# SMALL-SCALE INDUSTRY, ENTREPRENEURSHIP AND THE INDUSTRIALIZATION OF THE NORTH IN GHANA

**Romanus D. Dinye,** BSc., MSc., PhD
Housing and Planning Research Dept,
University of Science and Technology
Kumasi, Ghana

## ABSTRACT

*In Ghana, the north lags behind the south in industrial development. This is a consequence of direct and indirect national industrial policy, practice and performance. Recent industrial policy reorientation include the promotion of small and medium-sized industry and entrepreneur development. This paper gives an appraisal of the entrepreneur potential in the north based on a survey of existing small-scale industrialists. Resources for investment, entrepreneurial qualities and the perspectives in the area were found to be inadequate. In a rather unfavourable business environment, small-scale industry development seemed to offer high prospects for the industrialization of the rural agrarian, industry - deficiency north in Ghana. The paper therefore advocates a small-scale oriented, entrepreneur-centred industrialization strategy for northern Ghana.*

***KEYWORDS:*** *Small-Scale Industry, Entrepreneurship, Northern Ghana, Industrialisation.*

## INTRODUCTION

An entrepreneur is an action - oriented, dynamic and highly motivated individual who perceives needs and conceives goods and services to satisfy those needs through the mobilization of factors of production and business creation(1). Since the 1960s, entrepreneurship has been topical in development theory and practice, especially in the least developed nations. One of the issues is that Sub-Saharan African Countries are not as capable of growth and modernization as other nations in the world because of limited entrepreneurial skills and effort. Behind this perception is an observation that entrepreneurial ability thrives in cultures which emphasize individualism. In Sub-Saharan Africa, it is a communal tradition that predominates. Against this background the problem of entrepreneurship has somehow been attributed to racial and generic instinct(2).

There is, however, a counter argument stressing that the limited entrepreneurship in Sub-Saharan Africa is circumstantial and must be seen as a historical sequence rather than something which has to do with the prosperity or capability of a particular group. Environmental rather than racial factors seem to offer a better explanation of the variation of the entrepreneurial cultural endowment. In the case of Ghana, the weakness of entrepreneurship is attributed to the poor technical, administrative and financial management(3). There are also some cultural traditions which are not entrepreneur-oriented. But then, these should by no means feature as a permanent phenomena. Given the right environment, the impediments to African entrepreneurship will yield to the forces of economic progress(1). This article explores the limitations and prospects of entrepreneurship in Sub-Saharan Africa through a case study in northern Ghana. The study which was carried out by the author in 1994 with a follow up in 1995 focused mainly on small-scale manufacturing activities. The survey covered entrepreneurs in agro-based, wood-based, textile-based and metal-based small-scale industries in the rural and urban contexts.

## INDUSTRIALIZATION AND THE NORTH

The north in Ghana comprises the Northern, Upper West and Upper East Regions which together constitute 41% of the country's total landmass. This area has not attained the benefits of the import substitution industrialization strategy which Ghana adopted since its independence. This is consequent upon certain inherent weaknesses of the nation's industrial structure. It is highly skewed in terms of spatial concentration and composition. Gross disparities therefore exit between the northern and southern sectors of the nation. As a result of the inadequacy of social and economic infrastructure in the north, only a few industries are located there. These include the meat caning factory at Zuarungu, a cotton ginnery at Wa, a rice mill at Tamale, a tomato factory at Pwalugu and

*R. D. Dinye*

an oil mill at Bawku. The majority of Ghana's industrial enterprises are located in the urban centres in and around the area bounded by the triangular points of Accra-Tema, Sekondi-Takoradi and Kumasi (Figure 1).

The industrial development policies and measures pursued since the inception of the country's industrialization process encouraged the use of large scale, capital intensive technology, which allowed for only a few job opportunities. It generated stress on the balance of payment situation through the importation of machinery, equipment, technical and management personnel and material inputs. It also placed a burden on the national budget through the subventions allocated to it. Within the limited domestic market, installed capacities in most cases have been far beyond what can be absorbed locally, thereby making inadequate use of their production potential. At the moment, it is unable to provide the necessary inputs for agricultural modernization but instead competes with agriculture for the scarce foreign exchange resources of the country.

