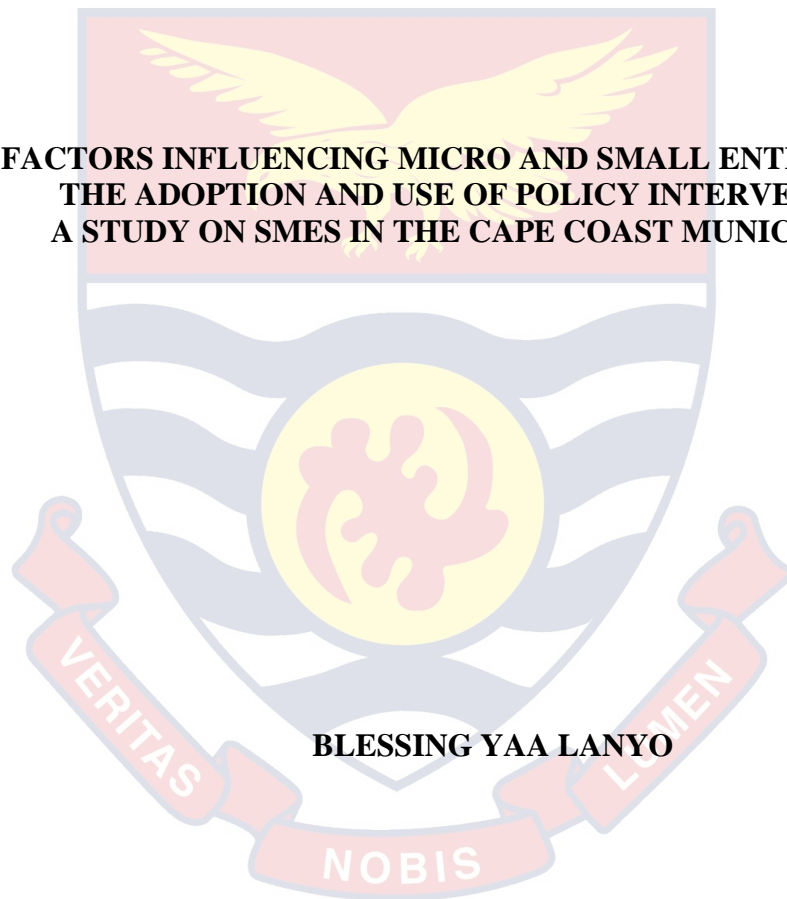


UNIVERSITY OF CAPE COAST

**FACTORS INFLUENCING MICRO AND SMALL ENTERPRISES IN
THE ADOPTION AND USE OF POLICY INTERVENTIONS:
A STUDY ON SMES IN THE CAPE COAST MUNICIPALITY.**

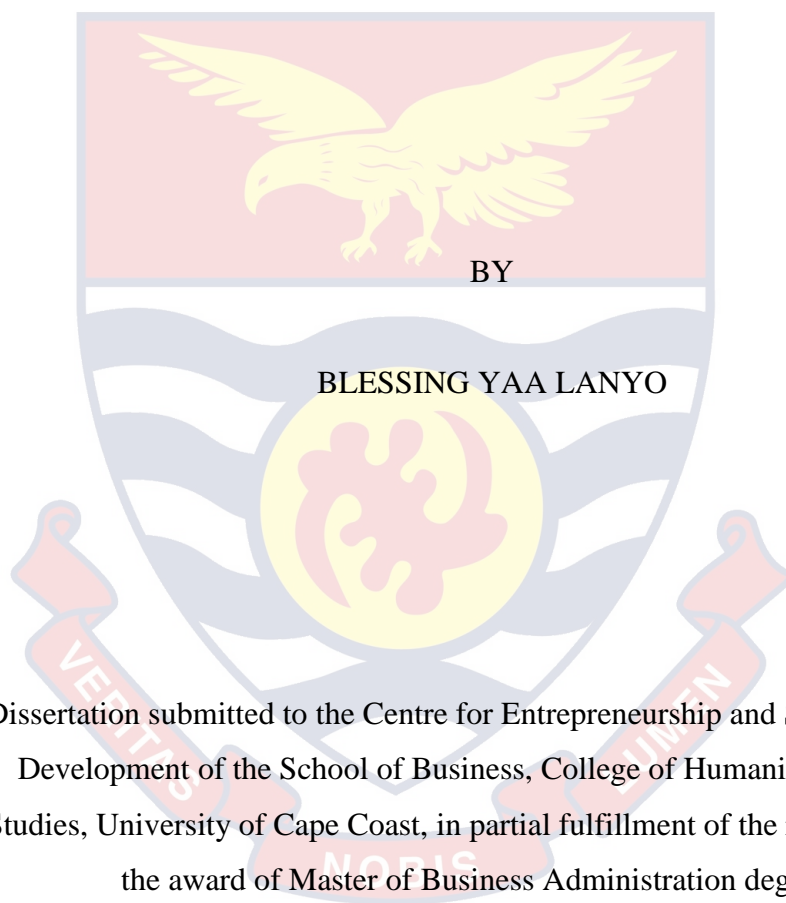


BLESSING YAA LANYO

2019

UNIVERSITY OF CAPE COAST

FACTORS INFLUENCING MICRO AND SMALL ENTERPRISES IN THE
ADOPTION AND USE OF POLICY INTERVENTIONS: A STUDY ON SMES
IN THE CAPE COAST MUNICIPALITY.



Dissertation submitted to the Centre for Entrepreneurship and Small Enterprise
Development of the School of Business, College of Humanities and Legal
Studies, University of Cape Coast, in partial fulfillment of the requirements for
the award of Master of Business Administration degree in
Entrepreneurship and Small Enterprise Development.

AUGUST 2019

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation 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

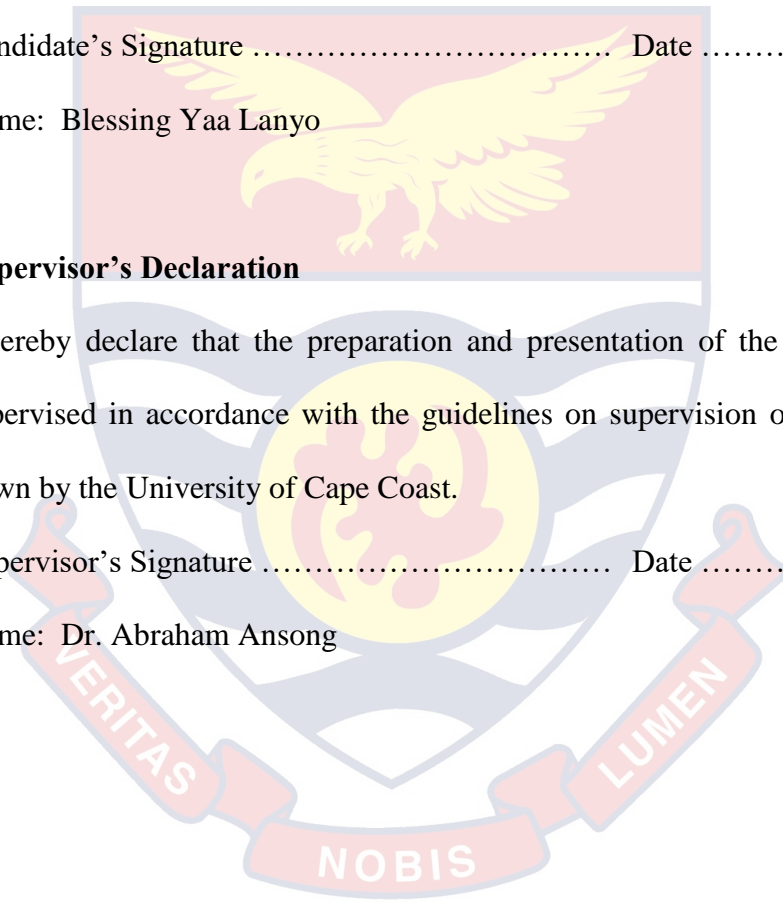
Name: Blessing Yaa Lanyo

Supervisor's Declaration

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

Supervisor's Signature Date

Name: Dr. Abraham Ansong



ABSTRACT

Policy Intervention has been identified as a critical element for the growth of Ghana's Micro and Small Size Enterprises (SMEs) but more effective, evidence-based policy evaluation are required to inform future interventions. This paper sought to identify the level of adoption and use of policy interventions, factors which influence the inaccessibility of interventions among SMEs and how these factors can be managed to enhance the competitiveness of indigenous SMEs. The study looked at policy and intervention issues on SMEs and adopted a descriptive approach by describing the situations and concepts related to the case under study. The study examined the overall level of awareness, adoption and use of identified support institutions such as the NBSSI, BAC, AGI, EMPRETEC, EDIF, GRATIS, GEPC, TECNOSERVICE, ADF, PEF, APDF and examined how SMEs were reacting to their interventions targeted at them. This work covered SMEs and their owner-managers in the Cape Coast Municipality. The study was limited to a population of 47 registered SMEs within the Municipality. The study adopted a descriptive design and randomly selected 33 SMEs, using a simple random technique. Questionnaire was the instrument used for data collection, using a list obtained from BAC, Cape Coast. Data collected was analyzed using descriptive statistics. The study found that there is nothing currently like SME policy in Ghana apart from Enterprise policy. The interventions that are being adopted and used by these SMEs are the business development services. The study found that most of these SMEs have a very good knowledge of these interventions and do benefit from most of them except for financial aids which genuinely impede their business activities. The paper recommends a holistic SME policy formulation by the government and policymakers, also government should cushion financial institutions in a way in which they can also encourage indigenous SMEs to access credit facilities.

KEY WORDS

Enterprise Policy

Policy Adoption and Use

Policy Intervention

Interventions and Support Services

Small and Medium Enterprises

Support Institutions



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DEDICATION

To my late mother,
Madam Emma Wotornu Lanyo



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LIST OF ACRONYMS AND ABBREVIATIONS

The logo of the University of Cape Coast is a watermark in the background. It features a shield with a yellow eagle with outstretched wings in the center. Below the eagle is a yellow sun with rays. The shield is flanked by two red banners with white text: 'VERITAS' on the left and 'LUMEN' on the right. The shield is set against a blue and white background.

ADF	- African Development Foundation
AGI	- Association of Ghana industries
APDF	- African Programs Development Foundation
CIDA	- Canadian International Development Agency
DANIDA	- Danish Development Assistance, Ghana
DFID	- Department for International Development
EDIF	- Export Development and Investment Fund
EMPRETEC	- Entrepreneurs and Technology
GEPC	- Ghana Export Promotion Council
GOG	- Government of Ghana
GRATIS	- Ghana Regional Appropriate Technology Industrial Research
GTZ	- German Agency for Technical Cooperation
IFC	- International Finance Corporation
MOTI	- Ministry of Trade and Industries
NBSSI	- National Board for Small Scale Industries
NLC	- National Liberation Council
PEF	- Private Enterprise Foundation
SPSS	- Statistical Package for the Social Sciences
SSNIT	- Social Security and National Insurance Trust
TECHNOSERVICE	-Technological Services
UNDP	- United Nations Development Program
USAID	- United States Agency for International Development

CHAPTER ONE

INTRODUCTION

Policy intervention has been identified as a critical element for the growth of Ghana's micro and small size enterprises. The study demonstrates the contribution of policy issues to the activities of SMEs in Ghana, the level of adoption and use of interventions by SMEs, identifies participation gap and makes recommendations that will be useful to improve performance of indigenous SMEs to increase their competitiveness. The study covers SMEs in the Cape Coast Municipality. This Chapter comprises the background to the study, statement to the problem, purpose of the research, research objectives, research questions, and the significance of the study. Delimitation and limitation are also discussed.

Background to the Study

Policy is a relatively stable and purposeful action provided by a person or group of actors for a public problem or general concern (Anderson, 2000). Effective policies answer a question or solve ongoing business problem. Policy entrepreneurship is a new approach to policymaking that focuses on individuals and small businesses and again on the traditional policies that focus on large companies (Norback et al., 2014). Policies affect entrepreneurial activities, thus encouraging entrepreneurial activities highly regarded with emphasis on innovative entrepreneurs (Henrekson & Stenkula, 2010).

Enterprise policy in the context of the study includes both entrepreneurship policy and SME policy. It is indeed essential to understand that entrepreneurship and SME policies are seen as separate entities (Arshed & Danson, 2016).

Entrepreneurship policy guide productive social and economic activities for businesses (Rigby & Ramlogan, 2013), and serves as means for promoting entrepreneurship in society. Entrepreneurship policy focuses on before and after steps the launch businesses in the entrepreneurial process (Stevenson & Lundström, 2001). Entrepreneurship policies contain correcting macroeconomics, reform exchange rate, trade and industrial policy corrections and improve the governance of businesses. A well designed entrepreneurship policy, facilitate effective entrepreneurial activities (Acs & Szerb, 2007).

SME policy targets the existing population of enterprises and encompasses virtually all of the support measures included in the policy portfolio which is designed to promote the viability of SMEs (Audretsch, 2004). Whiles Entrepreneurship policy focuses on the individuals, SME policies focus on the firms, and also emphasizes support for established firms that have already acquired sufficient capacity to benefit from SME schemes and measures. According to Ibararan, Maffioli, and Stucchi (2010), the main rational for SME policy is the existence of market failures, such as asymmetric information, local externalities, and non-convexities that can jeopardize the growth of firms.

The role of SMEs to socio-economic growth in Ghana and even Africa is almost unquestionable. SMEs promotion has become a priority in the policy agenda of most African countries as widely documented. There is no doubt that SMEs constitute the seed-bed for the forthcoming generation of African entrepreneurs. SMEs provide employment and incomes to a large portion of urban labour force and are a significant source of total output (Aryeetey, 2001). Globally, the

contribution of micro, small and medium enterprises to the growth of national economies is significant. In the developed economies, such as Germany and the United Kingdom, small businesses are recognized as the main engines for growth and development.

However, in Ghana, readily available data on SMEs is scarce. The Capacity Development Centre in Ghana (2011), stated that the SME market constitutes the vast majority of businesses in Ghana and over the years has evolved to become the key supplier and service provider to large corporations, inclusive of multinational and transnational corporations. SMEs in Ghana have also been noted to provide about 85 percent of manufacturing employment, contribute about 70 percent to Ghana's GDP, and therefore have catalytic impacts on economic growth, income and employment. However, despite the strenuous efforts most SMEs put into developing their businesses and economic growth, many SMEs are not aware about various developments and current trends in international and domestic trade, incentives and schemes of government, market development, banking and finance, laws, direct and indirect taxes, H.R. Management, TQM, Six Sigma, quality assurance, productivity, logistics and supply chain management and other related areas. The result is that SMEs in Ghana lacked competitiveness and both the banks that finance their operations and the government which supports programmes with tax payer resources have not derived the required benefits (CDCG, 2011).

Micro, small and medium rural and urban enterprises have been some of the major concerns to many policymakers in an attempt to accelerate the rate of growth in developing economies. These enterprises have been identified as the engine

through which the growth objective of developing middle income countries like our nation can be achieved. However, Obeng and Blundel (2015) noted that despite their commendable contribution to the national economy, SMEs in Ghana have not always obtained the required support from concerned ministries, departments and agencies as well as the banks, financial institutions and other bigger corporate entities. This lack of support is a handicap to developing competitiveness locally and globally.

SMEs are unable to compete favorably with their counterparts from outside and as such lose their customer base to these expatriate companies leaving the SME with no option than to fold up. Undeniably, SMEs face numerous problems and their associated complex rules in following up with various government agencies to resolve these problems as enumerated in the literature review of the study. In dealing with such challenges, consecutive governments in Ghana have opted to look at cosmetic minor changes and depended on inadequate donor supported funds to address the plights of SMEs.

Policy intervention has been identified as a vital element for the development of Ghana's micro and small enterprises. According to Obeng and Blundel (2015), enterprise policies play a central role in economic development across Africa, but more effective, evidence-based policy evaluation are required to inform future interventions. In order to ascertain whether SMEs are even aware of government interventions and services in Ghana and also those available in the Cape Coast Municipality, the study explores the extent to which SMEs in the study area are aware of government interventions and services, and also examines the

level of adoption and use of such interventions and services in the study area to ascertain the extent to which SMEs in the Cape Coast Municipality benefit from both entrepreneurship and SME policies and makes recommendations on participation gap for more pragmatic ways by which government can assist SMEs, and ways that can be employed by indigenous SMEs to improve on their activities for national competitiveness.

Statement to the Problem

The part SMEs play in socio-economic growth in Ghana is undeniable. SMEs provide employment and incomes to a large portion of urban labour force and are a significant source of total output (Aryeetey, 2001). However, despite the strenuous efforts most SMEs put into developing their businesses, many of them are not aware about various developments and current trends in international and domestic trade, incentives and schemes of government, market development, banking and finance, laws, direct and indirect taxes, H.R. Management, TQM, Six Sigma, quality assurance, productivity, logistics and supply chain management and other related areas. The result is that SMEs in Ghana lacked competitiveness and both the banks that finance their operations and the government which supports their programmes with tax payer resources have not derived the required benefits (Capacity Development Centre in Ghana, 2011).

Micro, small and medium rural and urban enterprises have been some of the major concerns to many policymakers in an attempt to accelerate the rate of growth in developing economies. These enterprises have been identified as the engine through which the growth objective of developing middle income countries like our

nation can be achieved. However, Obeng and Blundel (2015) noted that despite their commendable contribution to the national economy, SMEs in Ghana have not always obtained the required support from concerned ministries, departments and agencies as well as the banks, financial institutions and other bigger corporate entities. This lack of support is a handicap to developing competitiveness locally and globally.

However, according to Ibararan, Maffioli, and Stucchi (2010), the main rationale for SME policies is the existence of market failures, such as asymmetric information, local externalities, and non-convexities that can jeopardize the growth of firms.

Enterprise policy intervention, such as entrepreneurship policy and SMEs policy: macroeconomic policies, investment and physical infrastructure policy, industrial policy and skill development policy, is known to play a central role in economic development across Africa, but more effective, evidence-based policy evaluation are required to inform future interventions. The extent to which SMEs have benefited from policy intervention is worthy of examination in Ghana (Obeng & Blundel, 2015). This study, therefore, sought to investigate the available policy interventions and support systems aimed at SMEs, if there are, the level of awareness, adoption and use of these interventions and support systems, and to examine the factors that influence inaccessibility of policy interventions and support services among SMEs, and how these factors can be managed to ensure enhanced performance, increased productivity for national competitiveness of indigenous SMEs.

Purpose of the Study

The rationale behind policy interventions aimed at SMEs is market failures and economic empowerment. The study sought to find out the available interventions and support systems aimed at SMEs. If there are, the extent to which SMEs in the study area are aware of such interventions and support systems, to examine the level of adoption and use of such interventions and services in the study area to ascertain the extent to which SMEs in the Cape Coast Municipality benefit from interventions, and to identify challenges face by SMEs in accessing interventions in the study area.

Objectives of the Study

In order to fill my knowledge gap on as to whether there are policy interventions aimed at small businesses, and to also know the extent to which these interventions benefit small businesses within the Cape Coast Municipality, the following research objectives were developed to:

1. Identify the general level of adoption and use of interventions by SMEs.
2. Examine the challenges SMEs face in accessing policy intervention.

The Research Questions

1. What is the level of adoption and use of policy intervention by SMEs?
2. What are the challenges that impede SMEs in accessing these interventions?

Significance of the Study

Manfred Schmiemann (2009) postulates that SMEs have been discovered to be key drivers for a country's economic growth, hence SMEs cannot be overlooked in the economic development of any country (Anigbogu et al., 2014). SMEs are unable to

compete favorably with their counterparts from outside and as such lose their customer base to these expatriate companies leaving the SME with no option than to fold up (Obeng & Blundel, 2015). Policy intervention has been identified as a critical element for the improvement of micro, small and medium sized enterprises (SMEs).

The work focuses on policy influence and practice bearing in mind the success or failure of previous policy interventions aimed at SMEs in Ghana, in an attempt to better understand whether SME policy exist in Ghana. The study adopts a systematic review of journal articles, conference papers, reports, peer-reviewed journals and non-reviewed journals concerning SMEs, and focuses on articles reporting empirical results on SME policy issues because this enables to explore how SMEs are reacting to interventions, and to present findings which will be of practical significance.

It was revealed in the empirical reviews that, a mixed strategy intervention approach was likely to be more effective and successful in engaging SMEs for the study. For this reason, no single intervention on its own was examined, however, a broader mix of interventions and support services were examined to understand how the majority of SMEs are reacting to support systems. Key business support agencies and their services were identified as an ideal direction for the study, given their very diverse nature and relevance to SMEs activities in the study area.

The study goes on to demonstrate the contribution of currently available interventions aimed at SMEs in the study area, the level of adoption and use of such interventions, and examines the factors that influence inaccessibility of current

interventions among the SMEs. The study works within both the Business Development Service concept and Enterprise policy concept to identify which is best accepted and used by SMEs in the study area to benefit their business activities or the mix of both. The study makes recommendations for future direction of SMEs in the study area, government, service providers, researchers and policymakers.

