

An Appraisal of Rural and Community Banks in Ghana

Akwasi A. Boateng^{1*} Kennedy Annoh – koranchie² Eric Hayfron³

1.School of Business, Cape Coast Polytechnic, P.O.Box AT2268, Achimota - Accra, Ghana

2.School of Business, Dominion University College, PMB CT 69, Cantoments - Accra, Ghana

3.School of Business, Regent University College of Science & Technology, P.O.Box DS 1636,Dansoman - Accra, Ghana

Abstract

MSMEs comprise essential elements in the lubrication and development of any economy. In Ghana, the story makes no remarkable difference as MSMEs outnumber the large businesses in the economy. Over the years the government of Ghana has devised a number of policies aimed at developing MSMEs including the establishment of NBSSI. While most policies actually failed due to poor implementation, others however, succeeded. Few studies have been made in the past to identify the role of MSMEs to the development of Ghana's economy, its problems and prospects which created a vacuum on the role of government and other financial institutions in the development of MSMEs. This study evaluates the role of Rural and Community Banks as a powerful tool for the poverty alleviation and entrepreneurial development in Ghana. Relevant literatures were reviewed to bring out salient issues on the subject matter of this paper. It was discovered that Ghanaian MSMEs face many domestic challenges in achieving economies of scale. It was concluded that these challenges are question marks on the viability of the RCBs. Many factors were found to contribute to mediocre performance of RCBs. These factors include inadequate cohesive regulatory and supervisory system for the RCBs, shortage of human capital, lack of capital, inadequacy of IT knowledge and entrepreneurs' personal shortcomings. The researchers recommend introduction of good legal, policy and regulatory environment for the RCBs. In addition, Government should pursue its decentralisation policies, particularly financial decentralisation, and ensure that funds meant for district assemblies are channelled through RCBs in their catchment areas.

Keywords: Challenges, Employment generation, RCBs, MSMEs, Ghana

Introduction

The growing concern on employment generation in Ghana poses a challenge not only to individuals but also to the government. Unemployment can be seen as a form of deprivation robbing unemployed persons of the benefits of work and represents a dark era in their personal and social development. At the individual level, the establishment of business enterprises particularly Micro, Small and Medium Enterprises (MSMEs) on their own has been an alternative to lucrative employment (Muktar, 2009). Unfortunately, several problems have presented as limitations to most of the business which not only affects the growth of the enterprises but also survival susceptible. Among these numerous limitations are the problems of readily access to capital, lack of managerial expertise, poor or absence of infrastructural facilities—especially power to support smooth, effective and efficient operations.

In Ghana, Micro, Small and Medium Enterprises have played a great role. It has been a significant provider of employment. According to Abor and Quartey (2010), MSMEs account for 92% of all businesses in Ghana and contribute about 70% of Gross Domestic Product (GDP) of Ghana. The number of MSMEs is increasing due to the advent of Oil and Gas in Ghana. The principal activities of MSMEs in Ghana are in agriculture, manufacturing, commerce and service. MSMEs therefore have a crucial role to play in stimulating growth, generating employment and contributing to poverty alleviation.

It is well known that the MSMEs provide good opportunities to alleviate poverty, reduce unemployment, hunger and the social ills associated with unemployment in an economy. It provides the raw materials needed by the manufacturing sector hence vehicle for industrialization. Its role in the local supply of raw materials has twin positive effects of cost-saving to the manufacturing firms as well as moderation of tendency of balance of payment deficit.

According to Lefilleur (2009), access to capital is critical in the promotion of entrepreneurship development particularly micro, small and medium enterprises. Similarly, Fjose et al (2010) and Honohan (2012) stated credit as an essential precondition to the growth of enterprises/entrepreneurship. To enhance the growth and development of the nation and control downsizing or redundancy of industries, various efforts had been made by the government of Ghana; such efforts include the promulgation and establishment of Rural and Community Banks (RCBs), (Nair and Fissha, 2010).

