A G D I   Working Paper

WP/22/030

Changing Role of Finance in Rural Small Enterprise Growth in Ghana

Forthcoming in Journal of Entrepreneurship in Emerging Economies

John Kuada
Professor Emeritus
E-mail: kuadaj@gmail.com

2022 African Governance and Development Institute WP/22/030

Research Department

Changing Role of Finance in Rural Small Enterprise Growth in Ghana

John Kuada

Abstract

Purpose: The study builds on the emerging understanding that small enterprise growth results from a confluence of different factors. It seeks to provide additional insights into the nature of these factors and how they influence the growth process of small businesses in rural communities in Ghana.

Design/Methodology/Approach: It undertook a qualitative investigation of 28 small enterprises in three Ghanaian rural districts. Interviews were conducted with owners of the businesses.

Findings: The results indicate that growth-enabling conditions such as entrepreneurial ambition, market demand, and infrastructure combine with finance to define small enterprise growth trajectories in rural Ghana. However, finance may not always be the major factor driving the growth.

Originality: Most past studies about small enterprise growth in Africa have concentrated on firms in urban communities and see finance gap as the most serious constraint to growth. The present study joins the few recent studies about rural enterprise growth in Ghana, showing that the growth of these businesses depends on an interplay of a variety of factors. It advocates a shift of research from the one-dimensional "financial access focus", towards a more comprehensive "strategic growth management" perspective.

Key Words: Small enterprises, firm growth, financial inclusion, Africa, Ghana

Introduction

Small enterprise development has generally been hailed as an engine of growthinSub-Sahara African countries (SSA).The emerging understanding is that as the number of small private enterprises grows the number of job opportunities increases (especially for the youth), and the overall wealth of SSA nations increases as well (Berner, *et al*., 2012; Arthur-Aidoo *et al.*, 2017). This development strengthens individuals' capacity to care for themselves and their families, and it can also provide a larger source of tax revenues necessary for anti-poverty and welfare policies of governments (Kuada, 2015a).Consistent with this understanding, nearly all SSA governments have embarked upon some degree of small enterprise promotion programmes, very often with the support of multilateral agencies, such as ILO, UNCTAD, UNIDO, and UNDP. A cornerstone of these promotional policies is financial inclusion, under the assumption that limited financial resources is a major constraint to small enterprise growth in SSA(Urban and Ratsimanetrimanana, 2019;Quagrainie*et al.* 2021). This focus is consistent with the general perception forwarded in the development economics literature that the financial sectors in SSA countries is underdeveloped, risk averse, highly concentrated in urban areas, and slanted against the poor, the youth, and small businesses (Aterido*et al.* 2013). The traditional banks in particular have shied away from microfinance that targets small businesses partly due to the high costs of managing small loans, which are nearly always uncollateralized (Kuada, 2016).

However, in spite of government and donor efforts to accelerate the pace of inclusive financial sector development and to provide generous financial support to small businesses in SSA, available evidence suggests that these initiatives have not produced the desired growth within the small business sectors in most SSA countries (Banerjee *et al*., 2015). In some cases, such interventions have resulted in over-borrowing and microcredit debt traps for some entrepreneurs (Angelucci*et al*., 2015). The challenge for researchers and policymakers is to find cogent explanations for this non-growth phenomenon. In response to this challenge, evidence is now emerging from a new stream of research that small enterprise growth in Africa and other developing countries results from a confluence of a multiple set of factors and finance may not always be the major inhibitor (McKenzie and Paffhausen, 2017).

Turning to Ghana, which is the focus of the study reported in this paper, previous research has registered an awareness among policymakers that rural enterprise development is critical to poverty alleviation in the country (Arthur-Aidoo*et al.*,2017;Quagrainie*et al.* 2021). This is partly because rural poverty has registered only a minor decrease during the past half a century and, agriculture that has been the most important sector for jobs and livelihoods in the rural areas has witnessed substantial decline (World Bank Group, 2018). These trends have made non-farm enterprise development a key contributor to rural poverty alleviation in the country. Thus, the question of how to effectively design support programmes that can grow rural microenterprises into sustained job creators has been high on the policy agenda of the country (Kuada, 2015a). However, previous studies have also shown that growth of such enterprises has remained stunted, particularly in the rural areas (Trombetta*et al*., 2017). It has also been noted that for SSA in general, and Ghana in particular, there is a relative dearth of scholarly attention on the interplay of different factors that shape the growth small enterprises (Murithi, *et al*., 2020). Arguably, therefore, the available explanations for the non-growth of small enterprises in Ghana remain tentative.

In all fairness, some recent studies have acknowledged the relevance of non-finance variables in shaping the growth path of small businesses in Ghana. For example, growth enabling variables such as entrepreneurial features (Arthur-Aidoo, *et al.,* 2017), institutional characteristics (Essel*et al*., 2019), and strategic planning (Donkor*et al*., 2018) have received some empirical attention. However, these authors have looked at the non-finance variables in isolation from each other. The present study seeks to provide an assessment of the interplay and importance of the variables as a group in the growth decisions and strategies of the business owners.With this objective in mind, the study hopes to make three contributions to the body of research on small enterprise growth in rural areas in Ghana in particular and Africa in general. First, it critically examines the adequacy of the finance gap perspective in explaining small enterprise growth in the rural areas. It does so by drawing on an exploratory qualitative study of 28 rural enterprises in three Ghanaian rural districts to examine their growth ambitions, financial needs as well as overall business strategies. Second, the study provides additional insights into some of the opportunities and challenges that face rural entrepreneurs. Third, in light of the observation that previous studies of inclusive financial sector development and small enterprise growth have not focused attention non-farm rural businesses (Mullineux and Murinde, 2014),the study also contributes to filling this gap and provides basis for further investigation into their growth requirements.

The paper proceedsafter this introduction as follows. First, there is a discussion of the central issues regarding rural enterprise financing and entrepreneurship in the existing literature to serve as a theoretical background for the empirical investigation. It then continues with an outline of the approaches adopted for data collection and analysis. This is followed by the presentation and discussion of the findings as well as implications and directions for future research in the area.

Relevant Literature and Theoretical Background

Two streams of research have guided policy interventions aimed at rural enterprise growth and development in Africa. One strand of literature suggests that the growth of rural enterprises is severely constrained by limited accessibility, availability, and affordability of financial services in the rural areas. Thus, access to financial capital has received considerable attention among donors and policymakers and this has resulted in the rise of the microfinance movement in Africa (McKenzie, 2017). However, as noted above, some empirical evidence suggests that the transformative impact envisaged by local and donor-driven microcredit initiatives has not always materializedin practice. Another strand of research forwards the view that the limited number of high-growth enterprises in many African countries may be partly due to non-financial resource limitations including multiple market failures, entrepreneurs' attitude to risk, gender, limited business skills and low growth ambitions (Berge, *et al.*, 2015;Quagrainie*et al.* 2021). Therefore, these researchers advise against across-the-board targeting of entrepreneurs with financial services or other similar undifferentiated interventions (Haselip, *et al.*, 2015). The discussions in this section draw on the two strands of research in order to build a theoretical background for the empirical findings reported subsequently in the paper. The overarching argument in the section is that there is a strong theoretical basis for examining rural enterprise growth in SSA countries from multiple perspectives.

