the team followed up to the homes and weaving centres on the agreed days,

which started on the 9th of August and ended on the 7th of October, 2014. The communities that were visited included: Zoorebiisi, Assogribiisi, Zobigo 1 & 2, Atoobiisi, Yarigabiise, Aduah, Ve a and Azeka.

Data processing and analysis

The data collected from the application of varied methods was analysed by means of both qualitative and quantitative methods of analysis. Qualitative data analysis was conducted concurrently with gathering the data, making interpretations, and writing reports. Data obtained from the field was organised through transcription, checking and editing, coding the data to generate setting as well as categories or themes for analysis, interrelating the themes and interpretation of the data (Creswell, 2009).

The quantitative data collected during the study were edited, coded, and cleaned. After that the data were keyed into a computer programme - Statistical Package for Social Sciences (SPSS) version 20 - for processing and analysing where descriptive statistics was used. The outputs were issues from respondents captured in the form of percentages, frequency distributions and figures for easy understanding and explanations. The analysis of data and information generated was consistent with the objectives of the study, which formed the basis for narrations and discussions of issues in the study (Creswell, 2009).

Ethical considerations

Ethical considerations are moral stance that involves conducting research to achieve not just high professional standards of technical procedures, but also respect and protection for the people actively consenting to be studied. Ethical considerations provide the basis which legitimates the whole enterprise; it permeates research design and project organisation; and extends to minute and momentary decisions, like politeness to informants during fieldwork (Payne & Payne, 2004). It is the responsibility of the researcher to ensure that the physical, social and psychological well-being of research participants is not adversely affected by the research. The study strive to protect the rights of respondents, their interests, sensitivities and privacy by clearly explaining to them that they are free to decide to participate and determinate their involvement for any reason at any time.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter covers the presentation and discussion of results generated from data collected from the field on basket weaving and poverty reduction. The first part of the chapter provides information on the demographic characteristics of respondents, while the subsequent sections address the specific objectives of the study with emphasis on the importance of basket weaving, policies implemented to promote basket weaving, basket weaving and poverty reduction as well as challenges in the basket weaving industry in the Bolgatanga Municipality.

Demographic characteristics of respondents

The demographic characteristics of the respondents analysed were sex, ages, marital status and educational levels. An analysis of these characteristics enhances the formulation and implementation of appropriate policies to improve upon the livelihoods of the weavers and reduce their levels of poverty.

Table 2: Sex of respondents

Sex	Frequency	Percent
Female	199	96.6
Male	7	3.4
Total	206	100.0

Source: Field Survey, 2014

From Table 2, out of a total of 206 weavers interviewed, 96.6 percent were females and 3.4 percent were males. This is an indication that the basket weaving industry is dominated by women, who are considered as the poorest individuals in mainstream economics due to their gender and related vulnerability (IFAD, 2001). Therefore, any poverty reduction strategy within the study area should focus on the basket weaving industry as women contribute more towards meeting household food needs and security as well as vital services comprising education, health and water (Todaro & Smith, 2009). The survey also confirmed the assertion that the basket weaving industry is dominated by women (Bromley, 2011).

Table 3: Ages of respondents

Ages (range)	Frequency	Percent
11 - 20	5	2.4
21 - 30	33	16.0
31 - 40	65	31.6
41 - 50	60	29.1
51 - 60	29	14.1

61 - 70	14	6.8
Total	206	100.0

Source: Field Survey, 2014

From the survey, the minimum and the maximum ages of the respondents were 18 years and 69 years respectively. From Table 3, 2.4 percent of the weavers were within the ages of 11 - 20 years, 31.6 percent were between the ages of 31 - 40 years, and 29.1 percent were between the ages of 41 - 50 years while 14.1 percent were between the ages of 51 - 60 years. From the survey, many of weavers were within the ages of 31 - 40 years and 41 - 50 years. This implies that the majority of the sampled weavers were within the economic active labour force, and, therefore, with adequate training and financial assistance, the industry was capable of contributing to economic development and poverty reduction in the country.

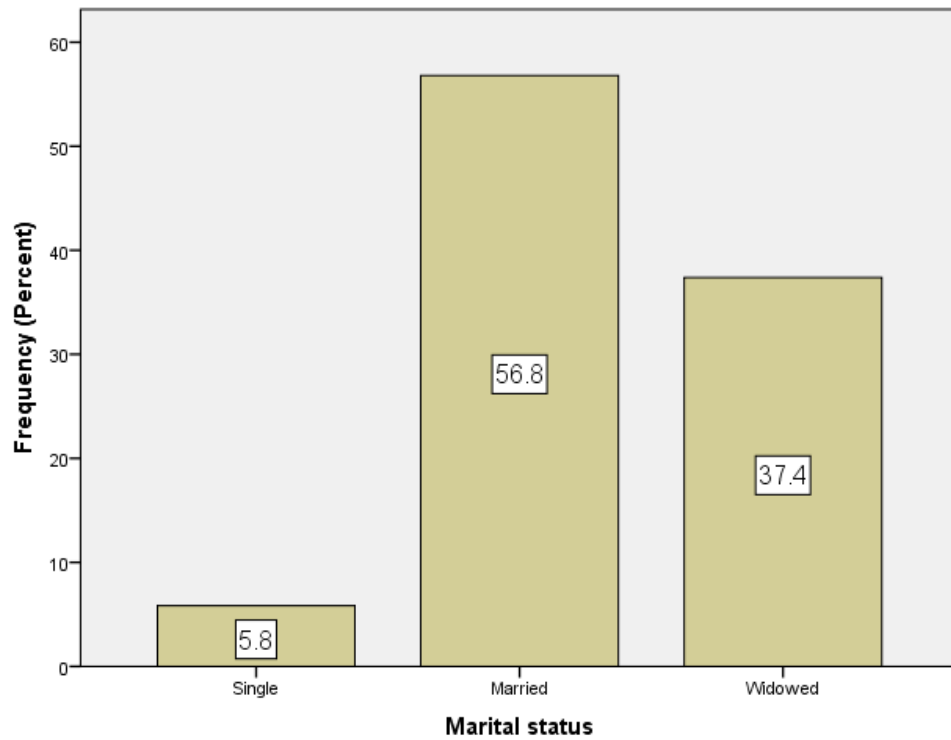


Figure 2: Marital status of respondents

Source: Field Survey, 2014

From figure 2, 5.8 percent of the respondents were singles, 56.8 percent were married, while 37.4 percent were widows. The 37.4 percent of widows among the weavers can be attributed to the practice of polygamous marriages in the study area, where the death of a single man will render many women as widows and also the marrying of younger women by older men who end up dying and leaving them as widows.