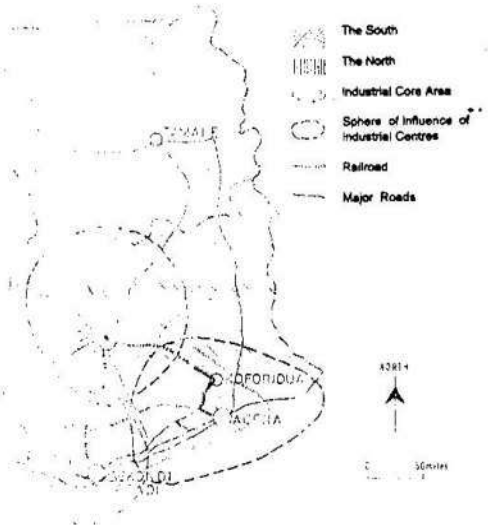


Fig. 1: INDUSTRIAL DEVELOPMENT IN GHANA

Domestic industries have been excessively protected, thereby allowing for even inefficient enterprises to be able to operate. Inefficiency causes high prices for industrial products, arising from the inadequacy of quality control on industrial products and the stiff competition they face in the world market. Limited export opportunities exit for Ghanaian manufactured items.

There has been an obvious need for redirection in industrial policy, practice and performance. This was rightly observed during the Two-Year Development plan, 1968-70 under the regime of the National Liberation Council. Subsequent political instability since then have not offered the opportunity for the appropriate action until the Provisional National Defence Council (P.N.D.C.) launched the Economic Recovery programme in 1983. Under the P.N.D.C., a number of policy actions has been initiated and carried out towards the restructuring of the Country's industrial sector. These include trade liberalization, privatization, financial reform, divestiture and small and medium-scale on industry promotion. The relevance of much of the policy issues on the rural agrarian north in Ghana is limited. A greater part of their impact is felt in the urban industrializing climate of the south where the bulk of the Country's industries are concentrated.

The policy action which offers prospects for the industrialization of the north is the promotion of small and medium-sized industries. This is done through an entrepreneur development programme. The purpose of the programme is to accelerate the development of the rural and other less developed areas of the country. In those areas, it has been argued, local entrepreneurship is grossly inadequate and not readily available and the entrepreneurs from the more developed areas are not attracted. The intention has been, therefore, not only to increase the supply of the entrepreneurs numerically, but also to improve on the skills of the existing ones. In the vast industry-deficiency north, entrepreneurship promotion for business creation is an imperative strategic instrument towards its industrialization. An increase in the supply of the entrepreneurs in the area, among other things, will enlargen the small and medium-sized industrial sectors which hold a high potential for employment generation, income distribution and industrial dispersal. Hitherto, the industralisation efforts in Ghana has led to a lopsided development skewed in favour of its southern sector. To identify the enabling and restraining elements of entrepreneurship in Ghana, this study explored the characteristics of the existing small-scale entrepreneur-industrialist in the north. This study has been conducted to delineate the constraining and complementary forces which respectively inhibit and enhance entrepreneurship in the area.

### The Entrepreneurs Potential Study

The study is based on the premise that an individual's entrepreneurial capability is a blend of his or her personal capability and environmental conditions surrounding him or her. Personal capability, as considered here is a function of three basic factors: resources, qualities and vision. These three elements are interlinked and influence the actor's ability to innovate and perform. They underlie the tendency to consume and/or save as well as to choose career options as employees, managers or owners of business.

i. Resources comprise the material and fiscal asset emanating from family background, contacts with other individuals, groups, public or private institutions and from one's own self.

ii. Qualities are innate or acquired. The innate variables verified include age, sex, ethnicity and socio-cultural attitude. Those acquired included education through formal training or apprenticeship, and type of activity through choice or profit derive.

iii. Vision, which has to do with personl motivation, life goals and personal orientation, is affected by access to resources and the qualities with which he or she is endowed.