Financial Inclusion and Small Enterprise Development

Studies in financial inclusion and microcreditdeliveries in SSA are generally predicated on theunderstanding that numerous entrepreneurs do not exploit entrepreneurial opportunities in their countries due to unavailability of finance (Trombetta, *et al.*, 2017; Atiase, *et al.*, 2018). These studies define financial inclusion in terms of access, usage, and quality of financial services (Paşalı, 2013). Access relates to availability of financial services in terms of physical proximity and affordability, while usage and quality relate to the volume and frequency with which entrepreneurs leverage financial resources. A major assumption underlying most of the studies is that there is no shortage of funds within the global economy. The challenge is how to expand outreach and design delivery mechanisms that ensure that targeted entrepreneurs overcome credit constraints – i.e., a supply side argument (Mckenzie, 2017). As should be expected, banks generally prefer borrowers who have good record of accomplishment of profitability, some degree of longevity, and assets that can be used as collateral in order to minimize risks associated with lending to clients in Africa. Riskier clients are charged higher interest rates that reflect the banks' perceived uncertainty of repayment (Sheriff, and Muffatto, 2015; Flynn andSumberg, 2018). It is further argued that even if the fundamental lending requirements are fulfilled, high costs (e.g., transaction fees) could still limit access to finance (Asongu, 2017). Several scholars have therefore argued in favour of policies that facilitate offering loans with varying repayment arrangements, cash grants, or in-kind transfers (e.g., non-paid-for materials, equipment, and inventory deliveries) to small businesses (Rijkers, *et. al.*, 2010; Johnson, 2016; Atiase*et al*., 2017). Others have advocated for branchless banking (e.g., using ICT facilities) to bridge the financial service access gap in many rural communities (Gyimah and Lussier, 2021). It has, however, been noted that the chances of a mobile money schemes taking root in different regions of Africa depend on a range of factors, including the strength of the mobile operator within a country, the speed of innovation adoption and the institutional mechanisms that facilitate the process to ensure product offerings and service quality (Kuada, 2018).

The literature also registers some disagreements on the growth impacts of providing small business owners with outright grants or loans with generous payment conditions. Some studies have found grants to have no effect on enterprise growth, while loans seem to motivate entrepreneurs to make investment decisions that promote growth (Fiala, 2018).There are also some doubts as to whetherfinancial inclusive policies by themselves can result in small enterprise growth, particularly in rural areas. Studies by Berge *et al*. (2015) as well asFiala (2018) showed that multiple set of factors including human capital and business training, combine with financial resources to influence small enterprise growth. These discussions therefore challenge the robustness of the 'financial gap' thesis on which small business growth-inducing financial inclusion policies have rested.

Categories and Characteristics of African Entrepreneurs

As suggested above, it is erroneous to assume that rural entrepreneurs who are the targets of microcredit services constitute a homogenous group.Previous studies have drawn distinction between necessity-driven and opportunity-driven entrepreneurs (Babatunde and Qaim,2009). Owners of necessity-based enterpriseshave been found to run their businesses as “survival workshops” and have been hardly able to grow their businesses (Johnson, 2016).Furthermore, this category of entrepreneurs tends to require limited resources to start their businesses and depend largely on family members and friends for initial financial support (Kuada, 2009).Opportunity-driven entrepreneurs are described as those who establish their businesses in response to hitherto unexploited opportunities within their operational environments. These entrepreneurs are likely to begrowth-orientedand tend to demonstrate skills of opportunity recognition, risk perception, and networking as well as aspiration to grow their businesses. As a result, they have greater probability of surviving and of growing in the long term.

Kuada (2015b) provides additional insight into the characteristics of the different categories of entrepreneurs found in SSA. He argues thatsome entrepreneurs may build their businesses on distinctive innovations – i.e., offering values that are distinctly different from those available on the market, while others may merely imitate existing products or services without any significant value addition. Some of the innovative entrepreneurs may capture the attention of the public by drawing on their political and social networks to make their presence known while those without such social capital may remain unknown and unsupported. Thus, innovative capability as well as socio-political capitalconstitute additional resources that may determine the growth of small enterprises in SSA. Ithas also been argued that innovative entrepreneurs may represent a tiny fraction of the overall businesspopulation but can make a disproportionately large contribution to job growth (McKenzie and Paffhausen, 2017).

The discussions here indicate that the growth trajectory of small rural enterprises in Ghana and the nature of resources they require may depend partly on their owners’ profile. The most ambitious among them may be able to find the resources required to achieve their entrepreneurial ambitions through individual initiatives and may rely to a lesser extent on generous external assistance (Chen and Yang, 2009). However, the relatively young but ambitious among them and those with no strong network relationships may initially depend on institutional support to grow.

Non-Financial Resource Constraints to Small Enterprise Growth

The dominant assumption underlying the small enterprise growth arguments outlined in the preceding sections of the paper is that enterprise growth is a process of resource and capability accumulation with the aim of maximizing economic returns (Davidsson*et al*., 2010).In other words, all private enterprises are established with a growth and profit motive. This perception provides some justification for the focus on finance in the previous discussions. However, contrary to the above viewpoint, behavioural economists have suggestedthat some entrepreneurs may start and operate their businesses for a variety of reasons other than profit maximization (Berge *et al*., 2015). Therefore, growth may not be their overriding objective; they may begin small and die small, never entering a significant growth stage (Davidsson, *et al*., 2010). Thus, as noted earlier, an entrepreneur's willingness to grow is an important first step on the growth path of any small business.Even for businesses with growth motive, prior research has identifieda combination of enterprise-specific (internal) and context-specific (external) factors as key determinants of their growth (Bridge *et al*. 2003). With regard to the internal factors, Wiklund and Shepherd (2003) suggest that entrepreneurs' personal values combine with their abilities and skills to manage growth to influence their growth-related decisions. Some studies attribute entrepreneurs' growth enhancing skills to their entrepreneurial experience - i.e., the number of previous businesses that the entrepreneurs have established and managed (Gyimah and Lussier, 2021). The more diversified experience an entrepreneur has the more capable he is deemed to be in developing enterprise growth models and making appropriate strategic decisions that enhance performance (Davidssonand Delmar, 1997). Some scholars see growth management skills in terms of years of education or years of work experience while others count accurate financial record keeping among the essential skills (Wiklundand Shepherd, 2003; Kuada andMangori, 2021). Furthermore, a close look at the growth trajectories of most small businesses in developing countries suggest that they may not necessarily grow in discrete phases with clear boundaries between each phase. According to Bridge *et al*. (2003), while it may be possible to identify broad stages of development of some of these enterprises, it is very difficult to say when the business moves from one stage to another. Enterprises can grow, stagnate, and decline in any order; these changes can happen more than once in the development process, and there is a possibility to reverse their steps.

