

Reducing Internal Migration through the Establishment of Small and Medium Enterprises in the Bolgatanga Municipality of Ghana

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Abstract: *In Ghana, cities such as Accra, Kumasi, Takoradi and other business towns are densely populated as a result of internal migration. The growth of Small and Medium Enterprises (SMEs) in Bolgatanga can be considered as a significant variable for poverty reduction and rapid industrialization. The principal aim of this paper is to focus on the forces that motivate young persons to start SMEs in the Municipality. It is considered as an alternative to southward migration that would lead to economic prosperity. A structured questionnaire, containing 25 variables was used to collect data by survey from the target population and the sample size is 320. The data were analyzed through simple descriptive statistics. The study revealed that entrepreneurs were mostly encouraged to start SMEs for motivational or pull factors such as gaining self-independence, providing financial support to family, better health services, the need to send their wards to schools, improving quality of life, etc. Some of the factors found to be influential were inspiration from friends and relatives, availability of markets, profits potential and many others. It was disclosed however, that in developing regions, business generally in the Municipality suffer from lack of financial support, income, and gender based discrimination, lack of adequate training facility. Government and private initiative is imperative in this regard to address the difficulties.*

Keywords: SMEs, entrepreneurship, motivation, financial, socio-economic, demographic

1. Background of the Study

Ghana is a developing Sub-Saharan African country that faces vicious circle of poverty. It has a total population of 24,658,823 according to the 2010 Population and Housing Census (Ghana Statistical Service, 2013). Recent statistics reveal that the country's population is about 25 million with almost half of them being youth.

In the context of Ghana, the development of Small and Medium Enterprises (SMEs) can be considered as a vital instrument for poverty alleviation and rapid industrialization. It has been observed that about 50 percent of the employment generation comes from SMEs, which is also the largest sector in terms of self-relied business. Even though entrepreneurs constitute about one-half of the formal and informal labour force and thus, one-half of the economy depends on them. It has been found that at present, business entrepreneurs constitute very insignificant part (less than 10%) of the total business entrepreneurs in Ghana whereas most entrepreneurs in the country are relatively young in advanced market economies own more than 25 percent of all businesses (Chowdhury, 2011).

The movement of youth, including those who are below 18 years of age, from the northern part of the country to the cities in the middle and southern Ghana has received attention in recent times (Kwankye and Tagoe, 2009, Quartey and Yambila, 2009, Awumbila and Ardiofio-Schandoff, 2008). It has been observed that many of the youth have abandoned agriculture and moved to urban centres in search of lucrative 'white collar' jobs that are often difficult to get (White, 2012; Darkwah, 2013). Many

of them end up working as domestic workers, as head porters (*kayayei*) in markets in Accra and Kumasi (Awumbila, Owusu and Teye, 2014). With time, independent migration of youth has become common livelihood option as many poor households consider the benefits of remittances from their young members to be substantial. For instance, the remittances that migrants send home constitute an essential component and reliable source of income to many poor households in northern Ghana, especially, during periods of economic shocks (Pickbourn, 2011; Kwankye, 2012, Adaawen and Owusu, 2013).

The striking differences in terms of income and living standards between places, as well as the general perception that migrant households are better off than non-migrant households, act as incentives migration (Clemens and Pritchett, 2008; Sabates-Wheeler, Sabates and Castaldo, 2005).

In spite of the benefits from migration, there are views of concerns being raised about high rates of unemployment and marginalisation among the young migrants and the adverse implications for their socio-economic wellbeing (Gough et al., 2013, Kwankye and Tagoe, 2009, Quartey and Yambila, 2009). This realization has motivated some youth in the north to embark on entrepreneurship as a viable alternative to out-migration.

Entrepreneurship has a tremendous potential in empowering the youth and thereby transforming society. Despite the huge potential in this field, young entrepreneurs face various problems including lack of adequate capital, insufficient experience, unavailability of raw materials, and absence of

marketing opportunities. Notwithstanding these challenges, young entrepreneurs in the Bolgatanga Municipality seem to be making progress. It is asserted that they have increased their standard of living and earned much respect, they have also contributed to the welfare of their families comparable to their counterparts who have migrated.

