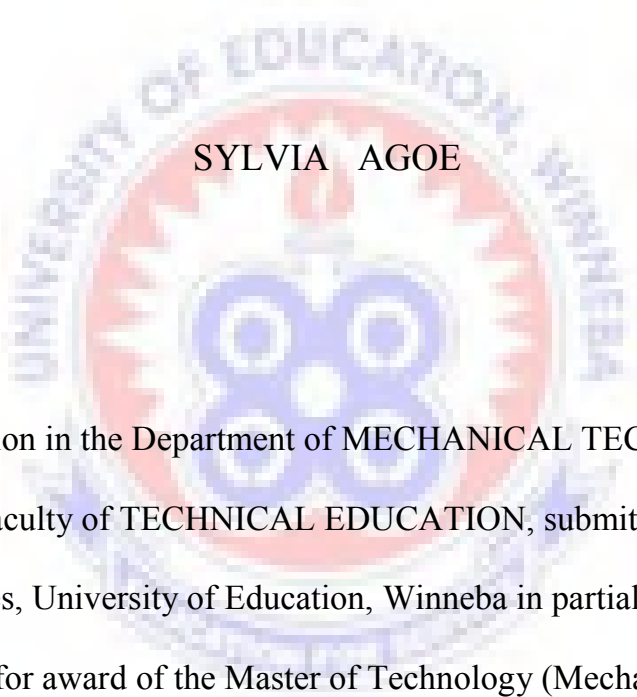


UNIVERSITY OF EDUCATION, WINNEBA

INVESTIGATING THE PERFORMANCE OF RURAL AND URBAN
PETTY TRADERS IN AFIGYA-KWABRE DISTRICT

SYLVIA AGOE

The logo of the University of Education, Winneba, is a circular emblem. It features a central sunburst design with a gear-like pattern. The text 'UNIVERSITY OF EDUCATION, WINNEBA' is written around the perimeter of the emblem.

A Dissertation in the Department of MECHANICAL TECHNOLOGY
EDUCATION, Faculty of TECHNICAL EDUCATION, submitted to the school of
Graduate Studies, University of Education, Winneba in partial fulfilment of the
requirement for award of the Master of Technology (Mechanical) degree.

SEPTEMBER, 2013

DECLARATION

I, AGOE SYLVIA, declare that this Dissertation, with the exception of quotations and references contained in published works which have all been identified and duly acknowledged, is entirely my own original work, and it has not been submitted, either in part or whole, for another degree elsewhere

SIGNATURE

DATE

SUPERVISOR'S DECLARATION

I hereby declare that the preparation and presentation of this work was supervised in accordance with the guidelines for supervision of Dissertation as laid down by the University of Education, Winneba.

NAME OF SUPERVISOR: DR. MARTIN AMOAH

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DATE

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DEDICATION

This work is fully dedicated to my father Mr. J.E. Agoe, mother, Miss. Faustina Akwei and siblings Sarah Sandra Korkor Agoe and Priscilla Kai Agoe.



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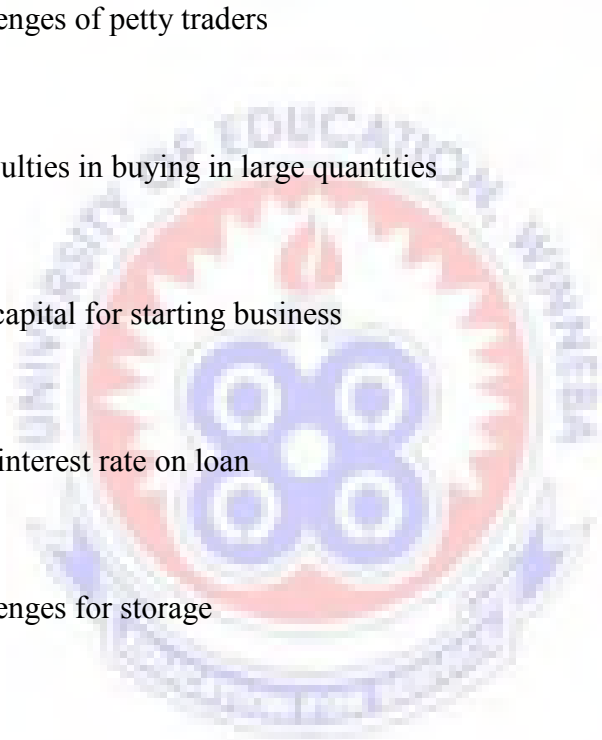
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LIST OF ABBREVIATIONS

EC	-	European Commission
GDP	-	Gross Domestic Product
GSS	-	Ghana Statistical Service
LED	-	Local Economic Development
MDGs	-	Millennium Development Goals
NBSSI	-	National Board for Small Scale Industries
NEPAD	-	New Partnership for Africa's Development
SMES	-	Small and Medium Enterprises
SSES	-	Small Scale Enterprises
UNDP	-	United Nations Development Programme
UNIDO	-	United Nations Industrial Development Organisation
US	-	United States