The work would contribute to knowledge in the field of entrepreneurial learning and knowledge transfer on policy issues - a process by which learning supports the understanding of assessing intervention issues and business strategies of small firms. It would also help in the field of entrepreneurship, as academics and practitioners strive to better understand how policy formulated can be successfully implemented and assessed in the context of enterprise policy interventions. The study would also provide learning support to SME business partners and entrepreneurship students. The findings would be disseminated at key entrepreneurship conferences, if possible.

Delimitation of the Study

SME policy targets the existing population of enterprises and encompasses virtually all of the support measures included in the policy portfolio which is designed to promote the viability of SMEs (Auddretsch, 2004). Enterprise policy intervention consists of both entrepreneurship policy and SMEs policy such as macroeconomic policy, investment and physical infrastructure policy, industrial policy and skill development policy (Rigby & Ramlogan, 2013; Stevenson & Lundstrum, 2001, 2007; Arshed et al., 2014; Acs & Szerb, 2007).

The study works within both the BDS concept and Enterprise policy concept to identify which is best accepted and used by SMEs in the study area to benefit their business activities. The economic rationale for enterprise policy is that researchers, policymakers and support agencies and SMEs tend to assume that there exists a strong case for the provision of government intervention for the SME sector. The study therefore identifies support institutions such as NBSSI, BAC, AGI, EMPRETEC, EDIF, GRATIS, GEPC, TECNOSERVICE, ADF, PEF, APDF, that fit for the study and examines how their activities influence SMEs in the study area.

Limitation of the Study

The study observed that information on SME Policy is scarce in Ghana, let alone, identifying its interventions for the study. Therefore, this suggests the need of a holistic policy aimed at SMEs in Ghana, and for further studies.

Also, the study was not to statistically test the variables under study due to their varied nature, but to just basically identify and describe the issues surrounding them. The study, therefore, focuses basically on reporting what is happening on the ground in relation to interventions that calls for a more advanced research on the case under study.

Definition of Terms

The National Board for Small Scale Industries' definition for the following:

SMEs: Small and Medium Enterprises, employ 29 or fewer workers

Micro enterprises: Are those that employ between 1 to 5 workers with fixed assets not exceeding 10,000 US dollars, excluding land and building.

Small enterprises: Are those that employ between 6 and 29 workers with fixed assets not exceeding 100,000 US dollars excluding land and building.

Policy Intervention: A plan of actions taken by government in order to affect or interfere with decisions made by individuals, groups, or organizations such as SMEs, regarding social and economic matters.

Enterprise Policy: Comprises Entrepreneurial and SME policies. The entrepreneurial policy aims at pre-start, start-up and post-start-up phases of entrepreneurial process of business, while SME policy targets the existing population of enterprises and encompasses virtually all of the support measures included in the policy portfolio which is designed to promote the viability of SMEs (Audretsch, 2004).

Support Services: In a simple word, support services are those function of organization which does not generate main business. Support services provide internal support to the main business of organization. Generally, HR, Finance, Logistics, Administration and IT.

Intervenors: Are the key actors, such as government agents, institutions, and service providers who stand between government and the SMEs to execute interventions.

Policy Adoption and Use: To adopt means to take up and practice or use, or to accept formally and put into effect, or to sponsor the care and maintenance of something (Merriam-Webster). 2. Accepting or starting to use something new; or the act of accepting or beginning to use something; or the process of starting to use a

new method, or system (Cambridge Dictionary). Policy adoption in this context therefore is the acceptance and use of policies aimed at SMEs.

Organization of the Study

The work has been structured as follows: Chapter One talks about the introduction of the study including the background, the statement to the problem, the purpose of the study, the objectives, the research questions, the significance of the study, delimitations and limitations. Chapter Two emphasizes on the theoretical review, explanation of key concepts and variables, empirical review of current studies related to the study including their methodological contributions as well as substantive findings relevant to this study, lessons learned from the review and the conceptual framework of the study. Chapter Three describes the methodology which includes the research approach, the study design, the study area, population, sampling procedures, data collection instruments, data collection procedures, data processing and analysis, and chapter summary. Chapter Four was devoted to findings and discussion. Chapter Five comprised the summary of findings, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This Chapter reports the theoretical review, explanation of key concepts and variables, empirical review of current studies related to the study including methodological contributions as well as substantive findings relevant to this study, lessons learned from the review and the conceptual framework of the study.

Definition of SMEs

There are many factors that make SMEs different, such as turnover, industry, number of employees and format of business. These factors need to be studied in more detail to establish how they influence the adoption and use processes. Small businesses are widely defined in terms of their characteristics such as: the size of capital investment, the number of employees, the level of turnover, the management style, the location and the market share.

The European Union defines a microenterprise as one with a maximum of 10 employees, a small firm as one with a headcount of less than 50 and, a medium-sized enterprise as one with a headcount of 250. Curran and Blackburn (2001) grouped the basis of defining small business under quantitative and qualitative and the Bolton Committee Report (1971, P.1) proposed economic definition and statistical definition. According to the Bolton Committee Report (1971) economic definition, a firm is regarded as small if it has relatively small share of the market, managed by owners or part owners in a personalized way and not through the medium of a formalized management structure; is independent in the sense of not

forming part of a large enterprise. According to Kalanje (2002), the definition of SMEs is based on an enterprise's number of employees, the level of assets, sales turnover of the said enterprise or a combination of these criteria in most countries.

In Ghana, the National Board for Small Scale Industries (NBSSI) which is the regulatory body for SMEs defines SMEs in terms of both fixed asset and number of employees. Furthermore, it noted that, an SME is defined as an enterprise that employs 29 or fewer workers. The NBSSI defines micro enterprises as those that employ between 1 to 5 workers with fixed assets not exceeding 10,000 US dollars, excluding land and building, small enterprises as those that employ between 6 and 29 workers with fixed assets not exceeding 100,000 US dollars excluding land and building and medium as an enterprise with turnover greater than US\$200,000 and not more than US\$5 million equivalent.

Defining SME Policies

SME policies are those policies targeted at firms below certain size – measured by employees, sales, assets, or a combination of these variables. Given this broad definition, there is a wide range of policies that falls in this category. A non-exhaustive list would include innovation, training, cluster, credit, and export promotion policies (Ibarraran, Maffioli, & Stucchi, 2009). Obeng and Blundel (2015) also noted that enterprise policies play a central role in economic development across Africa, but as mentioned earlier, a more effective and evidence-based policy evaluation are needed to inform future interventions.

According to Ibarraran, Maffioli, and Stucchi (2010), the main justification for SME policies is the existence of market failures, such as asymmetric

information, local externalities, and non-convexities that can jeopardize the growth of firms. For instance, in the financial market, banks often fail to accurately assess the risk of lending to SMEs and therefore reject profitable projects and compromise the survival and growth of many promising firms. Therefore, by removing information asymmetries that preclude access to financing, economic policy may enhance the growth of the most efficient firms (Ibarraran et al., 2010).

It is believed that, owners of small firms do not have information on the private benefits of taking certain courses of action, for example, they lack the understanding of offering training to their employees or for they themselves obtaining external advice from specialists or consultant to enhance their business activities. In other cases, those actions are not taken because of scale problems, suggesting failures related to indivisibilities and non-convexities. In this context, SME efficiency may be constrained by the incapacity or unwillingness of crucial suppliers to scale down their services to meet the demand of smaller firms.

The most common example is perhaps the provision of small loans by credit institutions, but the concept could be expanded to several services that imply an initial assessment of the customer needs and characteristics (for instance, technical assistance and consulting services). In these cases, the fixed costs of providing the services do not significantly decrease with the size of the clients, while the revenues decrease significantly, making the provision of services to smaller firms highly unprofitable.

The other set of justifications for SME policies are related to the (presumed or real) characteristics of SMEs that are deemed particularly desirable. First, it is

argued that SMEs enhance competition and entrepreneurship and hence have external benefits on economy-wide efficiency, innovation, and aggregate productivity growth, which would justify public support to SMEs. Second, SMEs are portrayed as labor-intensive and thus an expansion of the SME sector would boost employment more than the expansion of large firms. Finally, proponents claim that SMEs may be efficient firms in an early stage of development, whose growth is constrained by institutional failures that favor large firms (Ibarraran et al., 2009).

Like in most public policies, there are also opinions that challenge the effectiveness of SME policies. First, some opinions stress the advantages of large firms, for example, arguing that large firms benefit from economies of scale and create more stable and higher quality jobs. Second, some too believe that SMEs are neither more labor intensive, nor better at job creation than large firms. Others also question the validity of considering firm size as an exogenous determinant of economic growth. According to this view, pro-SME subsidies could actually distort firm size and potentially hurt economic efficiency.

A fourth critique stresses the importance of improving the business environment for all firms, independently of size. Low entry and exit barriers, well defined property rights, and effective contract enforcement characterize a business environment that is conducive to competition and private commercial transactions. While these factors may encourage SMEs, the focus of the business environment view is not on SMEs per se; it is on the environment faced by all businesses. Finally, a fifth view of SME policy argues that these policies are probably most needed

where they are less likely to succeed: if SME face institutional obstacles due to some sort of regulatory capture, it is very likely that SME programs will also be captured (Ibarraran et al., 2009).

Chris Argyris' Intervention Theory and Methods (1970)

The theory postulates that, to intervene is to enter into an ongoing system of relationship, to come between or among persons, groups, or objects for the purpose of helping them. There is an important implicit assumption in the definition that should be made explicit: the system exists independently of the intervenor. There are many reasons one might wish to intervene. These reasons may range from helping the clients make their own decisions about the kind of help they need to coercing the clients to do what the intervenor wishes them to do. The more one conceives of the intervenor in this sense, the more one implies that the client system should have little autonomy from intervenor; that its boundaries are indistinguishable from those of the intervenor; that its health or effectiveness are best controlled by the intervenor.

In contrast, author's view acknowledged interdependencies between the intervenor and the client system but focused on how to maintain, or increase, the client system's autonomy. This view values the client system as an ongoing, self-responsible unity that has the obligation to be in control over its own destiny. An intervenor, in this view, assists a system to become more effective in problem solving, decision making, and implementation in such a way that the system can continue to be increasingly effective in these activities and have a decreasing need for the intervenor. At this point, it is suggested that the intervenor must be

concerned with the system as a whole even though his initial contact may be made with only a few people. He therefore focuses on those intervention activities that eventually (not necessarily immediately) will provide all the members opportunities to enhance their competence and effectiveness.

Spurling (2014). *Implication for Theory and Policy Development*, argued that, we need to think about the relationship between theory, empirical research and policy. It started by outlining an in-progress framework that identifies several of these theory-research-policy relationships, namely: framing problems – a relationship in which theory enables the systematic critique of taken-for-granted assumptions, as well as the proposal of alternative framings; policy influence and change – a relationship in which theory and research seeks to understand the potential role of policy within social change; the use of new kinds of data for intervention design, which come from empirical research that ‘operationalizes’ aspects of theory; and policy evaluation, which focuses on the success or failure of particular interventions or programmes.

The framework was applied to the recently published ‘Developing DECC’s evidence base’ (DECC, 2014), showing that these different roles of theory are often conflated in policy documents. The potential of theories of practice within these relationships is considered through examples from the DEMAND Centre’s research agenda. This sets the scene for a discussion about whether the proposed framework would be the same or different for social psychological approaches, and how the framework would be filled out differently if it drew on theory and research from social psychology rather than theories of practice.

Defining Policy Intervention

According to Argyris (1970) to intervene is to enter into an ongoing system of relationship, to come between or among persons, groups, or objects for the purpose of helping them. An intervention is a combination of program elements or strategies designed to produce behavior changes among individuals or an entire population. Interventions may include educational programs, new or stronger policies, and it may be implemented in different settings including communities, worksites, schools, health care organizations or faith-based organizations. Interventions implemented in multiple settings and using multiple strategies may be the most effective because of the potential to reach a larger number of people in a variety of ways. Based on Argyris' (1970) theory and Spurling's (2014) argument, SME policy intervention in the context of this study is therefore defined as a plan of actions taken by government or service providers in order to affect or interfere with decisions made by businesses, or organizations, for example SMEs, regarding social and economic matters, since the rationale behind policy interventions aimed at SMEs is market failures and economic empowerment.

Enterprise Policy Concepts and Issues

Enterprise policies have been seen to encourage economic growth, create jobs and generate economic development (Audretsch & Beckmann, 2007), with the aim of meeting economic and social challenges (Wright et al., 2015). Acknowledging the importance of entrepreneurs and Small and Medium Enterprises (SMEs) allows an understanding of why so much attention is being paid to enterprise policy. It is, therefore, important to understand that enterprise policy

in this context includes both entrepreneurship and SME policies. However, it is indeed essential to note that entrepreneurship and SME policies are seen as separate entities and are often confused and used synonymously in policy circles and by commentators.

In contrast, SME policy targets the existing population of enterprises and encompasses virtually all of the support measures included in the policy portfolio which is designed to promote the viability of SMEs (Audretsch, 2004). Whereas entrepreneurship policy is aimed at the pre-start, the start-up and post-start-up phases of the entrepreneurial process with a primary objective of encouraging more people in the population to consider entrepreneurship as an option, to move into the nascent stage of taking the steps to get started and then to proceed into the infancy and early stages of a business.

There are four major areas of divergence between the two types of policy:

1. Entrepreneurship policy focuses on individuals, while SME policy focuses on the firms.
2. Entrepreneurial policy concentrates on supporting the needs of people as they progress from one stage to the next (from awareness to pre-start-up to post-start-up); SME policy emphasizes support for established firms that have already acquired sufficient capacity to benefit from SME schemes and measures.
3. Entrepreneurship policy makes greater use of 'soft' policy measures, such as mentoring, advice and entrepreneurship promotion; SME policy makes use of 'hard' policy instruments, such as financial support like grants and venture capital.
4. The implementation of entrepreneurship policy includes a number of players in the makeup of its support infrastructure, such as educators, the media, and

government agencies, whilst SME policy is more likely to be directly implemented through a constricted set of key players, such as economic development agencies and financial intermediaries (Lundstrom & Stevenson, 2005).

However, both policies have similar long-term visions. It has been argued that “there is considerable overlap in the meanings attached to these terms and a general lack of precision regarding the differences between them” (Stevenson & Lundstrom, 2001: p.15). Although the differences between entrepreneurship policy and SME policy have been outlined, the underlying proposition remains unchanged: to enhance economic prosperity in a country, be it through encouraging business start-ups or the growth of existing firms (Arshed et al., 2014).

Furthermore, there is a typology of the different approaches to enterprise policy adopted by various governments, indicating considerable diversity of the policies available (Stevenson & Lundstrom, 2007). In Italy, national government policy objectives include reducing barriers to entry and exit, improving access to start-up resources (financing, information and assistance) and addressing the start-up needs of target groups, such as the disabled, women, ethnic minorities and the young, but also promoting an entrepreneurship culture, along with attempting to embed this ideology within the educational system.

The economic rationale for enterprise policy is that researchers, policymakers, support agencies and SME groups tend to assume that there exists a strong case for the provision of government intervention for the SME sector. There has been a long-running debate as to whether or not enterprise policy should be employed by the government to provide businesses with information, support and

training which is financed by central government (Johnson, 2005). The rationale behind publicly funded enterprise support programmes is that they benefit not only the individual firms, but also the economy as a whole (Massey, 2003). Many countries have been introducing policies aimed at stimulating entrepreneurship as they believe entrepreneurship is central to the sound functioning of market economies (OECD, 2005), and in assisting in the creation of a global and knowledge-based economy (Doh & Kim, 2014). “The rationale for government intervention was that small firms sector is recognized by government as having a vital part to play in the development of the economy. It accounts for a significant proportion of employment output and it is a source of competition, innovation, diversity and employment” (Frank et al., 1984: p. 257).

The key argument put forward for defending government assistance is that market failure exists as there is inefficiency in the allocation of goods and services, a scenario where individuals’ pursuit of self-interest leads to bad results for society as a whole (Krugman & Wells, 2005). Thus, the market failure argument suggests that small firms in certain fields have difficulty in developing and attracting investment, therefore the government should assist them to reach optimum levels of business performance. The existence of market failure presumes that the market will not be efficient and, as a result, the need for government intervention can be advanced (Connolly & Monroe, 1999).

Linkages with other Key Policy Areas

The effectiveness of SME policies is defined as policies targeted at enterprises below a certain size. It is understood that a range of other economic

policies may also have a substantial impact on SMEs, may be a precondition for sustainable SME development or may disproportionately benefit SMEs. However, these other policies are not the focus of this report, since they do not specifically target one size class of enterprises to the exclusion of others and they have, in any case, already been discussed extensively by constituents in recent years. Nevertheless, some broader policies and their relevance for SMEs are briefly set out below in order to underline their importance and to promote coherent analyses and approaches.

Macroeconomic policies

They are among the most important factors for the development of enterprises of any size. Monetary, financial, fiscal and exchange rate policies not only directly influence the cost of credit and other inputs of enterprises, but also impact on aggregate demand. SME policies will only work if they are underpinned by a supportive macroeconomic policy framework that promotes productivity growth, domestic and foreign demand and economic stability.

Investment and physical infrastructure policies

They can play an important role in overcoming one of the biggest challenges reported by enterprises, namely the lack of adequate infrastructure. By using employment-intensive methods, they can also contribute to poverty eradication through the jobs they create. And if the related programmes use locally available inputs to the greatest possible extent (as practised by the International Labour Organization), SMEs can also benefit as direct suppliers.

Industrial policy

This has seen a strong revival in recent years. It comprises the efforts of government to promote a specific sector or cluster that is expected to accelerate the process of structural transformation, leading to better prospects of inclusive growth. Depending on the number of SMEs in the sectors or clusters chosen, industrial policies can be very important for SMEs. Policies targeting SMEs are a good complement to industrial policies if they help SMEs to acquire the skills and competences required for sustained diversification and productive transformation.

Skills development policies

The mismatch between the skills of the workforce and the demand of enterprises is a significant constraint reported by enterprises. Skills development policies covering basic education, initial training and lifelong learning play an important part in addressing this skills mismatch. These policies are crucial to increasing the productivity of enterprises of any size, including SMEs, which is, in turn, a key requirement for creating more and better jobs. (Source: OECD, 2007).

New trends in SME policies

The International Labour Conference, 104th Session, 2015, Report IV identified a number of new trends in SME policies such as rigorous monitoring and results measurement which have become a key trend. SME policies have been a major part of the economic policies of developed and developing countries alike for several decades now. They are perceived to be important in terms of creating employment, fostering competition and innovation, and contributing to economic growth. Different approaches have evolved and have been tested, ranging from

macro-level interventions through to support to individual enterprises, as well as improvements to the enabling environment and more systemic approaches of developing entire markets.

Since there is a broad consensus on the important role of SMEs, and of the private sector in general, current innovations are based less on new paradigms or new technical areas of intervention, but instead involve new modes of delivery that reflect the quest for greater outreach and effectiveness. Credible measurements of intermediate outcomes and final impacts are crucial to enable agencies to provide evidence-based policy advice on what works and what does not work. In other words, the current discussion on innovative ways to promote SMEs is less about doing the right things than about doing things right.

Relevance and effectiveness of SME policies in supporting SMEs

The study summarizes the recent empirical evidence on the effectiveness of SME policies, and analyses the extent to which SME policies can help to achieve SME priorities. The focus is on the most important interventions in terms of the demand from SME member states and the outreach to beneficiaries. Which are: enhancing access to finance and entrepreneurship training; establishing an enabling environment for enterprises; formalizing enterprises in the informal economy; promoting SME productivity and improving working conditions; and creating of value chain interventions. (Sources: Salazar-Xirinachs, Nübler & Kozul-Wright, 2014; ILO, 2008; ILO, 2010).

Policy Adoption and Use in SMEs

Meaning of Adoption: (i) To adopt means to take up and practice or use, or to accept formally and put into effect, or to sponsor the care and maintenance of something (Merriam-Webster). (ii) Accepting or starting to use something new; the act of accepting or beginning to use something; or the process of starting to use a new method, or system (Cambridge Dictionary). Policy adoption in this context therefore is the acceptance and use of policies aimed at SMEs.

Policy adoption in this context identifies the various sponsored systems available for SMEs, level of acceptance, and use of policies aimed at SMEs. This section reviews what other researchers have done relating to policy issues on SMEs to ascertain the level of availability of public information on policy issues concerning SMEs, their benefits, the level of awareness of such interventions, and their usage among SMEs.

Kayanula Dalitso and Quartey Peter (2000). The Policy Environment for Promoting Small and Medium-Sized Enterprises in Ghana and Malawi. They stated that, the dynamic role of small and medium scale enterprises (SMEs) in developing countries have been highly emphasized. These enterprises have been identified as the means through which the rapid industrialization and other developmental goals of these countries can be realized. The paper explored the achievements of the Small and Medium Scale Enterprise (SME) sector in Ghana and Malawi and the role government, internal and external support institutions have played in promoting the sector. The findings were to assist policymakers, development

agencies and business organizations to ascertain the appropriate strategy to improve the SME sector.