The macro-environment consists of the dictates and implications of the national and international economic policies. The micro-environment comprises the existing or present situation with regard to the location (urban or rural), population (size and composition), purchasing power and business climate of the community or locality in which the individual operates. In all 500 entrepreneurs were interviewed to draw their characteristics.

### The Sample

In order to capture the urban and rural aspects of the entrepreneurs-industrialists, three urban and three rural settlements were randomly selected for the enquiry. In the absence of a sampling frame, since no list of small-scale industries in the research settlements existed, the sample covered was not a randomly selected one. However, the 196 rural and 304 urban entrepreneurs interviewed constituted 100 per cent and about 50 per cent of their total numbers in the selected rural and urban settlements respectively.

These were found to be engaged in 18 kinds of small-scale industries. They fell into six major categories, namely: Agro-based (pito-brewing, grain milling, bakery, slaugthering, food preparation); metal-based (cloth weaving, dressmaking); leather-based (tanning leather works); wood-based (capentry, charcoal burning, carving); metal-based (blacksmithing, trunk making, auto works, bicycle repairs, watch repairs) and resource-based (pottery, basketry, sheabutter extraction) industries. The results from the formal interviews were supplemented with information from opinion leaders and other resource persons who were questioned about the inhibitors and generators of entrepreneurship in the north.

## RESOURCES FOR ENTREPRENEURSHIP

Capital for initial investment and/or operation of the existing small scale industries was used as a proxy for resources in this study. The availability and access to capital to start and/or run small-scale industry in the north had to do with the ownership structure. migration, previous employment and profits to the entrepreneurs through operation.

The ownership of resources for investment associated with all respondents was found to be communal. The nucleus family constituted the pivot for its management for the entire extended family. Social commitments such as funerals, dowrying wives and caring for the sick and the aged tended to limit the availability of capital from that source for investment. Whilst as much as 20% of the respondents drew their initial capitals from their families, the mean initial capital registered for this source was the lowest (35,000 cedis) compared to the other sources (Table 1).

**TABLE 1: SOURCES OF INITIAL & WORKING CAPITAL**

| Source | Initial Capital (%) | Working Capital (%) | Mean Initial Capital |
|---|---|---|---|
| Family | 29 | 18 | ¢35,000 |
| Friends | 18 | 14 | ¢42,000 |
| Money lenders | 9 | 17 | ¢40,000 |
| Own-self | 39 | 37 | ¢70,000 |
| Bank | 5 | 14 | ¢40,000 |
| Total | 100 | 100 | |

N=500

For both initial and working capital, the majority of the respondents used their personal savings (Table 1). Two factors were found to account for that, the

first was migration. As much as 69 percent of the entrepreneurs was found to be in operation outside their place of birth. Outside their place of birth and distant from the family as well as close relatives, ownership tended to become more personal arising from entrepreneurs being less directly committed to their relatives' immediate needs and demands. The second reason comprised the inherent desire of every normal human being to succeed and therefore the willingness to invest the resources at one's disposal. Although the underlying cause of migration in general are many, the case associated with the north, as was confirmed by opinion leaders, was predominantly economic in nature. Whilst 52 percent of the respondents reported having migrated to the south before establishing their business, four percent recounted that they ever worked outside Ghana. The distribution of these migrants according to sectoral employment prior to their return to the north is shown in Table 2.

**TABLE 2: TYPE OF EMPLOYMENT DURING PERIOD OF MIGRATION**

| Sector | No. of migrants | % |
|---|---|---|
| Agriculture | 68 | 25.2 |
| Commerce | 43 | 15.9 |
| Manufacturing | 82 | 30.4 |
| Construction | 22 | 8.1 |
| other | 55 | 20.4 |
| Total | 270 | 100.0 |

N = 270 for migrants

Employment in manufacturing which constituted over 30 percent singularly dominated the other sectors. On return to the north, most of the migrant industrialists took to what they had learned and had done. Migration therefore served not only as a source of resource or investment but as an eye opener to what was being done in the south and could be done in the north.