This paper is intended to explore the rationale for this change and factors which contribute make youth entrepreneurship flourish in the Bolgatanga Municipality in the Upper East Region of Ghana

The objectives of this study include the following:

- a) To analyse the socio-demographic factors that influences youth in establishing their own firms in the Bolgatanga Municipality;
- b) To determine the personal motivating factors pertaining to youth entrepreneurship; and
- c) To evaluate the financial factors relevant to youth entrepreneurs in SMEs sector.

2. Literature Review

Generally, poverty levels over time seem to have declined nationally. However, the income disparity between the poor and the rich is still vast in Ghana. The three northern regions (Upper East, Upper West and Northern Regions) continue to experience high poverty rates (GSS, 2007; 2008; 2014; Obeng-Odoom, 2012). This partly explains the north-south migration stream observed in the country (Agyei and Ofosu Mensah, 2009, Anarfi and Kwankye, 2005; Quartey and Yambila, 2009). In the face of poverty, lag in development and declining agricultural productivity, many families in northern Ghana considers internal migration as an investment option (Van der Geest, 2011; Kwankye, 2012).

However, in recent times, some young people have turned to operation of small enterprises in order to earn income and support their households.

Small and medium enterprises (SMEs) act as a vital player for the economic growth, poverty reduction and rapid industrialization. SMEs are significant in Ghana's drive at achieving economic growth, employment generation and accelerated socio-economic development. In recognition of the strategic importance of SMEs, the Government of Ghana through the Ministry of Finance and Economic Planning; and Ministry of Trade and Industry has declared SMEs a priority sector. Besides the financial liberalization and establishment of microfinance institutions throughout the country are aimed at ensuring that owners of small enterprises obtain financial credit without delay or restrictions.

The definition of SMEs varies from country to country. According to the Bank of Ghana (2011) Small Enterprise refers to a firm which is not a public limited liability company and complies the following: Service sector- with fixed asset other than land and building worth Ghc250.00 - 500.00 and employs not more than 25 persons; Business sector – possesses fixed asset other than land and building totaling Ghc 600.00-1,000.00 and engages not more than 25 employees; and industrial sector - possesses fixed asset other

than land and building to the tune of Ghc3,000.00-5,000.00 and employs not more than 50 persons.

In the case of medium enterprise, it refers to an establishment which is not a public limited liability company and complies with the following criteria: Service Sector – owns fixed assets other than land and building worth Ghc 300.00 -500.00 that engages between 26 and 50 employees; business Sector – has fixed assets other than land and building worth GHc 7,000.00-10,000.00 and employs not more than 50 workers; and industrial sector – possesses fixed asset other than land and building valued at Ghc 120,000.00-20,000.00 with employed manpower not exceeding 150 (Bank of Ghana, 2011).

As discussed, the youth constitute very a significant portion of our formal and informal labour force. So it is important to promote young entrepreneurship and youth enterprises for rapid and sustainable economic growth. Hence, it is essential to know the factor or forces which motivate youth to start their own income generating ventures. The factors which can influence a young people to start their own enterprises have been grouped into two main categories namely the push and pull factors (Robinson, 2001; Dhaliwal, 1998). Whereas the push factors are allied with negative environment, the pull factors are attributed to positive developments.

The push factors may result from low income, low job satisfaction or lack of job opportunities, and strict working conditions (i.e. hours). According to Dhaliwal (1998), the push factors are evident in the deprived communities or regions where young people reside. The pull factors, however, may result from the need to fulfill a desire, to help others, to attain self-accomplishment (Robinson, 2001). Another empirical study on the push and pull factors revealed that young entrepreneurs in the developed countries are influenced by the need for achievement, while their counterparts in developing countries are influenced by a combination of push and pull factors (Orhan and Scott, 2001).

A number of studies conclude that socio-demographic factors might affect youth's decision to develop their own enterprises. Among these factors education is a very important factor and combines with managerial experience to contribute to positive impact on entrepreneurial performance and business growth. It is found that, entrepreneurial capability is not only the result of formal education and training but also include experience and practical learning derived from previous employment, apprenticeship or managerial position (Gate wood *et al*, 2004). It should also be noted that educated entrepreneurs can discharge their entrepreneurial responsibilities effectively, assess and take risk more easily, have access to information regarding entrepreneurial activities and are therefore better placed to identify better opportunities. Capacity to assess risk is a facilitating factor for entrepreneurship development (Carland and Carland, 2005).