ABSTRACT

This research investigated the performance of rural and urban petty traders in Afigya-Kwabre District. A total of two hundred (200) questionnaires were administered in the study area but one hundred and ninety-three (193) responses were received. Descriptive statistics was employed to describe the demographic characteristics, social capital of petty traders and their customers, the roles they play and challenges associated with petty trading. The findings revealed that demographic characteristics such as age, education, source of income and operation mode play a major role in the life of petty traders. Majority of petty traders own their businesses, finance it through personal savings and operate on part-time basis. Most petty traders win customers and get free foodstuffs through socialisation. However, petty trading is not competitive enough and barter trading rarely practised. The study revealed that, petty trading requires low starting capital, has easy entry, no special skills required, provides employment and serves as economic agent. Factors such as lack of access to credit, high interest rate, bad roads, difficulty collecting money from debtors, lack of storage facilities and partnerships, lack of government support and poor implementation of SSES policies contribute to the inability of SSES to perform very well. In view of these challenges, major recommendations proposed include the following; Establishment of SSES bank in Ghana, interest rate reduction, provision of good roads, ban on importation of foreign goods and good implementation of SSES policies to control them. Finally, effective implementation of the recommendation could lead to growth of SSES sector in Afigya-Kwabre District and eventually result in creation of employment as well as reduce poverty in Ghana.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Poverty reduction has been identified as the overarching long term goal for most of the development intervention in Africa, and more recently crystallized in the Millennium Development Goals (MDGs) and the New Partnership for Africa's Development (NEPAD). In Africa, more than 40% of its 750 million people live below the internationally recognized poverty line \$1 a day, and the evidence is even more worrying for sub-Saharan Africa. The number of poor people has grown relentlessly causing Africa's share of the world's absolute poor to increase from 25% to 30% in the 1990s (UNDP, 2001 and 2002).

It is generally accepted that, small scale enterprises (also referred to as SSES) play an important role in alleviating poverty especially in Africa. Programmes addressing African development have identified private sector development, as a priority area for action.

SSES are very relevant as a source of income especially in developing countries where SSES are challenged by the globalization of production and the shift in the importance of the various determinants of competitiveness. SSES contribute substantially to national income. In this regard, national accounts records in Tanzania for instance, revealed that SSES contribute over 50% of the country's industrial share of GDP (Kirumba, 1995:16).

SSES as tax payers, provide a base for government revenues and redistribution of incomes through public spending. SSES are flexible and their spatial coverage customarily includes both rural and urban petty traders; they play a central role in local economic development (LED). They are likely to have more differentiated and thus deeper market coverage and to foster geographical proliferation of economic activities. Their capability to penetrate markets which will otherwise not be served denotes a significant feature within the business context of developing economies

Petty trading is one of the prospects that yield a living for some Ghanaians today (Hanna, 2010). It is estimated that about 65% of rural business folks are petty traders. People will sell anything that they are able to access. Many women will prepare and sell food to people as they pass by on the street. Additionally, you can find various vegetables and foodstuffs in small markets. Typically, income made from this type of work is hand in mouth or enough to feed their families. They live day to day based on their income and rarely have much left over for other expenses. However, many find it difficult to go beyond the subsistence level activities. They have no access to financial resources, information technology, land, credit facilities, markets and skill development. Petty trading is a kind of trade that is conducted on a small scale, on small inexpensive items. It is a venture common among people of low income earning power, people with little money to take up bigger business and is found in both rural and urban regions in Ghana, (Hanna, 2010).

For a successful business to take place in a community, there should be the factor of social capital. Social capital is the network associated with the community and business venture, the trust of the community member. Activities or services rendered to

the society should not be overemphasized. There should be mutual understanding, a reciprocating factor between the business venture and the community where the business is established. Social capital is defined as value of social relations for the productivity of individuals and groups (Putnam et al, 2000).

One of the assumptions of social capital theory is that the individual alone is socially ineffective. However, when one interacts with ones neighbours and they with other neighbours, there will be an accumulation of social capital, which satisfies not only ones own social needs but may have the potential of improving the living conditions of the whole community. Social capital can be used as a substitute for economic capital (Maimbo,2003), contributing to their economic survival and successes despite their lack of skills, education and financial capital (Woolcook&Narayan,2000;Maimbo,2003).

Social capital develops when people share a sense of identity, hold similar values, trust each other and do things for each other, which in turn helps them to shape their social, political and economic survival (Edwards,2005). Researchers generally agree that social capital is developed in social relationships characterized by norms of trust and reciprocity that are of mutual benefit to those involved and that social capital provides a link among families, communities and society that is necessary for social order and control .

Onyx et al (2000) further argued that, social harm of trust describes the willingness on the part of the individual to “take risks in a social context based on a sense of confidence that others will respond as expected and will act in mutually supportive ways”.

Putnam (1993), however stated that, social capital is a “feature of social organization, such as trust, norms and networks, that can improve efficiency of society by

facilitating coordinate actions”. Social capital figures in much development discourse as a mysterious substance, elusive yet vital, holding communities, underpinning coping strategies, enabling entrepreneurship and thus forming one of the key conditions of possibility for poverty alleviation and poverty reduction strategies.

Social capital is a uniquely fluid and contested term in the field of development studies and an extensive literature exists exploring its genealogy and challenging its use (Fine, 2003). For example, Grootaert and Bastierlaer contend that “the social capital of the society includes the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development” (2001).