Due to low assets base, traditional banks demand for collateral denies most MSMEs access to capital. Kanak and Iguni (2007) explains that the poor who often engage in MSMEs produce at subsistence level have difficulty to increase their savings or assets that could guarantee access to credit from formal financial institutions. The contribution of RCBs to MSMEs growth lies in its support to overcome their capital problem. RCBs type of loans are usually small size and collateral is de-emphasized, greater access is avail MSMEs to capital. The RFSP Beneficiary Assessment Report by GIMPA Consultancy (2006) states that RCBs is a multifaceted benefactor that

affords them the means to rebuild livelihood, plan for client future and that of their children, empower women with self-esteem, integrate into social fabric by enjoying access to social networks and making contributions towards welfare of their families and that of the community.

An analysis of studies on MSMEs in Ghana revealed that few studies have been made in the past to identify the role of MSMEs to the development of Ghana's economy, its problems and prospects which created a vacuum on the role of government and other financial institutions in the development of MSMEs. This article assesses the role of Rural and Community Banks (RCBs) as a powerful tool for the poverty alleviation and entrepreneurial development in Ghana.

The rest of the paper is organised as follows. The next section describes the relevant literature. Next, we discuss the research methodology used in the study. The results are presented in the following section. The paper concludes and draws implications for policy.

Literature Review

Rural and Community Banks

RCBs refers to a body corporate incorporated under Ghana's Companies Code 1963, Act 179 whose name includes the word "bank" and which is licensed by the Bank of Ghana to carry on specified banking business intended to achieve the following major goals: a) mobilisation of rural savings; b) provision of credit and other services to its customers aimed at promoting productive economic activity and creation of jobs; c) making profits for its shareholders d) initiation of projects that can promote rural socio-economic development; and e) to be generally seen as an instrument of national economic development (Bank of Ghana, 2006)

Hence it is the provision of credit and other financial services to the rural dwellers and rural/cottage industries to enable them build sustainable enterprises. RCBs are a network of 133 independent unit banks in Ghana. They are regulated by the Bank of Ghana and thereby form part of the regulated financial sector in Ghana. These banks are the largest providers of formal financial services in rural areas and also represent about half of the total banking outlets in Ghana (Bank of Ghana, 2013). By the end of 2012, these banks together had 439 branches. Including head offices, there were 564 service delivery locations spread throughout the country (ARB Apex Bank, 2012). All administrative regions have at least one bank, although most are located in the Ashanti, Western, Eastern, and Central regions of the country. RCBs are relatively small financial institutions with average share capital of GH¢ 136,526 (US\$105,263), average deposits of GH¢2.3 million (US\$1.77 million), and average assets of GH¢3.8 million (US\$2.4 million). Values of the three indicators, however, vary significantly. Out of the 133 RCBs, 75 percent have assets between GH¢1 million (US\$771,010) and GH¢8 million (US\$6.1 million), 20 percent have assets of less than GH¢1 million, and 5 percent have assets over GH¢10 million (US\$7.7 million). Similarly, 44 percent of RCBs have share capital of less than GH¢100,000 (US\$77,101) and only 6 percent have share capital of more than GH¢250,000 (US\$192,753) (Nair and Fissah, 2010)

Defining MSMEs

The term MSMEs is an acronym for "micro, small and medium enterprises". In this case there are firms or businesses which are micro, small and medium in sizes. They are firms or businesses arising as a result of entrepreneurial activities of individuals. Several definitions and meanings of MSMEs exist. This is due to their global diversity and characteristics (Darren and Conrad, 2009). Arowomole (2000) affirmed that a single universally accepted definition of MSMEs has not been easy as different countries have different criteria for defining MSMEs. Adding that many countries have defined it in terms of manpower, management structure and capital investment limit. He further noted that experts in this field have also contributed to the diversity in MSMEs definitions. One crucial thing to note about MSMEs definition is that certain criteria have been used to define what MSMEs stands for most especially according to countries, sizes and sectors. Darren and Conrad (2009) explains that the main reason why MSMEs definition varies particularly from industry to industry; county to country; size to size and number of employee to number of employee is to reflect industry, country, size and employment differences accurately.

The definition adopted for this research is in line with that suggested by the National Board for Small Scale Industries (NBSSI), an apex body established by Act 434 of 1981 for promoting small scale industries. The NBSSI (1998) provided an operational definition of MSMEs to include the following: Small business is any business that employs up to 29 people. Small business is divided into: the micro and small and medium enterprises. The micro enterprises employ up to 5 employees with non-current assets (excluding land and building) not exceeding the value of \$10,000; small enterprises are those employing between 6 and 29 employees or having non-current assets excluding land and building not exceeding \$100,000 and; a medium enterprises employ between 30 and 99 employees with non-current assets of up to \$1m (cited in Agyapong, 2010).