Whereas it may be expected that people with a low level of education have more difficulties finding a paid job, and therefore see no other possibility than to engage in

entrepreneurship. Hence, highly educated people are more likely to pursue opportunity-based ventures, while less educated entrepreneurs are more involved in necessity entrepreneurship (Ibru, 2009). Another major factor that has bearing on youth in their decision to become self-employed is family commitments. For instance, spouse and parent's occupation might play a major role in initiating the youth in business ventures. Thus, environment and culture play significant role to influence the desire and decision of a young man or woman to create his or her own job (Shane, 1993; Shapero and Sokol, 1982).

Personal motivation is entrepreneurial internal stimulation characterized as pull or push factors based on one's personal disposition, and desire. In self-enterprise development, the youth are strongly influenced by motivation to become their own bosses (Buttner and Moore, 1997; Lerner *et al.* 1995). Thus, self-fulfillment and personal goal attainment have crucial role in young person's determination to start his or her own business. Schwartz, (1976) observed that their major motivations to start a business were the need for achievement, the desire to be independent, the need for job satisfaction and economic necessity. This view concurs the findings of other studies on this theme (Scott, 1986; Begly and Boyd, 1987; Carsrud and Olm, 1986). According to Gitile *et al* (2008), for many young people self-employment offers them liberation from the misery of unemployment. Among other factors, entrepreneurs' belief in their skills and ability motivates them to pursue business creation (Shaver *et al.*, 2001).

Financial factors are also ranked as crucial for young entrepreneurship development. Accessing credit, particularly for starting a business, is one of the major bumps faced by young entrepreneurs. It has been recognised that young people often have challenges in securing financial credit. The reasons include absence of collateral and negative perceptions about their abilities to repay (Vishwanathan, 2001). In most cases, those who are successful receive amounts far lower than what they request. High transaction costs, the rigidity of collateral requirements and the cumbersome lending procedures are further impediments faced by young entrepreneurs (Charumathi, 1998; Tiwary, Ojha and Pain, 1998; Finnegan and Danielsen, 1997; Shayamalan, 1999). Young people with low level of education have peculiar challenges in obtaining financing from formal financial institutions due to their limited access to information.

With respect to guarantees, there are some discouraging practices by financial institutions and banks which constitute impediments to female youth entrepreneurs' access to credit. Such practices include requiring male household members to endorse their application as well as almost invariably insisting on guarantees from male family members (Commonwealth Secretariat, 2002). This practice put some young persons without male adult family members to stand in as guarantors at a disadvantage. In view of this, young entrepreneurs in many developing countries usually access limited funds at higher interest rate because of their dependence on the family members for security or collateral. This means that they operate with low working capital and this in turn adversely affects the scale of operation and

enterprise's ability to survive (Sinha, 2005). This has serious implications for output, turnover, revenue and profit.

It is encouraging to note that many Non-Government Organizations (NGOs) at the local, national and international levels are working to support young entrepreneurs. Among other things, the micro-credit scheme has propelled a global movement toward making micro-loans available to young people and others who face challenges in accessing credit from the formal banking system. Such credit schemes provide the needed opportunity for young entrepreneurs to access credit as start-up or working capital in order to improve their lives (Allen *et al.*, 2008; Brana, 2008; Lanset *et al.*, 2008; Majumdar, 2008; Roslan and Mohd, 2009; Salman, 2009; Shane, 2003; Tata and Prasad, 2008). There is a positive relationship between credit and opportunity for entrepreneurial activity. For example, credit was found to have positive effect on opportunity for entrepreneurial activity among youth in the United States (Allen, 2000; Akanji, 2006; Brana, 2008).

Government can create enabling socio-economic setting for young entrepreneurs and thereby help reduce the risks that young entrepreneurs face. Compassionate actions of the governments can contribute to entrepreneurial growth. According to Scott (2001), commitment of government and positive actions can contribute to flourish entrepreneurship development. On the other hand, laws and regulations which are difficult to comply would inhibit the efforts of the youth towards business development and invariably, self-employment (Marcellina *et al*, 2002). Business factors play a greater role in entrepreneurial activity because, despite the possession of the requisite personal entrepreneurial characteristics (including education, right attitude to risk, motivation energy and working experience); the environment could hinder young persons from exploiting entrepreneurial opportunities (Kuzilwa, 2005; Shastri & Sinha, 2010; Vob & Muller, 2009).