All entrepreneurs interviewed re-invested part of their profits to run their business. The degree of profitability therefore served as an avenue for resource accumulation not only for expanding or upgrading existing industries but establishing new ones. The distribution of the entrepreneurs in terms of their profit levels was as shown in Table 3

**TABLE 3: PROFIT MARGINS OF EXISTING SMALL-SCALE INDUSTRIES**

| Profit Margin* | No. of Respondents | % |
|---|---|---|
| Below 15 | 69 | 38.8 |
| 16-25 | 97 | 19.4 |
| 26-35 | 92 | 18.4 |
| 36-45 | 183 | 36.6 |
| 46-55 | 35 | 7.0 |
| Above 56 | 24 | 4.8 |
| Total | 500 | 100.0 |

* in thousands of cedis

The mean profit margin of 32,000 cedis per month for all respondents compared well with the minimum wage of 30,000 cedis per month in the country as at the time of the study. One-third of the entrepreneurs were however found to register below 30,000, cedis per month.

## THE QUALITIES OF THE ENTREPRENEURS

Qualities refer to the specialised skills of the individual to engage in economic activity and the inherent ability to effectively utilize them. Qualities with regard to industrial enterprise is an embodiment of technical, commercial and managerial skills and their concurrent application. These have to do with the innate and acquired status of each person. The innate features of the entrepreneurs investigated comprised their age, sex and ethnicity. Their acquired skills studied related to their educational and professional backgrounds.

No entrepreneur was found to be below the age of 20 years. Even the lowest age brackets (20-30 years) of the categories into which they were grouped (table 4) represented nine percent. Inference was therefore made that entrepreneurship in the north with regard to the small scale industrial sector started at relatively advances ages. But that could be understood when that situation was matched with the investible resource limitations in the area. Much of the resources for investment came from personal savings. The individual took some time on average (5-10 years) working to accumulate capital for investment in industry. No age advantage was noticeable on gender basis among the entrepreneurs (Table 4).

**TABLE 4: AGE CHARACTERISTICS OF ENTREPRENEURS**

| Years | Male | Female | Total |
|---|---|---|---|
| 20-30 | 5 | 4 | 9 |
| 31-40 | 19 | 16 | 35 |
| 41-50 | 24 | 22 | 46 |
| 51-60 | 3 | 4 | 7 |
| 61+ | 1 | 2 | 3 |
| Total | 52 | 48 | 100 |

In terms of type of activity by sex, the agro-based, textile-based and natural resource-based industries were dominated by the feminine gender. The leather-based, wood-based and metal-based industries were found to be the domain of the masculine gender (Table 5). It all rotated around the traditional division of labour according to sex. Whereas pito-brewing, food preparation, basketry and sheabutter extraction were traditionally assigned to women; carpentry, slaughtering, carving, blacksmithing and tanning were detailed to men. Since most of these trades were learnt through family instruction or apprenticeship, the situation tended to be handed down to subsequent generations until now.

**TABLE 5: GENDER AND TYPE OF ACTIVITY (PERCENTAGES)**

| Activity | Male | Female | Total |
|---|---|---|---|
| Agro-Based | 8 | 21 | 29 |
| Textile-based | 6 | 12 | 18 |
| Leather-based | 12 | 0 | 12 |
| Wood-based | 5 | 3 | 8 |
| Metal-based | 22 | 0 | 22 |
| Resource-based | 0 | 12 | 12 |
| Total | 52 | 48 | 100 |

N = 500

The north is an amalgam of many ethnic groups. Other ethnic groups from Southern Ghana and the neighbouring countries were found but the central focus was only on those native to the study area. The study covered Dagombas (28 percent): Gonjas ( 16 percent): Dagaba (17 percent): Kusasi (3 percent), Mamprusi (8 percent); Frafra (20 percent and Wala (8 percent). In terms of numerical strength, it could be deduced that Dagombas followed by Frafra, Dagaba and Gonjas were more entrepreneurial than the Mamprusi, Wala and the Kusasi in the Small-Scale Industry Sector. Nevertheless, this could be a misconception particularly when other indicators such as profitability of enterprise, management style, and level of education were not used in the assessment.