1.2 Statement of the Problem

Petty trading is one of the major occupations of the small and medium scale enterprises (SMSEs). Petty traders in the rural and urban regions in Ghana have become indispensable within the distribution system, catering for the needs of the lower middle class and the poor. SMSEs contribute over 22% of the employment opportunity and 15.5% of GDP in Ghana. Despite their significance, recent studies show that 60% of the SMSEs fail within the first few months of operation due to the lack of “properly coordinated support, cheap and long-term credit and insufficient access to new technologies” (Dovi, 2006). This sector has received little or no attention from policy makers and lacks access to capital with which to start trading.

This research examines how rural and urban petty traders are performing because they do not have access to credit; They have insufficient capital and little skills development.

1.3 Purpose of the Study

The general purpose (specific objectives) of this study is to gain in-depth knowledge of the challenges faced by rural and urban petty traders in AfigyaKwabre District with the focus on building social trust between traders and buyers, availability of resources and aid from government and other sectors.

1.4 Research Questions

Every research work needs to be guided by a research question and for that reason, the following questions would be asked to guide the research work:

1. What are the demographic characteristics of rural and urban petty traders in Ghana.
2. How does social capital help the rural and urban petty traders in Ghana?
3. What role do rural and urban petty traders play in Ghana?
4. What are the challenges that are associated with urban and rural petty traders in Ghana?

1.5 Significance of the Study

Studies on the performance of rural and urban petty traders are important in several respects:

1. To investigate the demographic characteristics of rural and urban petty traders.
2. To ascertain the importance of social capital in the rural and urban areas.
3. To examine the roles of rural and urban petty traders.
4. To assess the challenges associated with rural and urban petty traders.

1.6 Limitation of the Study

- 1 Time was a very serious constraint so far as the study is concerned, because the researchers had to go to the two selected areas on different occasions to distribute the questionnaire before getting needed information for the research.
- 2 The traders don't have enough time to spend on the researcher for her to get the needed information.
- 3 Reading and writing was a barrier to major traders when given the questionnaires.
- 4 The study was conducted in two major areas in the region, only the rural and urban petty traders were given the questionnaires. The customers and the suppliers were not given the questionnaires.

1.7 Organisation of the study

The research paper is organised in six chapters. This includes:

Chapter 1- Background of study- the background of the study is the introduction to the entire study. This includes the statement of the problem, purpose of the study, research questions, significance of the study, research methodology, limitation of the study and organisation of the study.

Chapter 2- Literature Review- includes literature by other scholars on investigating the performance of rural and urban petty traders but more specifically in Ghana.

Chapter 3- Methodology- the methodology gives us a detail account on the instruments used to gather information.

Chapter 4- Data Analysis- It is an in-depth diagnosis of the findings collected using questionnaires. This will be represented through the use of SPSS.

Chapter 5 –Discussion of results-discussion of the findings of the study in relation to the topic.

Chapter 6-Summary of findings, Conclusion and Recommendation- Summary, conclusions, recommendations and suggestion for further studies will be obtained at the end of the study.



CHAPTER TWO

LITERATURE REVIEW

This chapter reviews and elaborates on the ideas used to undertake this study by scholars and practitioners from their academic works, articles and journal written to explain the theories concerning the performance of rural and urban petty traders.

2.1 Definition of Social Capital

Social capital is the expected collective or economic benefits derived from the preferential treatment and co-operation between individuals and groups. At present, we live in a global world in which cordial relationships between traders and customers have become so important within companies and between countries. Over the years, the concept that underlines social capital has a much longer history. Thinkers exploring the relation between associational life and democracy were using similar concept regularly by the 19th century drawing on the work of earlier writers. After Tannies and Weber's works, reflection on social links in modern society continued with interesting contribution in the 1960's. They proposed themes similar to those of the founding fathers with a more pessimistic emphasis on the development of a society (Ferragina, 2010: 76).

In the words of Stern (1960), the price for maintaining a society that encourages cultural differentiation and experimentation is unquestionably the acceptance of a certain amount of disorganization on both the individual and the social level. All these reflections contributed remarkably to the following decades.

The appearance of a modern social capital conceptualization is a new way to look at keeping together the importance of community to build generalized trust and at the same time the importance of individual free choice in order to create a more cohesive society (Ferragina 2010 & Ferragina 2012).

Social capital refers to the institutions, relationships and norms that shape the quality of a society's social interactions; increasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable. Social capital is not just the sum of the institutions which underpin a society. It is the glue that holds them together. (The World Bank, 1999)

Early attempts to define social capital focused on the degree to which social capital as a resource should be used for public good or for the benefit of individuals. Putnam suggested that social capital will facilitate co-operation and mutually supportive relations in communities and nations and would therefore be a valuable means of combatting many of the social disorders inherent in modern societies for example crime. In contrast to those focusing on the individual benefit derived from the web of social relationships and ties, individual actors find themselves using social capital to increase personal access to information and skill sets and enhanced power. According to this view, individuals could use social capital to further their own career prospects, rather than for the good of organization.

Pierre Bourdieu (1972) defined social capital as, "the aggregate of the actual potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition.

For James Coleman (1994) social capital functionally is “a variety of entities with two elements in common: they all consist of some aspect of social structure and they facilitate certain actions of actors within the structure that is, social capital is anything that facilitates individual or collective action, generated by networks of relationships, reciprocity, trust and social norms. In Coleman’s conception, social capital is a neutral resource that facilitates any manner of action, but whether society is better off as a result depends entirely on the individual uses to which it is put.