Business knowledge also plays a significant role in the business environment. This includes knowledge of product range, market trends as well as technical and managerial skills could be acquired through training (Salman, 2009). It has been observed that gender-related discriminations, among other business environmental factors, especially in developing countries, also pose hindrance to young entrepreneurial activity (Otero, 1999). Zhouqiauin *et al* (2013), conducted a study on young entrepreneurs in Beijing and found that human capital, youth characteristics and motivation play a significant part in their success but family background has less significant influence on the progress of young entrepreneurs.

In this paper, an attempt is made to provide an analysis of the factors that influence youth to create and sustain self-employment.

Research Methodology and Data Collection

This study used cross-sectional research design because it allows the researcher to collect data at a single point in time. In spite of the fact that this design is often associated with quantitative research, it allows for the use of mixed

methods. Therefore, the study employed both qualitative and quantitative approaches. The reason for using triangulation method was to provide an explicit description and explanation of the issues relating to the influences and implications of youth going into Small Scale Enterprises (SMEs) in Bolgatanga and its surrounding communities as alternative to internal migration; and how this action promote socio-economic progression.

Probability and non-probability sampling techniques were used. Simple random sampling technique was used to select young people operating SMEs. Convenient sampling was used to select youth who were engaged in SMEs and they were interviewed based on interview guide designed. The sample size was 320 and the study was conducted in Bolgatanga (Zaare/Soe, Zuarungu, Yikene and Yerekabisi) and Sumbrugu (Yorongo, Estates, Nyariga and others).

The data were collected using structured questionnaires specifically designed for this study. A structured questionnaire enabled the investigator to be consistent in asking questions and data yielded are easy to analyse (Brink 2000). The questionnaires were distributed to the selected non-entrepreneurs then collected after completion. However, in the case of non-literates and those with low educational attainment the questionnaire was administered through interviewer-assisted.

The purpose of this research was to identify the different factors that business entrepreneurs considered influential when they start their new business. In order to do so, three broad factors namely socio demographic, motivational, financial, had been chosen from the past relevant literature for analysis. These formed the basis for the questionnaire that was designed.

The primary data was taken from the open discussions, interviews and the administered questionnaires which served as instrument for data collection. Individual interviews were held with young entrepreneurs, the officials of the National Board for Small Scale Industries (NBSSI), various heads of associations in the markets and other opinion leaders. The questionnaires were administered to three hundred and twenty 320 entrepreneurs.

The secondary data was sourced from NBSSI, Bolgatanga Municipal Assembly, Ministry of Labour and Employment (Bolgatanga Municipal) and internet, books, journals, articles and other publications. Secondary data can be examined over a period of time.

Data collected from the field was first cross-checked to ensure that it was correct and has minimal errors in them. The data from the completed questionnaires was inputted into the computer and Statistical Package for the Social Sciences (SPSS) software especially the package for descriptive statistics was used for the analyses. Tables and charts were used to present the results. The qualitative data was categorized under specific themes and in some case the qualitative data was used to support the quantitative data in the analyses.

3. Findings

3.1 The Background Characteristics of the Respondents

The total number of respondents was 320 and comprised 35 percent females and 65 percent males. It was found that the age of the respondents ranged from 15 to 35 years. The majority of them were between 15 and 30 years of age representing over 70 percent. A little over one out of every five respondents (22.1%) was more than 30 years (31-35) while 17.2 percent was aged 15-20 years. Those who were aged 20-25 and 26-30 years formed 21.3 percent and 39.4 percent respectively.

In terms of educational attainment, it was found that among the young entrepreneurs only 4.4 percent has post graduate degrees relative to 16.3 percent of them who has undergraduate degrees. It was found that 34.4 percent has completed secondary level while 23.8 percent has attained basic education (BECE level). Almost one out of every five respondents (21.3%) has no formal education.

From socio-cultural perspectives in Bolgatanga, marital status of the youth is also an important factor that has vital influence on their socio-economic life. Among the young entrepreneurs interviewed, 28.1 percent and 34.4 percent was married, and single respectively, and 17.5% was an widow. A total of 20 percent of the 320 respondents stated that they had divorced.

A total of 256 respondents representing 80 percent indicated that they have children in their families and the number of children ranged from one to five. The majority of 256 respondents who had children (59%) had 1-2 children while 27.5 percent had 3-4 children. The remaining 13.1 percent of the respondents had a total of five children.