Turning to the external factors, financial resources are clearly important for growth as they enable anenterprise to acquire other value-creating resources such as human and physical resources (Trombetta, *et al.*, 2017). Market size is another important external factor that influences growth. That is, a relatively large and growing market allows firms to operate at a larger scale and reduces overall marketing cost (Rijkers*et al.*, 2010). Finally, the degree of concentration or agglomeration of industry within which the enterprise operates is another important external factor identified in the literature, since agglomeration knowledge spilloverscan stimulate innovation and reduce transaction costs.

Put together, the theoretical perspectives discussed above offer a useful analytical framework through which Ghanaian rural enterprise growth opportunities and challenges can be explored. Table 1 provides a summary of the key factors that emerge from the literature as likely to influence small enterprise growth in Africa. In the case of rural enterprises in Ghana, we may expect their growth to be influenced by internal factors such as entrepreneurs' motives for starting their businesses, their willingness to grow, as well as their human resource capacity. Thesecombine with external factors such as demand structure, access to and usage of resources (including finance) and the dynamism of the operational environment (Berg *et al.*, 2015; Fiala, 2018; Gyimah and Lussier, 2021). Furthermore, most rural owner-managed enterprisesin Ghanaare likely to fit the definition of businesses established by ''necessity entrepreneurs'', who exhibitlimited education and limited ability to deal with the operational environments of their businesses (Kuada, 2009; 2015b). As such, one should expect most of them to experience non-growth life cycles. Whether their desire to remain small is a rationalization of their lack of capability and resources is not of crucial importance; they are content to stay small, and policy instruments designed to aid their process of growth are likely to have little or no impact on them.However, the few that have growth aspirations are likely to be relatively proactive and strategic (i.e., seeking opportunities and taking advantages of their network capital to grow their businesses). This category of entrepreneursis more likely to seek financial resources if they consider this necessary for speeding up their growth.

Table 1: Contemporary Perspectives on Micro and Small Enterprise Growth		
Growth Enablers	Sample of Key Contributors	Remarks
Entrepreneur's growth aspirations & plans	Davidsson, et al., 2010;Haselip, et al., 2015; Achtenhagen, et al., 2017; Arthur-Aidoo, et al., 2017	Studies mostly in developed countries
Managerial experience & financial skills	Wiklund and Shepherd (2003);Goedhuys, and Sleuwaegen, (2010)	Studies from both developed and African countries
Availability of financial resources	Mullineux and Murinde, (2014) Johnson, 2016;; Kuada, 2021	Large number of empirical investigations from specific African countries
Availability of qualified staff	Fiala (2018); Donkor et al., 2018	Studies mostly in developed countries
Market characteristics	Atiase et al., 2017; Mamman et al. 2019	Growing research interest on this issue in Africa

Data Collection and Analysis

Study Location and Participant Selection

The study adopts a qualitative research approach and generates data through semi-structured, open-ended interviews with owner-managers of 28 enterprises in three rural districts in the Volta Region of Ghana between October 2019 and February 2020. Volta Region was selected for the investigation because the main researcher and his assistant speak the local language. This meant that data collection challenges that cross-language interpretations might generate were avoided[1]. This choice aligns with the advice by Chiumento*et al* (2018), that qualitative researchers must be mindful of valid data loss that may result from possible data representations produced by the interpreters. Furthermore, data collection costs were minimized by selecting three contiguous districts.

[1] Few of the participants opted to have the interviews in the local language.

Contacts to the district assemblies in June 2019 revealed that there were no updated lists of businesses, partly because two of the districts were created in 2017 and were still in the process of fine tuning their administrative processes and partly because of the reluctance of businesses in the areas to comply with registration requirements. In order not to keep the study further on hold a snowballing selection process was adopted. Prospective participating businesses were identified by driving to their premises, wherebytheir owners were invited to engage in the study. Although this process entailed some degree of self-selection of the final list of participants, it had the added advantage of addressing the ethical challenges in conducting such a qualitative investigation since only those business owners who volunteered and found it convenient for them to participate were included.

Data Collection Process

The unit of analysis in this study is the owner-manager of the participating business. The owners were required to describe their entrepreneurial experience as well as their growth ambitions and the main challenges they faced in developing their businesses. This approach is commonly adopted for a context-specific understanding of small owner-managed businesses that have fewer formal structures and where owners take all strategic decisions (GoedhuysandSleuwaegen, 2010; Achtenhagen*et al*. 2017). Eighteen of the interviews were done by the main researcher and his assistant and where participants permitted it, the narratives were recorded. Having two interviewers in attendance allowed for discussions around coding during the data analysis phase, thereby enhancing inter-coder reliability. The interviews lasted between 45 and 60 minutes, producing a total of about 17 hours of interview time. Interview reports were written within 24 hours after each interview to avoid memory decays. The narratives were then sent to the participants to ascertain that their views have not been misrepresented in the transcription process.

Profile of Participants

While the sample was homogeneous in terms of size, it was heterogeneous in terms of industries. We aggregated it into the following seven sub-groups to facilitate the analysis: (1) healthcare, (2) small accommodation businesses, (3) workshops and construction, (4) retailing, (5) transport, (6) catering services, and (7) education and training services. Enterprises within the healthcare group included1 hospital and two second-tier drug retail outlets below the level of pharmacies.[2]The small accommodation businesses were five and had a median investment of 70,000 US dollars. Their accommodation capacity ranged from four to twenty rooms. The largest among them had conference and catering facilities, while the others offered only accommodation. Notably, all of the proprietors of the small accommodation businesses financed their initial investments through their own savings combined with loans from family members. There were fourenterprises within the workshop and construction group, which comprised such activities as electrical installations, construction of new buildings, as well as a variety of repair activities. Initial investments for these enterprises were rather modest, ranging from 2,000 US dollars to 10,000 US dollars. There were five in retailing andfour each in transport and catering businesses – all had investments in ranges similar to the workshops. There were three businesses offeringeducation and training services with an averageinvestment of 25,000 US dollars. Theaverage annual earnings of the schools were determined by the number of students and the rate of tuition levied. All of them attempted to attract larger numbers of students in order to maximize profitability. Salaries (especially staff salaries) formed a dominant part of their expenditures. There were ten female and 18 male participants in the study. Table 2 provides a summary profile of the participants.