As contained in its Industrial Statistics, The Ghana Statistical Service (GSS) considers firms with less than 10 employees as Small Scale Enterprises and their counterparts with more than 10 employees as Medium and Large-Sized Enterprises. Ironically, the GSS in its national accounts considered companies with up to 9 employees

as Small and Medium Enterprises (Quartey and Kayanula, 2000). A more recent definition is the one given by the Regional Project on Enterprise Development Ghana manufacturing survey paper classified firms into: micro enterprise, less than 5 employees; small enterprise, 5 - 29 employees; medium enterprise, 30 – 99 employees; large enterprise, 100 and more employees (Teal, 2002).

Challenges of MSMEs

Unfortunately, several constraints have presented as limitations to most of the business which not only affects the growth of the enterprises but also makes survival susceptible. Below is a set of constraints identified with the sector:

Input Constraints: SMEs face a variety of constraints in factor markets (Abor and Quartey, 2010). However, factor availability and cost were the most common constraints. The specific problems differs by country, but many of them are related, varying according to whether the business perceive that their access, availability or cost is the most important problem and whether they are based primarily on imported or domestic inputs (World Bank, 2006; Yon and Evans, 2011). SMEs in Ghana emphasises the high cost of obtaining local raw materials; this may stem from their poor cash flows (Yon and Evans, 2011).

Finance: Access to finance remained a dominant constraint to small scale enterprises in Ghana. Credit constraints pertaining to working capital and raw materials were cited by respondents (Yon and Evans, 2011, IFPRI/IFDC, 2009). Abor and Quartey (2010) opine that SMEs mention credit as a constraint. This stems from the fact that MSMEs have limited access to capital markets, locally and internationally, in part because of the perception of higher risk, informational barriers, and the higher costs of intermediation for smaller firms. As a result, MSMEs often cannot obtain long-term finance in the form of debt and equity. (Mensah, 2004).

Labour Market: This seems a less important constraint to SMEs considering the widespread unemployment or underemployment in Ghana. SMEs generally use simple technology which does not require highly skilled workers (Abor and Biekpe, 2006). However, where skilled workers are required, an insufficient supply of skilled workers can limit the specialisation opportunities, raise costs, and reduce flexibility in managing operations. (Mamman et al, 2007).

Equipment & Technology: SMEs have difficulties in gaining access to appropriate technologies and information on available techniques (Asare et al 2012). This limits innovation and SME competitiveness. Besides, other constraints on capital, and labour, as well as uncertainty surrounding new technologies, restrict incentives to innovation. One of the most significant constraints to expansion is obsolete equipments. (Taussig, 2005).

Domestic Demand: Proprietors of MSMEs indicate they have marketing constraints. The business environment varied markedly among MSMEs in Ghana reflecting different demand constraints after adjustment. There are varying levels of uncertainty caused by macroeconomic instability and different levels of government commitment to private sector development. Recent economic policies have led to a decline in the role of the state in productive activity but a renewed private investment has created new opportunities for MSMEs. Nonetheless, limited access to public contracts and subcontracts, arising from cumbersome bidding procedures and/or lack of information, inhibit MSME participation in these markets (Arthur, 2003). Also, inefficient distribution channels often dominated by larger firms pose important limitations to market access for MSMEs.

International Markets: Previously insulated from international competition, many MSMEs are now faced with greater external competition and the need to expand market share. This problem is mostly associated with medium-sized enterprises in Ghana; others complain there are too many imported substitutes coming into the country as a result trade liberalisation policy. Limited international marketing experience, poor quality control and product standardisation and little access to international partners, impede expansion into international markets. (Quartey and Kayanula, 2000)

Regulatory Constraints: Although wide ranging structural reforms have improved, prospects for enterprise development remain to be addressed at the firm-level. High start-up costs for firms, including licensing and registration requirements do impose excessive and unnecessary burdens on MSMEs (Aryeetey, 2001). The high cost of settling legal claims and excessive delays in court proceedings adversely affect MSME operations. The cumbersome procedure for registering and commencing business are key issues often cited. Meanwhile, the absence of antitrust legislation favours larger firms, while the lack of protection for property rights limits SME access to foreign technologies.