3.2 Characteristics of Enterprises

Among the surveyed entrepreneurs 35% young were involved in services sector, 19.4% in retailing, 3.4% in manufacturing, this tells us the extent to which the country depends on foreign goods, the figure represent the manufacture of pure water and other vegetables related products, only 24% in trading and 11% involved in combination of one or two different business together. This is consistent with the findings of other research that young entrepreneurs' in urban areas mostly involved in different service related ventures.

It emerged from the analysis that majority of the respondents (62%) had no previous work experience of business or any kind of occupation. It was just about two out of every five respondents who had previous work experience.

Concerning their sources of capital (startup), it was found that a one-third obtained their initial investment through a loan from NGO. Interestingly, 37 percent of them received funding from commercial banks and 20 percent stated sources such as relatives including parents, spouses, etc. the remaining one out of every 10 young entrepreneurs interviewed used personal savings or sale of property in order to obtain fund to commence business.

Thus NGOs were playing important role in supporting young entrepreneurs through providing startup capital. Among the enterprises 34.1 percent were owned by individuals (sole proprietorship), 31.9 percent were of joint family business, partnership formed 30.6 percent and 3.4 percent was classified as others.

In terms of employment, the enterprises surveyed employed between one and 12 persons. A total of 18.2 percent of them indicated that they did not engage any paid employees in their operations. According to the survey 28.1 percent of the enterprises engaged 1 - 3 employees, while 30 percent of them had 4-7 employees. The remaining 23.8 percent indicated that they had 8 to 12 employees.

3.3 Factors Influencing Decision of Young Entrepreneurs

The respondents' estimation on the different factors have weight on the entrepreneurial decision making were assessed. The percentages of the respondents' view about each of the variables under the major three factors were calculated to measure the degree of influence of those factors in setting up the business.

3.3.1 Socio Demographic Factors

The relevant variables (factors) considered were academic qualification of the respondent and their family members, family formation (nuclear vs. joint), occupational background of parents, cultural inspiration, societal encouragement and encouragement from friends and family members. Figure 1 of the following shows the opinion of the respondents.

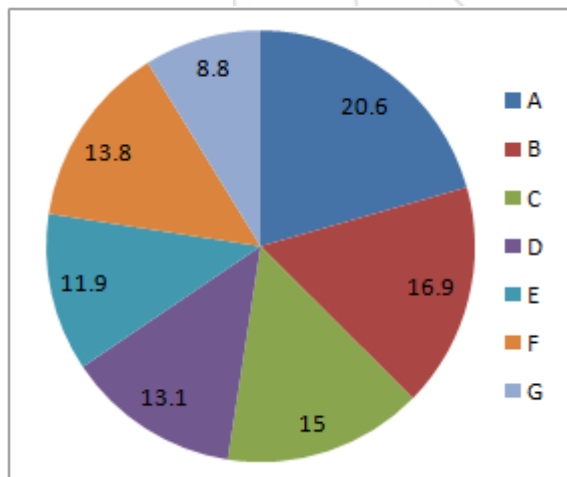


Figure 1: Socio-demographic factors influencing entrepreneurial decision

Field Survey, 2014

- A = Academic qualification is an influential factor to start the new venture
- B= Family formation/pattern is an influential factor to run the new business
- C= Educational background of family member influenced in starting new business
- D=Cultural inspiration is an influential factor in starting new business
- E= Occupational background of parents' influence in entrepreneurial decision making.
- F=Societal encouragement is an influential factor in starting new business
- G=Encouragement from friends and family is an influential factor in starting new business.

From the analysis, it was also found that as a major socio-demographic factor is academic qualification, followed by family formation pattern and educational background of the parents. These together accounted for 52.5 percent of the respondents' that they play significant impact on entrepreneurs' decision. However, encouragement from friends and family members was selected by the lowest percentage.

This finding is consistent with the fact that majority of the respondents had less than graduation degree.

3.3.2 Motivational Factors

Under this model, the selected variables included self-dependence, yearning to provide additional earnings to family, unavailability of suitable job and the desire to pass leisure time, Other factors were inspiration from personal characteristic (such as high desire for achievement, self-efficacy, etc); interest to prove that youth are capable; desire to improve quality of life and social status; and possession of personal skills and innovativeness. These variables were assumed to reflect motivation for young persons to start and operate SMEs on their own. Figure 2 shows the opinions of respondents regarding these motivational factors.