[2]Information about their investments were not available

Table 2: Profiles of participating business owners								
		Health Care	Small Accommodation Businesses	Electrical & Metal Workshops	Retailing	Transportation	Catering services	Education & Training
No of participants		3	5	4	5	4	4	3
Average no. of years in operation								
Average no. of employees		16	6	6	8	8	6	15
Gender of owners	male	2	3	4	3	3		3
	Female	1	2		2	1	4	
Level of Education	Up to 9 years			2	2	1		
	Up to 12 years		5	2	3	3	4	
	University education	3						3
Average age of owners at time of establishing business		45	38	27	30	34	28	37

Data Quality and Analysis

Following Cloutier and Ravasi (2021) the robustness and credibilityof qualitative research process can be demonstrated by displaying the data sources and summarizing the findings in Tables. Guided by this viewpoint we provide a summary of the findings from this study in Table 3. The findings are presented in four sections, each focusing on the identified themes and highlighting the core lessons that the data have produced. The presentations in these sections are of a descriptive nature with supporting illustrative quotes from the participants' narratives. The discussion section provides an interpretative analysis that highlights the consistency or otherwise of the findings to central arguments in previous small enterprise growth studies. Since the names of the participants are anonymised at their request, codes are used at the end of the excerpts for the sake of identification. (The identification codes can be found in Table 3).

The data were analyzed using 'reflexive thematic analysis' approach proposed by Braun and Clarke (2019). This approach differentiates itself from Braun and Clarke's original six-stage process (Braun and Clarke, 2006), in the sense that it highlights the researcher's active role in knowledge production (Byrne, 2021). The process therefore captures the author's interpretive analysis of the data conducted at the intersection of (1) the dataset, and (2) the theoretical assumptions underlying the analysis(Braun and Clarke, 2019). Since the approach is iterative, it is not possible to produce a step-like progression in the data analysis process. Instead, we followed the process of rereading the transcripts to generate codes with the theoretical knowledge presented above as a guide. As Byrne (2021, page 3) explains it, "since the process of coding and theme development is flexible and organic,there should be no expectation that codes or themesinterpreted by one researcher may be reproduced by another (although, this is of coursepossible)".

The first reading of the transcripts (i.e., thematic reflexive analysis) produced factors that are consistent with the literature – i.e., (1) entrepreneurs' growth intentions/ aspirations, (2) business and managerial experience, (3) availability of financial resources, (4) availability of qualified staff, and (5) market/demand characteristics. A second reading of the transcripts revealed the following two additional factors not captured in the literature review: (1) institutional characteristics, and (2) network relations. Table 3presents a summary of these factors and the responses of the different groups of enterprises to them

Table 3: Summary of Interview Results

Growth enabling factors	Groups of Enterprises						
	Healthcare	Small accommodation business	Electrical & metal workshops	Retailing	Transportation	Catering Services	Education & Training Services
Company Codes	H1, H2, H3	A1, A2, A3, A4, A5	W1, W2, W3, W4	R1, R2, R3, R4, R5	T1, T2, T3, T4	C1, C2, C3, C4	ET1, ET2, ET3,
Entrepreneur's growth willingness & plans	No significant growth aspirations	No significant growth aspirations	No significant growth aspirations	Moderate growth aspirations	Moderate growth aspirations	Low growth aspirations	Moderate growth aspirations
managerial experience & financial record keeping	Owners have professional qualifications & attend management courses; keep financial records	Owners attend management courses; keep financial records	Limited business experience; no financial record-keeping	No additional skills considered important at this stage	No additional skills considered important at this stage	No additional skills considered important at this stage	Owners have professional qualifications & attend management courses
Availability of financial resources	Not considered a major problem	Not considered relevant	Not considered relevant; Some use rotating credit arrangements	Require some finance for expansion; Some use rotating credit arrangements	Require some finance for expansion	Not considered immediately relevant	Require some finance for expansion
Availability of qualified staff	Difficulties in recruiting professionals	Not considered a major problem	Use apprentices as staff	Not considered a problem	No additional skills considered important at this stage	Not considered a problem	Not considered a problem
Market characteristics	High level of health needs; challenge is customers' ability to pay	Demand fluctuates; capacity utilization is < 50%	Demand fluctuates	Demand fluctuates; seasonal	Assess demand to be growing	Demand is not growing that much to warrant expansion	Assess demand to be growing
Institutional characteristics	Start-up regulations considered cumbersome	Not considered a major problem	Operate within the semi-formal sector	Operate within the semi-formal sector	Not considered a major problem	Operate within the semi-formal sector	Cumbersome regulations
Network relations	Members of professional organizations	Some owners belong to faith organizations	None	None	Members of transport unions	None	Member of associations

Results

Motivation and Early Stages of Operation

Broadly speaking, entrepreneurial motivation and access to resources combine with market characteristics and the level of environmental dynamism (i.e., the demand for goods and services produced) to shape performance and growth of enterprises covered in the study.Consistent with findings from previous studies (Kuada, 2009; Atiase*et al*., 2019), the entrepreneurs in this study tended largely to rely on informal sources of finance (such as personal savings or small loans from friends and family) for their start-up investments. Here are samples of participants' account of their start-up capitalization challenges:

> "I started this school while I was still a civil servant. I was fortunate to have some support from my dad, who allowed me to use one of his housefor the school. I also had some financial support from a brother, but not much…" ET1.

> "I started with one old car that I used as a taxi. I had no family support, so I have to cut on my personal consumption. It was tough… but I have managed to build the business. Now I have ten vehicles, all paid for" T2.

Although all the business owners had personal bank accounts, few of them had firm-specific accounts independent of their personal accounts. They undertook all their business transactions by cash or mobile money transfers. In order to manage short-term cash flow problems, some of them participated in different rotating credit and savings arrangements. (See summary of the evidence in Table 3 as well as the illustrative cases). Apart from the owners of the healthcare and small accommodation businesses, there were neither systematic financial recordkeeping in the businesses nor did the ownersset financial targets that they regularly monitored. There was evidence indicating that mixing personal and business finances resulted in poor cash flow management. However, most of the enterprises appeared to generate sufficient revenues to allow their owners to make a living. Furthermore, their dependence on the businesses for daily economic survival appeared to have positive impact on their aspirations to sustain them. Nevertheless, this did not translate into strong growth aspirations for many of them (see Table 3).

Participants were specifically asked whether they considered inadequate finance as a constraint to their growth. Entrepreneurs within the health, small accommodation businesses,workshops and catering service providers did not consider finance as a major problem. However, owners of the retail, transportation as well as education and training services acknowledged that they required additional finance for expansion, although they were apprehensive about sourcing these funds from banks due to the stiff conditions that they impose on their operations. Detailed discussions with the participants suggested that their apprehension regarding bank financing must not be construed to mean an injunction against finance, but rather the source of finance and conditions under which the businesses may be granted the financial services, especially from banks. Here are samples of their responses to the question about getting loans:

> "The banks are impatient with small business owners, and I don't have a collateral to secure the loan ... plus they charge very high interest rates" T4.