Lack of Entrepreneurial & Business Management Skills: Lack of managerial know-how places significant challenges on MSME development. Even though MSMEs tend to attract motivated managers, they can hardly compete with larger firms. The scarcity of management talent, prevalent in most countries in the region, has a magnified impact on MSMEs. (Quartey and Kayanula, 2000) The lack of support services or their relatively higher unit cost can hamper MSMEs efforts to improve their management because consulting firms often are not equipped with appropriate cost effective management solutions for MSMEs. Furthermore, absence of information and/or time to take advantage of existing services results in weak demand for them (Fatoki and Odeyemi 2010). Despite the numerous institutions providing training and advisory services, there is still a skills gap among the MSME

sector as a whole.

Institutional Constraints: The lack of cohesiveness and the wide range of MSME interests limit their capacity to defend their collective interests and their effective participation in civil society. Associations providing a voice for the interests of MSMEs in the policy-making process have had a limited role compared to those of larger firms. Many of the entrepreneurs associations have yet to complete the transition of their goals from protectionism to competitiveness (World Bank, 2011). Additionally, the potential economies of collaborative arrangements in production and sales among MSMEs have not been adequately explored. (Aryeetey and Ahene, 2005).

Research Methodology

In writing this paper the researcher principally used existing literatures and records relevant to the subject matter of this paper. The various sources used to collect secondary data include research papers, journals, articles, annual reports of the company and various other websites. Using deductive approach, the researcher was able to draw conclusions having critically reviewed salient issues in existing literatures and records. This method was adopted because time would not permit the use of questionnaire and interview which ordinarily has to be administered to a sizeable number of MSMEs across the country. However, reviewing related works by other researchers gave a deeper insight to the researcher which enabled him to draw reasonable conclusion.

Findings and Discussions

Contribution of RCBs to the society

Establish livelihood and Income Generation

The most important impact the RCBs foresee among their clients are the increase of income and improvement standard of living. Adams and Bartholomew (2010), suggest that credit facilities from RCBs have a positive effect on the economic and social wellbeing of the recipients. The study by Annim (2009) found that high income customers have greater potential to have increased income from RCBs than those who have less income. According to Ahiawodzi and Adade (2012), access to credit, increase in total current investment, start-up capital and annual turnover have significant positive effect on the growth of SMEs. This portrays that availability of funds could improve SMEs' access to other resources such as human, information and physical resources. GHAMFIN (2006) reveal in their study of Rural Financial Institutions and Government Programmes in Ghana that microfinance clients enhanced and increased their income substantially as a result of taking credit. This portrays that microfinance is a better tool for income augmentation for SMEs and the poor.

The most widespread objective among RCBs besides deposit mobilization and development is the use of RCBs as agents of credit provision to establish micro enterprise and create livelihood opportunities for entrepreneurs through mobilisation of rural resources to support viable economic ventures. Boateng (2012) stated that the size of the loan had an effect on success rate of the business. Loans less than GH¢1,000 had less chance of success with less than 50% succeeding. Furthermore, John Dadzie, Chief Executive Officer of Ahantaman Rural Bank in Western Region of Ghana is reported as saying that more than 90% of those who borrowed from the Bank for the first time to start a business had succeeded in the business while only 10% percent had failed (<http://www.ghananewsagency.org>). Hence the RCBs credit facilities is well-proved as an effective tool for MSMEs development; the tool should be used in a right manner to accomplish desired results as is common to any tool people use in their life.

Acquisition/Improving Housing Conditions

Quality of life goes hand in hand with the quality of living conditions and both are a part of a value added future for rural dwellers and the poor. Improved housing conditions strongly impact the physical and emotional wellbeing of a family and RCBs has played its part in maintaining this wellbeing of thousands of Ghanaian families. Either through direct housing or related loans for the improvement of living condition or indirectly through an increased household income, this is then invested into improving housing conditions. RCBs have been instrumental in adding value to the lives of RCBs customers. Biitir (2008), have shown in his study that 43% of microfinance borrowers reported an improvement in housing whilst only 21% of those in the control group who had not taken microfinance showed an improvement in housing.