Education, which includes literacy and numeracy, is crucial for an enterprise. It facilitates the assimilation and dissemination of information, which is essential for innovativeness and business management. It enhances the ability to perceive profitable opportunities in infrastructure, raw material, technology and markets. Education may be acquired fromally and informally. It is formal when the individual receives direct tutelage or instruction in the state established system. Informal education involves apprenticeship and/or on-the-job training. Since independence, education formed a substantial part of the national budget. Consequently, a number of vocational, technical and manpower training institutions have been established to impart productive skills. Education of this kind seemed not to have had much impact on the initiative and creativity of the northern people as far as small-scale industry development was concerned. As much as 65 percent involving 30 percent male and 35 percent female of the responding entrepreneurs were not literate. That mean 35 percent comprising 24 percent male and 11 percent female had some form of formal education. Of the 35 percent (175) literate of the responding entrepreneurs (500), 67 percent involved 45 percent male and 22 percent female who had primary education. Those with secondary education constituted 26 percent; 18 percent were male and eight percent were female. Of the 10 percent who had post secondary education, eight percent and two percent of the entrepreneurs were male and female respectively. In terms of education therefore the feminine gender was found to be disadvantaged qualitatively and quantitatively.

The professional qualification of an individual had implications on one's performance as an entrepreneur and therefore the general entrepreneurship supply. It was observed that the entrepreneurs in the north had their professional training from three main sources, namely vocational, apprenticeship and on-the-job. Apprenticeship training constituted 61 percent, whilst

on-the-job training and vocational training registered 23 percent and 16 percent respectively. Table 6 shows professional qualification by type of industry.

**TABLE 6: PROFESSIONAL QUALIFICATION BY TYPE OF INDUSTRY (PERCENTAGES)**

| Type of Industry | Vocational Training | Apprentices Training | On-The-Job Training |
|---|---|---|---|
| Agro-based | 35 | 30 | 22 |
| Textile-based | 21 | 19 | 6 |
| Leather-based | - | 19 | - |
| Wood-based | 26 | 6 | - |
| Metal-based | 18 | 26 | 18 |
| Resources-based | - | - | 54 |
| Total | 100 | 100 | 100 |

N = 52 for vocational training, 304 for Apprenticeship training and 114 for on-the-job training.

Apprenticeship training comprised a situation whereby individuals serve a master craftsman for a given length of time in order to learn a trade or craft (1). The masters of the small-scale industrial enterprises recruited youngsters and trained them for a period ranging from two to five years. The duration depended on the nature of the skill involved and the ability of the recruit to learn. A small fee was paid at the end of the training and this was very attractive to the youth who were in most cases unable to pay for the fee initially. Additionally they got a token sum of money from their master for transport. The arrangement also suited the masters for they got labour for less than the wage prevailing in the labour market in the country (4). The disadvantage of the apprenticeship training was that the skills acquired to a great extent depended on the masters' own knowledge. On the basis of that, new ideas and technology hardly penetrated into the north for it proved a failure when the farm implements project tried to group the small-scale metal industrialists for appropriate technology training. Entrepreneurs who graduated from vocational schools went through a definite training curricula tailored and detailed to their professional needs. As at the time of the study, the entire north had four vocational institutions. These were found to be rather inadequate in terms of limited intake and logistics.