> "I don't deal with banks in my business because the interest rates are too high for me, and their charges are outrageous" C3.

Resource Availability and Management Challenges

In general, the business owners in the study did not have formal management or professional training and did not consider such training as being necessary to run the businesses. However, owners of the healthcare and small accommodation businesses as well as the education and training service providers indicated that they had professional qualifications and/or attended management courses and therefore believed they have the required skills to grow their businesses. Evidently, several of the enterprises suffered location-specific disadvantages including inadequate infrastructural amenities and limited opportunities for boundary spanning engagements that can facilitate access to new information, best practices, and skilled resources. Fifteen of the enterprises listed erratic and high cost of electricity supply as severely constraining their operations, and therefore growth. The following excerpts illustrate their frustrations with power supplies in the country:

> “Electricity prices are killing us. Not only that. There are longer periods of outage than there is electricity. You don’t grow your business under such circumstances”W2.

> “Ghana has one of the highest electricity tariffs in Africa. I am contemplating turning to solar energy if I can afford the investment....”A5.

> I can’t stand the constant power outage which is destroying my tools and equipment. It is ruining my business” W1.

Previous studies have indicated that Ghana had since 2011 been experiencing constant power outages because of unreliable hydropower in the national grid (Kuada and Mensah, 2020). The government decided to supplement the hydropower sources with thermal generators in the short run, resulting in increased electricity tariffs for households and businesses. Two enterprises in this study explored the use of solar energy as an alternative energy source but gave it up due to the additional costs it entailed and the uncertainties surrounding the management of the installations. With respect to market characteristics, some of the participants noted that the performance of the rural economies within which theirbusinesses are located have depressedthe overall demand for their services. Apart from the providers of healthcare services, education, and training as well as transportation, all the other businesses were operating under their capacity and considered demand for their services to be fluctuating.These problems are illustrated by the following excerpts:

> “People here are poor. Our charges are low, but still, many of them can’t afford to pay” W4.

> “School fee is our main source of income, but many parents cannot pay on time and sending the kids home doesn’t help much.... But we have a business to run.... it is always a balancing act” ET1.

Network relations appeared to be important to most of the businesses. Apart from owners of the workshops and retail businesses, all the others belonged to either trade associations or religious groups that served as client bases for some and/or served as sources of new knowledge and best practices (See illustrative case 1 below for an example).

Entrepreneur's growth willingness and plans

As indicated earlier, all the participants in the study saw their businesses as full-time permanent occupations. They therefore approached their everyday business decisions and actions with dedication and sacrifice that characterize most serious entrepreneurial activities. However, they had different perceptions about how fast and far their enterprises should grow. Sixteen of them indicated that they did not have definite growth plans and did not want to grow beyond their current levels of operation. These included owners of the healthcare businesses, small accommodation businesses and the workshops. Apparently, their start-up motivations have not persisted over time due to their demographic profiles (including age and family responsibilities) as well as concerns regarding the complexity of managing bigger operations.The other participants had low to moderate growth aspirations (see Table 3).Contrary to views in previous research suggesting thatonly necessity-driven entrepreneurs generally tend to have lower growth aspirations (Liedholm, 2001), this study finds opportunity-driven entrepreneurs within the health and small accommodation business sectors to have limited appetite for growth. Instead, businesses in the retail, transport and educational sectors indicated some willingness to grow, citing increasing demand as a motivating factor.

The owners of the health sector businesses seemed reluctant to grow due not to limited demand, but rather to institutional constraints such as regulatory burdens and limited qualified staff. For example, growth for the drug retail outlets entailed transitioning from second tier nonregulated outlets to first tier pharmacies that would be subject to stricter regulatory oversight, including the recruitment of qualified pharmacists with at least one year of post qualification experience, having a defined minimum size, and adherence to hygiene and sanitation rules.The description of the activities of two of the businesses below provides illustrations of the nature of managerial decisions and growth considerations that the owner-managers appeared to be grappling with.

Two illustrative cases[3]

Case 1: Mavis Lodge

Mavis Lodge was started by Mavis (the proprietor) who converted their family house into five-rooms guesthouse in 2004. Her brother who lived in the USA funded the conversion and provided the initial operational capital with the objective of keeping Mavis closer to their aging mother. Fifteen years later, the guesthouse grew into a 14-room lodge with a bar as well as catering facilities. Mavis financed the expansion through ploughing back part of the company's earnings, supplemented with additional contributions, again from her brother.

Eighty percent of the company's revenue came from two sources. First, Mavis was a member of an international religious organization with a rural development outreach. Several members of the religious group tended to stay at the lodge when they visit the area to participate in rural community engagements. Second, local visitors to the town and neighbouring villages found it an attractive place to lodge due to its location (on a hilltop outside the town) and the quality of services offered[4]. Guests found the food quality and the varieties of the menu item offered in the restaurant of the lodge more preferable to the competing facilities in the area. In addition to this, Mavis has been reputed for having natural ease with customers, and this has influenced the work attitude of her staff of eight. However, yearly average capacity utilization remained low – i.e.,about 40%. The bar and catering facilities were also underutilized.

The lodge had no immediate plans for further expansion since Mavis considered the current size to fulfil her business ambitions, especially considering her family obligations. She explained the situation as follows:

> "My mother has been bedridden for the past four years. This business helps me balance work and family obligations. I am never far away from her. If I have to travel, I can count on some of my staff to assist".

[3] The names and locations in these cases have been anonymized for purposes of confidentiality.
[4] Visitors' comments in the guest book of the lodge provide evidence of that.

Her plan was to increase capacity utilization of rooms and the catering facilities. To achieve this objective, the lodge had plans to enter the online booking market in order to attract tourists and other visitors to the area. There were also plans to offer catering services to the high schools and other public institutions within and outside the town.In a more distant future, she “dreamed” of building a new motel in the neighbouring town. This expansion “dream” has motivated her to enrol for an online training programme in hospitality management.

There appeared to be proper financial record keeping at the lodge. Mavis had a commercial school education and therefore kept the company’s financial records herself with the assistance of an accounting teacher from the commercial school who she hired on part time basis. The company also had its own bank account – i.e., separate from Mavis’ personal bank account. However, Mavis informedthat she occasionally ran into cash flow problems and planned to address it as follows:

> “We occasionally face liquidity problems. However, the banks are not generous with us. The interest rate of my bank is quite high. I am thinking of finding a new bank that will be willing to give me overdraft facility at a moderate interest rate”.

She considered her personal integrity as providing her the best advantage in her financial relationships, and said:

> “I have always believed that the first capital I have, is my integrity. When I started, I used whatever profits I made from my business to pursue my goals. In the beginning,I struggled with finances but never with capital. I believe that if I still have my integrity, I can attract finances”.

Finally, she agreed that network relationships were useful for her business. As she put it,

> “My involvement in the community projects helps me to know influential people within and outside the community and to know what is happening and what activities

> are planned. This helps in my own planning process – especially with respect to the catering services that we offer".