Empowering Women (Gender Impact)

As in most developing countries, majority of SMEs in Ghana are female-owned businesses, even though they often remain in the informal sector. Dzisi et al (2008) found that women play an active role in RCBs: they borrow as well as save. The loans they have borrowed have mainly been used in self-employment, cultivation and other productive activities. The findings reveals that while the provision of credit facility can enhance a woman's status within a household as she is a source of an important resource to the household, the social intermediation process of many RCBs in conjunction with loan, is likely to have a higher significant effect than credit alone.

Thrift and Saving Habit

RCBs have played a crucial role in including savings habits among rural dwellers, particularly those from the poorest categories. A significant proportion of households do not have savings in any institutions before joining

RCBs. RCBs have inculcated the habit of thrift and savings among rural dwellers. The concept of banking is no longer a novelty in rural Ghana. The presence of RCBs has demystified banking in rural Ghana (Asiedu-Mante, 2001). Rural dwellers patronise the services of RCBs, collect their salaries from RCBs, access loans from RCBs, seek various forms of advice from officials of RCBs and attend annual general meetings of shareholders of RCBs.

Provision of social amenities

As agents of development, RCBs have made significant contributions to the development of their catchment areas. Some RCBs are on record as having constructed school buildings and health centres to serve the needs of people in the communities in which they operate. Some are known to have provided electricity, boreholes and potable water for residents in their catchment area. Furthermore, many RCBs have instituted scholarship schemes for needy but brilliant students in the communities in which they operate.

Creation of jobs

RCBs have created jobs for many young men and women in rural and urban Ghana. People have been employed as managers, accountants, projects officers, cashiers, accounts clerks, messengers, drivers etc, by RCBs. People appointed as directors of RCBs have been trained on board room procedures and practices.

Challenges to RCBs in Ghana

Although RCBs provides many benefits to the clients across the country the challenges face by the sector are many and they exist at all levels, macro and micro.

A. Inadequate and cohesive Regulatory Framework

RCBs are unique financial institutions. They are a combination of commercial as well as development financial institutions. They are owned by the inhabitants of the catchment areas. They mobilise deposits and extend credit facilities to cottage industries in the catchment area they operate. As of today RCBs do not have a law of their own. Since they cannot operate in a vacuum, they are made to comply with the Banking law regulating universal banks. The result is that most of the provisions in the banking laws are not relevant to the operations of RCBs. Due to the special features of RCBs and their peculiar operations it stands to reason that special law to regulate it activities would be appropriate. For example, both the universal banks and the RCBs are subjected to the same monetary sanctions for non-compliance with provisions in the Banking Law. It can be argued that since RCBs have limited capital and resources, a different sanctions regime should be enacted for them.

Poor Quality of human resources

The quality and skill levels of RCBs staff seem to be issues that cut across the RCBs sector. In the ARB APEX Bank survey, staff issues ranked among the top five (5) challenges faced by most RCBs. The cause of the problem however, differs across RCBs. Relatively poor remuneration and difficult working conditions for RCBs working in deprived rural environments are also contributory factors in the issue of attracting and retaining qualified staff. The dearth in managerial experience has compelled ARB APEX Bank to initiate a training programme to ensure professionalism and effective governance. The training takes the form of both theory and practice. As more and more of both rural and universal banks are commissioned, some of these well trained personnel are poached by these banks. This poaching of good staff by both banks and non-bank financial institutions continues up to date.

Involvement of government in retail credit provision

Participation of government in retail credit provision is common as more than half of microfinance clients are with government owned or controlled institutions. This lay concrete on the way for political interference in these institutions and a mixing of social, political and financial objectives to the damage the name of the institution.

Inadequacy of IT Knowledge

The use of information technology in the RCBs sector is still very limited. The need of ICT, in improving delivery technologies and reducing transaction costs is now being undertaken by the Association of Rural Banks (ARB) APEX Bank with the assistance of Millennium Development Authority (MiDA) to computerize and network all RCBs in the country by 2012, however, as at the June 2011 only 52 RCBs with 333 branches had been fully computerized and connected to the project (Osei-Bonsu, 2011; www.arbapexbank.com). Again, very low IT knowledge among the staffs of RCBs has been a preventive factor to get into the full potential use of technology to improve basic information and monitoring systems.