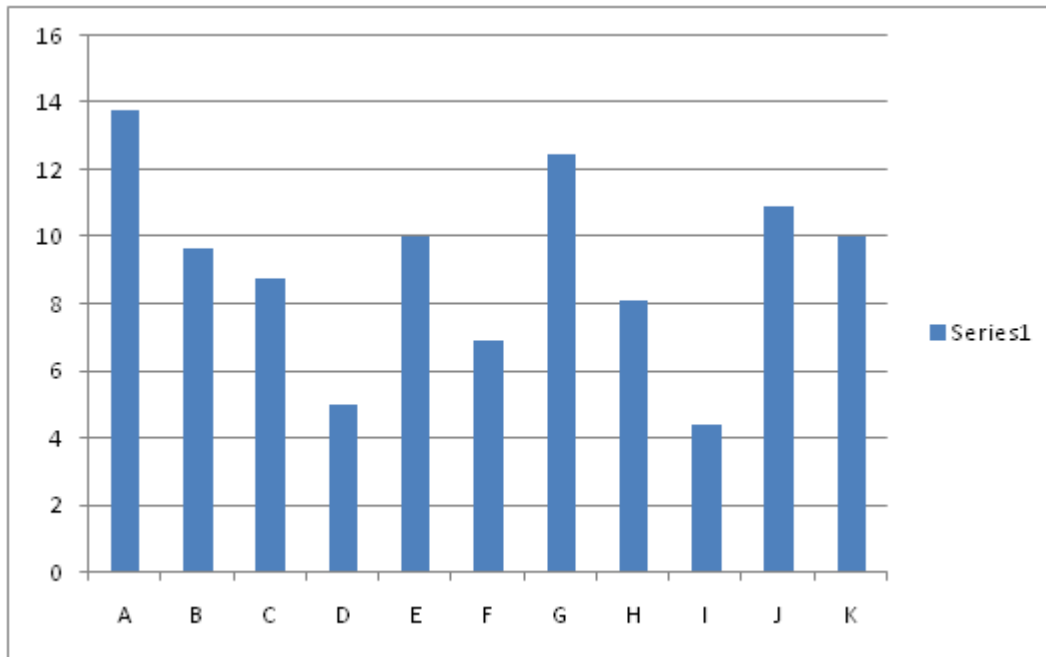


Figure 2: Motivational Factors Influencing Entrepreneurial Decision

Source: Field Survey, 2014

A = Achieving self dependence and economic freedom influenced to start business

B=Providing additional earnings to the family is an influential factor to start business

C= Having no suitable alternative job influence to start business

D=Utilization of leisure time is an influential factor in setting up business

E= Inspiration from personal characteristics is an influential factor in setting up business

F=Business convenience is an influential factor

G=Proving that youth have equal ability compared to able people is an influential factor to start a business

H= Requirement of fewer employees is an influential factor in setting up business

I =Association of minimum risks is an influential factor setting up business

J=Improvement in quality of life and upgrading social status is an influential factor

K=Personal skills and innovativeness is an influential factor in setting up new business

Motivational factors have strong influence on entrepreneurship development. Among the selected motivational factors, self-dependence, providing additional income, improvement in life quality and personal skills as well as innovativeness were found to be crucial factors. These accounted for a total of 57.4 percent; and this implies that more than one-half of the respondents agreed that they were significant in the decision to set up and operate their own firms. However, association of minimum risks had the least percentages of respondents (9.4%).

In relation to migration, they indicated that they usually embark on southward migration to seek livelihood opportunities. They had realized that they had to cope with indecent and hazardous living conditions to make a living at the places of destination. They felt that their yearning to

provide additional earnings to support their families could have achieved without travelling.

3.3.3 Financial Factors

For new business establishment financial accessibility plays key role. Hence, in this section attempt was made to identify the opinions of the respondents regarding whether finance played a facilitative role or not. The selected factors included inaccessibility to adequate finance, corruption free procedures in loan disbursement; government's refinancing scheme and easy access to credit. The other factors were availability facility for foreign loan; reasonable interest rate, and financial support from NGOs. Table 3 shows the results of the financial factors influencing the decision of young people to set up firms.