Table 4: Level of education of weavers by sex

Level of education	Female	Male	Total
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	F	%	F	%	F	%
No formal education	163	79.1	4	1.9	167	81.0
Basic education	34	16.5	2	1.0	36	17.5
Secondary education	2	1.0	1	0.5	3	1.5
Total	199	96.6	7	3.4	206	100

Source: Field Survey, 2014

Education of the population to ensure the development of the human resource has been high on the agenda of all countries to respond to some of the expectations of the Millennium Development Goals (MDGs), of which two out of the eight are education-specific, which aims at empowering women to have access to finance, human resources and information from external sources to establish rural industries. From Table 4, 79.1 percent of the female weavers had no formal education, 16.5 percent attained basic education and 1.0 percent had secondary education, while 1.9 percent of the male weavers had no formal education, 1.0 percent obtained basic education and 0.5 percent attained secondary education.

The low level of education among the weavers, who are mostly women, might be attributed to the notion that education of the girl child was less important to the education of the boy child. The low level of education negatively affect the weavers' capacity to grow their businesses and take advantage of other opportunities such as business planning, access to credit facilities and training

among others to weave themselves out of poverty and contribute to the socio-economic development of the country.

Importance of basket weaving

From the survey, the 206 weavers, 5 leatherworkers, 5 straw sellers, and 2 exporting companies interviewed as well as the 2 focus group discussions organised indicated that their motivation for weaving baskets was income to supplement the income from their subsistence farming to take care of the needs of their families such as payment of school fees, medical bills, buying of food and ingredients for the nutritional needs of their families. The field survey confirms the finding of Asante (2009), that the weavers hardly made baskets just for aesthetics purposes unless they were specially commissioned by a buyer to do so.

Besides the income earned from the weaving, some of the respondents have access to micro-credits that were invested into other income generating opportunities such as livestock rearing, rice cultivation and petty trading. In addition, the weavers also benefit from social networks with relatives and friends for more business information and forming of contractual relations with buyers, which leads to higher levels of performance. The networks also create a platform for weaver groups such as widows and single parents to meet and share their challenges and work together for possible solutions to improve upon their livelihoods. From focus group discussion, discussants reported that they found much strength in the social networks provided by the weaving groups

(30/09/2014). The government also gets revenue in the form of taxes from the exportation of the basketry products to other countries.

Table 5: Training of weavers

Training	Frequency	Percent
Yes	22	10.7
No	184	89.3
Total	206	100.0

Source: Field Survey, 2014

From Table 5, 10.7 percent of the weavers received formal training before starting the weaving, while 89.3 percent of the weavers had no formal training before starting the weaving activities. The lack of formal training among the weavers makes it difficult for them to improve upon and maintain the quality of the baskets and observe strict delivery time of orders. Also, there are many steps in the basket production process, where each process is performed by a different person. However, there are no well-defined established procedures for each step and the responsibility of each worker was also not clarified, resulting in the occurrence of mistakes during the production process and delays in delivery, leading to a reduction in the profit margins of the weavers.

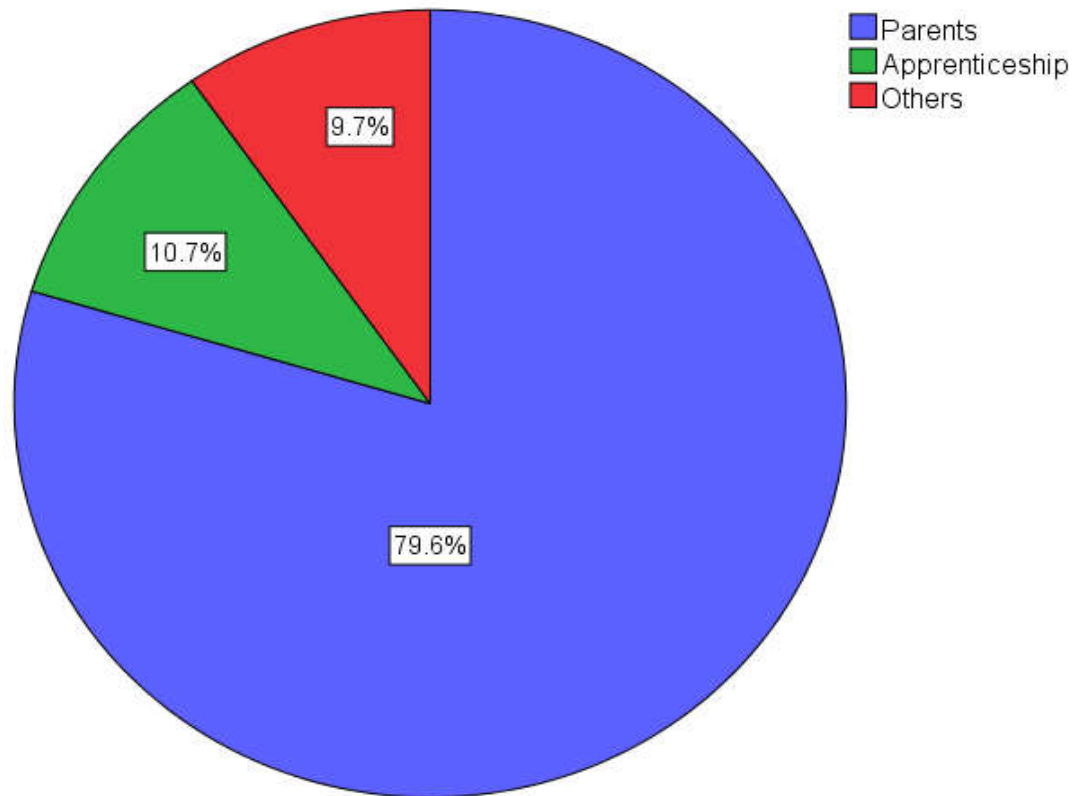


Figure 3: Training agents of weavers

Source: Field Survey, 2014

From Figure 3, 79.6 percent of the weavers learnt the weaving of baskets through their parents, 10.7 percent indicated that they had their training through apprenticeship, while 9.7 percent had their training through other agents such as friends and relatives. The high percent of parents as learning agents from the survey confirms the assertion made by Asante (2009), that basket weaving has been a traditional occupation, which has been handed down from one generation to another over the years. It was amazing to see how these women who have not had any formal training on colour blending were able to apply colours obtained from local dyes to do their works with dexterity. Therefore, through endogenous

development where the skills and local resources are essential sources of development, the Bolgatanga Municipality can invest in the basket weaving industry as a growth pole to propel other sectors of the municipality to grow resulting in the creation of more jobs and hence reduction in poverty.