Since 1987, Ghana embarked on an drastic educational programme. This led to the establishment of Junior Secondary Schools in the country. A salient feature of these Junior Secondary Schools is that their training include an artisanry and a technical component. An entrepreneurial component is however missing. Although Junior Secondary Schools existed in almost all major settlements with populations above 3000 in the country, their impact was not felt in the small-scale industry sector. None of the entrepreneurs was a Junior Secondary School graduate. Opinion leaders attributed their absence in the industry not only to limited access to resources upon leaving school, but also to their immature skills. It was observed that graduates from polytechnics were more successful since their enterprises, constituting five percent, recorded higher profit than the rest. Notwithstanding that there existed only one polytechnic institution in the north at the time of the study.

Those who had on-the-job training acquired their skills through the accumulation of experience over time working in an industrial concern. They were formally in paid employment. Prior to their employment they were unskilled or semi-skilled. But on the job and doing it under supervision for a long time, they became more and more conversant and even accurate as well as efficient. For various reasons they left their jobs and started their own. They had the advantage of accumulating resources from their pay and skills from doing their jobs.

The qualities of individuals and the resources at their disposal exert a great influence on their life goals and value orientation. Conversely, the vision of individuals could have been a driving force to the acquisition of certain skills and material resources to realise their aim. An inventory of the life goals of the respondents suggested that 68 percent of them were not highly motivated to stay in industry. They instead preferred a salary or wage employment. They complained about the drudgery of their work. That could be observed from not only the rudimentary tools and equipment they used but also the crude methods and techniques they applied. Most (68 percent) of them took to small-scale industry not as their major but as their secondary occupation.

## THE NORTHERN ENVIRONMENT

No hard statistics were available to allow for a quantitative assessment of the northern environment. A qualitative approach was therefore adopted relying on the author's impressionistic observation and the views of opinion leaders. At the macro-level, the north is at the margin of the Ghana national economy which is an appendage to the overall global economic

system. Ghana is attached to the international market through the export of minerals (gold, bauxite, diamond and manganese), forest products (timber) and agricultural outputs (cocoa). In return, it imports consumable and capital goods from other countries. Its industrial sector has been dominated by foreign capital and material inputs. This dependence coupled with other negative factors led to the stagnation of the Ghanaian economy in the 1970s and its subsequent decline in the early 1980s. Since 1983, efforts made by the state with the assistance of the World Bank and the International Monetary Fund to restructure the entire economy brought into the wake policy measures which included:

* the restoration of financial discipline,
* the rehabilitation and maintenance of infrastructure,
* the mobilization of domestic and foreign resources for consumption and investment,
* trade liberalization,
* privatization and divestiture of state enterprises,
* the promotion of small and medium-sized enterprises and educational reform.

The implementation of these policy measures had limited beneficial effects on northern entrepreneurship. The restoration of financial discipline had no impact on the northern small-scale entreprenuer industrialists because they operated outside the institutional financial system in the country. Much of the technical and social infrastructure in the area still remained in a rather poor state. Most of the organs for resource mobilization and their respective activities were concentrated in the South. Trade liberalization led to the importation of goods which otherwise could have been produced by local entrepreneurs. The privatization and divestiture of state enterprises did not hold much for the north since not less than 95 percent of the state enterprises were found in the South. The educational reform programme which affected the entire country was fraught with the problem of lack of logistics. Its graduates were found to be immature in terms of skills and lacked the resources to enter into the business community. With regard to the promotion of small and medium-sized interprises, the three business advisory centres that existed in the country at the time of the study were all located in the South.

At the micro-environmental level, the entrepreneurs complained about lack of capital, tools and equipment, raw material scarcity, poor infrastructure and marketing difficulties. Table 7 depicts the disbribution of the entrepreneurs with reference to their most crucial problem in the area.