Lack of transparency and standardization

There is an overall lack of transparency and reluctance to share even the most basic, nonfinancial operational information among RCBs, even those who are not direct competitors. This is due in part to manual systems being used, resulting in unreliable operational and financial information. Lack of standardized information is also an issue. Different RCBs have different indicators for monitoring their performance, measuring portfolio quality, etc.

Incursion of Universal Banks into Rural Communities

The introduction of the Universal banking Law has enable some city banks, especially the merchant banks which have branches only in some few major cities, to open more branches both in the cities and in some of the regions to attract more customers, even those for the RCBs. Further, the city banks have the capacity to grant bigger credit facilities and also at competitive rates, this crowds out the RCBs opportunity to grant credits, thus reducing their

profit levels. If this situation persists, is likely to threaten the survival of RCBs.

Recommendations

An initiative by Government to provide financial services to rural dwellers by building RCBs requires effective capacity-building, thereby significantly contributing to the financial sustainability of RCBs service provider role. Government must therefore assist RCBs to develop these capacities, as analysis of literature reveal that RCBs need services that are not available from the market at a reasonable cost. Examples of this category include: (a) shareholder registry management and shareholder education; (b) internal audit services - most rural banks are too small to attract good internal audit staff; (c) product development services - few organizations in Ghana can provide this much-needed service to RCBs at a reasonable cost, (d) strategic advisory services, including risk management, (e) technological upgrades besides computerization; and (f) loan syndication services.

Further, monetary rewards and increased compensation flexibility to retain qualified employees.

Furthermore, there should be an improvement in collection and dissemination of information on MSMEs and RCBs' financial services.

Again, Government of Ghana should ensure a good legal, policy and regulatory environment system has the necessary capacity in terms of skills, political autonomy, and financial resources for RCBs. For example Bank of Ghana should minimize the extent of regulations imposed on their operations such as: (i) the restriction on them not to operate foreign banking; (ii) their inability to open branches; and (iii) the imposition on them of priority sectors in terms of lending

In addition, Government should provide resources to ensure adequate supervision of services delivered to clients by RCBs. Governments can shift some of the resources used from directed and subsidized credit to subsidizing supervision of financial institutions serving clients.

Also, given the exigencies of banking operations now, a higher capital level is warranted and RCBs are advised to initiate steps on their own to address any capital challenges they face before they are pushed. For example, opening the shareholdings of RCBs to foreigners aimed at expanding the scope of capitalisation in order to make them resilient in the highly competitive financial market.

Finally, Government should pursue its decentralisation policies, particularly financial decentralisation, and ensure that funds meant for district assemblies are channelled through RCBs in their catchment areas.

Conclusion

In this paper, we have traced the influence of RCBs on MSMEs. Although the viability of RCBs in Ghana are faced with many challenges such as absence of a specialised regulatory and supervisory framework for RCBs, shortage of human capital, inadequacy of IT knowledge, and difficulty in up-to-date services access by the practitioners, the existing reviews confirm the favorable contributions of RCBs loans/insurance/services towards promoting its customers " market share, production efficiencies and competitiveness." A major limitation in this study was time constraint which led to the use literature review. In future, different methods of research could be used for study of the same topic or other related aspects of the topic. Specifically future research should focus on role of RCBs in entrepreneurship development in rural Ghana: problems and prospects.