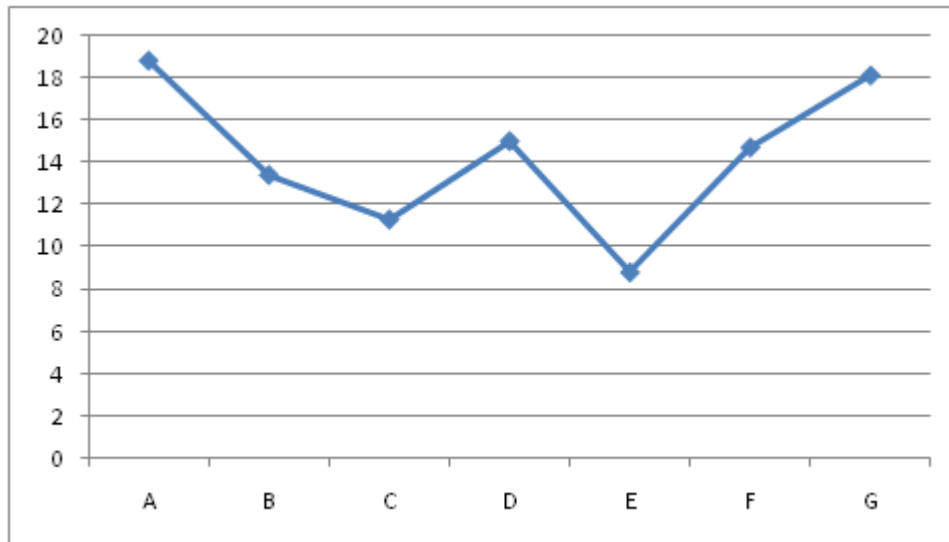


Figure 3: Most influential among the financial factors

Source: Field Survey, 2014

- A=Accessibility to adequate finance influenced in taking business decision
- B=Corruption free procedures to disburse fund of financial authority is an influential factor in taking business decision.
- C=Implementation of refinancing scheme by government is an encouraging factor for youth to start business.
- D=Easy to get loan from relatives is an influential factor in setting up business
- E=Available facility to get foreign loan as an influential factor
- F=Reasonable interest rate of financial system is an influential factor in setting up business
- G=Financial support from NGOs is an encouraging factor in setting up business

The study found that the young entrepreneurs' had difficulty in terms of access to finance. A total of 19.0 percent of the respondents indicated this factor. Thus young entrepreneurs in Bolgatanga faced difficulty in arranging funds for their businesses. According to them, they have access to bank loans (18.8%) because in spite of the fact, that they may lack adequate financial knowledge and high collateral security. In all the variables relating to financial factors, it emerged that financial support from NGOs followed by reasonable rate of interest and easy access to loans from relatives were significant. The respondents who agreed that these factors were significant formed 48.0 percent. Availability of getting foreign loan was the least important factor in their decision to set own firm (8.8%). It also emerged from the analysis that implementation of refinancing scheme by government was not an encouraging factor for youth to start their own businesses. Just 11.3 percent of the respondents agreed that they were encouraged by this factor (see Table 3).

4. Results and Discussions

Young owned enterprise is the key to the creation of youth entrepreneurship development that energizes the economic progress. The results of the analysis showed that different influencing factors facilitate youth entrepreneurship development. Socio-demographic factors reflect the occupational background of parents, societal influence and inspiration from friends and relatives were critical to the decision by youth to create and operate their own firms. It is understandable that peer pressure plays significant positive role. It emerged that they were mostly influenced by their friends and relatives in entrepreneurial decision making. Youth were strongly influenced by various motivational factors that had significant impact on their entrepreneurial decision making. For providing extra income to the family

and utilizing the leisure time and improving quality of life, they started their own business. This is indicative that these entrepreneurs were not compelled by circumstances to take the decision to set up their own firms, rather they willingly established their venture. It was also found that the percentage of all motivational factors was high reflecting the importance of this dimension in setting up SMEs.