According to Robert Putnam (2000), social capital “refers to the collective value of „social networks“ and the inclination that arises from these networks to do things with each other. Putnam and his followers also renewed that, social capital is a key component to building and maintaining democracy. Putnam believes that social capital can be measured by the amount of trust and “reciprocity” in a community or between individuals.

In Social capital and development, Francis Fukuyama (1999) points out that there isn’t an agreed definition of social capital, so he explains it as “shared norms or values that promote social co-operation, instantiated in actual social relationships”. He argues that social capital is a necessary precondition for successful development, but a strong rule of law and basic political institutions are necessary to build social capital. He believes that a strong social capital is necessary for a strong democracy and strong economic growth. Familism is a major problem of trust because it fosters a two – tiered moral system in which one must favour the opinions of family members.

Social capital is about the value of social networks, bonding similar people and bridging between diverse people, with norms of reciprocity (Dekker & Uslander, 2001).

Adler & Kwan (2002) opines that social capital is “the good will available to individuals or groups”. It is the web of social relationships that influences individual behaviour and thereby affects economic growth (Penning, 1997).

Nahapiet and Ghoshal (1998) defined social capital as “the sum of the actual and potential resources embedded within, available through and derived from the network and the assets that may be mobilized through that network. A narrow view of social capital regards it as a set of horizontal associations between people, consisting of social networks and associated norms that have an effect on community productivity by reducing cost of doing business. Social capital facilitates coordination and cooperation.

Schiff (1992, P.160) also posits that social capital is the set of the social structure that affects relation among people and are inputs or arguments of the production and /or utility function. Social capital develops when people share a sense of identity, hold similar values, trust each other and do things for each other, which in turn help them to shape their social, political, and economic survival (Edwards, 2005).

One of the assumptions of social capital theory is that the individual alone is socially ineffective. However, when one interacts with one’s neighbours, there will be an accumulation of social capital, which satisfies one’s own social needs but may have the potential of improving the living conditions of the whole community. Researchers generally agree that social capital is developed in social relationships characterized by norms of trust and reciprocity that are of mutual benefit to those involved, and that social capital provides a link among families, communities and societies that is necessary for social order and control.

The term social capital emphasizes not warm and cuddly feelings, but a wide variety of quite specific benefits that flow from the trust, reciprocity information and cooperation associated with social networks. Social capital creates value for the people who are connected and at least sometimes for bystanders as well.

Although, different social sciences emphasize different aspect of social capital. They tend to share the core idea “that social networks have value”. A resource that actors derive from specific social structure and then use to pursue their interest, it is created by changes in the relationship among actors (Baker 1990,).

2.2 Types of social capital

Michael Woolcook (2001), a social scientist with the World Bank (and Harvard University) has identified three types of social capital. Bonding social capital ties people in similar situations together and exists among immediate family members, close friends and neighbours. Bonding social capital promotes reciprocity and solidarity within primary social networks. Bridging social capital refers to more distant relationship, such as those with service providers, merchants and fellow employees. Linking social capital creates ties to “outsiders” in dissimilar situation, such as those who live in extremely different circumstances. It has the advantages of helping individual groups access to information and resources that are not available in the group or local community (Putnam 2000&Woolcook 2001).

From a network perspective social capital can be classified as either bonding or bridging with a third type as linking.

2.2.1 Bonding social capital

Bonding social capital ties between individuals with a relatively high degree of network closure. It is often described as horizontal ties between individuals within the same social group. Bonding social capital is often associated with local communities where many people know many other people in the group (network closure). Bonding social capital is associated with strong norms, mores and trust which can have both positive and negative manifestations and implications for social exclusion. Many members have access to similar network assets. While providing solidarity, bonding social capital may not provide useful network assets in some situations.

2.2.2 Bridging social capitals

Bridging social capital ties between individuals which cross social groups. From a network perspective, bridging social capital places the actors at structural holes where each is able to tap into the social network resources of each other's group. This is also described as vertical ties often operating through formal hierarchical structures. Bridging social capital may not involve many shared norms but is likely to be associated with reciprocity and "thin trust". It may provide access to network resources outside of an individual's normal circles and as such can provide significant individual benefits.

2.2.3 Linking social capital

This refers to norms of respect and networks of trusting relationships between people who are interacting across explicit, formal or institutionalized power or authority gradients in society. From the social structure perspective, social capital can be grouped

as structural, cognitive or relational. Structural social capital refers to elements of social structure that create opportunities for the social realization of productive ends. Structural social capital includes established roles and social networks supplemented by rules, procedures and precedents. It gives structure and stability to social transactions. It is more than norm..Structural social capital is built from the historical foundations of culture and institutions within society.

Cognitive social capital includes shared norms, values, attitudes and beliefs, It predisposes people towards mutually beneficial collective action.

Relational social capital is based on the characteristics of social relationships between individuals and is commonly described as including trust and trustworthiness.

2.3 Importance of social capital

Putnam (2000) clearly articulates the reason why social capital is important for survival.

Firstly, social capital allows citizens to resolve collective problems more easily. People often might be better off if they cooperate with each other doing their share. But each individual benefits more by shirking their responsibility hoping that others will do the work.