However, the various training agents such parents, apprenticeship and friends are important sources of skills acquisition in the basket weaving industry and other SSIs, but the skills acquired are only limited to what the trainer already possesses, as one cannot give beyond what he/she already possesses. Therefore, it creates the need to take a critical look at the scheme of acquiring skills in the country to ensure that there were mechanisms for trainers to upgrade themselves and improve upon the quantity and quality of production.

The uses of modern technology and equipment were completely absent in the basket weaving industry. The study revealed that all the weavers and leatherworkers interviewed rely extensively on traditional tools from the start to the end of the production process, as every step of the process was manual. The study also revealed that all the weavers purchase their raw materials such as straw and dye from wholesalers and retailers respectively within the community. According to the straw sellers, the straw was grown in the Ashanti and Brong-Ahafo regions in the middle belt of the country.

However, one of the weaving groups, with the assistance of Trade Aid Integrated, has planted the fiber grass that produces the straw around the Veve Dam and, when well-maintained, would reduce their cost of production in the future. The survey further revealed that the availability of the straws were

seasonal from the month of December to the month of April. According to the weavers, during this period, prices of straws were lower and the straws were also sizeable, where we can use three bundles, instead of four during the other months, to weave a standard basket.

The preparation time, which includes the splitting of the straw, twisting of the straw and drying the straw, for the weaving of a standard basket was about 24 hours. According to the weavers, a person can spend between three and five days to weave one standard basket, depending on the time he/she spends each day weaving. The weavers explain that they spend more time weaving in the dry season than in the rainy season, where they combine the weaving with farming, which was their main occupation. The survey, therefore, corroborates the findings of Ljunggren (2007) on the preparation and weaving of one standard basket in the Bolgatanga Municipality.

On the marketing of the baskets, the study revealed that all the baskets were sold within the community, which was the Bolgatanga market, which takes place every three days when there are no orders. In the case of those weaving based on orders, the exporters or the buyers would pick the baskets at the weaving centres in the various communities, resulting in a reduction in the transaction cost of the weavers and hence more profit.

Promotion of small-scale industries

Promotion of SSIs in this study refers to the efforts of individuals, groups, institutions or combination of these agents leading to an increase in the activities

of existing SSIs in the municipality in order to improve the sector as an economic tool capable of achieving certain developmental goals and objectives. The institutions covered here were the National Board for Small-Scale (NBSSI)/ Business Advisory Centres (BACs), the Bolgatanga Basket Weavers Co-operative Club and Trade Aid Integrated. The policies implemented by these institutions to promote the development of the basket weaving industry were entrepreneurial training, marketing of the baskets and provision of micro credit.

National Board for Small-Scale Industries (NBSSI)/Business Advisory Centres (BACs) was established by the Government of Ghana by Act 434 of 1981 as the apex governmental body for promotion and development of Micro and Small Enterprises (MSEs) sector in Ghana. NBSSI has its head office in Accra, and regional secretariats in all the 10 regions of Ghana and 124 district offices known as Business Advisory Centres (BACs).

According to the regional head of BAC, there are plans to establish BAC offices in all districts to bring the services to the door-step of entrepreneurs. Districts that do not have offices were served by BAC offices in the nearest districts. NBSSI provides a comprehensive package of non-financial and financial services, which were implemented in the regions and districts through BACs. The BACs provide the following services:

1. Provide an enabling environment for micro and small-scale enterprise development and growth.
2. Provide high quality business development services.
3. Deepen the development of an enterprise culture.

4. Provide advisory and counseling services.
5. Facilitate access to credit facilities.
6. Promote group formation and develop sector associations.

According to the head of BAC, the centre was embarking on capacity building among the weavers through the organisation of training in new designs and colour combination so that the weavers could produce quality baskets, which would attract better prices. They also organise entrepreneurial training for the weavers to equip them with basic skills, so that they would be able to appreciate the weaving as an economic activity that could improve their livelihood and reduce poverty in the municipality. On challenges they encountered in the delivery of their services, the head stated that the major challenge was wrong timing and late released of funds to the office. If the funds are released in the rainy season, it becomes very difficult to organise the weavers as they engage in their farming activities resulting in low participation.

From Table 6, 25.7 percent of the weavers who had no formal education indicated that they were aware of supportive services by NBSSI/BAC, while 74.3 percent indicated that they were not aware of any supportive services by NBSSI/BAC in the municipality. Also, 13.9 percent of the weavers who attained basic education reported that they were aware of supportive services by NBSSI/BAC, while 86.1 percent stated that they were not aware of supportive services by NBSSI/BAC. All the weavers who attained secondary education

reported that they were not aware of any supportive services by NBSSI/BAC in the municipality.

Table 6: Awareness of supportive services by NBSSI/BAC by educational level of weavers

Educational level	Awareness					
	Yes		No		Total	
	F	%	F	%	F	%
No formal education	43	25.7	124	74.3	167	100
Basic education	5	13.9	31	86.1	36	100
Secondary education	0	0.0	3	100	3	100
Total	48	23.3	158	76.7	206	100

Source: Field Survey, 2014

For NBSSI/BAC to achieve their goals, there is the need for more awareness creation so that intended beneficiaries could access their services, which would also create a platform for the weavers to know the objectives of the institutions. Therefore, the current level of awareness would not enhance effective participation, which could affect the sustainability of their programmes. There was the need to intensify the awareness creation campaign throughout the municipality.

The Bolgatanga Basket Weavers Co-operative Club (BBWCC) started in 1995 by some Peace Corps Volunteers who were serving with the NBSSI in the Bolgatanga Municipality. The main objectives of the BBWCC are to become the

leading producer of quality baskets in the region and also work to stabilize the prices of baskets by bringing all the stakeholders together.

According to the Finance and Administrative Officer, the club organises training for most of the newly formed weavers groups to help increase the number of the weavers in the region and also for the existing weavers to keep them abreast with new designs and sizes of baskets in the industry. The club also buys baskets on behalf of exporters from the weavers at fixed prices no matter the level of demand in the market and also operates a welfare system that support the weavers in difficult situations such as financial crises and the death of relatives.