Case 2: Lododo Medical Centre

Lododo Medical Centre (LMC) is the only private-owned health facility that serves patients within a 60-kilometer radius with a population of nearly 80,000 people. Its proprietor is Dr.Lododo who studied medicine in Germany in the 1980s. The motivation to start the hospital came from a visit he made to Ghana in mid 1980s as a young medical officer. He explained it as follows:

> "Ithas been a lifetime dream for me to be able to offer affordable and quality health care to my people.The high rate of avoidable deaths within the community has always appalled me. I felt I could do something to improve people's health status and give them knowledge of how to overcome simple health hazards".

On his return to Germany, he decided to save part of his income in order to establish the health centre that he would manage on his return to Ghana.LMC started operations in 1990 from a modest four-room house. It moved to its current location eight years later with three open wards: a maternity ward, a ward for male inpatients and another for female inpatients. There was also an outpatient unit. Extensions have been made over time through organic investments with extensions to the wards, acquisitions of modern equipment and an addition of patients' care facility where family members who helped take care of the patients could rent a room at a token price.

Since 2010, there have not been any further expansions, mainly because the owner has been too much engrossed in the daily operations and had no time to develop an overall growth strategy. The owner admitted that he had no understanding of many of the business management issues he was confronted with when he started and had to learn along the way. He explained the situation as follows:

> "I was a novice as far as business management was concerned when I started. I realized that although the need for health services was huge, people had no money to pay for even basic services and therefore came to the health centre when they could no longer bear their sufferings. My concern was how to help them, and at the same time pay my workers and pay for utilities. That was tough."

Although his desire to help was strong, he had to learn how to balance his passion with the economic imperatives of running a business. He was able to develop a financial management system that has ensured adequate earnings to cover normal operational costs. However, he conceded that further growth would require external funding.

> "I have been fortunate to get some German NGO support about 8 years ago to buy some medical equipment… Donor funding is not very reliable, and I don't think bank finance is suitable for this kind of business … there are no quick returns", he explained.

In spite of his passion for the work, the long hours at the hospital and the constant pressure to perform has produced fatigue during the nearly three decades of operation. He contemplated retiring before 70 and had no clear succession plans. All his children were working in Accra and their careers were in areas outside the health sector. None of them was willing to take over the hospital since this would mean changing a career path. Since it has been difficult recruiting medical officers to the rural areas, the chances of finding a younger medical officer to take over the hospital appeared almost non-existing, even if one disregarded the financial resources to do so.

Discussions and Implications

Taken together, these findings reinforce the view that financial delivery is necessary for small enterprise growth, but it is not the only important factor in ensuring growth. It is therefore necessary for researchers, policymakers, and finance delivery institutions to understand the interplay of factors that can enhance the effectiveness of financial resources in the growth process of small rural enterprises. When rural entrepreneurs indicate that they do not immediately require additional financial resources, their declarations must not be interpreted to mean total rejection of finance, but rather their apprehensions with respect to the conditions (real or imagined) that are attached to loans that formal financial institutions offer.The evidence from this study therefore echoes findings from previous studies that small business owners in Ghana attribute hesitation to seek external finance for growth purposes to the high cost of accessing such services (Kuada, 2021; Gyimah and Lussier, 2021). In addition to this, several entrepreneurs in this study fear that obtaining loans from their banks and similar financial institutions may land them in debt traps with unimaginable negative consequences to their businesses and livelihoods. Therefore, they understandably decide against such loans and apparently prefer unconditional and patient finance from family members and friends rather than what they describe as “impatient finance” (due to repayment conditions) that financial institutions tend to offer. The dominant fear expressed during the interviews is that accepting loans from formal financial institutions may result in the transfer of their business decision rights to the financial institutions. This apprehension for seeking external financial support implies that expansions are delayed, and growth becomes slow.

Consistent with findings from a study by Essel, Adams, and Amankwah (2019) in the Sunyani municipality, we note that a variety of factors combine to shape small enterprise growth in rural districts in Ghana. Consequently, their growthmay not be a continuous seamless process.For example, entrepreneurs’ growth ambitions may be replaced by non-growth decisions even after long periods of growth.Evidently, many of the entrepreneurs in this study were more interested in maintaining their current level of activities than in expansion sincethey considered their current operational capacity to fulfil their economic and social ambitions. Their reasons vary and include personal lifestyles, transitions in life cycle, family factors, prevailing business logic within their operational environments, as well as demand limitations. For some of the entrepreneurs, making economic profit may not always be their overriding objective for establishing the businesses – social and emotional wealth seem to count a lot more for some business owners. With such an attitude, the dedication and sacrifice required to grow a business may be compromised in their everyday business decisions and actions. Furthermore, the results lend credence to the view that women entrepreneurs in Ghana are becoming more increasingly assertive in an otherwise patriarchal Ghanaian society (Quagrainie*et al.* 2021). Consistent with Tundui, and Tundui, (2021) the results also suggest that rural female entrepreneurs can leverage their social capital in growing their businesses. As Quagrainie*et al.* (2021) observe, African women no longer accept traditional roles of in their societies. They have become critical stakeholders in sustainable development as local entrepreneurs.

Implications for Policy and Practice

In sum, multiple contingencies tend to shape the growth of small rural enterprises in countries like Ghana. Policymakers need to take these observations on board when they assess the potential impact of financial inclusion on the growth of such enterprises.That is, they need to examine rural enterprise growth-inducing policies in terms of whether the chosen policy instruments and advisory systems address the variety of potential bottlenecks to growth or whether there is a mismatch between the types of problems encountered and the policy measures and advisory services available. For example, it behoves the financial institutions to gain deeper insight into the needs, expectations and operational conditions of the entrepreneurs and rethink their loan policies and conditions in order to reduce the anxieties that rural business owners experience about obtaining loans.The evidence in this study also supports the view that investments in physical infrastructure (e.g., roads and electrification) can positively influence the growth of rural enterprises, both through the stimulation of demand in the rural communities and by improving operational conditions. Furthermore, the study reinforces the view that the lack of recordkeeping and financial discipline remains a major weakness in the management of small businesses in Ghana. Previous studies have shown that what makes businesses grow is not so much the amount of money their owners earn, but how much money they save and plough back into the company (Kuada and Mangori, 2021). This means that owners must strive to keep their business accounts separate from their personal accounts.

Limitations and Further Research Opportunities

This study is not without limitations and the results presented above come with a number of caveats. First, since this is an exploratory investigation, the results of the study cannot claim to represent the gamut of small and medium sized businesses in Ghana. Second, despite the importance of qualitative methods applied in this study in illuminating factors that influence rural enterprise creation and growth, they permit neither an investigation of a cause–effect relationship nor a generalization of the findings.However, despite its limited coverage and methodological limitations, the study lays a foundation for more in-depth research into small enterprise growth in Ghana and other African countries and the role of financial resources in the process.It also speaks to the need for a more comprehensive investigation, perhaps using a quantitative methodology to address this limitation.