Secondly, social capital greases the wheels that allow communities to advance smoothly. Where people are trusting and trustworthy, and where they are subject to repeated interactions with fellow citizens, everyday business and social transactions are less costly.

Thirdly, social capital improves our lot by widening our awareness of the many ways in which our fates are linked. The networks that constitute social capital also serve as conduits for the flow of helpful information that facilitates achieving our goals. Social capital also operates through psychological and biological processes to improve individual lives. Community connectedness is not just about warm fuzzy takes of civic triumphs. In measurable and well documented ways, social capital makes an enormous difference to our lives.

2.4 The impact of social capital on rural & urban petty traders

In both rural and urban petty traders, social capital refers to the institutions and mechanisms whereby residents relate to and interact with each other to solve problems for the common good. It is widely believed that in neighbourhoods where social capital is strong and, in this instance, those in both rural and urban communities, where social networks exist, social capital has a desirable quality of life and great economic growth potential. In communities where social capital is accumulating, local residents increasingly work with each other to identify problems, share ideas and identify solutions to problems which benefit the entire community.

2.4.1 Social Capital in Rural Communities

The concept of rural is complex and multidimensional. Rural can range from small settlements on the fringe of large towns and cities to remote villages and hamlets and from agriculture to areas of extensive arable or farming or grazing. Rural areas are

characterized by a more personal and intimate web of social relationships. From a review of definitions of „rural“, five dimensions can be identified:

- i. Not urban
- ii. Low population density
- iii. Extensive land use
- iv. Primary economic activity and employment
- v. Community cohesion and governance

In rural communities, each neighbour is usually aware of what others are doing. The degree of anonymity most often associated with urban living is often absent in rural communities. Some may argue that the comparative anonymity in urban communities is a plus, not a minus, and that the neighbourliness of rural community residents can quickly turn into an undesirable “noisiness” leading to friction.

Community sustainability can be divided into three categories: that is economic sustainability, ethnic sustainability and cultural sustainability. For social capital to accumulate at the fastest pace, all three factors may need to be present. Social capital often breaks down as jobs are lost in an area, leading to a decline in economic sustainability. As neighbourhoods become increasingly ethnically diverse, social capital can break down. Similarly, social capital can break down because of differences in culture – a new industrial plant which results in workers of lower incomes and different cultures moving into a rural community.

In many small rural communities, traders of widely varying values are often located in comparatively close proximity to each other. This increases the potential for

social interaction among people of varying income classes, and increases trust across economic lines. As community market become larger, traders selling similar things tend to be more likely grouped together, increasing the likelihood that individuals of similar economic backgrounds will interact but potentially reducing interaction among those with different trade.

2.4.2 Social Capital in Urban Communities

The presence or absence of social capital is indicated in very different ways in the typical urban community. Sub markets in urban communities are frequently designed within a quite narrow price range. Because of this, many of these communities, the subdivision in which a trader lives thus becomes a clear indication of social and economic status and perhaps even political influence within the community.

Traders in urban communities are often criticised for being very personal, with even those living in close proximity often not knowing each other well. But since the value of one's home in such a setting is often heavily influenced by the value of neighbouring homes, those living in such communities usually pay close attention to any actions by neighbours that could potentially have even a slight negative impact on neighbourhood values.

Social capital varies greatly from one neighbourhood to another, even in a city the size of Kumasi. In some of the low income areas, it is clear that social capital has completely broken down. Race and ethnicity remains part of the social capital equation. Those of the same ethnic group tend naturally to form social capital networks that are frequently stronger than the networks which cross racial and ethnic lines. With a few

exceptions, ethnically diverse areas tend to have low social capital, in that, social capital necessarily involves interactions among all the community.

2.5 Meaning of Small Scale Enterprises

Small Scale Enterprise can be defined in several ways depending upon the socio-economic conditions prevailing in a particular country. Primarily, it is difficult to draw a sharp distinction between small, medium and large-scale enterprises. One of the general approaches normally used is analytical qualitative measure such as capital investment, value of sales, number of workers and energy consumption as a convenient measure. The second approach takes into consideration the functional aspect. Under this they are classified on the basis of descriptive qualitative data such as organisation of industrial units, methods of their production, their influence on the market, suspected and proven characteristics and problems.

A small-scale enterprise is a business that employs a small number of workers and does not have a high volume of sales. Such enterprises are generally privately owned and operated as sole proprietorships. The legal definition of a small-scale enterprise varies by industry and country.

Bolten Committee in 1971 report on small firms stated that a small firm is an independent business, managed by its owner or part-owners and having a small market share.

Section 248 of the Companies' Act of 1985 states that a company is "small" if it satisfies at least two of the following criteria.

- A turnover of not more than \$2.8million

- A balance sheet total of not more than \$1.4million
- Not more than 50 employees

A medium- sized company must satisfy at least two of the following criteria:

- A turnover of not more than \$11.2million
- A balance sheet total of not more than \$5.6million
- Not more than 250 employees.

For statistical purposes, the department of trade and industry usually used the following definitions:

- Micro firm: 0 – 9 employees
- Small firm: 0 – 49 employees
- Medium firm: 50 – 249 employees
- Large firm: over 250 employees.

The U.S. Small Business Administration states that small-scale enterprises generally have fewer than 500 employees within a 12-month period in non-manufacturing industries. A company must consider any individual on its payroll as an employee.