On the challenges that the club encountered in the delivery of their services, the officer explained that the club requires a lot of money to organize regular training to keep the weavers abreast with new developments in the industry. The second challenge was the inability of the weavers to meet deadlines due to long days of funeral celebrations and engagement in farming activities during the rainy season and, finally, failure to strictly follow designs, colour combination and sizes of baskets. From the survey, the existence and activities of the BBWCC were wide spread in the municipality and the weavers who were members of the club indicated that they were satisfied with the prices offered by the club for their baskets.

Non- governmental organizations (NGOs) have played a significant role in relation to the development of the basket weaving industry and poverty reduction among the rural poor by empowering the weavers through income generation. There are many NGOs in the municipality working to reduce poverty through

basket weaving. However, due to time and resources, the focus of this study was on Trade Aid Integrated as a local NGO working with the weavers to reduce poverty in the municipality.

Trade Aid Integrated was established in 1998 and registered with the Registrar General Department in 2000. Some of the aims of the NGO are to:

1. Assist in the provision of market access to small-scale producers in the craft and agriculture sectors.
2. Assist in the provision of financial services to entrepreneurs and producers in the craft and agriculture sectors.
3. Join in the campaign for fair trade and economic justice in any part of the world.
4. Engage in capacity building of entrepreneurs and producers in the craft and agriculture sectors to improve their operational efficiency.
5. Conduct research and disseminate information on such areas critical to the growth of the small scale sector and business in general.

According to the Financial/Administrative Officer, Trade Aid Integrated offers four main programmes to the basket weavers: market access, provision of weaving centres, training in skills development and group dynamics. The presence of the NGO was clearly observed in the Veá community through the provision of a weaving centre, the construction of a learning centre where the wards of the weavers are taught, planting of fiber grasses, which produce the

straw around the Veá Dam, provision of micro credit and training in how to save money for unforeseen circumstances. Also, the price offered by the NGO was better than the price offered by other buyers in the industry.

Table 7: Weaver’s awareness of supportive services by NGOs

Awareness	Frequency	Percent
Yes	184	89.3
No	22	10.7
Total	206	100.0

Source: Field Survey, 2014

From table 7, 89.3 percent of respondents indicated that they were aware of the existence of supportive services by NGOs, while 10.7 percent of respondents stated that they were not aware of the existence of supportive services by NGOs in the municipality. The high percent of weaver’s awareness of supportive services by NGOs from the table is an indication that the NGOs were effectual in the provision of their services and should be supported by the assembly. The only challenges, according to the officer, were the inability of the weavers to strictly follow colour combinations, designs and sizes of the baskets as well as meeting deadlines of offers and delivery.

Basket weaving and poverty reduction

There is increasing recognition that private sector development has an important role to play in poverty reduction, especially in developing countries, as

it creates and sustains the jobs necessary for poor people to earn the needed income to purchase essential goods and services to support their families (Mnenwa & Maliti, 2008).

Table 8: Mean cost and selling prices of baskets by different groups

Group type	Mean cost (GH¢)	Mean price(GH¢)	Mean profit(GH)
NGOs	10.75	19.00	8.25
Exporters	11.00	18.00	7.00
CBOs	10.75	16.50	5.75
Individual bases	12.50	16.50	4.00

Source: Field Survey, 2014

From Table 8, the mean cost of producing one basket was between GH¢10.75 to GH¢12.50 and mean selling prices between GH¢16.50 and GH¢19.00, depending on the buying agent. The mean profit per basket in the market is between GH¢4.00 to GH¢8.25, depending on the quality of the basket, size of the basket, skills of the weaver and nature of the market. From the table, groups weaving on individual basis recorded the highest mean cost of production of GH¢12.50, while those linked with NGOs and CBOs recorded the lowest mean cost of production of GH¢10.75.

The high costs of production among groups weaving on individual basis were attributed to the payment of taxes and transportation fares to and from the market to buy raw materials and sell their baskets, whereas the baskets from those linked to groups such as NGOs, CBOs and exporters were collected from the

weaving centres, which reduces the costs of production in terms of payment of taxes and transportation fares.

Also, weavers linked with NGOs received the highest mean selling price of GH¢19.00, while the weavers linked with CBOs received the lowest mean selling price of GH¢16.50. On the profit per basket, weavers linked with NGOs received the highest mean profit of GH¢8.25 per basket, while those weaving on individual basis were receiving the lowest mean profit of GH¢4 per basket.

Table 9: Number of baskets produced and profit per month of weavers

Group type	Baskets		Profit(¢)		Profit(¢)	
	Per week	per month	per basket		per month	
			Min	Max	Min	Max
NGOs	2	8	6	10.50	48	84
Exporters	2	8	6	8	48	64
CBOs	2	8	5	6.5	40	52
Individual bases	2	8	3	5	24	40

Note: Min = Minimum; Max = Maximum

Source: Field Survey, 2014

From Table 9, 8 standard baskets are produced per month when weaving is effective. Weavers linked with NGOs earn a minimum profit of GH¢48 and a maximum profit of GH¢84, those linked with exporters earns a minimum profit of GH¢48 and a maximum profit of GH¢64, weavers under CBOs receives a minimum profit of GH¢40 and a maximum profit of GH¢52, while those weaving

on individual basis earns a minimum profit of GH¢24 and a maximum profit of GH¢40 per month. Weavers working with NGOs earns profit between GH¢576 and GH¢1008 per year, while weavers working with exporters earn between GH¢576 and GH¢768.

Those working with CBOs earn profit between GH¢480 and GH¢624, while weavers working on individual basis earn profit between GH¢288 and GH¢480 per year. Taking into consideration the estimates proposed by the GSS (2008) where extreme poverty was defined as consumption below GH¢288.47 per adult per year, then basket weaving have moved people out of extreme poverty in the study area.

The study also revealed that the leather workers were under different exporters with varied prices. According to them, the leathers were in different sizes such as small, medium and large with prices in the ranges of GH¢ 35, 45 and 150 respectively. The medium size leathers, which cost GH¢45, could be used to complete the handles of 18 - 25 baskets at GH¢4 per basket, and between 50 - 80 baskets could be completed per day, depending on the size.

Also, the profit made by the middlemen was difficult to estimate, but it was believed that they were able to make between GH¢1 and GH¢3 profits on each basket every market day. Information regarding the selling prices by exporters to importers was very difficult to obtain, but interviews with some of the exporters revealed that they made more than GH¢10 on each basket exported after all expenses. From the findings, the weavers earned the least in terms of

financial rewards, but their work in the chain was more labour intensive, tedious and time consuming.