Third, previous scholars decry the lack of explicit acknowledgement of diversity among African entrepreneurs by researchers and policymakers resulting in adoption of undifferentiated policy instruments to address the growth challenges of all categories of entrepreneurs (Mamman*et. al*. 2019). These scholars therefore argue in favour of refined classificatory frameworks that identify and target different entrepreneurs with different policies and strategies (Kuada, 2015b). In this regard, future research should help uncover the characteristics of the rural communities in the various SSA countries, the profiles of entrepreneurs that operate within them, the sectors within which they are found, as well as the types of resources they need to grow. In line with Donkor, *et al*., (2018), the present study also suggests that a shift in research from the one-dimensional "financial access" focus, toa more comprehensive "strategic growth management" perspective has the potential to provide useful guide to policymakers in their choice and refinement of interventions aimed at inducing rural small business growth in Africa.

Conclusion and Contributions

The overall conclusion to be drawn from the evidence provided in this study is that small enterprise growth in rural communities in Ghana depend on a symbiotic confluence of a multiple set of variables.As noted earlier and without laying any claim on generalization, the study makes three contributions to the extant literature on small enterprise development in Africa and suggests areas for future research attention. First,it contributes to the emerging evidence that small enterprise growth in rural communities in Ghanadoes not occur through access to additional financial resources alone; other growth-enabling conditions such as entrepreneurial ambition as well as market demand and infrastructure must concurrently exist in order to promote growth. Second, it contributes new insights into the design of small enterprise growth promoting policies in Africa. In light of the evidence thatentrepreneurs in rural communities do not constitute a homogenous group with growth ambitions, (and even thosewho are growth-oriented face non-financial resource constraints to growth), it behovespolicymakers and financial institutions to make determined effort to see the whole enterprise growth picture through the lenses of the small business owners in the rural communities.Thus, there is still a great deal to learn regarding the design and implementation of interventions that are context-sensitive and appropriate to the specific needs of the business owners. Third, the results question the implicit assumption in extant small enterprise growth literature that all entrepreneurs seek growth once they have consolidated their operations. The evidence from the studyindicates thatentrepreneurs' behaviour may change over time – i.e., non-growth orientations can replace previous growth-oriented behaviours due to changes inthe broad life values and personal circumstances of the business owners. This aspect of entrepreneurial heterogeneity has escaped the attention of previous researchers and it therefore provides additional avenues for further investigation.

References

Achtenhagen, L., Ekberg, S., and Melander, A., (2017) “Fostering growth through business development: Core activities and challenges for small-firm entrepreneurs”,*Journal of Management* and *Organization,*Vol. 23 No.2, pp. 167–185

Angelucci, M., Karlan, D., and Zinman, J., (2015) “Microcredit Impacts: Evidence from a Randomized Microcredit Program Placement Experiment by Compartamos Banco”,*American Economic Journal: Applied Economics* Vol. 7, No. 1 pp. 151-182

Asongu, S. A., (2017) “The effect of reducing information asymmetry on loan price and quantity in the African banking industry”,*Research in International Business and Finance*Vol. 41 No. 4 pp.185–197

Arthur-Aidoo, B.M., Aigbavboa, C. and Thwala, W.D., (2017). “Evaluating Entrepreneurial Features of Firm's Growth Using Confirmatory Factor Analysis”, *Journal of Economics and Behavioral Studies,* Vol. 9 No. 3, pp.171-179.

Aterido, R., Beck, T., and Iacovone, L. (2013) “Access to Finance in Sub-Saharan Africa: Is There a Gender Gap?” *World Development* Vol. 47, pp. 102–120

Atiase, V.Y., Mahmood, S., Wang, Y., and Botchie, D (2018) “Developing entrepreneurship in Africa: investigating critical resource challenges”,*Journal of Small Business and Enterprise Development,* Vol. 25 No. 4, pp. 305 -320 https://doi.org/10.1108/JSBED-03-2017-0084

Babatunde, R. O., and Qaim, M. (2009) “Patterns of income diversification in rural Nigeria: Determinants and Impacts”,*Quarterly Journal of Agriculture,* Vol. 48 No. 4, pp. 305 - 320

Banerjee, A., E. Duflo, N. Goldberg, D. Karlan, R. Osei, W. Pariente, J. Shapiro, B. Thuysbaert, and C. Udry. (2015) “A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries”,*Science* Vol.348, No. 6236, pp. 1260799–1260799.

Berge, L. I. O., Bjorvatn, K., and Tungodden, B., (2015) “Human and Financial Capital for Small Enterprise Development”,*Management Science*Vol. 61No. 4, pp. 707–722

Berner, E., Gomez, G., and Knorringa, P., (2012) “Helping a Large Number of People Become a Little Less Poor: The Logic of Survival Entrepreneurs”,*European Journal of Development Research*Vol. 24 No. 3, pp.382–396.

Braun, V., and Clarke, V., (2006) “Using thematic analysis in psychology”, *Qualitative Research in Psychology*, Vol. 3 No. 2, pp. 77-101.

Braun, V., and Clarke, V. (2019) “Reflecting on Reflexive Thematic Analysis”,*Qualitative Research in Sport, Exercise and Health*, Vol. 11No. 4, pp. 589-597.

Bridge, S, O'Neill, K, Cromie, S., (2003) *Understanding Enterprise, Entrepreneurship and Small Business* (Palgrave Macmillan, Basingstoke, Hants)

Byrne, D. (2021) “A worked example of Braun and Clarke’s approach to reflexive thematic analysis”,*Quality & Quantity*Available at https://doi.org/10.1007/s11135-021-01182-y, Accessed February 16, 2022

Chen, M.-H., and Yang, Y.-J. (2009) “Typology and performance of new ventures in Taiwan”,*International Journal of Entrepreneurial Behavior*and *Research,*Vol. 15 No. 5, pp. 398–414.

Chiumento, A., Atif Rahman, A., Machin, L., Frith, L. (2018) “Mediated research encounters: methodological considerations in cross-language qualitative interviews”,*Qualitative Research* Vol. 18 No.6, pp. 604–622

Cloutier, C., and Ravasi, D., (2021) “Using tables to enhance trustworthiness in qualitative research”, *Strategic Organization* Vol. 19 No.1, pp. 113 - 133

Davidsson, P. Achtenhagen, L. Naldi, L., (2010) “Small enterprise growth”,*Foundations and Trends in Entrepreneurship* Vol. 6, No. 2 pp.69–166

Davidsson, P. and Delmar, F. (1997) *High-growth firms and their contribution to employment: The case of Sweden 1987-96*. (Paris: OECD Working Party on SMEs).