In Australia, however, a small-scale enterprise is one that has fewer than fifteen (15) employees on payroll, as defined by the Fair Work Act. The Small Business Act for Europe states that small enterprises are those that have 250 employees or less. Small – scale enterprises in Asian countries generally have 100 or fewer employees, while small-scale African enterprise hire 50 or fewer workers.

In some countries, the definition of a small scale enterprise is bound by financial measures such as net profits, balance sheet totals, the value of assets and annual sales. In the United States, for example, a non-manufacturing small scale enterprise is one that does not earn more than \$7 million in a year.

In India, micro-enterprise is defined as one where the investment in plant and machinery, their original cost excluding land, building and items specified by the Ministry of Small Scale Industries in its notification No. S. 0.1722 (E), dated October 5, 2006) does not exceed \$s. 25lakh. A small enterprise is one where the investment in plant and machinery is more than Rs. 25lakh but does not exceed Rs. 5 crore. A medium enterprise is one where the investment in plant and machinery is more than Rs. 5 crore but does not exceed Rs. 10 crore.

In New Zealand, small-scale enterprise has 19 or fewer employees. Also, in Israel, a business is considered small if it has not more than 50 employees. A medium business holds between 51 to 250 workers.

The central bank of Nigeria, defines small scale businesses in Nigeria according to asset base and number of staff employed. The criteria are an asset base between N5 million and N500 million and a staff strength between 11 and 30 employees.

Culkin and Smith (2000), in the Department of Trade and Industry in the U.K. provided the following definitions of small, micro, medium and large sized enterprises.

Micro firm	:	0 – 9 employees
Small firm	:	0 – 99 employees (include micro)
Medium firm	:	50 – 249 employees
Large firm	:	over 250 employees

UNIDO defines small and medium enterprises in developing countries based on the number of employees in an enterprise. A small enterprise has between 5 and 19 workers and takes the example of the small shops in the cities such as hairdressing salons and chop bars.

A medium enterprise has 20 to 99 workers and these include manufacturing firm and exporting companies.

According to Boon (1989) the size of the enterprises employment is the most important criterion used in Ghana. But one must be cautious when defining small scale enterprises based on fixed assets because of the continuous depreciation in the exchange rates, which often makes such definitions out-dated.

Blasbeing et al (1991) viewed small scale industries in some third world countries as having some common characteristics. Their findings were that small-scale enterprises are tiny use labour intensive method of production and total requirement in terms of capital is minimal, needs less capital and generally it is more incised relative to other industries.

According to small-scale business Act of 1953 it is said that a small business enterprises is one that is independently owned and operated and that is not dominated in its field of operations. The Ghana statistical services also define small-scale industries as those employing 29 or fewer employees. The 1992, industrial census define small-scale industries as an establishment employing less than ten persons.

In defining small scale enterprise in Ghana, Osei et al (1993) used an employment cut off point of 30 employees or enterprises with fixed assets worth less than US\$100,000

excluding land and buildings. He however classified small scale enterprises into three categories.

These are:

- Micro: employing less than 6 people
- Very small: employing between 6 and 9 people
- Small: employing between 10 and 29 people

2.6 Characteristics of small-scale firms

A distinguishing feature of small firms from larger firms is that the larger firms have direct access to international and local capital markets whereas the small firms are excluded because of the higher intermediation costs of smaller projects. Small firms face the same fixed cost as large scale enterprises in complying with regulations but have limited capacity to market product abroad (Kayanula&Quartey, 2000).

Small scale enterprises in Ghana can be categorised into urban and rural enterprises. The former can be sub-divided into organised and unorganised enterprises. Organised ones tend to have employees with a registered office and are mostly solely owned by an individual whereas the unorganised ones are mainly made up of artisans, who work in open spaces, temporary wooden structures or at home and employ little or in some case no salaried workers. They rely mostly on family members or apprentices.

Rural enterprises are largely made up of family groups, individual artisans, women engaged in food production from local crops. The major activities comprise soaps and detergents, fabrics, clothing and tailoring, textile and leather, village blacksmiths, timber and mining, bricks and cement, beverages, food processing, wood furniture,

electronic assembly, agro processing, chemical based products and mechanics. (Liedholmet *al* 1987; Osei *et al*,1993).

The sector is characterised by low levels of education and training of the self-employed. They are mostly family owned business and there is little separation of the business finances from that of the owners even to the point that the owners or operators personal account is the same as that of the business. Small firms in Ghana are heterogeneous group-ranging from small workshops making furniture, metal parts and clothing to medium-sized manufacturers of machinery as well as service providers such as restaurants, consulting and computer software firms. Some are traditional „livelihood“ enterprises that are satisfied to remain small; others are growth-oriented and innovative.