They reported that, Ghana and Malawi had common macroeconomic traits; in 1991 they both had a per capita income of less than \$400. Although Ghana's per capita income declined between 1965 and 1991, the country had a relatively well educated population, a capable bureaucracy and abundant natural resources. While Malawi showed a positive growth in per capita income, its per capita income was less than \$200, it also had a thin industrial base, a limited educated class and has a population density well above the Sub-Saharan average of 21 persons per square kilometer (Parker et al., 1994). In the late 1970s and early 1980s, both countries experienced severe economic crises arising from internal and external factors.

Externally, the oil price hiked and declining world prices for major exports depleted foreign reserves, thereby reducing the import capacity of many industries. Both countries faced a deterioration in their terms of trade due to weak market conditions for key export commodities besides the increases in their import prices. Another significant external factor peculiar to Ghana was the expulsion of a million Ghanaians from Nigeria in 1983. In the case of Malawi, the civil war in Mozambique (from 1979 to 1981) also disrupted the traditional trade route of land-locked Malawi. These developments had repercussions on the countries balance of payments; in Malawi, the cost, insurance and freight (CIF)/free on board(FOB) margin rose from an average of 15 percent in the early 1970s to 40 percent during the early 1980s, following the re-routing of the country's external trade through the ports of Durban in South Africa and Dar-es-Salaam in Tanzania. Both countries

also suffered the adverse effects of the global debt crisis of the early 1980s. Since both countries had contracted some commercial debt in the 1970s, particularly for infrastructural investments, they experienced a massive increase in their debt obligations (Aryeetey et al., 1992; Parker et al., 1995).

Internally, problems such as large inefficient public sectors, policy biases that favored industry over agriculture, overvalued exchange rates and inflation were dominant. In the 1980s, the deteriorating economic conditions led to the implementation of Structural Adjustment Programmes (SAP) with similar but distinct emphases, tailored to address specific economic issues. Ghana embarked on its reforms in 1983 and they included elements of stabilization and liberalization. Prominent among them was the liberalization of the exchange rate and greater access to foreign exchange. This was achieved through a series of devaluations and the setting up of auction markets aimed at fostering market-based exchange rate setting and the licensing of foreign exchange bureaux to trade in the currency (Dordunoo, 1988).

The SAP embarked upon by Malawi consisted of two elements: between 1981 and 1985 the country sought to restore macroeconomic stability and encourage economic growth. The authorities initially responded by maintaining aggregate demand and income through deficit financing supported by external commercial borrowing (Parker et al., 1995). This resulted in a rapid increase in the fiscal deficit and a widening of the current account deficit. To deal with these emerging balance of payments and fiscal deficits, the authorities adopted several policies that resulted in a more inward oriented economy and a deterioration in competitiveness. The

policies included an introduction of quantitative restrictions on imports, and an increase in the level and spread of tariff rates, partly intended to raise revenue and close the fiscal gap.

The implication for policies for promoting SMEs in Ghana & Malawi was that, small scale enterprise promotion in Ghana was not impressive in the 1960s. Dr. Nkrumah (President of the First Republic) in his modernization efforts emphasized state participation but did not encourage the domestic indigenous sector. The local entrepreneurship was seen as a potential political threat. To worsen the situation, the deterioration in the Balance of Payments in the 1980s and the overvaluation of the exchange rate led to reduced capacity utilization in the import dependent large-scale sector. Rising inflation and falling real wages also forced many formal sector employees into secondary self-employment in an attempt to earn a decent income. As the economy declined, large-scale manufacturing employment stagnated.

According to Steel and Webster (1991), small scale and self-employment grew by 2.9 percent per annum (ten times as many jobs as large scale employment) but their activities accounted for only a third of the value added. What is evident from the Malawi government's development policies for the period 1964-1980 is the lack of a coherent and comprehensive policy framework for Small Scale Enterprise (SSE) development. The post-colonial development policy in Malawi, at least up to 1980 exhibited a "large scale sector" bias, rather than the urban bias. The unsustainability of the "large scale sector" policy stance was clearly demonstrated by the dismal performance of both public/quasi-public enterprises in

the late 1970s. It was the poor performance of the economy in the late 1970s which brought about a policy re-orientation in favor of SME in the early 1980s; this constituted two main forms: the provision of industrial estates in the main cities of Blantyre and Lilongwe and the secondary town of Liwonde, and the formation of a number of specialized institutions supporting SMEs.

It was in the light of the above that the government started promoting small scale enterprises. They were viewed as the mechanism through which a transition from state-led economy to a private oriented developmental strategy could be achieved. Thus the SME sector's role was re-defined to include the following: (i) assisting the state in reducing its involvement in direct production (ii) absorbing labor from the state sector, given the relatively labor intensive nature of small scale enterprises, and; (iii) developing indigenous entrepreneurial and managerial skills needed for sustained industrialization.

Government and institutional support to SMEs was to enable the sector, perform its role effectively. For example, in Ghana, government in an attempt to strengthen the response of the private sector to economic reforms undertook a number of measures in 1992. Prominent among them was the setting up of the Private Sector Advisory Group and the abolition of the Manufacturing Industries Act, 1971 (Act 356) which repealed a number of price control laws, and The Investment Code of 1985 (PNDC Law 116) which sought to promote joint ventures between foreign and local investors. In addition to the above, a Legislative Instrument on Immigrant Quota which grants automatic immigrant quota for investors had been enacted. Besides, certain Technology Transfer Regulations had

been introduced. Government also provided equipment leasing, an alternative and flexible source of long-term financing of plant and equipment for enterprises that cannot afford their own. Mutual Credit Guarantee Scheme was also set up for entrepreneurs who had inadequate or no collateral and have limited access to bank credit. To complement these efforts, a Rural Finance Project aimed at providing long term credit to small scale farmers and artisans was set up.

In 1997, government proposed the establishment of an Export Development and Investment Fund (EDIF), operational under the Exim Guarantee Company Scheme of the Bank of Ghana. This was in aid of industrial and export services within the first quarter of 1998. To further improve the industrial sector, according to the 1998 Budget Statement, specific attention was to be given to the following industries for support in accessing the EDIF for rehabilitation and retooling: Textiles/Garments; and Wood Processing; Food and Food Processing and Packaging. It was also highlighted that government would support industries with export potential to overcome any supply-based difficulty by accessing EDIF and rationalize the tariff regime in a bid to improve their export competitiveness.

In addition, a special monitoring mechanism had been developed at the Ministry of Trade and Industries. In a bid to improve trade and investment, particularly in the industrial sector, trade and investment facilitating measures were put in place. Visas for all categories of investors and tourists were issued on arrival at the ports of entry while the Customs Excise and Preventive Service at the ports was made proactive, operating 7-days a week. The government continued supporting programmes aimed at skills training, registration and placement of job-

seekers, training and re-training of redeployees. This resulted in a 5 percent rise in enrolment in the various training institutes such as The National Vocational and Training Institute (NVTI), Opportunity Industrialization Centers (OIC). As at the end of 1997, 65,830 out of 72,000 redeployees who were re-trained under master craftsmen have been provided with tools and have become self-employed.

The idea of SME promotion had been in existence since 1970 though very little was done at the time. Key institutions were set up to assist SMEs and prominent among them was the Office of Business Promotion, the present Ghana Enterprise Development Commission (GEDC). It aims at assisting Ghanaian businessmen to enter into fields where foreigners mainly operated but which became available to Ghanaians after the `Alliance Compliance Order'6 in 1970. GEDC also had packages for strengthening small scale industry in general, both technically and financially. The Economic Recovery Programme instituted in 1983 had broadened the institutional support for SMEs. The National Board for Small Scale Industries (NBSSI) was also established within the Ministry of Industry, Science and Technology to address the needs of small businesses. The NBSSI established an Entrepreneurial Development Programme, intended to train and assist persons with entrepreneurial abilities into self-employment.

In 1987, the industrial sector also witnessed the coming into operation of the Ghana Appropriate Technology Industrial Service (GRATIS). It was to supervise the operations of Intermediate Technology Transfer Units (ITTUs) in the country. GRATIS aimed at upgrading small scale industrial concerns by transferring appropriate technology to small scale and informal industries at the

grass root level. ITTUs in the regions were intended to develop the engineering abilities of small scale manufacturing and service industries engaged in vehicle repairs and other related trades. They were also to address the needs of non-engineering industries. So far, 6 ITTUs have been set up in Cape Coast, Ho, Kumasi, Sunyani, Tamale and Tema.

Financial Assistance Access to credit had been one of the main bottlenecks to SME development. Most SMEs lacked the necessary collateral to obtain bank loans. To address this issue, the Central Bank of Ghana had established a credit guarantee scheme to underwrite loans made by Commercial Banks to small scale enterprises. Unfortunately, the scheme did not work out as expected. It was against this background that the Bank of Ghana obtained a US\$ 28 million credit from the International Development Association (IDA) of the World Bank for the establishment of a Fund for Small and Medium Enterprises Development (FUSMED). Under the Programme of Action to Mitigate the Social Cost of Adjustment (PAMSCAD), a revolving fund of US\$ 2 million was set aside to assist SMEs.

In MALAWI, there was no consolidated policy on industrial development until The Draft Integrated Trade and Industrial Policy of 1996. Even though government recognized the need for the SME sector, there had never been policies and strategies specifically designed for the development of the SSE sector. The sector had to operate within a policy framework created for the large scale enterprise sector. Recently, government had taken steps to make the policy environment more conducive for the sector. A competition policy has been adopted

for the sector and a Bill to that effect is in the final process of drafting (Makoza & Makoko, 1998).

The Competition Policy was put in place to prohibit anti-competitive trade practices, regulate and monitor monopolies, protect consumer welfare, strengthen the efficiency of production and distribution of goods and services. Besides, an investment policy was in place; it was aimed at promoting both local and foreign investment. In addition, a number of Acts which hindered SME development had been repealed (the Industrial Development Act was repealed in 1991) to allow easier entry into the manufacturing sector.

Under the current Industrial Licensing Act (1991), SMEs no longer require an Industrial License to start a manufacturing enterprise. It was only required if the manufacturer intends to produce firearms, ammunition, chemical and biological weapons, explosives, radioactive or hazardous wastes. In addition to the above, the Department of Customs and Excise gave tax rebates on certain imported inputs. A Duty Drawback Scheme was also in operation, it was meant for goods manufactured or processed in Malawi from any materials specified in the Customs and Excise Regulations. An example of raw material which qualified for a drawback was raw materials used in manufacturing agricultural machinery and tools. Last but not the least, the Control of Goods Act which gave the Ministry of Commerce and Industry the right to control the prices of goods in Malawi went through a series of Amendments between 1983 and 1994. Previously, there was no policing of prices except for petroleum products and motor vehicle spares, which was also under review.

The government of Malawi recognized the important role the sector played in the national economy and had established a number of institutions to support the activities of the sector. The institutions were categorized as parastatal, state owned enterprises and private sector organizations. The support institutions provided entrepreneurship training, business advisory services, market information, credit finance and appropriate technologies. However, there were two distinct features noted from these support institutions. Firstly, a significant number of institutions offered similar services to the same beneficiaries, particularly to those in the micro and small enterprises category. Second was the wide diversity of institutions that arose from policies and interests of different donors who assist these institutions outside a single, well-coordinated government framework to which each donor conformed. Such diversity was commonly justified by the outcry that the demand for services greatly exceeded the delivery capacity of any one institution and that competition among institutions promoted efficiency to the benefit of the clients the organization served.

Number of Government, Parastatals and Private Sector Organizations provided financial support to SMEs. Institutions such as The Development of Malawian Enterprises Trust (DEMAT), The National Association of Small and Medium Scale Enterprises (NASME), Women's World Banking (WWB), and The National Association of Business Women (NABW) had received financial support from the Reserve Bank of Malawi to establish credit programmers for SMEs, that's, The Small and Medium Enterprise Fund (SMEF). However, it was sad to note that SMEF was unsuccessful (Makoza & Makoko, 1998). Other Institutions such as the

Malawian Rural Finance Company, World Vision (Malawi), PLAN International and Malawi Union of Savings and Credit Co-operatives (MUSCCO) had credit programmes for rural SMEs. As at December 1996, MUSCCO had mobilized domestic savings to the tune of MK 49 million and granted credit worth MK 41 million. The Small Enterprise Development Organization of Malawi (SEDOM) also provided credit to the SME sector financing mainly rural enterprises. That to date, SEDOM has guaranteed loans worth K 40 million.

Recommended directions for further research were (i) how can we further promote the small-scale industrial sector in Ghana and Malawi? (ii) what are the internal and external sources of finance these SMEs? do the sources of finance vary with firm size? (iii) does ownership affect firm performance? (iv) have these sources changed since Structural Adjustment? In other words, how has financial sector liberalization improved finance to the sector? (v) how have these changes affected employment, income, growth and consequently poverty alleviation. (vi) Collective Efficiency: (a) to what extent has clustering been observed in Ghana and Malawi? (b) are there any backward and forward linkages and if there are, how can they be further promoted? (c) what roles do clustering and the formation of inter-firm networks play? (d) how has collective efficiency been enhanced by public and private sector institutions?

Eton, Mwosi, Mutesigensi and Ebong (2017). *International Journal for Emerging Research & Development*. Eton et al., (2017) reported that, in Uganda, the government from 1986, developed the structural adjustment policies to boost the economy and change from a government dominated to the private dominated

economy in order to support economic growth. SMEs have been the driving force in the economy with a lot of support from government and development partners. The stakeholders had been consulted on a number of issues related to developing new policies, unfortunately, this has remained in the paper. Initiatives like wealth for all programs, privatization and liberalization had been fronted by the government of Uganda and most of them did not perform to the expectations and when one program fails they introduce another one similar to the one which failed. It's upon this background the paper investigated why government interventions had failed to support the growth of SMEs in Lira District in Northern Uganda and tried to advice all the stakeholders on the best practice.

Their study examined the role of government interventions in supporting the growth of SME's in Uganda, a case of Lira District. The two key literatures reviewed were on entrepreneurial intervention and financial accessibility. Data was collected by use of self-administered questionnaire in Erute counties and Lira Municipality. A sample of 167 respondents was chosen from the respondents and the response rate was 100 percent. Simple random sampling and stratified sampling were conducted. The study discovered that, inadequacy of collateral security and struggle for financial resources come into view to limit the use and access to financial services. The finding indicates the correlations between entrepreneurship intervention and financial accessibility intervention ($r = .628$; $p < .05$) was relatively strong and statistically significant.

It was recommended that Government should promote collateral security-free financial services to encourage entrepreneurs to access credit financing. The

government organ charged with registration of business should promote online and decentralized registration. National budgets should prioritize investments in business education to promote business and entrepreneurship training. In addition, government and development partners should promote non-gender-based business growth to allow for participatory inclusiveness.

Parker, Redmond and Simpson (2009), a review of interventions to encourage SMEs to make environmental improvements, revealed that, most research has concentrated on the barriers and drivers that SMEs face when considering improvements and many empirical studies have found that there is a lack of commitment by many SMEs owner-managers to reduce their negative impact (Revell & Rutherford, 2003). This is because many SME owner-managers feel that their impact is minimal and often see no reason to engage themselves (Bradford & Fraser, 2008; Drake et al., 2004; Hillary, 2000; Pimenova & Van Der Vorst, 2004; Revell & Blackburn, 2007; Tilley, 1999).

Often SME owner-managers believe that national and local government should take a lead on issues (Revell & Rutherford, 2003) and that these issues are more important for larger firms (Drake et al., 2004) – indeed, research and policy initially concentrated on larger firms. Many SMEs are unaware of the legislation that affects their business (Hillary, 2000) or feel that it does not apply to them (Mir & Feitelson, 2007; Revell & Blackburn, 2007). SMEs are also dubious about the business benefits of improvement and therefore only make these improvements if there is a reduction in their business costs (Hillary, 2000; Revell & Blackburn, 2007).

Various government-level interventions to address these barriers and drivers have been introduced, but there appears to be no research which systematically compares their effectiveness. For example, some authors have only looked at the impact of regulations on SME improvement either directly or indirectly (Hillary, 2004; Masurel, 2007; Williamson et al., 2006), while others have only looked at education (Cloquell-Ballester et al., 2008) or financial incentives (Clement & Hansen, 2003). There is also growing debate about whether specific interventions are effective. For example, Telly (1999) argue for increased education and Taylor et al., (2003) point out that SME owner-managers are generally unenthusiastic about educational interventions with similar debates occurring concerning the role of voluntary or compulsory regulation.

It is believed that a key reason why research into interventions has tended to produce conflicting results concerning effectiveness is that it has failed to distinguish between the different types of SMEs who have diverse business and improvement aspirations. For this reason, no single intervention on its own is likely to be effective for all SMEs given their very diverse nature. This problem has been further exacerbated because researchers have tended not to conduct research which examines a range of interventions on SMEs improvement, and the different types of SMEs for which each intervention is most effective.

The paper addressed the issue by presenting an extensive literature review that identified four extreme types of SMEs which were categorized based on their business pursuits and their commitment to environmental improvement, and the current range of interventions. The primary objective of the conceptual paper was

to show that there was evidence in the literature which suggests that each intervention is likely to be most effective for a subset of the SME categories, and that future research must therefore examine a broader mix of interventions in order to understand how the majority of SMEs collectively can be encouraged to engage in environmental improvement. The paper also added significantly to the practical ways in which policy and actions by interested parties could encourage SMEs to commit to environmental improvement.

Their method involved a systematic review of journal articles (Cooper, 1998) concerning SMEs and their environmental improvement following the approach of (Parker & Castleman, 2007). They used peer-reviewed journals because they believed their findings are of higher quality when compared to conference papers, reports and non-reviewed journals. They searched for articles in online databases (EBSCO Host) and Google Scholar using search terms relating to SMEs (SME, small business, small firm) and the environment (environment, sustainability). In their review they focused on articles reporting empirical results because that enabled them to explore how SMEs are reacting to interventions and to present findings which will be of practical (not just theoretical) significance. They ensured the currency of their review by using recent studies. Finally, they only included on articles which studied large firms and other stakeholders when we could distinguish the findings relating to SMEs.

The method resulted in nearly 50 journal articles which they used for the review. The review was carried out using a deductive thematic approach (Parker & Castleman, 2007). They examined the empirical findings and summarized the types

of SMEs and the interventions described by the authors. They then analyzed the summaries and grouped the SME types and interventions based on the themes which emerged. The typology comprises analytically unique and extreme categories of SMEs, and therefore offers researchers and policy makers a useful framework for analyzing the effectiveness of interventions for each SME category.

They concluded that research on specific interventions that encourage SME owner-managers to engage in environmental improvement has produced conflicting results concerning their effectiveness. This appears to be due to the fact that SMEs are extremely diverse, operate under widely differing business conditions in terms of perceived pressures and drivers for environmental improvement and therefore adopt quite different business models and levels of environmental commitment. That, owner-managers of SMEs also exhibit widely differing views, understanding and aspirations where environmental issues are concerned. Some owner-managers believe that these issues are the responsibility of local and national government, often arguing that their individual company contribution to emissions and pollution is extremely small. It is therefore not surprising that specific, isolated interventions had failed to address the needs of all types of SMEs.

They recommended that the issue is extremely important for policy makers to consider when they are attempting to gain greater commitment and engagement from SMEs. That it was also important for researchers not to treat SMEs as a homogeneous group when studying their environmental improvement, but instead group them according to attributes such as business performance commitment.

That, a more holistic intervention programme can perhaps be designed if policy makers and researchers consider industry-specific and other variables on which SMEs can be categorized.

The objective was to understand fully the attitudes and environmental commitment of these firms and to understand how a particular combination of interventions can maximize the number of SMEs engaging in environmental improvement. They recognized that segmenting and categorizing SMEs in that way was a multi-dimensional problem and that their analytical categories were based on only two dimensions and are extreme cases on a continuum.

Massey (2006) discussed the problem that, many conceptual frameworks are not sufficiently well developed for the uses to which they are being put and that policy makers are confused by both the number of frameworks and the terminology being used. Policy makers then do not understand the difference between theoretical frameworks and empirically derived frameworks. The argument they were putting forward was based on a systematic literature review showing that interventions are often researched in isolation and/or do not take SME heterogeneity into account, and that is why the findings concerning the effectiveness of each intervention are often inconsistent.

Their logical conclusion was that, a broader, possibly tailored, range of interventions will elicit greater engagement overall. Nevertheless, it is possible that some SMEs will remain recalcitrant no matter how many kinds of interventions policy makers adopt. However, in their view the number of SMEs was likely to be much smaller than is currently the case. It was also their view that policy makers

need to understand how SMEs engage with or avoid certain interventions when designing a broader policy mix of interventions. This level of understanding can only be achieved by having a clearer view of the types of SMEs being targeted, their business behavior and the conditions under which these SMEs operate. Further, governments are in a position to markedly alter the business conditions of SMEs and often do so. However, these policy changes can be crude and ineffective at achieving the goals set, particularly where environmental improvement is concerned, and often have unintended consequences.