On the relationship between basket weaving and poverty reduction, all the respondents, indicated that basket weaving has contributed to reducing the levels of poverty in their lives. From the two focus group discussions, discussants reported that they were able to pay their wards school fees, medical bills and buy ingredients through the weaving of baskets which was contributing to fighting poverty in the study area. Basket weaving, therefore, contributes significantly to poverty reduction in the Bolgatanga Municipality.

Respondents' perception of poverty

In Ghana, poverty is characterised by low incomes, malnutrition, ill health, illiteracy and insecurity. From the survey, poverty was understood by the respondents as the inadequacy of income to provide basic needs for the family and buy food to adequately feed the family, especially in the dry season. This view of poverty by the weavers was not different from that of the institutions helping to reduce poverty through basket weaving. According to them, poverty was a situation where a person cannot afford the basic necessities such as food, shelter and clothing in life. From both definitions, it is clear that the weavers and the institutions concerned are well focused and implementing policies which would help improve upon the livelihoods of the residents and reduce the levels of poverty in the municipality, despite the prevailing factors such as gender discrimination and traditional customs.

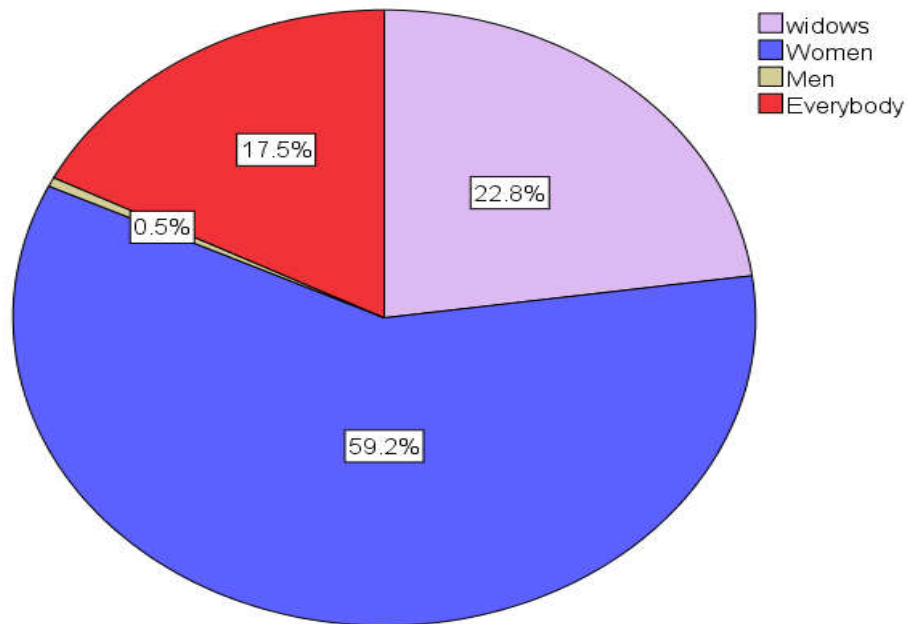


Figure 4: Weavers' perception of poor people

Source: Field Survey, 2014

From Figure 4, 22.8 percent of the weavers indicated that widows were the poor people in the study area, 59.2 percent of the weavers stated that women were the poor people in the study area, 0.5 percent of the weavers stated that men were the poor people in the study area, while 17.5 percent of the weavers stated that everybody in the study area was poor. The findings of the survey that women were the poor people in the study area was in line with the findings of Todaro and Smith (2009) and IFAD (2001), that women were the poor people and are gradually slipping out of mainstream economic and social life.

From Table 10, 58.3 percent of the weavers who were single reported that their poverty levels increased over the last 5 years, 8.3 reported no change in their poverty levels, while 33.4 percent indicated that their poverty levels decreased

over the last 5 years. Also, 48.7 percent of the weavers who were married reported that their poverty levels increased over the last 5 year, 5.1 percent stated no change in their poverty levels, while 46.2 percent reported that their poverty levels decreased over the last 5 years. In the case of widowed weavers, 42.9 percent stated that their poverty levels increased over the last 5 year, 6.5 percent indicated that there was no change in their poverty levels, while 50.6 percent reported that their poverty levels had decreased over the last 5 years.

Table 10: Poverty trend by marital status of weavers

Marital status	Poverty trend							
	Increasing		No change		Decreasing		Total	
	F	%	F	%	F	%	F	%
Single	7	58.3	1	8.3	4	33.4	12	100
Married	57	48.7	6	5.1	54	46.2	117	100
Widowed	33	42.9	5	6.5	39	50.6	77	100
Total	97	47.1	12	5.8	97	47.1	206	100

Source: Field Survey, 2014

The finding on the trend of poverty, however, does not support the finding of the GSS (2008), which indicates a reduction in poverty levels from 40 percent in 1998/99 to 28.5 percent in 2007. The reason given by the weavers who stated that their poverty levels increased was that the rainfall pattern for the last three farming seasons was not favourable, leading to low yields resulting in an increase in their levels of poverty.

Causes of poverty among the respondents

In Ghana, poverty is primarily rural, with the three northern regions recording the highest incidence of poverty in the country. Low agriculture productivity, undeveloped markets, conflicts, colonial policies, lack of gainful employment opportunities and restrictive access of the less endowed to productive resources have been identified as the major causes of poverty (GSS, 2007).

Table 11: Causes of poverty among the respondents

Causes	Frequency	Percent
Poor weather conditions	80	38.8
Inadequate straws	57	27.7
Inadequate employment opportunities	27	13.1
Outmoded cultural practices	17	8.3
Others	15	7.5
Inadequate employable skills	10	4.9
Total	206	100.0

Source: Field Survey, 2014

From Table 11, 38.8 percent of the weavers stated that poor weather conditions was the major cause of poverty, resulting in low agriculture production, hence inadequate food to feed the family during the lean season and support the family financially through the sale of some of the produce, as agriculture serves as their main occupation. Also, 27.7 percent of the weavers indicated inadequate straws for weaving as the cause of poverty, 13.1 percent

stated inadequate employment opportunities, while 8.3 percent mentioned outmoded cultural practices.

The NBSSI/BACs, the BBWCC and Trade Aid Integrated that support the development and growth of the basket weaving industry as a growth pole based on the skills and competence of the local people as a tool for poverty reduction also stated poor weather conditions and the lack of straws for weaving as the causes of poverty. In a focus group discussion, a discussant reported that the cultural practice, where they have to stop weaving and other farming activities and sat at the funeral house after the burial of a dead relative for more than one week or month, was seriously affecting them and hence the high rate of poverty in the community (30/09/2014).