2.7 The Roles of Small Scale Industries

The roles of small – scale industries is very significant towards poverty eradication, generating employment, developing rural areas and creating regional balance in promotion and growth of various development activities in a developing country like Ghana. It is estimated that small – scale firms have been contributing about 40% of the gross value of output produced in the manufacturing sector and the generation of employment by the small – scale sector is more than five times that of the large – scale firms. This clearly shows the roles of small firms in the development of a country economy. The following are some of the important roles played by small – scale firms in Ghana:

2.7.1 Employment Generation;

Small – scale firms are labour intensive in character. They generate a huge number of employment opportunities. Small scale industries generate opportunities for self-employment of technically qualified persons, artisans and professionals, a given amount of capital invested in small scale firms will employ more people than the same amount of capital invested in large – scale firms. In Ghana as a country, small – scale industry can solve the problem of unemployment and scarcity of capital. It can be found anywhere with ease of entry and low starting capital. Small – scale firms can provide employment to people near their homes, more job opportunities for the lower income groups and additional work for the farmers when they are idle.

2.7.2 Small Capital Required

Small- scale firms require relatively lesser amount of capital as compared with large scale firms. Small – scale firms can act as a stabilizing force by providing high output capital ratio as well as high employment capital ratio. It also provides early returns to the entrepreneurs. Small scale units help in capital formation by mobilizing idle and small scattered saving of the people and put these into productive use by the investment in small scale units.

2.7.3 Self-Employment

Small scale sector provides numerous opportunities for self-employment and is better for a country that has a problem of unemployment. A self-employed entrepreneur

is the master of his own and gets the opportunity for doing something creative, new and different. He employs people to work for him.

2.7.4 Facilitation of Entrepreneurial Development

Small scale sector helps in entrepreneurial development. Small – scale firms provide self-employment for the unemployed to reduce their over – dependence on the government. It also generates feelings of self-reliance among the people. This sector generates more employment opportunities with relatively lesser capital investment but cannot also provide opportunities to a large number of entrepreneurs who are scattered over a wide territory but small scale industries on the other hand can mobilize such entrepreneurial skills more effectively and put these into productive use.

2.7.5 Use of Local Resources

Small scale enterprises use local resources like raw materials, savings, and entrepreneurial skills more effectively. In the absence of these enterprises, these resources are likely to remain unutilized. Thus on one hand, small scale sector ensures better use of the local resources and on the other generates employment opportunities and income for the local population.

2.7.6 Balanced Regional Development

Large scale units are normally concentrated at the place where the industries are located and this results in the generation of employment opportunities, income and development only in those locations. Whereas small scale industries utilize local resources

and promote decentralized development of industries, it is only through dispersal of industries in rural areas that the objective of balanced regional development can be achieved. Small-scale, by providing employment to people in rural areas helps in solving the problems of industries, slums, congestion and pollution in industrial towns. Small-scale sector, by generating employment and income in rural areas,, helps in raising standards of living of people.

2.7.7 Supporting Large Scale Industries:

Small – scale industries can facilitate growth and development of large scale industries by providing various parts, components like scrap metals for the steel industries for recycling and accessories to large scale industries. Small- scale firms serve as ancillaries to large firms by playing a complementary role.

2.7.8 Equal Spread of Income and Wealth

Small scale industries help in the development of socialistic pattern of society by ensuring equitable distribution of income and wealth. This sector inculcates the spirit of entrepreneurship among people there by providing them self-employment potential as compared with large – scale industries. Large scale industries result in the concentration of income and wealth in a few hands and, that too, at selected places whereas small scale industries ensures equal spread of income and wealth among all and at all places, thus promotes the objective of social justice.

2.7.9 Structural Transformation of Rural Areas

When small-scale industries are cited in rural areas, they help to improve rural infrastructure and the living standard of the people. Social amenities such as road, electricity, pipe-borne water, telecommunication are attracted to the area as a result of the presence of SSES in the community.

2.8 Challenges of Small-Scale Firms

Starting a new venture gives business owners the opportunity to earn income by exploiting untapped markets and unfulfilled needs in the economy. Small firms tend to have low expenses which can allow them to achieve profitability and sustain themselves in the niche markets. On the other hand, small – scale firms face a variety of challenges that can put them at a disadvantage

2.8.1 Financing

Finance is one of the life wires of every economic activity. Obtaining financing will provide start – up capital as well as funds for operational cost for the business, but majority of small firms are sole proprietorship which are firms with a single owner who control all business decision. Kayanula & Quartey (2000), suggested that owners of SME often resort to personal savings, gifts from friends and family, and small business loans to finance their businesses. This apparently limits the operation of the business as money realised from this type of source is usually not enough and this leads to inability of the business to produce a large scale. Access to finance is a major challenge to entrepreneurs due to the fact that majority of the entrepreneurs lack the savings needed for equity

payment required to get a loan and have less or no access to land or physical infrastructure, which could be used as collateral for a loan. Blasbeing *et al* (1991) maintained that it is very often difficult for entrepreneurs who have had limited access to education to get access to formal financial schemes since they find it very difficult to fill in the complex forms for applying business records a minimum prerequisite before granting credit.

2.8.2 Inadequate of Infrastructural Facilities

Infrastructure, as it relates to provision of access roads, adequate power, water, sewage and telecommunication, has been a major constraint in the development of SME (Bekea, Dondo & Mutiso, 1999). The inadequate infrastructural facilities have been a major setback to SSEs and all business in Ghana. This may hinder the development of business activities. E.g. access to good roads and unstable increase of fuel prices are a major challenge which affects all forms of business in a country. Aruwa (2006) states that an efficient transport network enhances the growth potential of a country and a reliable system of energy generation and distribution brings modern technologies and processes of SSEs. Hulten (1997) has emphasised that the efficiency of infrastructure utilisation is important to business and economic growth.