Donkor, J., Donkor, G. N. A., & Kwarteng, C. K. (2018) “Strategic planning and performance of SMEs in Ghana: The moderating effect of market dynamism”*Asia Pacific Journal of Innovation and Entrepreneurship*. Vol. 12 No. 1 pp. 62-76

Essel, B.K.C., Adams, F. and Amankwah, K., (2019). “Effect of entrepreneur, firm, and institutional characteristics on small-scale firm performance in Ghana”,*Journal of Global Entrepreneurship Research,* Vol.9 No. 1, pp.1-20.

Fiala, N.,(2018)“Returns to Microcredit, Cash Grants and Training for Male and Female Microentrepreneurs in Uganda”*World Development*, Vol. 105, pp. 189–200.

Flynn, J.,andSumberg, J., (2018) “Are savings groups a livelihoods game changer for young people in Africa?”,*Development in Practice*, Vol. 28 No.1, pp.51-64

Goedhuys, M.,andSleuwaegen, L., (2010) “High-Growth Entrepreneurial Firms in Africa: A Quantile Regression Approach”, *Small Business Economics* Vol. 34 No. 1, pp. 31-51

Gyimah, P., & Lussier, R. N. (2021) “Rural Entrepreneurship Success Factors: An Empirical Investigation in an Emerging Market”, *Journal of Small Business Strategy,* Vol. 31 No. 4, pp.5–19. https://doi.org/10.53703/001c.29470

Haselip, J. A., Desgain, D. DR., and Mackenzie, G. A. (2015) “Non-financial constraints to scaling-up small and medium-sized energy enterprises: Findings from field research in Ghana, Senegal, Tanzania and Zambia”,*Energy Research andSocial Science*, Vol. *5*, No. 1, pp.78-89.

Johnson, S., (2016) “Competing visions of financial inclusion in Kenya: the rift revealed by mobile money transfer”*Canadian Journal of Development Studies*Vol. 37 No.1, pp. 83-100,

Kuada, J., (2009) “Gender, Social Networks, and Entrepreneurship in Ghana”*Journal of African Business*, Vol. 10 No.1, pp. 85-103.

Kuada, J (2015a) *Private Enterprise-Led Economic Development in Sub-Saharan Africa: The Human Side of Growth* (London: Palgrave Macmillan)

Kuada, J. (2015b) “Entrepreneurship in Africa – a classificatory framework and a research agenda”*African Journal of Economic and Management Studies*, Vol. 6 No. 2, pp.148–163.

Kuada, J. (2016) “Financial Inclusion and the Sustainable Development Goals” In Makani, Daniel (Ed) *Extending Financial Inclusion in Africa* (London, Academic Press) pp: 259 – 277

Kuada, J. (2018) “ICT Facilitated Financial Service Deliveries in Africa” in Tesar, G., Anderson, S.W., Traore, H., and Graff, J. (Eds.)*Marketing Management in Africa (*New York: Routledge) pp: 119 - 131

Kuada, J. and Mensah, E., (2020) “Knowledge transfer in the emerging solar energy sector in Ghana”,*Contemporary Social Science,*Vol. 15 No.1, pp.82-97,

Kuada, J. (2021) “Financial inclusion and small enterprise growth in Africa: emerging perspectives and research agenda”, *African Journal of Economic and Management Studies* © Emerald Publishing Limited 2040-0705 DOI 10.1108/AJEMS-05-2021-0230

Kuada, J. and Mangori, M., (2021) *How to Succeed as an Entrepreneur in Africa - A Practical Guide and Cases.* (London: Adonis and Abbey Publishers)

Liedholm, C, (2001) “Small Firm Dynamics: Evidence from Africa and Latin America”, Working Paper, World Bank Institute.

Mamman, A., Bawole, J., Agbebi, M., and Alhassan, A-R., (2019) “SME policy formulation and implementation in Africa: Unpacking assumptions as opportunity for research direction”,*Journal of Business Research* Vol. 97 No,3 pp. 304–315

McKenzie, D. (2017) “Identifying and Spurring High-Growth Entrepreneurship:Experimental Evidence from a Business Plan Competition”, *American Economic Review* Vol. 107 No. 8, pp. 2278-2307.

McKenzie, D. and Paffhausen, A. L., (2017) “Small Firm Death in Developing Countries”

(World Bank Policy Research Working Paper 8236)

Mullineux, A.W., and Murinde, V. (2014) “Financial sector policies for enterprise development in Africa”,*Review of Development Finance*Vol. 4 No.2 pp.66–72

Murithi, W.,Vershinina, N., and Rodgers, P., (2020) “Where less is more: institutional voids and business families in Sub-Saharan Africa”,*International Journal of Entrepreneurial Behaviourand Research*,Vol. 26 No. 1, pp. 158-174

Paşalı, S. S., (2013) “Where is the Cheese? Synthesizing a Giant Literature on Causes and Consequences of Financial Sector Development” (World Bank Policy Research Working Paper 6655)

Quagrainie, F. A., Adams, S., Kabalan, A. A. M. and Dankwa, A. D. (2021) “Micro-entrepreneurship, sustainable development goal one and cultural expectations of Ghanaian women” *Journal of Entrepreneurship in Emerging Economies* Vol. 13 No. 1, pp. 86-106

Rijkers, B., Söderbom, M., and Loening, J.L., (2010) “A Rural–Urban Comparison of Manufacturing Enterprise Performance in Ethiopia” *World Development* Vol. 38, No. 9, pp. 1278–1296

Sheriff, M. and Muffatto, M. (2015), “The present state of entrepreneurship ecosystems in selected countries in Africa”, *African Journal of Economic and Management Studies* Vol.6 No.1, pp.17-54.

Trombetta, M., Calvo, M. L., and Casadio, P., (2017) *Microfinance Institutions and Small* and *Small Enterprises in Ghana - The Potential of the Missing Middle* (International Growth Centre, F-33114-GHA-1)

Tundui, H. P., and Tundui, C. S., (2021) “Marriage and business performance: the case of women-owned micro and small businesses in Tanzania” *Journal of Entrepreneurship in Emerging Economies* Vol. 13 No. 5, pp. 1287-1308

Urban, B. and Ratsimanetrimanana, F. (2019) “Access to finance and entrepreneurial intention - An empirical study of Madagascan rural areas”,*Journal of Enterprising Communities: People and Places in the Global Economy* Vol. 13 No. 4, pp. 455-471

Wiklund, J. and Shepherd, D., (2003) “Aspiring for, and Achieving Growth: The Moderating Role of Resources and Opportunities” *Journal of Management Studies* Vol. 40 No. 8 pp. 1919 – 1941

World Bank Group (2018) “Third Ghana Economic Update - Agriculture as an Engine of Growth and Jobs Creation - Africa Region” (World Bank Policy Paper) Available at https://openknowledge.worldbank.org/handle/10986/29382 (Accessed June 21, 2021)