Table 12: Effects of Poverty among the respondents

Effects	Frequency	Percent
Inability to pay medical bills	70	34.0
Inability to pay school fees	53	25.7
Marriage failure	23	11.2
Lack of respect	22	10.7
Out-migration	20	9.7
Inability to attend social gathering	10	4.9
Others	8	3.9
Total	206	100.0

Source: Field Survey, 2014

From Table 12, 34.0 percent of the weavers indicated inability to pay medical bills, 25.7 percent of the weavers mentioned inability to pay school fees, and 11.2 percent of the weavers stated marriage failures, while 10.7 percent of the weavers indicated lack of respect as some of the effects of poverty among the respondents. In a focus group discussion, a discussant had this to say: poverty leads to frustration within families and against other community members leading to disunity within the families and the community which sometimes lead to early death of individuals (30/09/2014).

Challenges of basket weaving in the Bolgatanga Municipality

The basket weaving industry in the Bolgatanga Municipality is constraint by many factors such as inadequate credit facilities, scarcity of raw material, high transportation cost, poor marketing arrangements and inadequate weaving centres.

Inadequate credit facilities, as revealed in the survey, has been reported as a long standing problem that affects the development of SSIs in developing countries due to high interest rates, collateral requirements, and the cumbersome processes involve in accessing bank loans (Ofei, 2004). From Table 13, 78.2 percent of the weavers sought credit from family or personal sources, 18.4 percent from friends or relatives, while the remaining 3.4 percent from other sources. The high dependence on personal savings, is undisputedly, an indicator of limited access of assessing external financial resources in the formal sector due to high transaction cost and lack of collateral securities (Zuwarimwe & Kirsten, 2010) and generally corroborates the assertions by AGI (2011); Ofei (2004), that many

entrepreneurs start their business through personal funding in Ghana. Despite the numerous financing schemes available in the country, the weavers still contend with the problem of financing which tends to affect their ability to adopt modern technology and positively affect the economy of the country in the long-run.

Table 13: Sources of start-up capital by respondents

Sources	Frequency	Percent
Family/personal	161	78.2
Borrowing	38	18.4
Others	7	3.4
Total	206	100.0

Source: Field Survey, 2014

From Figure 5, 77.2 percent of the weavers indicated that they were aware of the existence of micro financial institutions in the municipality, but have never benefited from their operations, while 22.8 percent of the weavers reported that they were not aware of the existence of any micro financial institutions in the municipality.

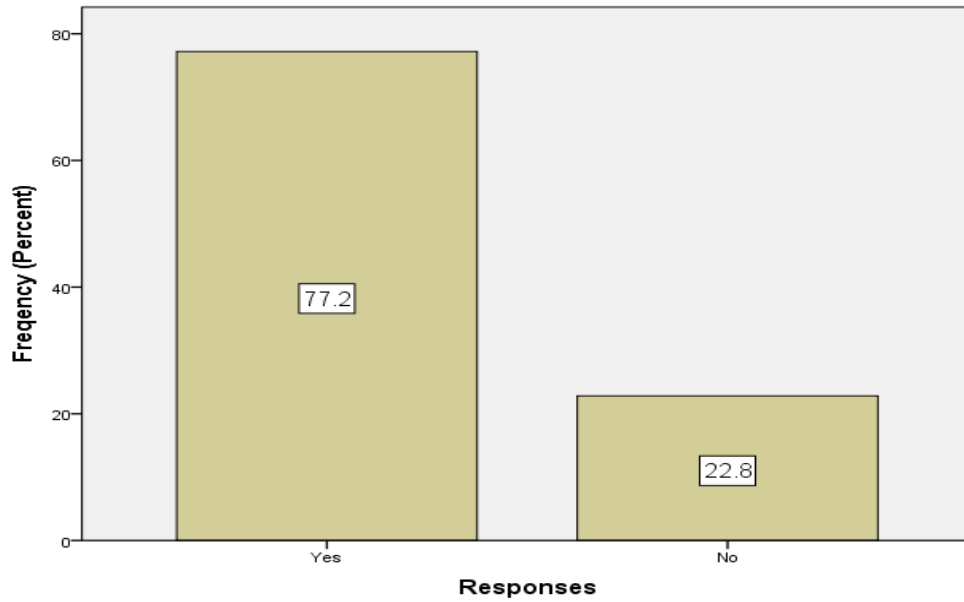


Figure 5: Weavers awareness of credits institutions

Source: Field Survey, 2014

From the survey, all the 206 weavers indicated that they were confronted with seasonal and occasional supplies of raw materials for weaving leading to low production during the rainy season. They added that the raw materials were also purchased from the open market within the study area and assessed the cost as expensive. The effect, according to discussants from focus group session, was that the cost of raw materials was a major factor that limited production even when the desire was to increase production and earn more profit (30/09/2014).

Another challenge indicated by the weavers was the high cost of transportation to the market to buy the raw materials and sell the baskets where there were no orders for them to weave. These weavers live in communities that have distances between 3 and 4 kilometres from the main market, which take place every three days. Road networks are either non-existent or poorly developed in these areas, making it difficult for cars to move to these areas and,

hence, the high transportation cost. In a focus group session, a discussant remarked that “if you don’t have money to pay and also no bicycle, then you have to walk to the market which was very tedious at our age” (30/09/2014).

Also, the marketing of baskets was informal as the weavers had low marketing skills and inadequate information. Demand for the baskets was erratic and seasonal, as some of them did not weave based on orders, but for the open market, where they encountered challenges such as the presence of middlemen, the payment of taxes and low demand when the level of production was high. A weaver at a focus group discussion session in Zobigo sums up the marketing issues in the industry this way: *The demand for baskets during the rainy season was very high so that we make good sales during this period. In the lean season, the demand falls drastically and we always sell the basket no matter the price as we cannot eat baskets. The middlemen are also part of our problem. They buy our baskets on credit and never pay. In many instances, debt recovery becomes difficult so that we were forced to write off such debts as bad debts sometimes. It reduces our profits, but what can we do? She asked rhetorically* (30/09/14).

Another challenge revealed was inadequate weaving centres in most of the weaving communities. The weavers stated that the absence of these centres was affecting them, as they did not have a place to sit and weave during the rainy season. They added that they were not able to learn from each other as weaving was done on individual basis, resulting in wrong designs, quality and size, which sometimes leads to rejection of the baskets by exporters and, hence, a reduction in their profit margin.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter deals with summary, conclusions and recommendations that would enhance the development and promotion of the basket weaving industry to improve upon the economic status of the beneficiaries and reduce their levels of poverty. The summary focuses on what the study set out to do, the issues reviewed, the methodology used and the main findings of the study. The conclusions are derived from the main findings of the study, while the recommendations are based on the findings and conclusions.