The results also show that they selected activities which were convenient for them as youth to handle. They were mostly involved in retailing and service sectors. Low business risk and requirement of low employee involvement also motivated them to enter into the business. In view of this, a substantial proportion (over 80%) engaged the services of others to operate. Their skills and innovativeness as well as personal characteristics also inspired them to start their own enterprises. But among all the motivational factors desire to gain self-dependence and economic freedom had the strongest influence on their entrepreneurship decision making. This confirms the findings from earlier studies (Scott, 1986; Begly and Boyd, 1987; Carsrud and Olm, 1986; Buttner and Moore, 1997; Lerner *et al.* 1995; Gitile *et al.*, 2008). Although the literature shows that young entrepreneurs faced difficulty in getting start-up capital from conventional banking system (Charumathi, 1998; Shayamalan, 1999; Sinha, 2005; Commonwealth Secretariat, 2002). The results revealed that mostly depended on the banks (37%), NGOs (33%), loans from relatives (20%) and own personal savings (10%) for their startup capital. So, financial support from NGOs and banks was crucial to young entrepreneurs' efforts to start their own ventures (Allen *et al.*, 2008; Brana, 2008).

In this paper, it was found that variables such as the desire to provide support family and improve quality of life, as well as

unavailability of suitable job motivated the youth to pursue entrepreneurship. This is a complete departure from what they used to do in the past where they accumulate savings and move southward in search of better livelihoods. Thus, the realization of non-existing 'white collar' jobs in the places of destination make them resort to menial jobs (White, 2012; Darkwah, 2013) and the appalling conditions in which they had to live comes to play. This is likely to change the long held perception of migration as panacea. This is in view of the fact that some families in northern Ghana consider internal migration as an investment to earn some income through remittances (Van der Geest, 2011; Kwankye, 2012). Financial factors were identified to be crucial for youth entrepreneurship development. One out of every three respondents depended on loans from the NGOs for startup. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by young entrepreneurs. It could be explained partly by that young people often have fewer opportunities than their adult counterparts when it comes to access to credit being it financial or trade/suppliers credit. This is attributed to inexperience, absence of track record or network to convince lending institutions. Other reasons include lack of or inadequate collateral security, an unwillingness to accept household assets as collateral and negative perceptions about young entrepreneurs by loan officers (Charumathi, 1998; Shayamalan, 1999; Sinha, 2005; Commonwealth Secretariat, 2002).

5. Conclusion and Policy Implication

In conclusion, socio-demographic factors such as type of family, occupational background of parents, societal influence, etc. have strong influence on youth entrepreneurship development. This is likely to have positive impact on entrepreneurship and serve as the catalyst for poverty reduction and accelerated socio-economic transformation. Personal motivational factors have the strongest influence on the drive towards youth entrepreneurship. The study found that young persons in Bolgatanga Municipality who had hitherto focused on out-migration to cope with economic stress have come to the realization that starting their own business ventures, could guarantee them a secured future. They were influenced strongly by pull factors such as desire to providing additional income to the family, upgrading their social statuses, gaining economic freedom and self-independence. It is hoped that when this success story is relayed to their kith and kins sojourning in other places, they will consider return migration as a viable option.

In the light of the above conclusions, the paper offers the following recommendations to ensure sustainability and contribute to reduction in massive out-migration.

There is the need for capacity building for the youth who are interested in setting up and operating their own business. This falls within the purview of NBSSI and Business Advisory Services Centres and the Metropolitan, Municipal and District Assemblies (MMDAs) and enable them identify the business opportunities. Among others, it will facilitate economic empowerment of the youth and thereby reduce the burden on households in catering for unemployed youth.

In order to address these challenges, Government needs to be more concern about encouraging young entrepreneurship development. More emphasis should be placed on awareness creation and facilitation of access to government facilities and programmes meant to encourage and support young entrepreneurs. In view of this, this paper is advocating the setting up of youth entrepreneurship desk at the ministry of Trade and Industry. This office should liaise with other ministries, departments and agencies (MDAs) to ensure that the needs and concerns of youth entrepreneurs are addressed.

NGOs and private institutions such as banks and insurance firms are called upon to come up with attractive products and programme to give meaning to youth entrepreneurship and curb the rising unemployment and hopelessness among Ghanaian youth. First of all, this calls for positive change in perception of young people and adjustment of modalities in their operations. In view of the fact that many young people particularly, those in rural areas deal with microfinance institutions operate savings account in order to accumulate funds for their businesses, there is the need to ensure stricter regulatory regime to protect them. The Bank of Ghana should perform its oversight supervisory role over these institutions to avert fraudulent deals that can put their clients at a disadvantage.

Finally, the paper suggests further comprehensive research on youth entrepreneurship theme to contribute to empowerment of the youth to impact on accelerated national development.

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