They also argued that, a greater understanding of the various categories of SMEs and their respective business behaviour and response to interventions is likely to lead to better policy, a more effective and wider range of interventions and result in significantly greater environmental improvement by SMEs. That a properly coordinated and mixed strategy intervention approach is likely to be more successful in engaging SMEs.

The conclusion of the work was that it is no longer possible, and it is naïve, to rely on the extremes of voluntary environmental agreements or regulation and legislation to engage SMEs in environmental improvement. Intervention strategies to assist SMEs to engage in environmental improvement need to be holistic and designed for the specific category of SME being targeted. They recommended that future research will need to evaluate and monitor mixed interventions targeted at different types of SMEs to ensure that they are effective and respond to the needs of their audience. Empirical work will be needed to fully establish a taxonomy of SME types and their responses towards the various interventions.

Obeng and Blundel, (2013 & 2015). Evaluating Enterprise Policy in Africa: A Critical Review of Ghanaian Small Business Support Services. The paper reported that, in recent years, many governments in both developed and developing countries have focused their economic development policies on entrepreneurship programs (Gilbert, Audretsch & McDougall, 2004; Robson, Wijbenga & Parker, 2009). There have also been significant voluntary sector initiatives in Ghana, with the Africa Project Development Facility (2002) report documenting 48 donor programs supporting small businesses. With governments across the world now facing severe budgetary constraints and international donor agencies demanding greater accountability, there is considerable pressure to generate improved evaluations of enterprise policy interventions of all kinds, including direct support to small businesses, which was the focus of the paper.

The paper mentioned that enterprise policies play a central role in economic development across Africa, but more effective, evidence-based policy evaluation is required to inform future interventions. The paper made two contributions: (1) to filling the gap in our understanding and (2) to developing more rigorous and appropriate evaluation methodologies. The issues were examined through an empirical study into nonuse of small business support services in Ghana. Survey evidence from 253 owner–managers was complemented by interviews with owner–managers and service providers. The paper concluded that policy evaluation in Sub-Saharan Africa would benefit from multimethod approaches to address limitations in official data sets and to facilitate more in-depth understanding.

The paper reported that, enterprise promotion is increasingly seen as a central strand in the new generation of economic development policies that are being introduced across Sub-Saharan Africa (Chipika & Wilson, 2006; Robson, Haugh & Obeng, 2009; Rogerson, 2001). However, before investing precious time and resources in implementing policies, it is important to consider their potential effectiveness in an African context. The challenges facing those who seek to promote entrepreneurial activity in specific geographic locations, such as the need for flexibility, effective targeting, and a longer-term perspective, have been apparent for many years (Mokry, 1988) that the editors of a recent Special Issue on small business support have argued that there is still a great deal to learn regarding the design and implementation of specific interventions.

The paper questioned, given this continuing uncertainty, what measures should African policymakers adopt in order to support more productive forms of entrepreneurial activity at national and local levels? They identified that, there are many different options in terms of their overall approach and in the particular combination of enterprise support measures to be adopted (Stevenson & Lundström 2002 & 2007). However, while there is some evidence that enterprise support policies can generate positive outcomes, it is believed in developed countries that even relatively long-term interventions may prove insufficient to address entrenched regional differences in entrepreneurial activity (Greene, Mole & Storey, 2007; Mokry, 1988). In addition, although approaches originating from developed and transition countries can inform African policymaking, a comparison between different country studies suggests a number of context-specific factors that may

need to be taken into account in the design and implementation of enterprise support measures.

These include “traditional” factors, some of which have been identified in earlier literature, and newly emerging issues, which may take on a distinctive form, shaped in part by their setting. For instance, whereas engrained sociocultural practices may create managerial and operational problems for female owner–managers (McDade & Spring, 2005; Mukhtar, 2002; Saffu & Manu, 2004), these they said may take a particular form in a developing country as a result of the way that sociotechnical innovations are adopted and the novel practices that they generate (the use of mobile communications technologies to enact financial transactions).

The main aim of the paper was to make a contribution to filling some of the gaps in our understanding of enterprise policy highlighted in previous studies. It did so by examining the response of owner–managers to a type of business support initiative that has been widely adopted in African countries over the last three decades. New empirical findings were combined with a review of relevant theoretical frameworks and research methodologies in order to identify approaches to evaluation that are likely to prove most effective in this context. The existing literature on enterprise policy was reviewed, with particular reference to small firms support, to establish an appropriate theoretical framing for the empirical study and to identify the principal questions that needed to be addressed. An outline of the methods adopted for the empirical study was followed by a detailed analysis and discussion of the main findings. Their concluding section reviewed the contribution

to theory development and laid out the implications for research, policymaking, and practice.

Obeng and Bundel (2007). *Small Business Support: Evidence from Africa*. The paper identified that, to date, there have been few detailed evaluations of small business support interventions in African countries (Buame, 1996; Nieman, 2001; Verspreet & Berlage, 1999). Previous policy evaluation research has for the most part been undertaken in developed and transition countries, which leaves open the possibility that different factors may be in play in Africa (Buame, 1996). Ghana's traditional religious beliefs, which coexist with relatively high levels of adherence to Christian and Islamic monotheisms, may also exert a particular influence. For example, it appears that some owner–managers may prefer to consult their ancestors (or “gods of the land”) or the “soothsayer” when there is a major problem, rather than a professional business advisor (Buame, 1996; Kiggundu, 2002; Takyi-Asiedu, 1993). In order to address these complexities, the paper incorporated both “generic” and context-specific explanations for low take up of services, with particular reference to two business support organizations operating in Ghana, the NBSSI and the Empretec Ghana Foundation.

Their study used a survey-based approach to examine the reasons for nonuse of services provided by the two external support agencies. It examined the influence of firm-level factors, the characteristics of the owner–managers, and their expectations regarding business support. Since there is no single public register of small businesses in Ghana (Buame, 1996; Wolf, 2004), the sample for the survey was drawn from multiple business listings, including those administered by the

Ghana Export Promotion Council, the Association of Ghana Industries, and Ghana Telecom. The sample for the study was drawn from a larger survey of 500 small businesses located in six regions of Ghana where it was estimated that 83.3 percent of all industrial establishments are located (Ghana Statistical Service, 2006). Sample selection was based on the three main sectors of the Ghanaian economy (i.e., agriculture [$n = 90$], manufacturing [$n = 193$], and services [$n = 217$]). For the purposes of the study, small businesses were defined as those employing between 4 and 50 full-time employees. The businesses were categorized as follows: “microbusinesses” with fewer than 9 full-time employees; “small businesses” employing 10–19; and “medium-sized businesses” employing between 20 and 50 full-time workers. That range of businesses was selected because they are the main focus of Ghanaian government policy on small business growth. The survey was administered in person by one of the researchers during the period January to June 2005 and achieved a response rate of 83.2 percent (Robson & Obeng 2008).

The paper reported findings relating to a subsample of 253 usable responses from owner–managers regarding their reasons for nonuse of two of Ghana's leading small business support organizations: NBSSI and the Empretec Ghana Foundation (Empretec). These support institutions were chosen because the NBSSI is the main government institution set up to promote the development and growth of micro- and small-scale enterprises in Ghana, whereas Empretec Ghana Foundation is an umbrella of Empretec, an international entrepreneurship and capacity-building program that is currently operating in Africa, Latin America, and Asia and operates in the major regions of the country. Owner–managers completed a written

questionnaire and were asked to select from a list of six reasons for the nonuse of external support services. These were generic explanations previously identified by the researchers as part of the literature search: (1) external advice not needed; (2) high cost of service fee; (3) “support not relevant to our needs”; (4) unaware about the existence of external support services; (5) “support services not located in our area of operation”; (6) time constraint—too busy to seek external support. In order to allow for unanticipated and context-specific responses, respondents were also able to indicate “other reasons” not provided on the list. Additional insights into these reasons, and other aspects of the study, were obtained from a series of face-to-face interviews conducted by the researchers with owner-managers and with official representatives of NBSSI, Empretec, and other leading Ghanaian service providers.

NBSSI was established in 1985 with the aim of assisting the Ministry of Trade and Industry in formulating, developing, and implementing a national program on small business growth. It is funded by the Ghanaian government and bilateral donors. NBSSI operations cover all of Ghana's 10 regional capitals and most of its district capitals. Empretec Ghana Foundation was selected for comparative purposes. It is a national center of Empretec, an international entrepreneurship and capacity-building program which is currently operating in 29 countries in Africa, Asia, and Latin America (Empretec, 2011). The Empretec scheme was initiated in 1988, under the auspices of the United Nations Conference on Trade and Development. It has operated in Ghana since 1990, with funding from the United Nations Development Programme, the Ghanaian government, Barclays

Bank, the United Kingdom's Department for International Development, and other organizations. It offers training, consultancy, advisory, and financial services, with a particular focus on growth-oriented businesses (Empretec, 2011; Rogerson, 2001; Tweneboa-Boateng, 2008).

In conclusion, the paper summarized the following reasons as barriers for nonuse of support services by SMEs: Unaware of Services or Service Providers, High Service Fees, Location, and Lack of Time, Services “Not Needed” or “Not Relevant to Needs.” It also presented the respondents' reasons for nonuse of NBSSI and Empretec Ghana Foundation services. In addition to the descriptive statistics used, bivariate and multiple regression techniques were applied to the data. The most commonly reported reasons were discussed in relation to previous empirical studies and associated theorizing. The analysis concluded with an examination of the extent to which these factors can be associated with specific characteristics of the businesses and their owner–managers. The most commonly reported reason for nonuse of these external support services was that owner–managers were unaware of their existence. This “ignorance explanation” (Storey and Westhead, 1997) was identified by 38.7 percent of respondents. They mentioned that a number of studies in developed countries have indicated that lack of awareness is not a major reason for nonuse (Bennett & Robson, 2003; Berry, Sweeting & Goto, 2006; Curran & Blackburn, 2000). However, in the Ghanaian context, there is strong evidence to argue that the ignorance explanation is a major reason for the low usage of NBSSI and Empretec, a finding that was reinforced by evidence from the owner–manager interviews.

Business Development Services Concept and Issues. Entrepreneurship and SME Policy interventions seek to develop the entrepreneurial skills and way of managing business effectively and efficiently for gaining a competitive advantage in the global market. The key indicators in this process are: creating awareness, training, advisory, advocacy, technology and transfer and good management skills. According to Committee of Donor Agencies for Small Enterprise Development's Business Development Services for Small Enterprise Guiding Principles for Donor Interventions (2001) report, it was recognized that the publicly-provided interventions have not achieved their objectives: Enterprise productivity and competitiveness, job creation, poverty alleviation, and social mobility. Moreover, good performance measurement was lacking to be able to evaluate and compare programs.

At its 1995 Annual Meeting in Budapest, the Committee of Donor Agencies for Small Enterprise Development decided to focus on Business Development Services for small enterprises, with the objective of identifying and documenting best practices in that area. The Committee had concluded that the traditional interventions by government and donors in the SME sector had failed and that a new paradigm was needed. The BDS working group was formed and drafted guidelines, and after a series of meetings and revisions, the Business Development Services for Small Enterprises: Guidelines for Donor Interventions was published in November 2000. The BDS Market Development Framework grew out of the conviction shared within the donor community that achieving economic and social goals was possible by relying on private-sector actors to provide a diverse array of

services. These BDS guiding principles were not intended to give final answers, but rather to serve as a starting point for improved practices and discussion on unresolved issues. The ultimate objective of donor intervention in BDS was to improve Small Enterprises performance in developing economies, as a means to achieve higher economic growth and employment, reduce poverty and meet social objectives.

They stated that improving small enterprises performance require many ingredients, such as a policy environment conducive to enterprise competitiveness, access to financial and non-financial services, and expanding markets for small enterprise products and services. However, the specific contributions which BDS can make to small enterprises development includes training, consulting and advisory services, marketing assistance, information, technology development and transfer, and business linkage promotion. They outlined some of the key actors of BDS as government and its agents who act like donors and provide funding to projects and programs. The principal role of government was to provide an enabling policy, legal and regulatory environment for small businesses and service providers, as well as public goods such as basic infrastructure, education and information. BDS providers provide services directly to small enterprises. They may be individuals, private for profit firms, non-governmental agencies, national or sub-national government agencies, industries or associations.

Ghana Integrated Industrial Policy for Increased Competitiveness (GIIPIC)

Pt. III (2002) and (Ernst & Young, 1997; Ninsin, 1989) identified some types of support institutions and their services aimed at SMEs in Ghana as shown below:

Table 1- Some support institutions and their interventions or support services

Schemes	NBSSI	GEPC	GRATIS	EDIF
Year of establishment	Board was established in 1985 due to the passage of Act 434 in 1981.	Established in 1969 by NLC Decree 396	Established in 1987	Established in 2000
Mission	To assist MOTI to formulate, develop, and implement national programme on small business growth.	Development and promotion of non-traditional exports	To develop an appropriate technology and transfer to small businesses.	To enhance economic growth of Ghana by providing funds on concessionary terms for the development and promotion of the country's exports.
Sources of Funds	GOG and Bilateral donors (GTZ, CIDA)	Government of Ghana (GOG)	GOG and Bilateral donors (GTZ, CIDA, DFID)	Government of Ghana
Types of Support Services	1. Business advisory service 2. Credit facilitation	1. General export information service 2. Advisory service 3. Market development 4. Trade facilitation 5. Export incentives schemes	1. Technology transfer 2. Training and advisory services 3. Hire purchase and working capital	1. Export development and promotion facility 2. Credit facility

		6. Export Financing		
Target businesses	Businesses in the service and manufacturing sectors with less than 29 workers.	Non-traditional exporters	Micro and small businesses	Businesses in the Export sector
Operational Coverage	Offices are located in all the regional capitals and about 63 districts	Head Office located at Accra and three regional offices at Kumasi, Takoradi and Bolgatanga	Offices are Located in the regional capitals.	One office at Accra

(Ernst & Young, 1997; Ninsin, 1989; GIIPIC Pt. III, 2002)

Table 2- Some support institutions and their interventions and services

Name	Empretec	ADF	TechnoServe
Year established	1990 as a UNDP, Barclays Bank Gh. Ltd. and GOG project.	US government agency which started operation in Ghana in 1985	Established in 1971
Mission	To build high quality, growth oriented, internationally competitive entrepreneurs.	To support the development and increase the competitiveness and profitability of indigenous SMEs	To build business that creates jobs, income, opportunity, and economic growth in developing countries.
Sources of Funds	UNDP, World Bank, GOG, DFID, SSNIT, Barclays Bank and other private organizations.	GOG and USAID	USAID, Bilateral and Multilateral donors
Types of support services	Training, consultancy and advisory services and financial services.	Focus on capacity building through training, interventions, Business planning, and provision of grants	1. Advisory services 2. Provision of finance 3. Business management training

Target businesses	Growth-oriented small businesses	SMEs with potential for growth	Small community-based enterprises
Operational	National and Regional	National level.	It operates at the National Level

(Ernst & Young, 1997; Ninsin, 1989; GIPIIC Pt. III, 2002)

Table 3- Some support institutions and their interventions and services

Name	APDF	AGI	PEF
Year established	APDF has been operating in Ghana since 1987	Established in 1958 as the Federation of Ghana Industries	Founded in 1994 by the private sector organizations
Mission	To support the development of competitive African SMEs, working mainly through Local institutions and consultant.	To develop quality service to member companies	To service the development needs of the private sector by influencing government policies and regulations in order to create enabling environment for the private-sector led economic growth strategy and national development.
Sources of Funds	IFC and donor governments	Members subscription, UNDP and donor governments	USAID, GOG, DANIDA and UNDP.
Types of support services	1. Business advisory services. 2. Enterprise support services. 3. Skills development and capacity building.	Management training, export promotion service and organizes trade fairs and trade delegations abroad, credit guarantee.	1. Institutional capacity development 2. Training
Target businesses	SMEs	Member of the association	PEF members and small scale

			businesses transitioning from the informal to formal sector.
Operational	National level	National and regional	National level

(Ernst & Young, 1997; Ninsin, 1989; GIIPC Pt. III, 2002)

Each of the tables listed above: (1) briefly presents some business development institutions and their interventions; and how their support services are supposed to contribute to change in SMEs; (2) summarizes the services rendered and how they work; and (3) documents how they are to impact SMEs in Ghana.

Challenges SMEs faced in accessing policy intervention

In the face of the wide-ranging economic reforms introduced in Ghana since independence, SMEs still encounter a variety of constraints owing to the difficulty of absorbing large fixed costs, the absence of economies of scale and scope in key factors of production, and the higher unit costs of providing services to smaller firms. A World Bank study found that about 90 percent of small enterprises surveyed stated that credit was a major constraint to new investment (Schmitz, 1982; Liedholm & Mead, 1987; Liedholm, 1990; Steel & Webster, 1990; Parker, Riopelle & Steel, 1995). In Ghana, there are government programmes geared towards the support and funding of small enterprises through a variety of funding agencies and institutions. However, it remains unknown the extent to which these initiatives have succeeded in addressing the funding and support challenges face by the SMEs. The following are the set of constraints recognized with the sector.

(i) **Input constraint:** According to Levy (1993), SMEs face a range of constraints in factor market. However, factor availability and cost were the most

common constraints. Many of the SMEs in Ghana emphasized the high cost of obtaining local raw materials; this may stem from their poor cash flows (Parker et al., 1995; Aryeetey et al., 1994) found that 5 percent of their sample cited the input constraints as a problem.

(ii) Managerial inadequacies: Lack of managerial know-how puts significant constraints on SMEs. Owners or managers of SMEs have limited managerial knowledge, attitude and skills in spite of the numerous institutions providing training and advisory services. They mostly develop their own approach to management through a process of trial and error. Most SMEs are owner managed and these owners often lack the requisite skills and expertise to keep the company moving in today's turbulent environment. In the few cases where skills have been acquired through other formal or informal ways, the right attitude to work, maintenance, law and civil life is often lacking. Majority of those who run SMEs are ordinary lot whose educational background is lacking. Hence they may not be well equipped to carry out managerial routines for their enterprises (King & McGrath, 2002).

(iii) Market constraints: SMEs are normally faced with greater external competition and the need to expand market share. The nature of the impoverished population also adds to this. The few who can afford the goods and services fall unto those produced by foreigners. This puts severe pressure on SMEs in terms of efficiency, price, quality and customer satisfaction. Riedel et al., (1988) reported that tailors in Techiman who used to make several pairs of trousers in a month went without any orders with the coming into effect of trade liberalization.

(iv) Regulatory and legal constraints: High start-up cost for firms, including licensing and registration requirements has the likelihood to impose excessive and unnecessary burden on SMEs. SMEs are adversely affected the most as a result of the high cost of settling legal claims together with the delays in court proceedings and registering. The burdensome process and requirements to commence business has been an issue for Small and Medium enterprises. The legalities in clearing goods from the ports and the processing of export documents are also an issue in terms of the time it takes and the monetary values involved (Sydney, 2012).

(v) Inability to capitalize on the advancement in technology:

Kotler & Keller (2006) describe technology as one of the most dramatic forces shaping people's lives and businesses today. Most of SMEs who have adopted ICT have realized benefits and are very positive in continuing to invest and harvest those benefits (Asharati & Murtaza, 2008). Technological advancement has rather posed a great challenge to small businesses. This has resulted from their inability to learn and utilize the immense benefit of the technological advancement. Since the mid-1990s there has been a growing concern about the impact of technological change on the work of micro and small enterprises. Even with change in technology, many small business entrepreneurs appear to be unfamiliar with new technologies. Those who seem to be well positioned, they are most often unaware of this technology and if they know, it is not either locally available or not affordable or not situated to local conditions. In Ghana, like many other African nations, the challenge of connecting indigenous small enterprises with foreign investors and speeding up

technological upgrading still persists (Muteti, 2005). There is digital divide between the rural and urban Ghana. With no power supply in most of the rural areas, it is next to impossible to have internet connectivity and access to information and networks that are core in any enterprise. Thus technological change, though meant to bring about economic change even among the rural lot, does not appear to answer to the plight of the rural entrepreneurs involved in SME operations. Duan et al., (2002) identified lack of ICT knowledge and skills as one of the major challenges faced by SMEs.

(vi) Financing and access to credit facility: Of all the constraints that SMEs face in Ghana, finance remains the major and dominant constraint of all. Credit constraints pertaining to working capital and raw materials have been the single biggest drawback to the SMEs in Ghana. Aryeetey et al., (1994) reported that 38 percent of the SMEs surveyed mention finance as a major constraint; SMEs have limited access to capital markets locally and internationally, in part because of the perception of higher risk, serious management weaknesses, informational barriers, and the higher costs of intermediation for smaller firms. As a result, SMEs often cannot obtain long-term finance in the form of debt from banks. In Sub-Saharan Africa, most small businesses fail in the first year due to lack of support from government and traditional banks (Abor & Biekpe, 2006). In Ghana, the problems financing small firms have significantly hindered the role these SMEs play in the overall macroeconomic performance of the Ghanaian economy. Financial constraints will form a major aspect of the discussions of this work.