Summary

The study set out to assess the contribution of the basket weaving industry to poverty reduction in the Bolgatanga Municipality. The study reviewed literature on the concept of SSIs, the importance of SSIs, industrial policies implemented to promote SSIs development, challenges of SSIs, the concept of poverty as well as basket weaving. The study covered 206 weavers, five leather workers, five straw sellers, two dye sellers, two exporting companies and three institutions that support the basket weaving industry. The study used accidental and purposive sampling methods and employed the exploratory study design. The main research instruments used for the data collection were interview schedule, interview guide and focus group discussion guide, while the analyses were done

through themes or categories and the Statistical Package for Social Sciences (SPSS).

The main findings of the study were:

1. The main motivational factor in the basket weaving industry is income, which serves as a supplement to the income generated from their subsistence farming.
2. Basket weaving created a social network for the weavers' groups such as widows and single parents to meet and share their challenges and work together for possible solutions to improve upon their livelihoods.
3. The National Board for Small-Scale Industries/Business Advisory Centre did not have any comprehensive industrial policy for the development of the basket weaving industry in the Municipality. As a consequence, quite a substantial number of the weavers depend on CBOs and NGOs to promote the development of the industry.
4. There is low level of formal training and skills acquisition in the industry as majority of the weavers in the industry acquire their skills through their parents.
5. The roles of the BBWCC and Trade Aid Integrated in promoting the basket weaving industry by empowering the weavers through income generation and other programmes have been effectual among the weavers.

6. Basket weaving contributed significantly in reducing the levels of poverty in the Bolgatanga Municipality as the income generated enables the respondents to meet their basic needs.
7. Low utilization of credit for the purchase of raw materials towards the production of baskets due to multiple factors such as the lack of access to suitable credit facilities and low awareness among weavers on available credit packages for small-scale industries.
8. Production and marketing of the baskets are generally affected by seasonality, funeral performance and poor debt recovery although the general assessment is that the weavers have high demand for the baskets and good market prices.

Conclusions

The main motivation for weaving the baskets was income, to supplement the income from their subsistence farming to take care of the basic needs of their families. The NBSSI/BACs performance in promoting the basket weaving industry and poverty reduction in the municipality was very low, as many of the weavers were unaware of their existence and functions. The performance of the BBWCC and Trade Aid Integrated in promoting the basket weaving industry and poverty reduction by empowering the weavers through income generation and other programmes has been effectual among the weavers. However, there exists no comprehensive industrial policy specifically for the basket weaving industry.

The mode of training and skills acquisition in the industry was from generation to generation, making it difficult for the beneficiaries to improve upon

and maintain the quality of the baskets. Poor weather conditions, inadequate straws, inadequate employment opportunities as well as outmoded cultural practices, especially the performance of funeral rites were the major causes of poverty among the respondents.

Access to start-up capital was a big problem, and this revealed the ineffectiveness of the various micro-credit schemes in the municipality to address the financial problems of the industry. The weavers, therefore, rely extensively on personal savings or family support as the main source of start-up capital and for expansion of their weaving activities, a situation that does not promote economies of scale and profitability. The absence of weaving centres in most of the weaving communities was affecting the industry, as the weavers were not able to weave effectively during the rainy season and learn new designs from each other.

Finally, the study concludes that the basket weaving industry contributes significantly to poverty reduction in the Bolgatanga Municipality and should be supported in diverse ways to realize its fullest potential as an economic unit.

Recommendations

Based on the main findings and conclusions, the following recommendations are made:

1. The formation of weavers' groups by the weavers to access micro credits to purchase raw materials to ensure continuous production of the baskets throughout the year to increase their levels of income.

2. The NBSSI/BAC should improve upon and upgrade the mode of skill acquisition and training in the industry to an appreciable level, which will provide a foundation for technology transfer through simple, inexpensive and adaptable technology to those who pass out of such learning process to enhance their performance in the industry.
3. The NBSSI/BAC, the BBWCC, NGOs and weavers' groups should plant the fiber grass that produces the straws along water bodies in the municipality to reduce the cost of the straws and promote effective weaving throughout the year.
4. There should be a round table discussion among all the stakeholders such as NBSSI/BAC, BBWCC, NGOs and weavers' groups in the industry to come out with fixed prices and ready market for the baskets as well as the construction of weaving centres to promote the development of the industry.
5. The Municipal Assembly should construct dams for small-scale irrigations to ensure all year farming in order to increase the yields of households to meet their nutritional needs and supplement their incomes.
6. The traditional leaders should change the traditional system of performing funeral rites in terms of the total amount of money spent, the quantity of food and livestock used as well as the number of days spent, so that the little resources are not dissipated, but utilised judiciously, to improve upon living standards and reduce the levels of poverty in the municipality.

Suggested areas for further research

The basket weaving industry is a broad economic unit that has the potential to significantly contribute to poverty reduction in the Bolgatanga Municipality through the generation of income and empowerment of the weavers. However, the full potentials of the industry can be realized when further researches are conducted into the following areas:

1. The competitiveness of the industry to determine its global and domestic impact on the individuals in particular and the industry in general.
2. The impact of promotional institutions, especially the NGOs and exporting companies, on the individual's livelihoods and the industry's development.

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APPENDICES

APPENDIX A

INTERVIEW SCHEDULE FOR BENEFICIARIES OF THE BASKET WEAVING INDUSTRY

I am a student of the University of Cape Coast working on my thesis for Master of Philosophy Degree in Development Studies. This interview schedule is to help me collect data towards achieving this academic pursuit. All respondents are assured that their identification would be protected at all times and the responses treated as confidential and used mainly for academic purposes. Kindly answer the questions as objectively as possible since the success of the research depends on your sincere responses. Thank you.

Date of interview.....

Section A: Demographic characteristics of respondent

1. Age of respondent (years)
2. Marital status: Single [] Married [] Widowed [] Separated []
3. Highest level of education obtained: No formal education [] Basic education [] Secondary education [] Tertiary education []
Others (specify).....
4. Are you a household head? Yes [] No []
5. How many people are there in your household?
6. How many of them are attending school?
7. What type of toilet facility do you use? KVIP [] Pit Latrine [] Public

- Toilet Others (Specify).....
8. If public toilet, what is the distance from the household?
9. What is the source of water for the household? Pipe borne Well in the House Public well Public Standpipe Public borehole Others (specify).....
10. If the source of water is not in the house, what is the distance from the house?
11. Where do you dispose your waste? Door –to-door (Zoomlion) Dumping Site (boola) By burning Others (Specify)
12. If at public place, what is the distance from your household?
13. If near your household, what are some of the problems posed to your household?