TABLE 7: THE MAJOR PROBLEMS OF THE NORTHERN ENTREPRENEURS (PERCENTAGES)

| Type of problem | Urban % | Rural % | Both % |
|---|---|---|---|
| Lack of Capital | 24 | 47 | 44 |
| Raw Material Scarcity | 22 | 13 | 19 |
| Lack of Tools and Equipment | 22 | 16 | 14 |
| Poor Infrastructure | 9 | 9 | 9 |
| Marketing problem | 15 | 15 | 14 |
| Total | 100 | 100 | 100 |

N= 304 for urban, 196 rural and 500 for both sexes

For both urban and rural areas, capital shortage stood as the most significant problem. That was followed but not very closely, by raw material scarcity, poor marketing, lack of tools and equipment and poor infrestructure in descending order. Except in the case of raw material scarcity, where the urban area (22 percent) significantly dominated the rural (13 percent) area, no other problem was found to be of particular attention on areal basis.

## CONSTRAINTS TO ENTREPRENEURSHIP GROWTH AND DEVELOPMENT

Applying the Delphi method on a sample of 50 opinion leaders, the factors underlying the growth and development of entreprenuership in the small-scale industry sector in the north was investigated. The factoral determinants, as indicated earlier on, were categorised under the broad headings of resources, qualities and business environment. The opinion leaders were asked to state the most salient factors which enhanced and/or restrained entrepreneurship growth and development in the north.

Four factors were identified to underlie the availability and access to resources for the stimulation of entrepreneurship. Their responses comprised:-

1. business interest
2. commitment to kinship
3. co-operative spirit and
4. cultural beliefs and practices

An individual whose business orientation is skewed to small-scale industry would devote more of the resources at his or her disposal or accessible to him or her to it than one whose business interest are diversified. Diversification tends to dissipate resources for investment and therefore strangulates entrepreneurship. Commitment to kinship would not allow for resource accumulation. Family social expenditure leaves little or nothing for investment. Co-operatives allow for the mobilization of resources which would have been impossible for an individual's effort. In a situation where resources are limited cooperative spirit serves as an underlying catalyst to entrepreneurship. Cultural beliefs and practices such as witchcraft tends to restrain entrepreneurship, for successful individuals are usually the target of attack. On the other hand, beliefs, that certain enterprises are associated with certain gods propel people connected with those gods into those enterprises.

The impact of the above factors on entrepreneurship growth and development was verified on the basis of the assessment made by a sample of 50 opinion leaders. The impact which was assessed to be in various degrees ranging from highly adverse to highly beneficial were weighted as follows:

| | |
|---|---|
| Highly Adverse (HA):-2 | Highly Beneficial (HB): + 2 |
| Adverse (A) : 1 | Beneficial (B) : + 1 |
| No Effect (N) : 0 | |

As set out in table 8, the impact of resource availability on entrepreneurship growth and development was verified against the background of business interest, extended family commitment, co-operative spirit and cultural beliefs and practices as indicators. The superscripts represent the number of respondents with reference to the impact. The subscripts are the result of a multiplication of the weight of the response by the number of respondents. The sum total of the subscripts are equal to the net impacts of the various indicators on entrepreneurship growth and development in the north. For instance, under business interest, 20 opinion leaders estimated that its impact was highly adverse, 16 recorded that its impact was adverse. Seven of them said it had no impact whilst five and two of them noted that it had beneficial and highly beneficial impacts respectively. Multiplied by the respective weights and summed up,the net impact of business interest total up to - 47 units.

The same procedure was followed in calculating the impact of the other indicators. Extended family commitment and co-operative spirit recorded -44 and -45 units respectively whilst cultural beliefs and practices netted - 72 units. The net impact of resource availability on entrepreneurship growth and development therefore stood at - 208.

In a similar manner, the impact of individual qualities and the macro and micro-environments of the north were assessed, the results of which are presented in table 9.