(vii) Constraints in accessing finance: SMEs are the main pivot in the Ghana private sector as the engine for growth agenda as announced by the government. Cross-country evidence, however, also shows that small and medium enterprises are more constrained in their operations and growth than large enterprises and access to financial services features importantly among the constraints (Ayyagari, Demirguc-Kunt & Maksimovic, 2006).

Cuevas et al., (1993) indicates that access to bank credit by SMEs has been an issue raised repeatedly by numerous studies as a major constraint to industrial growth. The major cause for the SMEs inability to raise funds from the financial institutions is the unavailability of collateral to back these facilities as requested by the financial institutions. In their view, the current system of land ownership and transfer regulation clearly retards and to some extent limits access to formal credits. Firstly, due to lack of clear title to much useable land in Ghana, there is a limited amount of real property that can be put up as collateral. Secondly, a government embargo on the transfer of stool and family land has further restricted land available for collateral. Finally, where title or lease is clear and alienable, transfer regulation needlessly delay the finalizing of mortgages and consequently access to borrowed capital. Aryeetey et al., (1993) support the view of Cuevas et al., (1993) that from the view point of private sector, problems related to finance dominate all other constraints to expansion (p.50).

Aryeetey et al., (1993) also shared the same view that, for a lender to face information asymmetry, the issue often becomes how persuasive it is of the authority he or she holds in ensuring repayment. These push up transaction cost as

the probability of default is assumed to be high and has to be contained. Thus banks may avoid lending to smaller lesser known clients or impose strict collateral requirements when they do. They may perceive clients in ways that would overcome the latter's own perception of the difficulty of obtaining formal finance.

In investigating whether financing SMEs in Ghana was more expensive than financing the larger enterprises in terms of loan screening, loan monitoring and contract enforcement, banks estimate that screening to gather information about the applicant and the project, review the feasibility study, do credit analysis and make a decision, to an average of 16 days per man for large scale firms application, is less than that for small scale firms applications which take 24 days per man.

Similar results obtained for loan monitoring and contract enforcement suggest that the transaction cost for SME financing were higher than those for large firms per loan. Despite SMEs strong interest in credit, banks' profits orientation may deter them from supplying credit to SMEs because of the higher transaction cost and risk involved. First, SMEs loan requirements are small in that even the costs of processing the loan tend to be high relative to the loan amounts. Second, it is difficult for financial institutions to obtain the information necessary to assess the risk of new unproven ventures especially because the success of small firms often depends heavily on the ability of the entrepreneur.

Cuevas et al., (1993) however indicates that, other alternatives to loans secured by real and movable property have practical constraints. For example, it is possible to take security interest in liquid assets, the foreclosure upon which is

much quicker than that for real and movable property. However, many debtors especially traders are not in the habit of saving money in liquid accounts, they rather turn to either move it into the informal sector of the economy or re-invest it in their business.

Challenges banks face in supplying services to SMEs

Despite the strong demand for finance from the small firms, banks may perceive lack of effective demand by clients they consider credit worthy. Small firms have encountered problems when approaching providers of finance for funds to support fixed capital for their operations (Tucker & Lean, 2003).

Difficulties banks face in supplying financial services to SMEs include the following:

(i) Information and risk: Statistically, small firms tend to have high failure rates; hence, banks need to be selective. It is difficult however to assess accurately the viability of small enterprises, the abilities of the entrepreneur, and the likelihood that the client will repay which are the most important criteria of creditworthiness applied by the banks. Banks are also faced with information asymmetry where SMEs provide incomplete information. Stiglitz and Weiss (1981) refer to information asymmetry as the disparity between the information available to the business seeking capital and suppliers of capital that are typically assumed to be at an informational disadvantage with respect to the insider of the business.

(ii) Collateral: Banks usually require collateral to force repayment, to offset losses in cases of default and to help screen applicants. The result is that; smaller firms tend to get screened out since they are at least likely to be able to

provide acceptable collateral. Even though, most SMEs may provide their own property, the difficulty of proving legal, enforceable title to lend may render it unacceptable to banks as collateral. Cost: Most SMEs lack financial accounts and may have difficulty filling out bank forms correctly. The cost of processing and monitoring small loan exceeds that of loans to large enterprises on per loan basis. Banks estimated that, it takes an average of 24 days to gather information and process an application for small firms as against 16 days for large scale firms (Sydney, 2012).

Lack of management expertise and effective succession plan

Many SMEs owners or managers lack managerial training and experience. The typical owner or managers of small businesses develop their own approach to management, through a process of trial and error. As a result, their management style is likely to be more intuitive than analytical, more concerned with day-to-day operations than long-term issues, and more opportunistic than strategic in its concept (Hill, 1987). Although this attitude is the key strength at the start-up stage of the enterprise because it provides the creativity needed, it may present problems when complex decisions have to be made. A consequence of poor managerial ability is that SME owners are ill prepared to face changes in the business environment and to plan appropriate changes in technology.

Majority of those who run SMEs are mostly those whose educational background is lacking. Hence they may not well be equipped to carry out managerial routines for their enterprises (King & McGrath, 2002). Succession planning has become a means by which organizations can function as an ongoing concern. The absence of this often makes it difficult for SMEs to access support for excellence.

Summary of Lessons Learned from the Review

Manfred Schmiemann (2009) postulates that, SMEs have been discovered to be a key driver for a country's economic growth, hence SMEs cannot be overlooked in the economic development of any country (Anigbogu et al., 2014). Micro and small enterprises can be predicted as the major factor in promoting private sector development and partnership, in developed and developing countries. Economic growth and development in Ghana can be achieved through the emergence of strong micro and small enterprises, which will later grow to become major players in developing the economy. According to United Nations Industrial Development Organization (UNIDO), SMEs account for more than 90% of all registered businesses in Africa. SMEs provide employment and incomes to a large portion of urban labour force and are a significant source of total output (Aryeetey, 2001). However, Capacity Development Centre in Ghana (2011) noted that, despite support systems, and the now institutionalized funding through non-bank financial institutions and traditional banks, capacity gaps continue to exist.

I have found out from the review that there is a lack of commitment by many SMEs owner-managers to reduce their negative impact (Revell & Rutherford, 2003). This is because many SME owner-managers feel that their impact is minimal and often see no reason to engage themselves in development issues (Bradford & Fraser, 2008; Drake et al., 2004; Hillary, 2000; Pimenova & Van Der Vorst, 2004; Revell & Blackburn, 2007; Tilley, 1999).

SME owner-managers believe that national and local government should take a lead on developmental issues (Revell & Rutherford, 2003) and that these

issues are more important for larger firms (Drake et al., 2004) – indeed, research and policy initially concentrated on larger firms. Some SMEs are unaware of the legislation that affects their business (Hillary, 2000) or feel that it does not apply to them (Mir & Feitelson, 2007; Revell & Blackburn, 2007). SMEs are also dubious about the business benefits of SME improvement and therefore only make these improvements if there is a reduction in their business costs (Hillary, 2000; Revell & Blackburn, 2007).

Various government-level interventions to address these barriers and drivers have been introduced, but there appears to be no research which systematically compares their effectiveness. There is also growing debate about whether specific interventions are effective (Tilley, 1999). SME owner-managers are generally unenthusiastic about educational interventions (Taylor et al., 2003).

It is believed that the key reason why research into interventions has tended to produce conflicting results concerning effectiveness is that it has failed to distinguish between the different types of SMEs who have diverse business and improvement aspirations. For this reason, no single intervention on its own is likely to be effective for all SMEs given their very diverse nature. The problem has been further exacerbated because researchers have tended not to conduct research which examines a range of interventions on SME improvement, and the different types of SMEs for which each intervention is most likely effective (Eton et al., 2017).

It is also important for researchers not to treat SMEs as a homogeneous group when studying their improvement, but instead group them according to attributes. That, a more holistic intervention programme can perhaps be designed if

policy makers and researchers consider industry-specific and other variables on which SMEs can be categorized. Possibly, tailored range of interventions will elicit greater engagement overall. Nevertheless, it is possible that some SMEs will remain recalcitrant no matter how many kinds of interventions policy makers adopt. There is also the view that policy makers need to understand how SMEs engage with or avoid certain interventions when designing a broader policy mix of interventions. This level of understanding can only be achieved by having a clearer view of the types of SMEs being targeted, their business behavior and the conditions under which these SMEs operate. Further, governments are in a position to markedly alter the business conditions of SMEs and often do so. That a properly coordinated and mixed strategy intervention approach is likely to be more successful in engaging SMEs (Eton et al., 2017).

It is no longer possible, and it is naïve, to rely on the extremes of voluntary agreements or regulation and legislation to engage SMEs in improving their activities. Intervention strategies to assist SMEs to engage in improving their business activities need to be holistic and designed for the specific category of SMEs being targeted.

The most commonly reported reason for nonuse of these external support services was that owner-managers were unaware of their existence. And this is an “ignorance explanation” (Storey & Westhead, 1997). In the Ghanaian context, there is strong evidence to argue that the ignorance explanation is a major reason for the low usage of NBSSI and Empretec (Obeng & Bundel, 2015).

Conceptual Framework of the Study

The role of SMEs to socio-economic growth in Ghana and even Africa is almost unquestionable. SME promotion has become a priority in the policy agenda of most African countries as widely documented (CDCG, 2011). There is no doubt that SMEs constitute the seed-bed for the forthcoming generation of African entrepreneurs.

According to Obeng and Blundel (2015), despite the strenuous efforts most SMEs put into developing their business and economic growth many SMEs are not aware about various developments and changes in international and domestic trade, incentives and schemes of Government, market development, banking and finance, laws, direct and indirect taxes, H.R. Management, TQM, Six Sigma, quality assurance, productivity, logistics and supply chain management and other related areas. The result is that SMEs in Ghana lacked competitiveness and are unable to compete favorably with their counterparts from outside and as such lose their customer base to these expatriate companies leaving the SME with no option than to fold up, both the banks that finance their operations and the government which supports programs with tax payer resources have not derived the required benefits, therefore, the extent to which SMEs have benefited from policy intervention is worthy of exploration.

There are two main economic justifications for SME policies. One rational is the existence of market failures that might hinder SMEs' performance and their participation in market activity, leading to lower growth and employment (Ibarraran et al., 2010). Capacity Development Centre in Ghana, (2011) also noted

that, despite these support systems, and the now institutionalized funding through non-bank financial institutions and traditional banks, capacity gaps continue to exist.

Based on the assumptions of Chris Argyris' Intervention Theory and Methods (1970), this study identified policy intervention as a critical element for the growth of Ghana's micro and small sized enterprises (SMEs), also based on the empirical study on the implications for Theory and Policy Development: the relationship between (practice) theory and policy intervention by Nicola Spurling, Lancaster University, (2006 - 2017), the work focuses on policy influence and practice (adoption and use), bearing in mind the success or failure of policy previous intervention aimed at SMEs in Ghana. Also identifying and demonstrating the contribution of currently available interventions aimed at SMEs in the study area and how the SMEs are reacting to the interventions, also to examine the factors that influence inaccessibility of such interventions among SMEs and how these factors can be managed. The study works within both the BDS concept and Enterprise policy concept to identify which is best accepted and used by SMEs in the study area to benefit their business activities.

CHAPTER THREE

METHODOLOGY

Introduction

This chapter describes the methodology which includes the research approach, the study design, the study area, population, sampling procedures, data collection instruments, data collection procedures, data processing and analysis, and chapter summary.

The Research Approach

The study is qualitative and adopts a systematic review of journal articles, conference papers, reports, peer-reviewed journals and non-reviewed journals concerning SMEs. The method resulted nearly over 50 journals reviewed. The study focuses on articles reporting empirical results on SME policy issues because this enables to explore how SMEs are reacting to interventions and to present findings which will be of practical significance. A mixed strategy intervention approach was likely to be more effective and successful in engaging SMEs for the study. For this reason, no single intervention on its own was examined, however, a broader mix of interventions and support services were examined to understand how the majority of SMEs were reacting to support systems. Key business support agencies such as NBSSI, BAC, AGI, EMPRETEC, EDIF, GRATIS, GEPC, TECNOSERVICE, ADF, PEF, APDF, were identified as an ideal direction for the study given, their very diverse nature and relevance to SMEs activities in the study area.

Research Design

The study looked at policy issues of SMEs therefore adopted a descriptive approach by describing the situations and concepts related to the case under study. Research questions were framed around the problem and the objectives of the study, bearing in mind views gathered on the trend of policy and support issues faced SMEs. Data was collected by the use of a questionnaire which helped in presenting to SMEs the issues on ground, and giving them a fair and clearer options to choose from for their responses. Data was statistically analyzed by the help of Statistical Package for the Social Sciences (SPSS), and presented findings in form of descriptive statistics showing the statistical distribution of the variables understudied in frequency, percentages and cross-tabulation of variables.

The Study Area

The research was conducted in the Cape Coast Municipality in the Central Region of Ghana

The Population

Owner-mangers of SMEs in the Cape Coast Municipality constitute the population of the study. They were twenty-five (25) males and twenty-two (22) female owner-managers constituting SMEs on the list of forty-seven (47) registered SMEs with the Business Advisory Centre (BAC), Cape Coast.

Sampling Procedures

Out of the 47 population, the research focused on 33 SME owner-managers who had their telephone contacts on the list obtained from the Business Advisory Centers (BAC), Cape Coast. This is to enhance easy access to the owner-managers

since we already had a list and need not go round the whole Cape Coast Municipality looking for them. Random sampling technique was used. Out of a list of 47 SMEs registered with Business Advisory Centre (BAC), 33 SMEs were randomly selected as the sample size for the study, per the Krejcie & Morgan (1970) sample size determination table.

Data Collection Instruments

Questionnaire was the instrument used for soliciting information from the owner-managers. The questionnaire contains research questions framed around the problem and the objectives of the study, bearing in mind views gathered on the trend of policy and support issues likely faced in the study area. The questionnaire was structured in three sections: Section A: contains questions on the background of the owner-managers and their business activities in the area. Section B was on general level of awareness, adoption and use of interventions and support services, and their benefits to SMEs in the area. Section C was on challenges faced by SMEs in the area.

Data Collection Procedures

An introductory letter was issued by the Head of Department, Center for Small Enterprise Development (CESED), University of Cape Coast on 23rd of June, 2017 to the field for Data collection. A list of registered SMEs was obtained from the Business Advisory Centre (BAC) of the Cape Coast Municipality. Owner-managers were contacted on telephone based on the list collected from the Business Advisory Centre (BAC) for easy access to their offices or business centers. The data was collected from owner-managers who represent the SMEs in the study area,

and this was done between June and December, 2017. Questionnaire was the instrument used for data collection. The questionnaire was personally administered to the SME owner-managers. The questionnaire contained a wide range of questions to choose from. The questionnaire helped in a way by presenting to SMEs the issues on ground, and giving them a fair and clearer options to choose from for their responses. I ensured the responses are not bias but reflect their true feelings and views on the issue understudy. The challenge encountered was that, I had to keep visiting or calling for about three to four times before meeting some of these SME owner-managers, and due to distance, time and cost effectiveness, some respondents had to be contacted on phone for follow-up on their responses.

Data Processing and Analysis

The research adopted a descriptive approach. SPSS Statistical tool was used in the data analysis to enable come out with the final findings of the work in a more scientifically presentable mode for identifying trends on the research topic. The data was analyzed using descriptive statistics. The data was analyzed with particular reference to the research objectives and presented results in statistical distribution tables. Statistical analysis approaches such as frequencies, percentages and cross-tabulations were used to report the finding. The results from the analysis were presented in frequency distribution tables and cross-tabulation tables. The cross-tabulation of variables was very necessary due to the varied nature of variables understudied, since presenting them individually would make the work clumsy. Also, the general purpose of the study was not to statistically test the variables under study for inferences but to just identify and describe the situations.

Chapter Summary

This research covered SMEs and their owner- managers in the Cape Coast Municipality; however, the study was limited to the 47 registered SMEs within the Municipality, and simple randomly selected 33 SMEs for the study, per the Krejcie & Morgan (1970) sample size determination table. The study looked at policy and intervention issues on SMEs therefore adopted a descriptive approach by describing the situations and concepts related to the case under study. The study examined (i) the overall level of awareness, adoption and use of some identified support institution to identify the general level of awareness, adoption and use of their interventions and support services such as education, technology transfer, financial aid, managerial training, capacity development, succession planning provided the SMEs in the study area, thus at the local level, and (ii) examined the challenges faced by SMEs in the area. Questionnaire was the instrument used for soliciting information from the owner-managers and was administered in person. Data collected was analyzed using descriptive statistics.

The general idea of the study was not to statistically test the variables under study for inferences but to just describe the situations. However, studying only one or two of these variables would have given more room to run many more statistical tests for reporting. But this is not the focus of the study. The study focuses basically on reporting what is happening on the ground that would call for a more advanced research on the subject under study. However, to particularly examine and analyze any one particular intervention or variable may call for statistical inferences that may require further descriptive tests and some inferential statistics.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter describes the findings and analysis of the data collected from a total of 33 respondents from the field. The chapter is broken down into the following three sections. Section A reports the background information on participants. Section B presents results on (i) the overall level of awareness, adoption and use of some identified support institution such as the NBSSI, BAC, AGI, EMPRETEC, EDIF, GRATIS, GEPC, TECNOSERVICE, ADF, PEF, APDF by the SMEs. (ii) to identify the general level of awareness, adoption and use of and their interventions and support services such as education, technology transfer, financial aid, managerial training, capacity development, succession planning provided the SMEs in the study area, thus at the local level. Section C identifies the key challenges faced by businesses in the study area in accessing interventions, and highlighted on remedies suggested by respondents to curb the challenges identified, and provided a summary on the observations made from the study.

Background Data and Descriptive Statistics of the SMEs

Investigation into the type of businesses owned by these respondents showed that all SMEs were into private businesses which are mainly owned by them or was owned by a group of these owner-managers coming together to share ideas to build the company. Most of these SME owner-managers have knowledge about their businesses, knows what they are about, and also makes the right decisions that will aid in increasing productivity in their businesses. However, the

study reveals that most of them did not know much about their respective industrial sector they belong to. This reflected in both the list sourced from the Business Advisory Centre (BAC) and the responses gathered from the questionnaire.

Nonetheless the responses were further reorganized to reflect their sector activities and groupings.

The Table 4. shows detailed responses of participants interviewed in the study area to ascertain general basic information on their business activities.

Table 4- *Details of Participants Interviewed*

No.	Name of enterprise	Name of proprietor	Gender	Product /service	Sector	Activity
1.		Isaac Ben Barteh	M	Auto Mechanic	Service	Auto mechanic
2.	Deshe Design	Nurudeen Alhassan	M	Dress Maker	Manufacturing	Fashion designing
3.	Aliko Fashion	Alice Aku Korsah	F	Dress Maker	Manufacturing	Fashion designing
4.		Rebecca Sagoe	F	Dress Maker	Manufacturing	Fashion designing
5.		Isaac Otoo	M	Dress Maker	Manufacturing	Fashion designing
6.	Stylish details	Sarah Ayesu	F	Dress Maker	Manufacturing	Fashion designing
7.	Big Abey Shoe Making Centre	James Anawi	M	Shoe and Bag	Manufacturing	Leather work
8.	Nyame Nhiyra	Eric Yarkwa	M	Shoe and Bag	Manufacturing	Leather work
9.	Grace women's	Grace Women's	M	Batik, Tie and Dye	Manufacturing	Batik, Tie and Dye
10.		Joseph Annan	M	Shoe and Bag	Manufacturing	Leather Work
11.		Salihu Adamu	M	Dress Maker	Manufacturing	Fashion designing
12.		James B. Brown	M	Orange and	Agriculture	Orange and lemon processing

				lemon juice		
13.	Netro Drinking Water	Emmanuel Tetteh Nettey Roboris	M	Mineral water	Manufacturing	Mineral water processing
14.		Samual Attah Mensah	M	Cassava products	Agriculture	Cassava processing
15.	Ten ultimate production	Louis Sackey	M	Salt	Agriculture	Salt Processing
16.		Celestina Mensah	F	Fish	Agriculture	Fish Processing
17.	Oasis Company Limited	William E. Daniel Acuah	M	Food and Drinks	Agriculture	Food and Drink processing
18.	Monsre Ent.	Monica Eku	F	Batik, Tie and Dye	Manufacturing	Batik, Tie and Dye
19.	Varieties of Soap	Fatima Ewudzie	F	Soap	Manufacturing	Soap making
20.	Enoah Co. Ltd			Drink	Agriculture	Drink production
21.	All day soap	Atsu Kwami Douglas	M	Soap	Manufacturing	Soap making
22.	Passion for sound mind	Daniel Danso	M	Service	Service	All services
23.	Copra supplies/ Cleaning	Peter Ekow Brown	M	Supplies/ Cleaning	Service	Supplies/ Cleaning
24.	Farming (portal)	Kofi Nyarko	M	Farm products	Agriculture	Farming
25.	Print Advertising industry	Fred Kweku Appiah	M	ICT Service	Service	Print advertising
26.	ICT Service	George A. Ben Smith	M	ICT Service	Service	ICT Service
27.	Inscription Designing in cement	Stephen Baido	M	Inscriptions	Service	Inscription Designing in cement
28.	Assorted drinks	Isaac Kojo Biney	M	Assorted Drinks	Service	Dealer in Assorted drinks

29.		Jacob Ben Anaman		Palm oil	Agri-culture	Palm oil production
30.	Liberty	Kojo Mensah	M	Farm Product	Agri-culture	Farming
31.	Ampomah farms	Kwamina Ampomah	M	Farm Product	Agri-culture	Farming
32.	Sign it Arts Design	Shadrack K. Duker	M	Graphic Designing	Service	Graphic Designing
33.	Establish ICT Labs in School	Redlink Readers' Club Ghana	M	Establish ICT Labs in School	Service	Establish ICT Labs in School

Source: Field Data, Lanyo (2017)

Table 5- *Percentage Frequency of the Various Activities*

Products or Services	Frequency	Percentage
Garments and Textiles	11	33.3
Auto Mechanic	1	3.0
ICT Services	5	15.2
Food and Drink Processing	11	33.3
Soap Making	2	6.1
Trade and General Services	3	9.1
Total	33	100.0

Source: Field Data, Lanyo (2017)

Table 5. shows a comprised classification frequency of the general responses to activities carried out in the study area in respect to their various product and services to reflect their respective business activities. Most of these SME personnel have knowledge about their businesses, know what they are about and the key activities they fall under. However, it was noted that most of them did not know much about their respective sectors. This reflected in both the list sourced from the Business Advisory Centre (BAC) and the responses gathered from the questionnaire, nonetheless the responses were further reorganized to reflect their sector activities and groupings of their products and services.