Section B: Importance of business

14. When did you start weaving baskets?
15. What motivated you to start the weaving?
16. Did you receive training relating to the business before you started?
Yes No
17. How did you learn the weaving? Through my Parent By apprenticeship Through formal education Nobody taught me Others (specify).....
18. What structure does business operate: Shed Kiosk Container Building Others (specify).....

19. How many people were employed when the business started?
20. How many people are currently working in the business?
21. What equipment and tools are being used for production? Modern []
 Traditional [] Both modern and traditional []
22. How often are the raw materials available for purchase? All year Round []
 Seasonal [] Occasional [] Others (specify).....
23. Complete the table below

Type of raw material	Place of purchase	From whom	Unit price (GH¢)

Note: Place of purchase (within the community, outside the community but within the country and outside the country)

From whom (Producers, wholesalers, retailers)

24. How many baskets are produced per day?
25. How many days per week does production take place?
26. What benefits do you gain from the weaving? Income [] Social

Recognition [] Skills Development [] Access to finance [] Others
(specify).....

27. Apart from weaving, do you have other businesses? Yes [] No []

28. If yes, state the business.....

Section C: Challenges of the enterprise

29. What is the total cost of producing one basket: (GH¢).....

30. What challenges do you encounter in the purchase of inputs? (Tick as many as applicable) Scarcity of input [] Expensive [] High transport cost []
Insufficient funds [] Others (specify).....

31. What challenges do you encounter in the actual production?

32. What was your initial capital?

33. What was the source of your initial capital: Bank loan [] Government financing [] Credit union [] Family or personal funding []
Borrowing from friends/relatives [] Others (specify).....

34. What were the challenges you encountered in obtaining your initial capital?
.....
.....

35. Are you aware of any credit financial institutions in the municipality?
Yes [] No []

Section D: Scope and nature of market

36. Where do you sell your baskets? Within district [] within region []

Outside region Others (specify)

37. What is the level of demand for your baskets? High Moderate Low

38. If the demand is low, what are the reasons?

39. What is the selling price per basket? (GH¢).....

40. What marketing arrangements have you adopted for the sale of your baskets?

Sales on Credit Cash sales Both cash and credit

41. What problems do you face in the marketing of your baskets?

.....

.....

Section E: Support services

42. Are you aware of any supportive services by the government/assembly to

basket weavers? Yes No

43. Are you aware of any supportive services by NGOs? Yes No

44. If yes, complete the table below (Tick as many as possible)

Support service	Government	Municipal Assembly	NGOs
Financial			
Technology transfer			
Entrepreneurial development			
Management skills			
Market promotion			
Others (specify)			

45. Which of the services have you benefited from?

46. If none, why have you not benefited from any of them?
47. What do you think should be done to promote basket weaving?

Section F: Perception of Poverty

48. In your view, what is poverty?
49. Who is poor in this community?
50. Over the last 5 years, what has been the nature of poverty in the community?
 Increasing Decreasing No change
51. What do you think are the causes of poverty in this community? (Tick as many as possible) Lack of skills Laziness Lack of employment opportunities Conflicts Poor weather conditions Others (specify).....
52. What are the effects of poverty in this community? (Tick as many as possible)
 Lack of medical care Inability to pay school fees Marriage failures
 Inability to attend social gathering Lack of respect Stealing
 Out-migration Others (specify).....
53. What should be done to reduce poverty?
54. Does basket weaving contribute to poverty reduction in the municipality?
 Yes No
55. If yes, in what ways?
56. If no, why?

57. Are you aware of any interventions by the government or municipal assembly to reduce poverty in the municipality? Yes [] No []

58. If yes, list five of the interventions that the assembly is pursuing to reduce poverty in the municipality? (A).....
(B).....(C).....
(D)..... (E)

59. Which of the interventions are you benefiting from and in what ways?
.....
.....

60. If none, why?
.....

APPENDIX B

FOCUS GROUP DISCUSSION GUIDE

I am a student of the University of Cape Coast working on my thesis for Master of Philosophy Degree in Development Studies. This interview guide is to help collect data towards achieving this academic pursuit. All respondents are assured that their identification would be protected at all times and the responses treated as confidential and used mainly for academic purposes. Kindly answer the questions as objectively as possible since the success of the research depends on your sincere responses. Thank you.

Name of group.....

Name of Community.....

Date of discussion.....

Number of discussants.....

1. What are the benefits of basket weaving to you as individuals and the community?

2. What is the level of demand for the baskets?

3. Are there any supportive services by the government/assembly to promote basket weaving?

4. Are there any supportive services by NGOs to promote basket weaving?

5. If yes, what type of supportive services?
6. What is poverty to people in this community?
7. What are the causes of poverty?
8. What are the effects of poverty?
9. How does basket weaving contribute to poverty reduction in this community?
10. What challenges do you encountered in the business?
11. What can the government/assembly do to promote basket weaving in the
community?
12. What can the NGOs do to promote basket weaving in the community?
13. What can be done to reduce poverty?

THANK YOU

APPENDIX C

**INTERVIEW GUIDE FOR SMALL-SCALE INDUSTRIES
DEVELOPMENT INSTITUTIONS**

I am a student of the University of Cape Coast working on my thesis for Master of Philosophy Degree in Development Studies. This interview guide is to help collect data towards achieving this academic pursuit. All respondents are assured that their identification would be protected at all times and the responses treated as confidential and used mainly for academic purposes. Kindly answer the questions as objectively as possible since the success of the research depends on your sincere responses. Thank you.

Name of Institution.....

Position of respondent.....

Date of interview.....

1. Give a brief history of your institution?
2. What are the objectives of your institution with respect to promoting basket weaving?
3. How do you get the weavers informed about the existence of your institution and its functions?
4. What type of support services do you offer to the basket weaving industry in the municipality?
5. What are the challenges you encountered in the delivery of these support services?
6. What is poverty to you?

7. What are the causes of poverty in the municipality?
8. What are the effects of poverty?
9. How do you assess the contributions of the basket weaving industry to poverty reduction in the municipality?
10. What challenges have you identified that hamper the development of the basket weaving industry?
11. What can be done to improve upon the performance of baskets weaving in the municipality?

THANK YOU