**Table 8: Factors Affecting Resource Availability**

| PARAMETERS | IMPACT | | | | | NET IMPACT |
|---|---|---|---|---|---|---|
| | HA-2 | A-1 | N-0 | B+1 | HB-2 | |
| Business Interest | 20 -40 | 16 -16 | 7 0 | 5 +5 | 2 +4 | -47 |
| Extended Family commitment | 23 -46 | 14 -14 | 1 0 | 8 | 4 +8 | -44 |
| Co-operative Spirit | 19 -33 | 18 -18 | 3 0 | 4 +3 | +8 | -45 |
| Culture Beliefs and Practices | 29 -58 | 14 -14 | 7 0 | 0 0 | 0 0 | -72 |

**Table 9. The Impact of Individual Qualities and the Environment**

| Individual Qualities | | The Environment | |
|---|---|---|---|
| Indicators | Scores | Indicators | Scores |
| Innate Qualities | 0 | Global Sphere | -71 |
| Technical Qualification | -46 | National Climate | -60 |
| Managerial Qualities | -91 | Urban Environment | -28 |
| Literacy | -42 | Rural Environment | -84 |
| Net Impact | -179 | Net Impact | -243 |

The results suggested that that northern environment did not augur well for entrepreneurship growth and development. The north like the rest of the country had to grapple with a rather competitive world system. The national industrial policies were more relevant to the south which constituted the hub of the country in that respect. Consequently, resources for industrial development in the north remained demobilised and individual qualities were found to be immature and weak to match the harsh environment. The entrepreneurship potential was therefore adjudged as low

## SUMMARY OF AND CONCLUSION

Resources for investment was found to be dominated by communal ownership. Resource shortages existed due to family commitments to life time events which included the performance of funeral rites, marriages and the caring for dependents. To accumulate capital for investment majority (69 percent) of the entrepreneurs had to migrate apparently to escape from the family burdens. For both initial and working capital personal resources dominated. The type of employment pursued and the skills acquired whilst on migration constituted an important factor as a choice of business to pursue at a later date. Although all but five percent of the respondent attained a profit margin below 50 percent of their original investment, two-thirds of them accrued profits above the minimum wage of 30,000 cedis.

The northern entrepreneurs were found to start their businesses at ages beyond 20 years because of resource shortage. Socio-cultural mentality with regard to division of labour had some influence on choice of activity according to sex. Certain ethnic groups could be adjudged to be more entrepreneurial than others considering their numerical occurrence in the sample. More(304) entrepreneurs were found in the urban environment than in the rural areas(196).

In terms of quality and quantity more men were found to have education than women. The educational reform in the country which had been in place since 1987 had little impact on the small scale industry sector for non of its graduates were found in the sample. The macro - and micro - environments of the north were found to be the major constraint to entrepreneurship. It did not allow for the mobilization of available resources for investment.

Within the framework of Ghana's industrialization policy, a situation specific strategy requires to be adopted in the case of the north. A regional closure is advocated to create an enabling industrial environment in the area. Appropriate measures need to be put in place for the mobilization of both institutional and private investible resources. The implication is that both public and private institutions are necessary to make not only the resources available but also easily accessible.

Entrepreneurship training is imperative formally in the educational institutions and informally outside them. Both men and women deserve training on equal grounds. Amidst an unfavourable business environment, resource shortage and inadequate entrepreneurship in the north, a small-scale industry, entrepreneur-centred development strategy is apparently an appropriate approach in the short-term. As conditions improve medium and large scale industrial enterprises can then be promoted.

## REFERENCES


1. **Samuel, N. Boapeah/Manfred Pappoe, Strengthening** Spatial circuits of Rural small Scale Industries for District Development: A case of study of Dangme West District, Ghana, Dortmund 1992. P.43

2. **Persaud, Vishnu,** entrepreneurship Noed Not Be a problem Africa, the Courier, No. 115 May-June, 1989, P.61

3. **Paul, T. Kennedy,** Ghanaian Businessmen: From Artisan to Capitalist Entrepreneur in a Dependent Economy, London, 1980. P.8.

4. **Romanus, D. Dinye,** Potentials of Small Scale Industry Promotion in Rural Dhama, Dortmund, 1991, P.69.