Sector Composition of SMEs in the Study Area

Table 6. presents sector grouping of SMEs. It reports percentage sector composition of activities by SMEs in the study area as Manufacturing: 42.4%, Agriculture: 30.3%, and Services: 27.3%.

Table 6- *Sector Grouping of SMES*

Sectors	Frequency	Percentage
Manufacturing	14	42.4
Agriculture	10	30.3
Service	9	27.3
Total	33	100.0

Source: Field Data, Lanyo (2017)

The Table 6. Shows a statistical distribution of various activities carried out by SMEs in the study area and reports their frequency distribution of responses to the various activities and also the respective sectors under which they fall.

Table 7- *Gender of Business Owners*

Gender	Frequency	Percentage
Male	27	81.8
Female	6	18.2
Total	33	100.0

Source: Field Data, Lanyo (2017)

Investigation into the background of the business owners or respondents showed that majority (82%) of the owners of these businesses were males (27) and the minority (18%) were females (6) as shown in Table 7. This reveals that the rate of women-owned businesses in the study area is low. The low rate of business ownership among women is a worldwide phenomenon. Aggregate data from the Organization for Economic Co-operation and Development (OECD) affirm that female self-employment rates are substantially lower than male rates in almost every reported country, with an average ratio of 0.543 (OECD, [2002](#)).

Table 8- *Businesses Registered*

Response	Frequency	Percentage
Yes	25	75.8
No	8	24.2
Total	33	100.0

Source: Field Data, Lanyo (2017)

Investigation into the type of businesses owned by these respondents showed that all SMEs were into private businesses which are mainly owned by them or was owned by a group of these owner-managers coming together to share ideas to build the company. Out of the total population of 33 (100 %), twenty-five (25) participants representing 76 percent have their businesses registered, and the minority of eight (8) participants representing 24 percent did not register their businesses as shown in Table 8.

Registration of one’s business is not legally mandatory in Ghana, to the best of my knowledge, but registering it would help you reap several benefits from the government and other agencies, such as credit at low interest rate, incentives on products for exports, excise exemption, and other statutory aids. It was confirmed by the BAC, Cape Coast that some owner-managers became bitter and unwilling to open up for interrogations for any further consultancy because they felt they were not benefiting from some incentives due to the non-registration of their businesses. This is obvious because, no serious stakeholder, for example an investor or a financial institution wouldn’t want to risk dealing with an unregistered business. Therefore, to encourage the growth of a business, it is always advisable to register one’s business in order to create opportunities of gaining maximum support and benefits for the enterprises.

Level of Adoption and Use of Interventions and Support Services by SMEs in the Cape Coast Municipality

This section reports findings on SMEs level of knowledge on the availability of public information on interventions, their benefits, their acceptance and usage among SMEs with respect to the first objective of the study. An in-depth knowledge and understanding of one's business and available interventions is an important factor to making important and effective decisions that will lead to increase productivity or progression of the SMEs. For this reason, the study sought to find out the level of knowledge of the respondents in their respective businesses, level of awareness and the adoption and use of interventions for SMEs and to also ascertain the trend, relevance and effectiveness of interventions in the area.

In achieving these, each respondent was asked to rate their level of knowledge and awareness, adoption and use of interventions in their respective industry. Table 9 to 15 explain how the SMEs are reacting to interventions with respect to the first objective of the study. Table 9. shows the results of SMEs overall knowledge and awareness of intervenors at the national and regional level. From their responses, majority said they have a very high knowledge and awareness of some intervenors as they represented EMPRETEC 51.5 percent, GEPC 42.4 percent, NBSSI 90.9 percent, BAC 100 percent, AGI 57.6 percent and EDIF is 39.4 percent. TECNOSERVICE rated their level of knowledge and awareness to somewhat low representing 42.4 percent, and GRATIS 66.7 percent. Knowledge and awareness to ADF was 51.5 percent, PEF 54.5 percent and APDF 63.6 percent rated very low as observed from the Table 9.

SMEs General Knowledge about Intervenors at the National and Regional Level

Table 9- *General Level of awareness of intervenors by SMEs*

Intervenors	Very high		Somewhat high		Average		Somewhat low		Very low		Total % Frequency	
	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)
BAC	33	100.0	0	0.0	0	0.0	0	0.0	0	0.0	33	100.0
NBSSI	30	90.9	1	3.0	0	0.0	1	3.0	1	3.0	33	100.0
AGI	19	57.6	7	21.2	0	0.0	4	12.1	3	9.1	33	100.0
EMPRETEC	17	51.5	11	33.3	0	0.0	1	3.0	4	12.1	33	100.0
GEPC	14	42.4	2	6.1	0	0.0	6	18.2	11	33.3	33	100.0
EDIF	13	39.4	8	24.2	1	3.0	1	3.0	10	30.3	33	100.0
GRATIS	4	12.1	0	0.0	1	3.0	22	66.7	6	18.2	33	100.0
TECNOSERVICE	7	21.2	3	9.1	0	0.0	14	42.4	9	27.3	33	100.0
ADF	2	6.1	2	6.1	0	0.0	12	36.4	17	51.5	33	100.0
PEF	2	6.1	1	3.0	0	0.0	12	36.4	18	54.5	33	100.0
APDF	0	0.0	3	9.1	1	3.0	8	24.2	21	63.6	33	100.0
Average	0	0.0	13	39.4	16	48.5	4	12.1	0	0.0	33	100.0

Source: Field Data, Lanyo (2017)

Table 10- *Level of Knowledge on Benefits of Interventions*

Knowledge and Awareness of Benefits of Interventions	Very high		Somewhat High		Average		Somewhat Low		Very low		Total % Frequency	
	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)
Knowledge on performance enhancement	31	93.9	2	6.1	0	0.0	0	0.0	0	0.0	33	100.0
Knowledge on profitability measures	31	93.9	2	6.1	0	0.0	0	0.0	0	0.0	33	100.0
Knowledge on competitiveness	29	87.9	3	9.1	0	0.0	0	0.0	1	3.0	33	100.0
Knowledge about international and domestic trade	27	81.8	4	12.1	0	0.0	1	3.0	1	3.0	33	100.0
Average	28	84.8	4	12.1	1	3.0	0	0.0	0	0.0	33	100.0

Source: Field Data, Lanyo (2017)

NOBIS

Table 10. shows the results of the SMEs overall knowledge and awareness of benefits of interventions and support services at the national and regional level. The above information gives the indication that, at least most of these SMEs owner-managers have knowledge about their businesses, knows what they are about, and also makes the right decisions that will aid in increasing productivity in their businesses. Awareness, knowledge and understanding of one's business are important factors to making important and effective decisions that will lead to increase productivity or progression of the SMEs. For this reason, the study sought to find out from the respondents the level of knowledge and awareness of the benefits of interventions and support services aimed at SMEs in their respective businesses. In achieving this, each respondent was asked to rate their level of knowledge and awareness of benefits of interventions to SMEs in their respective sectors such as, knowledge about current trends in international and domestic trade, knowledge on profitability measures, knowledge on performance enhancement, knowledge on business competitiveness.

The rationale behind interventions aimed at SMEs is market failures and economic empowerment, and if despite the strenuous efforts these SMEs put into developing their businesses but are not aware about various developments and current trends in international and domestic trade, incentives and schemes of government, business development issues and other related areas, result would be that these SMEs would definitely lack competitiveness (CDCG, 2011). It is so encouraging to know from the study that these SMEs in the study area are aware of what is happening around them.

Table 11- *Intervenors being adopted in the study area*

Intervenors Being Access	Very high		Somewhat high		Average		Somewhat low		Very low		Total % Frequency	
	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)
NBSSI	30	90.9	0	0.0	0	0.0	1	3.0	2	6.1	33	100.0
BAC	30	90.9	1	3.0	0	0.0	0	0.0	2	6.1	33	100.0
AGI	20	60.6	1	3.0	0	0.0	7	21.2	5	15.2	33	100.0
EMPRETEC	13	39.4	9	27.3	0	0.0	4	12.1	7	21.2	33	100.0
DIF	10	30.3	2	6.1	6	18.2	6	18.2	9	27.3	33	100.0
GRATIS	0	0.0	6	18.2	0	0.0	14	42.4	13	39.4	33	100.0
GEPC	3	9.1	9	27.3	6	18.2	2	6.1	13	39.4	33	100.0
TECNOSERVICE	6	18.2	2	6.1	0	0.0	9	27.3	16	48.5	33	100.0
ADF	2	6.1	0	0.0	6	18.2	0	0.0	25	75.8	33	100.0
PEF	2	6.1	0	0.0	6	18.2	0	0.0	25	75.8	33	100.0
APDF	0	0.0	1	3.0	6	18.2	1	3.0	25	75.8	33	100.0
Average	0	0.0	3	9.1	18	54.5	11	33.3	1	3.0	33	100.0

Source: Field Data, Lanyo (2017)

NOBIS

Table 11. shows the results of intervenors that are being adopted and used in the study area. This depicts the current available interventions that are being adopted in the study area for use by their SMEs. The Table 11. shows that although these interventions are generally available at the national and regional level, not all are being patronized in the study area. From their responses, SMEs said they have a very high level of adoption and use of interventions and support services on the average (62.42 percent) made up of EMPRETEC, EDIF, NBSSI, BAC and AGI; but their level of knowing about GRATIS and its use is somewhat low; and their level of adoption and use for TECNOSERVICE, ADF, GEPC, APDF and PEF is also very low as observed in the Table 11. The above information gives the indication that, most of these intervenors are not being accessed by the SMEs in the study area.

It was observed that TECHNOSERVICE, ADF, GEPC, APDF and PEF, all operates at the national level. Nonetheless, I wish these institutions also operate at the local. For example, TechnoServe was established to build businesses that creates jobs, income, opportunity, and economic growth in developing countries through advisory services, provision of finance and business management training to small community-based enterprises but operates at the national level. APDF was to support the development of competitive African SMEs, working mainly through local institutions and consultant, but also operates at the national. The study argues that, it would have been very beneficial if the support services of these institutions with very low accessibility are decentralized at the local levels to well support these indigenous SMEs.

The Use of Specific Interventions and Support Services at the Local Level as shown in Tables 12 and 13.

Table 12- *Interventions and support services that are currently common in the area*

Specific Interventions and Support Services	Very high		Somewhat high		Average		Somewhat low		Very low		Total % Frequency	
	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)
Managerial Training	28	84.8	1	3.0	1	3.0	0	0.0	3	9.1	33	100.0
Education	26	78.8	3	9.1	1	3.0	0	0.0	3	9.1	33	100.0
Succession Planning	24	72.7	2	6.1	1	3.0	3	9.1	3	9.1	33	100.0
Total Quality Management	24	72.7	4	12.1	1	3.0	1	3.0	3	9.1	33	100.0
Capacity development	18	54.6	8	24.2	0	0.0	4	12.1	3	9.1	33	100.0
Technology Transfer	18	54.5	3	9.1	1	3.0	1	3.0	10	30.3	33	100.0
Financial Aid	3	9.1	0	0.0	2	6.1	19	57.6	9	27.3	33	100.0
Average	17	51.5	10	30.3	3	9.1	0	0.0	3	9.1	33	100.0

Source: Field Data, Lanyo (2017)



Table 12. shows the major interventions and support services that are currently common in the Cape Coast Municipality. It was observed that, managerial training, education, succession planning, total quality management (TQM), technology transfer, capacity development are interventions and support services that are currently common in the Cape Coast Municipality, these represent on the average 51.5 percent and rated the level of awareness as very high, and 30.3 percent of the population also said they have somewhat high level of awareness. These two groups put together totals to 81.8 percent of the total population having a high level of awareness of these specific mentioned interventions and support services in the area. When asked if they are aware of the availability of financial aid, the majority representing 57.6 percent said they have somewhat low awareness, and 9 respondents representing 27.3 percent said they have very low awareness, totaling 84.9 percent. Only 3 respondents representing 9.1 percent has a very high awareness of the availability of financial aid amongst the respondents.

This information gives the indication that, despite majority of the respondents having a very high level of awareness of these specific interventions, their level of awareness of the availability of financial aid is very low and still remains a challenge to the SMEs. Stiglitz and Weiss (1981) refer to information asymmetry as the disparity between the information available to the business seeking capital and suppliers of capital that are assumed to be at an informational disadvantage. On the issue of financial aid, Cuevas et al., (1993) indicated that access to bank credit by SMEs has been an issue raised repeatedly by numerous studies as a major constraint to industrial growth. Aryeetey et al., (1993) support the view that private sector problems related to finance dominate all other constraints to expansion.

Table 13- *Level of use of the specific interventions and support services*

Specific Interventions and Support Services	Very high		Somewhat high		Average		Somewhat low		Very low		Total % Frequency	
	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)
Education	28	84.8	0	0.0	0	0.0	2	6.1	3	9.1	33	100.0
Total Quality Management	26	78.8	2	6.1	0	0.0	2	6.1	3	9.1	33	100.0
Technology Transfer	24	72.7	5	15.2	0	0.0	1	3.0	3	9.1	33	100.0
Capacity development	18	54.5	8	24.2	0	0.0	4	12.1	3	9.1	33	100.0
Managerial Training	4	12.1	14	42.4	1	3.0	10	30.3	4	12.1	33	100.0
Succession Planning	4	12.1	14	42.4	1	3.0	10	30.3	4	12.1	33	100.0
Financial Aid	3	9.1	10	30.3	1	3.0	13	39.4	6	18.2	33	100.0
Average	12	36.4	14	42.4	2	6.1	2	6.1	3	9.1	33	100.0

Source: Field Data, Lanyo (2017)

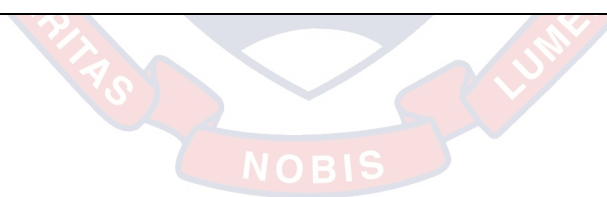


Table 13 shows the specific interventions and support services that are currently used in the Cape Coast Municipality. The study sought to know apart from their awareness, how many SMEs are adopting in their businesses activities these specific interventions identified to be available in the study area.

It was observed that, education, total quality management (TQM), technology transfer, capacity development are policy interventions and support services currently adopted in the Cape Coast Municipality, representing their individual level of adoption as very high; thus education representing 84.8 percent, total quality management (TQM) 78.8 percent, technology transfer 72.7 percent, capacity development 54.5 percent. Succession planning and managerial training adoptions are somewhat high representing 42.4 percent on the average; financial aid represents 39.4 percent of the total population.

This information gives the indication that, even though majority of the respondents have a very high level of adoption in most of these interventions, nonetheless, access to financial aid is still somewhat low therefore remains a challenge to the SMEs. The findings showed that, challenges such as availability of financial facility from banks was the major challenge these SME personnel face in the course of their work.

It was also observed that managerial training, education and total quality management (TQM) were rated very high as interventions and support services that were used or benefited from in the Cape Coast Municipality. Thus managerial training representing 72.7 percent, total quality management (TQM) 63.6 percent and education 42.4 percent.

Trend of Use of the Specific Interventions in the Study Area as shown in Tables 14 and 15.

Table 14- *Specific Interventions and Support Services Ever Benefited by SMEs*

Specific Interventions and Support Services	Very high		Somewhat high		Average		Somewhat low		Very low		Total % Frequency	
	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)
Managerial Training	24	72.7	2	6.1	2	6.1	2	6.1	3	9.1	33	100.0
Total Quality Management	21	63.6	7	21.2	1	3.0	1	3.0	3	9.1	33	100.0
Capacity development	0	0.0	20	60.6	1	3.0	4	12.1	8	24.2	33	100.0
Education	14	42.4	8	24.2	1	3.0	7	21.2	3	9.1	33	100.0
Technology Transfer	8	24.2	12	36.4	1	3.0	1	3.0	11	33.3	33	100.0
Succession Planning	1	3.0	11	33.3	2	6.1	12	36.4	7	21.2	33	100.0
Financial Aid	2	6.1	0	0.0	1	3.0	1	3.0	29	87.9	33	100.0
Average	0	0.0	20	60.6	8	24.2	2	6.1	3	9.1	33	100.0

Source: Field Data, Lanyo (2017)

Table 15- *Specific Interventions and Support Services currently being use*

Specific Interventions and Support Services	Very high		Somewhat high		Average		Somewhat low		Very low		Total % Frequency	
	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)
Total Quality Management	13	39.4	8	24.2	6	18.2	2	6.1	4	12.1	33	100.0
Managerial Training	9	27.3	13	39.4	7	21.2	1	3.0	3	9.1	33	100.0
Capacity development	2	6.1	12	36.4	7	21.2	7	21.2	5	15.2	33	100.0
Education	11	33.3	6	18.2	5	15.2	1	3.0	10	30.3	33	100.0
Succession Planning	0	0.0	8	24.2	7	21.2	13	39.4	5	15.2	33	100.0
Technology Transfer	10	30.3	5	15.2	6	18.2	1	3.0	11	33.3	33	100.0
Financial Aid	2	6.1	0	0.0	6	18.2	9	27.3	16	48.5	33	100.0
Average	0	0.0	11	33.3	10	30.3	8	24.2	4	12.1	33	100.0

Source: Field Data, Lanyo (2017)



In order to identify the current trend of use of the specified interventions, Table 14 and Table 15 were compared. Table 14 shows the level of use of the specific interventions and support services ever benefited or used in the past by these SMEs in the study area. It is observed from Table 14 that, capacity development and technology transfer are rated somewhat high, representing 60.6 percent and 36.4 percent respectively. Use of succession planning is somewhat low representing 36.4 percent and use of financial aid is very low representing 87.9 percent of the total population. Table 15. shows current trend of level of use of interventions by SMEs in the study area.

The study noted that the most currently used interventions and support services in the Cape Coast Municipality are total quality management (TQM) representing 39.4 percent very high, and education representing 33.3 percent very high. Managerial training represents 39.4 percent somewhat high, and capacity development also represents 36.4 percent somewhat high. The use of succession planning is somewhat low representing 39.4 percent, and the use of technology transfer and financial aid are very low representing 33.3 percent and 48.5 percent respectively. The major setbacks identified here by the study were lack of use of succession planning which is somewhat low by 39.4 percent. Technology transfer representing 33.3 percent, and financial aid representing 48.5 percent were also rated very low.

1. Succession planning

Succession planning has become a means by which organizations can function as an ongoing concern. So many schools of thought attach so much importance to

succession planning. The absence of this often makes it difficult for SMEs to access support for excellence.

2. Technology transfer.

Information and communication technology (ICT) applications provide many benefits across a wide range of intra- and inter-firm business processes and transactions. The use of ICT applications improves information and knowledge management inside the firm and can reduce transaction costs and increase the speed and reliability of transactions for both business-to-business (B2B) and business-to-consumer (B2C) transactions. In addition, they are effective tools for improving external communications and quality of services for established and new customers.