References

- Abor, J., and Biekpe, N. (2006). *Small Business Financing Initiatives in Ghana. Problems and Perspectives in Management*, 4(3), 69-77.
- Abor, J. and Quartey, P., (2010), "Issues in SME Development in Ghana and South Africa", *International Research Journal of Finance and Economics* ISSN 1450-2887 Issue 39, Euro Journals Publishing, Inc.[Online] Available at www.eurojournals.com/finance/htm[Accessed April 28, 2014]
- Adade, T. C, and Ahiawodzi, A. K., (2012) "Access to Credit and Growth of Small and Medium Scale Enterprises in the Ho Municipality of Ghana", *British Journal of Economics, Finance and Management Sciences*, November 2012, Vol. 6 (2) [Online] Available at: [http://www.ajournal.co.uk/EF.pdfs/EFvolume6\(2\)/EFVol.6\(2\).pdf](http://www.ajournal.co.uk/EF.pdfs/EFvolume6(2)/EFVol.6(2).pdf) [Accessed May 15, 2014]
- Adams, S. and Bartholomew, T. A. (2010) "The Impact of Microfinance on Maize Farmers in Nkoranza (Brong Ahafo Region of Ghana)" *Journal of Management Research*, ISSN 1941-899X , 2010, Vol. 2, No. 2: E7 [Online] Available at www.macrothink.org/jmr [Accessed April 15, 2013]
- Amankrah, J.Y. (2012). "Youth Unemployment In Ghana: Prospects And Challenges". Retrieved from www.cepa.org.gh/researchpapers/Youth73.pdf [Accessed May 10, 2014]
- Annim, S.K. (2009), "Sensitivity of loan sizes to lending rates, Evidence from Ghana's Microfinance Sector", MPRA Paper No. 21280; <http://mpra.ub.unimuenchen.de/21280/> [Accessed March 20, 2013]
- Arthur, P. (2003) .*The implications of state policy for micro-enterprise development*. In: Tettey, Wisdom; Puplampu, Korbla; Berman, Bruce (2003). *Critical Perspectives on Politics and Socio-Economic Development in Ghana*. Leiden, 153-175.

- Aryeetey, E. (2001). "Priority Research Issues Relating to Regulation and Competition in Ghana", Centre on Regulation and Competition Working Paper Series, University of Manchester, Manchester.
- Aryeetey, E., & Ahene A. A. (2005). "Changing regulatory environment for small-medium size enterprises and their performance in Ghana". Centre on regulation and competition working paper series, paper no.103
- Asare, S. D., Gopolang B., and Mogotlhwane, O., (2012) "Challenges facing SMEs in the adoption of ICT in B2B and B2C E-commerce: A comparative case study of Botswana and Ghana", International Journal of Commerce and Management, Vol. 22 Iss: 4, pp.272 - 285
- Asiedu-Mante, E., (2001) "Rural Banking in Ghana: Achievement and Prospects": A Paper Presented at Financial Stability Institute/Bank of Ghana West and Central Africa Committee for Bank Supervisor Regional Seminar on Current Supervisory Issues and Challenges. Held on 19th February, 2001 GIMPA, Accra, Ghana.
- Bank of Ghana (2006). *Rural/Community Banks Performance Review*. (December 2005), Accra, (Unpublished)
- Biitir S. H., (2008) "The impact of housing microfinance on housing improvement and construction for low income households in Accra: The Case of Boafo Microfinance Services Ltd, A Report on Research conducted for FMO. Available at:<http://www.microfinancegateway.org/gm/document> [Accessed May 31, 2014]
- Boateng, A. A., (2012), "The Role of Rural and Community Banks in the Provision of Microcredit in Fishing Communities in Ghana: A Case Study of La Community Bank", Dissertation Submitted to Department of Business Studies, Faculty of Education, Law and Business Studies, University for Development Studies in Partial Fulfilment for the Award of Master of Arts Degree in Business Planning and Microfinance Management
- Dzisi, S. Buckley, P. Selvarajah, C. and Meyer, D. (2008), 'Women Entrepreneurial Activities in Developing Economies' Swinburne University of Technology, Hawthorn, Australia [Online] Available at: www.swinburne.edu.au/lib/ir/onlineconferences/agse2008/000008.pdf [Accessed May 20, 2014]
- Fatoki, O. and Odeyemi, A. (2010). *Which New Small and Medium Enterprises in South Africa have access to Bank Credit?* International Journal of Business and Management, 5 (10). Retrieved from www.ccsenet.org/ijbm. [Accessed May 11, 2013]
- Fjose, S. Grünfeld L. A. and Green C. (2010) "SMEs and growth in Sub-Saharan Africa" Identifying SME roles and obstacles to SME growth" MENON-publication no. 14/2010 [Online] Available at: <http://www.menon.no> [Accessed April 20, 2013]
- GHAMFIN (2006) "Microfinance Poverty Outreach and Performance Assessment: A Study Of Rural Microfinance Institutions And Government Programmes In Ghana; Ghana Microfinance Institution Network (GHAMFIN) Accra, Ghana
- GIMPA Consultancy Services (2006): Beneficiary Assessment of the RFSP Project
- Honohan, P. (2012), "Does Credit Matter for the SMEs? Opening address to the Central Bank Conference on the SME Lending Market, Dublin. Retrieved from: <http://www.bis.org/review/r120305a.pdf?fames>
<http://www.ghananewsagency.org> [Accessed May 31, 2014]
<http://www.arbapexbank.com> [Accessed May 21, 2014]
- Ghana Statistical Service, (2011). "2010 Population and Housing Census: Summary Report of Final Results" The Ghana Statistical Service Publication, Accra, Ghana.
- IFPRI/IFDC.(2009). "Census of agricultural input dealers in Ghana", International Food and Policy Research Institute and International Fertilizer Development Center Survey. Washington, DC.
- Lefilleur, J. (2009). "Rethinking Finance for Africa's Small Firms". *Private Sector & Development: SME Financing in Sub-Saharan Africa*, 1. Retrieved from: http://www.proparco.fr/webdav/site/proparco/shared/PORTAILS/Secteur_prive_developpement/PDF/SPD1_PDF/Private-Sector-and-development-En.pdf, 14. [Accessed March 31, 2014]
- Kanak, S. and Iiguni, Y., (2007). *Microfinance programs and social capital formation: The present scenario in a rural village of Bangladesh*. The International Journal Applied Economics and Finance, 1: 97-104.
- Mamman, A., Elridge, D., and Branine, M., (2007). *Skills needs of SMEs and the Informal Sector in Africa: Problems, Prospects of employment in Nigeria*, Scientific Journal of Administrative Development (5) pp. 145-177
- Mensah C., (2009). *Mainstreaming Youth Entrepreneurship in Ghana – getting the Fundamentals Right*. Retrieved from <http://siteresources.worldbank.org/INTYTOYCOMMUNITY/Resources/MensahClement.pdf>
- Mensah, S. (2004), *A Review of SME Financing Schemes in Ghana. Presented at the UNIDO Regional Workshop of Financing Small and Medium Scale Enterprises*. Retrieved from: <http://www.semfinancial.com/publications> [Accessed April 25, 2014]
- Muktar, M. (2009). *The role of microfinance banks in the promotion and development of entrepreneurship in semi urban and rural areas*. Department of Economics, Bayero University Kano. P.M.B 3011, Kano-Nigeria. Retrieved from: <http://www.focusnigeria.com/microfinance-banks.htm> [Accessed May, 2014]