With the imminent benefits derived from ICT, the study takes so much interests as to whether or not these SMEs use ICT and advanced technology in their business activities. From their responses, it can be concluded that, the level of use in ICT is very low represented by 33.3 percent of the respondents who confirmed this. Only 30.3 percent of respondents rated their level of use to be very high as observed in Table 15.

Inability to capitalize on the advancement in technology is a worry. Kotler & Keller (2006) describe technology as one of the most dramatic forces shaping people's lives and businesses today. Most SMEs who have adopted ICT have realized benefits and are very positive in continuing to invest and harvest those benefits (Asharati & Murtaza 2008).

However, technological advancement has rather posed a great challenge to small businesses. This has resulted from their inability to learn and utilize the immense benefit of the technological advancement. Since the mid-1990s there has been a growing concern about the impact of technological change on the work of micro and small enterprises. Even with change in technology, many small business entrepreneurs appear to be unfamiliar with new technologies. Those who seem to be well positioned, they are most often unaware of this technology and if they know, it is either not locally available or not affordable or not situated to local conditions. In Ghana, like many other African nations, the challenge of connecting indigenous small enterprises with foreign investors and speeding up technological upgrading still persists (Muteti, 2005).

As a general concern, there is this digital divide between the rural and urban Ghana. With no power supply in most of the rural areas it is next to impossible to have internet connectivity and access to information and networks that are core in any enterprise. Thus technological change, though meant to bring about economic change even among the rural lot, does not appear to answer to the plight of the rural entrepreneurs involved in SME operations. Lack of ICT knowledge and skills is one of the major setbacks faced by SMEs (Duan et al., 2002).

3. Financing and access to credit facility

The study reveals that these interventions are scarce in the study area. Of all the constraints that SMEs face in Ghana, finance remains the major and dominant constraint of all. Credit constraints pertaining to working capital and raw materials have been the single biggest drawback to the SMEs in Ghana. Aryeetey et al.,

(1994) reported that 38 percent of the SMEs surveyed mention finance as a major constraint; SMEs have limited access to capital markets locally and internationally because of the perception of higher risk, serious management weaknesses, informational barriers, and the higher costs of intermediation for smaller firms. As a result, SMEs often cannot obtain long-term finance in the form of loans from banks. In Sub-Saharan Africa, most small businesses fail in the first year due to lack of support from government and traditional banks (Abor & Biekpe, 2006).

In Ghana, the problems of financing small firms have significantly hindered the role these SMEs play in the overall macroeconomic performance of the Ghanaian economy. The study reveals that the major constraint SMEs face is access to finance, however, SMEs are the main pivot in the Ghana private sector as the engine for growth agenda as announced by the government. Cross-country evidence, however, also shows that small and medium enterprises are more constrained in their operations and growth than large enterprises and access to financial services features importantly among the constraints (Ayyagari, Demirgüç-Kunt & Maksimovic, 2006). Cuevas et al., (1993) indicate that access to bank credit by SMEs has been an issue raised repeatedly by numerous studies as a major constraint to industrial growth. The major cause for the SMEs inability to raise funds from the financial institutions is the unavailability of collateral to back these facilities as requested by the financial institutions. In their view, the need of land ownership to use as collateral for credit facilities and transfer regulation clearly retards and to some extent limits access to formal credits. Aryeetey et al., (1993) support the view of Cuevas et al., (1993) that from the view point of private sector, problems related to finance dominate all other constraints to expansion.

Factors that Influence SMEs in Accessing Interventions and Support Services in the Study Area are shown in Table 16.

Table 16- *Challenges that impede SMEs in accessing policy interventions*

Challenges	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Total % Frequency	
	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)	Fq.	(%)
Irrelevant service/support	0	0.0	0	0.0	0	0.0	27	81.8	6	18.2	33	100.0
Not helpful	0	0.0	0	0.0	0	0.0	27	81.8	6	18.2	33	100.0
Geographical Location	0	0.0	0	0.0	0	0.0	26	78.8	7	21.2	33	100.0
Hire service charges	0	0.0	0	0.0	0	0.0	26	78.8	7	21.2	33	100.0
Lack of Collateral	0	0.0	0	0.0	1	3.0	26	78.8	6	18.2	33	100.0
High service fees	0	0.0	1	3.0	0	0.0	26	78.8	6	18.2	33	100.0
Unaware of service providers	3	9.1	1	3.0	0	0.0	23	69.7	6	18.2	33	100.0
Unaware of policy intervenors	3	9.1	1	3.0	0	0.0	22	66.7	7	21.2	33	100.0
Unaware of policy existence	3	9.1	1	3.0	0	0.0	22	66.7	7	21.2	33	100.0
Lack of Information/Risk	3	9.1	2	6.1	1	3.0	22	66.7	5	15.2	33	100.0
Lack of service providers	3	9.1	1	3.0	0	0.0	22	66.7	7	21.2	33	100.0
Lack of Education	3	9.1	1	3.0	1	3.0	21	63.6	7	21.2	33	100.0
Regulatory and Legal Constraints	6	18.2	1	3.0	2	6.1	21	63.6	3	9.1	33	100.0
Business not a registered one	8	24.2	0	0.0	0	0.0	18	54.5	7	21.2	33	100.0
Time constraints	16	48.5	6	18.2	0	0.0	8	24.2	3	9.1	33	100.0
Lack of time	16	48.5	7	21.2	0	0.0	7	21.2	3	9.1	33	100.0
Average	0	0.0	0	0.0	6	18.2	25	75.8	2	6.1	33	100.0

Source: Field Data, Lanyo (2017)

The major challenge facing SMEs in the study area in accessing the specific interventions and support services as identified by the study in the Cape Coast Municipality is time constraints as rated strongly agree in Table 16.

Other specified Challenges

They were further provided blank spaces on the questionnaire to state in order of importance the most prominent challenges they face every day but were not capture on the questionnaire but which they believed could easily yield low productivity or hinder them in executing their tasks efficiently. From their responses, it was observed that, the most prominent of the challenges was the unavailability of financial facilities from banks. Input constraint and inability to capitalize on modern technology. The above information gives the indication that, the level of financial aids and support received by these SMEs was very poor which according to most of them slows down their businesses thereby leading to low productivity. In the views of these SMEs, the available financial supports they usually get are from the banks and microfinance companies but the interest rates are too high for them to pay back what they borrow. This according to them deters them from going for such financial assistances from these companies.

Remedies to Address Challenges

The study also investigated some remedies that could possibly address the challenges faced by these SMEs in the study area from the perspective of the respondents. In achieving this, each respondent was provided a blank space to suggest remedies they think would be applicable to them in their various businesses. From their responses, it was observed that, majority of them recommended the

redesigning of financial products with less stringent conditions for the SME sector which will help curb the difficulties in accessing financial support from government, banks and microfinance companies. Another prominent remedy according to the respondents was adequate training should be provided for SME personnel to undertake SME ventures. The next important remedy was encouraging nationals to patronize the national goods. The other remedies in order of importance as gathered by the research were encouraging more businesses to go into the production of the inputs needed by these SME. They respondents suggested training of owner-managers to take advantage of modern technology to increase their business.

They also suggested that there should be more capacity building programs organized for them on a regular and more frequent pace to help them understand more on current trends how they can also contribute significantly to the nation building. Ghanaians should patronize made in Ghana goods and also the government should do something about the cedi depreciation as it is affecting businesses of SMEs as well as government providing financial support to SMEs to help boost their businesses. Other comments made included, provision of adequate and approved technology for safety, workshops and seminars should be organized for SMEs and especially to students in the tertiary institutions to help boost their confidence on their business ideas, there should be efficient organizational structures which ensures effective management of businesses, more personnel should be trained in the SME sector and also energy problem needs to be addressed.

Summary

A range of important economic and social policies, such as those centered on macroeconomics, infrastructure or social protection, have a substantial impact on SMEs and on the economy of Ghana. Awareness, knowledge and understanding of one's business are important factors to making important and effective decisions that will lead to increase productivity or progression of the SMEs, however, Capacity Development Centre in Ghana noted in its 2011 reported that, "despite the strenuous efforts most SMEs put into developing their business and economic growth, many SMEs are not aware about various developments and changes in international and domestic trade and other related areas. The result was that, SMEs in Ghana lacked competitiveness and both the banks that finance their operations and the government which supports programs with tax payer resources have not derived the required benefits".

Enterprise policy intervention was identified to play a central role in economic development across Africa, however, there is the need for more effective, evidence-based policy evaluation to inform future interventions. The study, therefore, investigated the extent to which SMEs have benefited from policy intervention, the available policy interventions and support systems for SMEs, the level of adoption and use of policy interventions, identified participation gaps and recommended more pragmatic ways that can be employed by indigenous SMEs in accessing interventions for competitiveness. By arriving at its purpose, the study developed two objectives: 1. To identify the level of adoption and use of policy

intervention by SMEs and 2. To identify challenges the SMEs faced in accessing policy intervention.

The study observed the level of adoption and use of policy intervention by SMEs in the area as follows:

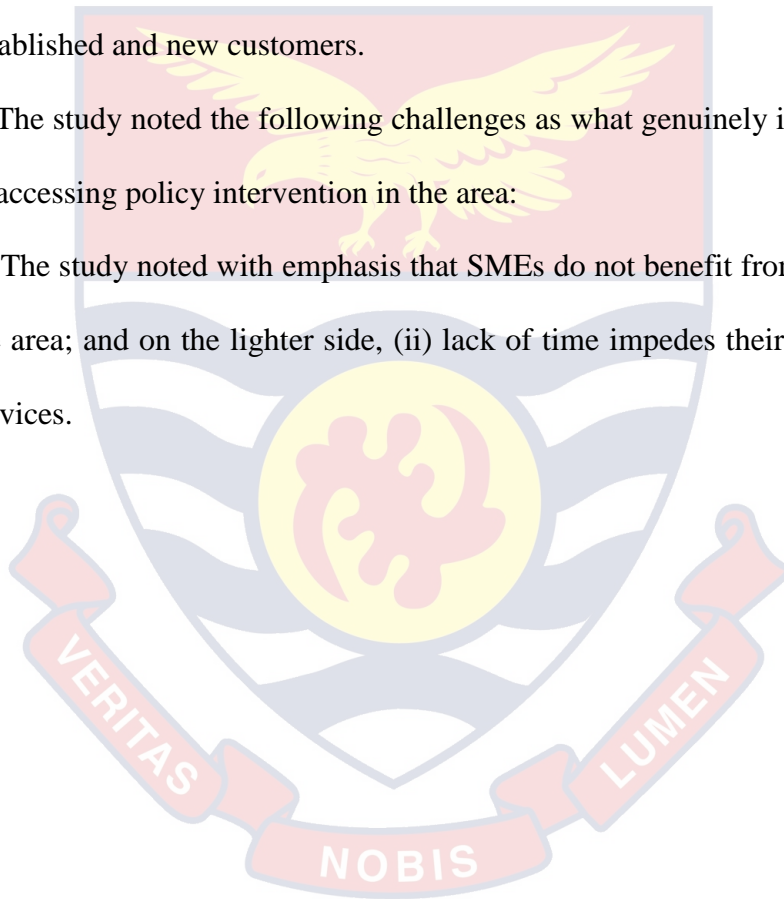
a.(i) The study observed that there is nothing currently called SME policy interventions in Ghana, and that the only policies in Ghana for businesses are called Enterprise policies. The interventions that are mostly common and used by these SMEs are the business development services. It was clear from the results that, most of these SME owner-managers have knowledge about their businesses, know what they are about, and also make the right decisions that will aid in increasing productivity in their businesses. The respondents level of knowledge and awareness of the benefits of interventions and support services to SMEs in their respective businesses is very high; their level of knowledge and awareness of benefits of interventions to SMEs in their respective industries such as knowledge about international and domestic trade, knowledge on profitability measures, knowledge on performance enhancement, knowledge on competitiveness are all very high, representing 84 percent of the total population.

(ii) It was also observed that, SMEs do benefit from the available interventions except for financial aids. However, the adoption and the use of interventions does not reflect in the well - being of SMEs in Cape Coast Municipality. For instance, Technology transfer, the study reveals that the intervention is highly available with regards to Table 12 discussed earlier but is not being used extensively. Information and communication technology (ICT)

applications provide many benefits across a wide range of intra- and inter-firm business processes and transactions. The use of ICT applications improves information and knowledge management inside the firm and can reduce transaction costs and increase the speed and reliability of transactions for both business-to-business (B2B) and business-to-consumer (B2C) transactions. In addition, they are effective tools for improving external communications and quality of services for established and new customers.

b. The study noted the following challenges as what genuinely impedes the SMEs in accessing policy intervention in the area:

(i) The study noted with emphasis that SMEs do not benefit from financial aids in the area; and on the lighter side, (ii) lack of time impedes their access to support services.



CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

Summary

Manfred Schmiemann (2009) postulates that SMEs have been discovered to be key drivers for a country's economic growth, hence SMEs cannot be overlooked in the economic development of any country (Anigbogu et al., 2014). The part SMEs play in socio-economic growth in Ghana is undeniable, and SME promotion has become a priority in the policy agenda of most African countries. SMEs provide employment and incomes to a large portion of urban labour force and are a significant source of total output (Aryeetey, 2001).

However, despite the strenuous efforts most SMEs put into developing their businesses and economic growth, many of them were not aware about various developments and current trends in international and domestic trade, incentives and schemes of Government, market development, banking and finance, laws, direct and indirect taxes, H.R. Management, TQM, Six Sigma, quality assurance, productivity, logistics and supply chain management and other related areas. The result is that SMEs in Ghana lacked competitiveness and both the banks that finance their operations and the government which supports programmes with tax payer resources had not derived the required benefits (Capacity Development Centre in Ghana, 2011).

Micro, small and medium rural and urban enterprises have been some of the major concerns to many policy makers in an attempt to accelerate the rate of growth

in developing economies. These enterprises have been identified as the engine through which the growth objective of developing middle income countries like our nation can be achieved. However, Obeng and Blundel (2015) noted that despite their commendable contribution to the national economy, SMEs in Ghana have not always obtained the required support from concerned ministries, departments and agencies as well as the banks, financial institutions and other bigger corporate entities. This lack of support is a handicap to developing competitiveness locally and globally. Policy intervention has been identified as a critical element for the improvement of micro, small and medium sized enterprises (SMEs).

According to Ibararan, Maffioli, and Stucchi (2010), the main rationale for SME policies is the existence of market failures, such as asymmetric information, local externalities, and non-convexities that can jeopardize the growth of firms. Enterprise policy intervention, such as entrepreneurship policy and SMEs policy: macroeconomic policies, investment and physical infrastructure policy, industrial policy and skill development policy, is known to play a central role in economic development across Africa, but it is noted that, more effective, evidence-based policy evaluation are needed to inform future interventions.

The extent to which SMEs have benefited from policy intervention is worthy of examination in Ghana (Obeng & Blundel, 2015). This study, therefore, sought to investigate the available policy interventions and support systems aimed at SMEs, if there are, the level of awareness, adoption and use of these interventions and support systems, and to examine the factors that influence inaccessibility of policy interventions and support Services among SMEs, and how these factors can

be managed to ensure the competitiveness of indigenous SMEs in the Cape Coast Municipality.

Again, in achieving its purpose, the study noted that, since the rationale behind policy interventions aimed at SMEs is market failures and economic empowerment, it was, therefore, necessary to find out the available interventions and support systems aimed at SMEs in the area. It examined the extent to which SMEs in the study area are aware of such interventions and support systems, and also examined the level of adoption and use of such interventions and services in the area to ascertain the extent to which SMEs in the Cape Coast Municipality benefited from interventions. It also identified challenges face by SMEs in accessing the interventions in the study area. Research objectives and questions were developed to ascertain 1. the level of adoption and use of intervention by SMEs, and 2. the challenges that impede SMEs in accessing their related interventions in the study area.

The work demonstrated the contribution of policy issues in the activities of SMEs, and made recommendations that would be useful to SMEs to capitalize on available intervention opportunities presented by support institutions to improve their business performances in order to increase competitiveness of the indigenous SMEs in Cape Coast Municipality. The study would contribute to knowledge in the field of entrepreneurial learning and knowledge transfer of policies to small firms - the process by which learning supports the understanding of assessing policy issues, to enhance business strategies of small firms in the policy context. It would also help in the field of entrepreneurship as academics and practitioners strive to

better understand how policy formulated can be successfully implemented and assessed in the context of enterprise policy interventions. The study would also provide learning support to SME business partners and entrepreneurship students. The findings would be disseminated at key entrepreneurship conferences, if possible.

The study covered SMEs and their owner- managers in the Cape Coast Municipality; however, the study was limited to the 47 registered SMEs within the Municipality, and randomly selected 33 SMEs for the study, using a simple random technique.

The study looked at policy issues on SMEs, therefore, adopted a descriptive approach by describing the situations and concepts related to the case under study. The study examined (i) the intervening and support activities of the NBSSI, BAC, AGI, EMPRETEC, EDIF, GRATIS, GEPC, TECNOSERVICE, ADF, PEF, APDF in the study area. (ii) to identify the general level of awareness, adoption and use of and their interventions and support services, such as education, technology transfer, financial aid, managerial training, capacity development, succession planning provided the SMEs in the study area, and also examined the key challenges faced by businesses in the study area in accessing interventions. It highlighted on remedies suggested by respondents to curb the challenges identified, and provided a summary on the observations made from the study. Questionnaire was the instrument used for soliciting information from the owner-managers and was administered in person, using a list obtained from the Business Advisory Center, Cape Coast. Data collected was analyzed using the descriptive statistics.

The study observed the level of adoption and use of policy intervention by SMEs in the area as follows:

a) The study observed that there is nothing currently called SME policy interventions in Ghana, and that the only policy in Ghana for businesses is Enterprise policy. Also, SMEs do not have access to most intervenors by the government. Therefore, the interventions that are mostly common and used by these SMEs are the business development institutions and their support services.

It was also clear from the results that, most of these SME owner-managers have good knowledge about their businesses and make the right decisions that aid in increasing productivity in their businesses. The respondents level of knowledge of benefits of interventions and support services to their respective businesses is very high; their knowledge and awareness of benefits of the interventions to their respective industries, for example, knowledge about international and domestic trade, knowledge on profitability measures, knowledge on performance enhancement, knowledge on competitiveness are all very high, representing 84 percent of the total population.

It was observed that SMEs do benefit from the available interventions except for financial aids. However, the adoption and use of the interventions does not reflect in the well - being of SMEs in Cape Coast Municipality. For example, Technology transfer the study reveals the intervention is highly available with regards to table 12 discussed earlier but is not being used extensively. Information and communication technology (ICT) applications provide many benefits across a wide range of intra- and inter-firm business processes and transactions. The use of

ICT applications improves information and knowledge management inside the firm and can reduce transaction costs and increase the speed and reliability of transactions for both business-to-business (B2B) and business-to-consumer (B2C) transactions. In addition, they are effective tools for improving external communications and quality of services for established and new customers.

b. The study noted the following challenges as what genuinely impedes the SMEs in accessing policy intervention in the area:

(i) The study noted with emphasis that SMEs do not benefit from financial aids in the area; (ii) and on the lighter side, lack of time impedes their access to support services. That, the idea of them leaving their business activities behind discourages them to chase after interventions.

Conclusion

Research on specific interventions that encourage SME owner-managers to engage in their business improvement activities has produced conflicting results concerning their effectiveness. This appears to be due to the fact that SMEs are extremely diverse, operate under widely differing business conditions in terms of perceived pressures and drivers for business improvement and therefore adopt quite different business models and levels of commitment. Owner-managers of SMEs also exhibit widely differing views, understanding and aspirations where SME issues are concerned. Some owner-managers believe that these issues are the responsibility of local and national government, often arguing that their individual company contribution to SME issues is extremely small. It is, therefore, not

surprising that specific, isolated interventions have failed to address the needs of all types of SMEs.

This issue is extremely important for policy makers to consider when they are attempting to gain greater commitment and engagement from SMEs. It is also important that researchers do not treat SMEs as a homogeneous group when studying their improvement, but instead group them according to attributes such as business performance commitment. This study argues that by segmenting SMEs by their business and commitment at least four extreme cases can be identified along a continuum and that a wider range of interventions can be used in combination to achieve greater engagement by each of these types of SME in business improvement activities. In addition, a more holistic intervention programme can perhaps be designed if policy makers and researchers consider industry-specific and other variables on which SMEs can be categorized. The objective is to understand fully the attitudes and commitment of these firms and to understand how a particular combination of interventions can maximize the number of SMEs engaging in business improvement activities. However, it is recognized that segmenting and categorizing SMEs in this way is a multi-dimensional problem.

Massey (2006) discussed the problem that many conceptual frameworks are not sufficiently well developed for the uses to which they are being put and that policy makers are confused by both the number of frameworks and the terminology being used. Policy makers then do not understand the difference between theoretical frameworks and empirically derived frameworks. The study agrees and

it is likely that many other categories of SMEs may exist in other dimensions of business commitment activities.