- Nair, A. and Fissha, A. (2010), *Rural Banking: The Case of Rural and Community Banks in Ghana*, Agriculture and Rural Discussion Paper 48, The International Bank for Reconstruction and Development/The World Bank, Washington D.C. [Online] Available at: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/09/16/000356161_20100916014752/Rendered/PDF/565910NWP0ARD01UBLIC10GhanaRCBs1web.pdf
- Quartey, P., and Kayanula D., (2000), *The Policy Environment for Promoting Small and Medium-sized Enterprises in Ghana and Malawi*, Institute for Development Policy and Management, University of Manchester. Available at: Web: <http://www.man.ac.uk/idpm/> [Accessed June 7, 2014]
- Taussig, M., (2005), “*Domestic Companies in Vietnam: Challenges for Development of Vietnam’s Most Important SMEs*,” Policy Brief 34, William Davidson Institute at the University of Michigan, 2005 [Online] Available at: <http://www.wdi.umich.edu/files/Publications/PolicyBriefs/2005/PB34.pdf> [Accessed June 28, 2014]
- World Bank (2006). *Making Finance work for Africa*, World Bank, Washington D. C. 204333 Available at: www.worldbank.org [Accessed May 16, 2013]
- World Bank (2011), “*Doing Business in a more transparent world*”. Available at <http://www.doingbusiness.org/data/exploreconomies/ghana> [Accessed April 5, 2013]
- World Bank (2012) “*Ghana Overview*” Available at: <http://www.worldbank.org/en/country/ghana/overview> [Accessed May 28, 2014]
- Yon, R. and Evans, D. (2011) “*The Role of Small and Medium Enterprises in Frontier Capital Markets*. [Online] Available at: www.netscience.usma.edu/publications/publications.htm [Accessed April 20, 2014]