In my view, only categorization of SMEs, supported by empirical studies and combined with a thorough understanding of the intervention needs of these SMEs will result in greater engagement of these SMEs in improvement activities. The paper suggests based on a systematic literature review showing that interventions are often researched in isolation and/or do not take SME heterogeneity into account, and that is why the findings concerning the effectiveness of each intervention are often inconsistent. The logical conclusion is that, a broader, possibly tailored range of interventions will elicit greater engagement overall. Nevertheless, it is possible that some SMEs will remain recalcitrant no matter how many kinds of interventions policy makers adopt. However, in my view, this number of SMEs is likely to be much smaller than is currently the case. Before this research, I thought SMEs were so ignorant of intervention issues but proven wrong by the findings. It is a matter of identifying exactly what these SMEs want and the appropriate interventions targeted at them that make policy-makers achieve their aim.

It is also my view that policy makers need to understand how SMEs engage with or avoid certain interventions when designing a broader policy mix of interventions. This level of understanding can only be achieved by having a clearer view of the types of SMEs being targeted, their business behavior and the conditions under which these SMEs operate. Further, governments are in a position to markedly alter the business conditions of SMEs and often do so. However, these

policy changes can be crude and ineffective at achieving the goals set, particularly where improvement on business activities is concerned, and often have unintended consequences. The study notes again that, a greater understanding of the various categories of SMEs and their respective business behavior and response to interventions is likely to lead to better policy, a more effective and wider range of interventions and result in significantly greater improvement of activities by SMEs.

Base on the above arguments, the study concludes that, intervention strategies to assist SMEs to engage in business improvement activities need to be holistic and designed for the specific category of SME being targeted. That a properly coordinated and mixed strategy intervention approach is likely to be more successful in engaging SMEs. Future research will need to evaluate and monitor mixed interventions targeted at different types of SMEs to ensure that they are effective and respond to the needs of their audience. Empirical work will be needed to fully establish a classification of SME types and their responses towards the various interventions.

Recommendations

The research demonstrated the contribution of policy issues in the activities of SMEs, and make the following recommendations:

- a. (i) On policy issues, the study observed that there is nothing currently called SME Policy in Ghana, and that the only policy in Ghana for businesses is called Enterprise policy. The interventions that are mostly common and used by these SMEs in the study area are the business development institutions and their service providers who are known to these SME owner-managers in the study area.

The study recommends that, the competitiveness of Ghana's micro and small sized enterprises can be achieved through strong policy interventions and support aimed at SMEs by the government. Therefore, SME policy needs to be formulated by government to target the existing population of enterprises and to encompass virtually all of the support measures included in the policy portfolio design to promote the viability of SMEs. If possible, Micro and Small Enterprise (MSE) policies must be separated from Small and Medium Enterprise (SME) policies, showing clear distinctions and conditions. (ii) On the adoption and use of the interventions not reflecting in the well - being of SMEs in Cape Coast Municipality, the SMEs must be reinforced and taught, by all stakeholders, to be future looking and taking interventions seriously as sustainability measures.

b). The study also noted the following factors as what genuinely influence SMEs as reasons for their inaccessibility of interventions in the area:

(i) The study noted with emphasis that SMEs do not benefit from financial aids in the area. The study recommends that national budget should prioritize investments in small business to promote entrepreneurial financing. Government should promote financial services in a way that they could also encourage SMEs to access credit financing.

(ii) On a lighter note, lack of time was identified as a factor which impedes their access to support services. The thought of leaving their businesses in chase of interventions discourages them. The study recommends that, intervention strategies to assist SMEs to engage in business improvement activities need to be holistic and designed for the specific category of SME being targeted. That a properly

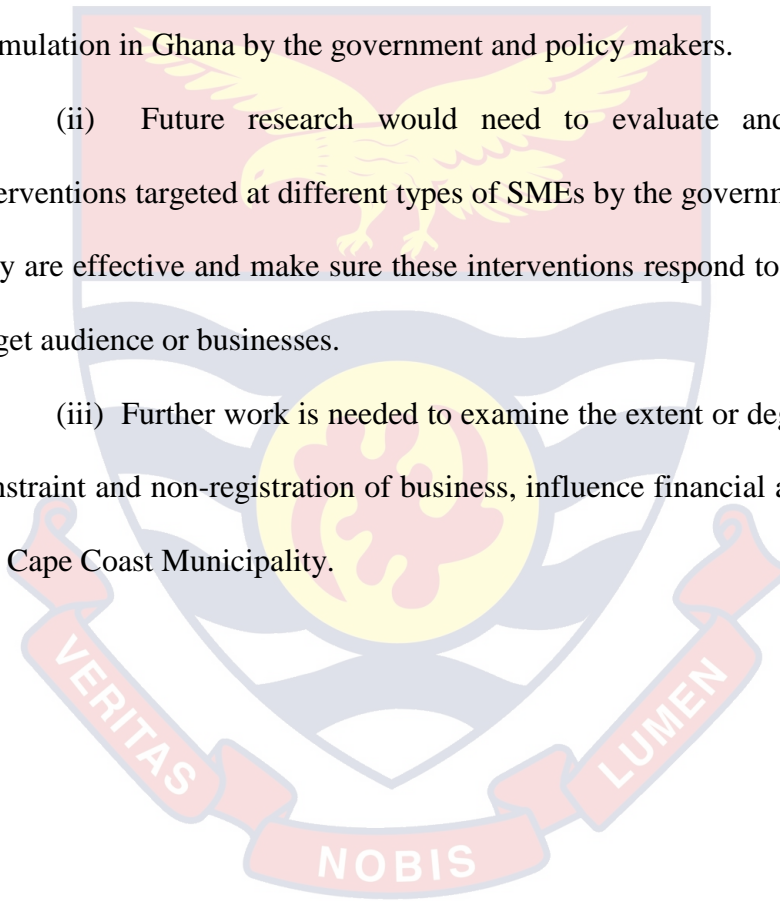
coordinated and mixed strategy intervention approach is likely to be more successful in engaging SMEs, and these should be made available at their door steps.

Further Studies

(i) Future work needs to be done to track and document current governmental activities on policy issues for SMEs, to instigate SME policy formulation in Ghana by the government and policy makers.

(ii) Future research would need to evaluate and monitor mixed interventions targeted at different types of SMEs by the government to ensure that they are effective and make sure these interventions respond to the needs of their target audience or businesses.

(iii) Further work is needed to examine the extent or degree at which time constraint and non-registration of business, influence financial aid accessibility in the Cape Coast Municipality.



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Appendix 1

Table 26

Table 3.1									
<i>Table for Determining Sample Size of a Known Population</i>									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

Note: N is Population Size; S is Sample Size *Source: Krejcie & Morgan, 1970*



Appendix 2

An Official Introductory Letter to the Field

UNIVERSITY OF CAPE COAST
COLLEGE OF HUMANITIES AND LEGAL STUDIES
SCHOOL OF BUSINESS
CENTRE FOR ENTREPRENEURSHIP AND SMALL ENTERPRISE DEVELOPMENT
(CESED)

Direct: (0332091499)
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University, Cape Coast
cesed@ucc.edu.gh
cesed.hod@ucc.edu.gh
cesed.ucc.edu.gh



UNIVERSITY POST OFFICE
CAPE COAST, GHANA

23rd June, 2017

our ref: SB/ENT/15/0010

Your ref:

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

INTRODUCTORY LETTER - MS. BLESSING YAA LANYO

The bearer of this letter, Blessing Yaa Lanyo, is an MBA (Entrepreneurship and Small Enterprise Development) student of the School of Business. She is writing her project on the topic "Factors Influencing SMEs in the Adoption and Use of Policy Intervention in Ghana: A Study on SMEs in the Central Region".

We would be grateful if you could help her with the necessary assistance she may need.

We appreciate your co-operation.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Mavis S. Bennet Mensah".

Dr. (Mrs.) Mavis S. Bennet Mensah
HEAD

Appendix 3

Table 17: Business Advisory Center (BAC), Cape Coast Client's Data

CAPE COAST BUSINESS ADVISORY CENTER
CLIENTS DATA

No.	Name of enterprise	Name of proprietor	Gender	Region	District	Location	Product /service	Sector	Activity	Contact No.	E-mail
1.		ISAAC BEN BARTEH	M	CENTRAL	CAPE COAST				AUTO MECHANIC	0243673137	
2.	DESHE DESIGN	NURUDEEN ALHASAN	M	CENTRAL	CAPE COAST	ABURA	DRESS MAKER	Manufacturing	FASHION DESIGNING	05-43531245	
3.	AIKO FASHION	ALICE AKU KORSAH	F	CENTRAL	CAPE COAST	BAKANO	DRESS MAKER	Manufacturing	FASHION DESIGNING	02-44602332	
4.		REBECCA SAGOE	F	CENTRAL	CAPE COAST	KOTOKUJINVA	DRESS MAKER	Manufacturing	FASHION DESIGNING	0249088424	
5.		ISAAC OTOO	M	CENTRAL	CAPE COAST	BAKANO	DRESS MAKER	Manufacturing	FASHION DESIGNING	0244062461	
6.	STYLISH DETAILS	SARAH AYESU	F	CENTRAL	CAPE COAST	OLA	DRESS MAKER	Manufacturing	FASHION DESIGNING	026-4883482	
7.	BIG ABEY SHOE MAKING CENTER	JAMES ANAWI	M	CENTRAL	CAPE COAST	KAFUMIDU	LEATHER WORK	TRADITIONAL CRAFT	WELDER	0274118819	
8.	NVAME NYHIRA	ERIC YARKWA	M	CENTRAL	CAPE COAST	ABURA	LEATHER WORK	TRADITIONAL CRAFT	WELDER	0271285339	

	Aggrey			COAST		Water				
10	Grace Women's	Grace Women's	F	CENTRAL	CAPE	Tibu Durku	Batik, Tie and Dye, and	TRADITIONAL	Batik, Tie and Dye,	0275269871

11		JOSEPH ANNAN	M	CENTRAL	CAPE COAST	C. POLY	LEATHER WORK	TRADITIONAL CRAFT	WELDER	024083886
12		Saihu Adamu	M	CENTRAL	CAPE COAST	ABURA	DRESS MAKER	Manufacturing	FASHION DESIGNING	0244576067
13		James B. Brown	M	CENTRAL	CAPE COAST		Orange and Lemon processing	AGRO PROCESSING		0208480979
14	FARM FRESH LTD.	ISAAC MANU	M	CENTRAL	CAPE COAST	MEMPEASEM	FRUIT JUICE PROCESSING	AGRO PROCESSING		
15	Metro Drinking Water	Emmanuel Tereth Metey Roberts	M	CENTRAL	CAPE COAST		Metro Drinking Water	Manufacturing	MINERAL WATER	0249475693

16	Ministry	Ministry	M	CENTRAL CAPE COAST	Adisadel	Soap Making	CRAFT	and Soap Making	0244207310	
17	Ten ultimate production	Samuel Attah Mensah	M	CENTRAL CAPE COAST	Nyenyenu	cassava products	Agro Processing	cassava products	0244522306	
18		Louis Sackey	M	CENTRAL CAPE COAST		Salt Production	AQUA PROCESSING	Salt Production	0246977920	
19		Celestina Mensah	F	CENTRAL CAPE COAST		FISH PROCESSING	AQUA PROCESSING	FISH PROCESSING	0246977920	
20	Oasis Company Limited	William E. Daniel Acuah	M	CENTRAL CAPE COAST	Cape coast	services	Food and drink processing		0246612544	
21	Monstre Ent.	Monica Eku	F	CENTRAL CAPE COAST	Elmina	Batik, Tie and Dye	TRADITIONAL CRAFT	Batik, Tie and Dye	0244470914	
22	Varities of Soap	Fatima Ewudie	F	CENTRAL CAPE COAST	Green Hill	SOAP MAKING	AGRO PROCESSING	SOAP MAKING	0243645953	
23	ENOAH Co. LTD			CENTRAL CAPE COAST		Drink production	AGRO PROCESSING	Drink production	054500826	
23	Joyce beauty saloon	Joyce Morgan koffie	F	CENTRAL CAPE COAST	kotokuriba	Hairdresser		Hairdresser		

24		Agness Amudeleka	F	CENTRAL	CAPE COAST	Abura	Hairdresser		Hairdresser	
25		Joseline Adimoo		CENTRAL	CAPE COAST	Abura	Hairdresser		Hairdresser	
26		Francisca Danso	F	CENTRAL	CAPE COAST	Abura	BEAD MAKING	TRADITIONAL CRAFT	BEAD MAKING	
27		Ewurama Jackson	F	CENTRAL	CAPE COAST	Elimina	DRESS MAKING	MANUFACTUR ING	DRESS MAKING	
28		Esi Damprey	F	CENTRAL	CAPE COAST	Akotokyre	Hairdresser		Hairdresser	
29		Joyce Techie Mensah	F	CENTRAL	CAPE COAST	Kakumdo	Hairdresser		Hairdresser	
30		Regina Hackman	F	CENTRAL	CAPE COAST	Kakumdo	Hairdresser		Hairdresser	
31		Harriet Arthur	F	CENTRAL	CAPE COAST	Kakumdo	Hairdresser		Hairdresser	
32	All day soap	Atsu Kwami Douglas	M	CENTRAL	CAPE COAST		SOAP MAKING	AGRO PROCESSING	SOAP MAKING	024222891
33	Passion For Sound Mind (N.G.O)	Daniel Danso	M	CENTRAL	CAPE COAST		services		services	0281045568

34	Copra supplies/ Cleaning	Peter Ekow Brown	M	CENTRAL	CAPE COAST	C poly	supplies/ Cleaning	SERVICES	supplies/ Cleaning	0246667497	
35	Farming (portal)	Kofi Nyarko	M	CENTRAL	CAPE COAST		Farming	AGRO PROCESSING	Farming	0246912798	
36	Print Advertising Industry	Fred Kweku Appiah	M	CENTRAL	CAPE COAST	ABURA	Print Advertising	SERVICES	Print Advertising	0264033563	
37	ICT Services	George A. Ben Smith	M	CENTRAL	CAPE COAST	ABURA	ICT Services	Services	ICT Services	0244221515	
38	Inscription Designing in Cement	Stephen Baido	M	CENTRAL	CAPE COAST	KAKUMDO	Inscription Designing in Cement	TRADITIONAL CRAFT	Inscription Designing in Cement	0242382515	
39	Assorted drinks	Isaac Kojo Biney	M	CENTRAL	CAPE COAST	KOTOKURA BA	Assorted drinks	Services	Assorted drinks	0235669566	
40		Jacob Ben Anaman		CENTRAL	CAPE COAST		Palm oil Production	AGRO PROCESSING	Palm oil Production	0202003905	
41	Liberty	Kojo Mensah	M	CENTRAL	CAPE COAST	Atabaze	Farmer	AGRO PROCESSING	Farmer	0246257955	
42	Ampomah farms	Kwamina Ampomah	M	CENTRAL	CAPE COAST	Dompouse Komenda Junt.	Farmer	AGRO PROCESSING	Farmer	0246828645	
43	Sign It Arts	Shadrack K.	M	CENTRAL	CAPE	Adese	Graphic	Services	Graphic	0246918804	

44	Design	Duker	M	CENTRAL	CAPE COAST		Designing	Establish I C T Labs in Schools	Services	Establish I C T Labs in Schools	0208908266	
45	Georgina Haircraft	Georgina Aidoo Gyamfi	F	CENTRAL	CAPE COAST	Brof. yedru	Hairdresser	Hairdresser	TRADITIONAL CRAFT			
46		Ama Kwansima	F	CENTRAL	CAPE COAST	Elimina	Hairdresser	Hairdresser	TRADITIONAL CRAFT			
47		Selina Anokye	F	CENTRAL	CAPE COAST	Elimina	Hairdresser	Hairdresser	TRADITIONAL CRAFT			

Appendix 4
Questionnaire



**Factors Influencing Micro and Small Enterprises in
Adoption and Use of Policy Intervention in Ghana:
A Study on SMEs in the Cape Coast Municipality.**

This is a dissertation to be submitted to the School of Business, University of Cape Coast, Ghana in partial fulfillment of the requirement for the award of degree of MASTERS IN BUSINESS ADMINISTRATION. I would be grateful if you would spare a few minutes to answer the questions that appear on the following pages. Thank you for your co-operation.

Yours sincerely,

Lanyo, Yaa Blessing (SB/ENT/15/0010)

MBA Entrepreneurship

School of Business

University of Cape Coast, GHANA

SURVEY AND QUESTIONNAIRE OF FACTORS INFLUENCING MICRO AND SMALL ENTERPRISES IN ADOPTION AND USE OF POLICY INTERVENTION IN GHANA: A STUDY ON SMES IN THE CAPE COAST MUNICIPALITY, CENTRAL REGION, GHANA.

The overall purpose of this study is to investigate the currently available Government policy interventions and support systems for SMEs, the extent to which SMEs in the Cape Coast Municipality have benefited from policy interventions, the level of adoption and use of policy interventions for profitability and competitiveness and challenges faced in accessing these interventions.

The research is being done in partial fulfillment to the award of an MBA degree from the UNIVERSITY OF CAPE COAST BUSINESS SCHOOL

SMES IN THE CAPE COAST MUNICIPALITY

PART A

1. Background Data to the Businesses

- (i) Name of Enterprise and/or Owner.....
- (ii) Type of Product/Service.....
- (iii) Sector.....
- (iv) Activity.....
- (v) Gender.....
- (vi) Is your business a registered one? YES () NO ()

PART B

2. LEVEL OF ADOPTION AND USE OF INTERVENTIONS AND SUPPORT BY SMES IN THE CAPE COAST MUNICIPALITY

(i) On a broader note, which of the following intervenors do you know about? Please indicate your degree of knowledge about intervenors by choosing between the scale of “very high – very low”.

Public information on:	Very high	somewhat high	neutral	somewhat low	very low
TECNOSERVICE					
ADF					
EMPRETEC					
EDIF					
GRATIS					
GEPC					
NBSSI					
APDF					
PEF					
BAC					
AGI					

Other specify.....

(ii) Which specific intervenors are you currently accessing?

Please indicate your degree of access by choosing between the scale of “very high – very low”.

Public information on:	very high	somewhat high	neutral	somewhat low	very low
TECNOSERVICE					
ADF					
EMPRETEC					
EDIF					
GRATIS					
GEPC					
NBSSI					
APDF					
PEF					
BAC					
AGI					

Others specify.....

(iii) Do you have any general knowledge on the benefits interventions can provide SMEs? Please indicate your degree of knowledge on benefits by choosing between the scale of “very high – very low”.

Level of Knowledge on the benefits	very high	somewhat high	neutral	somewhat low	very low
Knowledge about international and domestic trade					
Knowledge on performance enhancement					
Knowledge on profitability measures					
Knowledge on competitiveness					

Other specify.....

(iv) What is your level of awareness of the specific SME interventions and support for SMEs? Please indicate the degree of awareness by choosing between the scale of “very high – very low”.

Policy intervention/support	very high	somewhat high	neutral	somewhat low	very low
Capacity development					
Technology Transfer,					
Managerial Training,					
Succession Planning,					
Financial Aid,					
Total Quality Management (TQM)					
Education					

Other specify.....

- (v) What are the specific interventions and support services that are common in your area? Please indicate the degree of commonness of each by choosing between the scale of “very high – very low”.

Policy intervention/support	very high	somewhat high	neutral	somewhat low	very low
Capacity development					
Technology Transfer,					
Managerial Training,					
Succession Planning,					
Financial Aid,					
Total Quality Management (TQM)					
Education					

Others Specify.....

(vi) Which of the following interventions and support services have you ever benefited from? Please indicate your degree of benefit by choosing between the scale of “very high – very low”.

Policy intervention/support	very high	somewhat high	neutral	somewhat low	very low
Capacity development					
Technology Transfer,					
Managerial Training,					
Succession Planning,					
Financial Aid,					
Total Quality Management (TQM)					
Education					

Others.....

(vii) Which interventions are you currently using to help your business?

Please indicate your degree of usage by choosing between the scale of “very high – very low”.

Policy intervention/support	very high	somewhat high	neutral	somewhat low	very low
Capacity development					
Technology Transfer,					
Managerial Training,					
Succession Planning,					
Financial Aid,					
Total Quality Management (TQM)					
Education					

Others, specify.....

PART C

3. WHAT ARE THE CHALLENGES THAT IMPEDED SMEs IN ACCESSING THESE INTERVENTIONS?

(i) Indicate your degree of your answers based on a scale of strongly agree to strongly disagree

Challenges	Strongly agree	Agree	neutral	disagree	Strongly disagree
Unaware of policy intervenors					
Unaware of policy existence					
Unaware of service providers					
Geographical Location					
Lack of Education					
Lack of Information/Risk					
Time constraints					
Hire service charges					
Irrelevant service/support					
Not helpful					
Lack of service providers					
Lack of Collateral					
High service fees					
Lack of time					
Business not a registered one					
Regulatory and Legal Constraints					

Others specify.....

(ii) What in your opinion do you suggest could be done to curb the challenges faced?

1.

2.

3.

4.

5.