2.8.3 Economies of Scale

A company's sales must exceed its total expenses for it to achieve a profit and be sustainable in the long term. The cost of producing and delivering products and services is a major part of business expenses. Large – scale companies can benefit from

„economies of scale“; a situation where the average cost of producing goods falls as the size of production operation increases. For example, a company with a huge factory that uses machines to mass produce toys might pay less per toy than small company that pays workers to assemble toys by hand. Boon (1989) maintained that economies of scale can make it difficult for small companies to offer prices that are as low as large companies.

2.8.4 Inadequate Knowledge

Running a business involves making decision in many different areas, from finance and tax law to marketing and human resources. A small business owner might not have the breadth of knowledge necessary to make informed decision about all aspect of all companies. Large companies with many owners, managers and employees have a broader pool of knowledge to tap into, which can assist in making sound business decision. Small business owners may be forced to hire contractors like consultants, lawyers and other expert for business advice, while large companies often hire such experts as full – time in house employees.

2.8.5 Presence of Inflation

Inflation is an economic condition characterized by a general and continuous rise in the price level coupled with a fall in the value of money hence, inflation is economically dangerous to suppliers because of the unstable quoted market prices.

2.8.6 Inadequate Information

This is the collection and analysis of relatively reliable and authentic data that may enhance forecasting and planning. It is important to point out that the entrepreneur needs to be conscious of the existing forces of the laws of demand and supply that directly or indirectly affect consumer behaviour.

2.8.7 Inappropriate Managerial Skills

Due to lack of enough capital or little knowledge of technological advances, entrepreneurs tend to purchase obsolete and inefficient equipment which bring about lower levels of productivity and poor product quality. It all results in huge consequences on product output and market acceptability.

2.8.8 Lack of Publicity

Finding new customers is a major challenge for small business owners. Small businesses typically find themselves strapped for time but in order to create a continual stream of new businesses, they must work on marketing their businesses everyday on electronic media like television and radio. This can be quite expensive and is normally intended to create awareness of a product or service.

2.8.9 Poor Policy implementation and Regulatory measure

There are currently numerous policies which are all geared towards ensuring sanity in the industry. However, most of these policies have either not been enforced or have been weakly enforced. All this has culminated in inefficiency in SSES.

2.8.10 Wrong attitude of owners and their workers

The attitude of some SSES owners and their workers toward loan and work is counterproductive. Some, when offered credit facilities, believe that this is their share of the „national cake”. They therefore mismanage such. Since wages of workers in small-scale firms are smaller as compared to those in large-scale who engage in eye service and are not productive

2.8.11 Lack of Continuity

Most small-scale enterprises collapse immediately the owner, proprietor or entrepreneur dies physically or loses vision or commitment.

2.8.12 Lack of Trade Association

Associations providing a voice for the interest of SSES in the policy- making process have a limited role compared to those of larger-firms. Many of the associations have not yet completed the transition of their goals from protectionism to competitiveness (World Bank, 1993).

2.8.13 Harassment

This includes the removal of illegal structures by house to house inspectors, demolition of kiosks and the harassment of petty traders in the name of sanitation and beautification. In some instances, task force men pile up wares seized from traders and set them on fire while the traders watch on helplessly from „safe” distances.

2.8.14 Extorting bribes

Overzealous council officials and men in uniform harass street traders for displaying their wares on the „wrong“ spots especially when the poor traders could not offer them gratification to turn a blind eye and for traders to be tossed into vans.



CHAPTER THREE

METHODOLOGY

This chapter describes mainly the methods and procedures used in collecting data and sampling technique adopted for this research work. It focuses primarily on the general procedure for the conduct of this survey. The source from which the data is gathered is also provided.

The chapter is organized under the following headings:

- The Research design
- Population³
- The sample size
- Sampling Technique adopted
- Data Collection Instrument
- Data Collection Procedure
- Data Analysis
- Validity and Reliability of the Instrument

3.1 The Research Design

Research design refers to the plan and structure of the investigation used to obtain evidence to answer research questions. The type of research design used for this study is survey method. This survey is being conducted to investigate the performance of rural and urban petty traders. The survey is the most appropriate method of gathering data from a wide range of respondents.

Bless & Higson-Smith (1995) suggest that in conducting explorative and descriptive research, the survey design can be used to collect information from several units of analysis. Survey research also has the advantages of being effective in collecting data from a large source and that it is relatively inexpensive and it takes a shorter time to complete (Olomlaiye 1986). The form of survey to be used for this work is descriptive survey. According to Kerlinger (1973), descriptive survey is the most appropriate form of survey if the survey attempts to determine the incidence, distribution and interpretation of the variables being measured. It also enables information to be obtained from representative sample of population to describe the situation as it exists.

3.2 Population

Population is defined as the total collection of elements about which we wish to make some references (Cooper & Schindler, 2001). It also refers to the complete sets of individuals under study. In this research, the target population for this particular research is the rural and urban petty traders from Afigya Kwabre District. The researcher chose this population for the study because they are the people who the researcher believes are capable of giving objective responses about the topic under study.

3.3 Sample Size

A sample size of two hundred (200) petty traders who were selected from Afigya Kwabre District was used without any specific age limit. Thirty (30) respondents were taken from Kyekyewere, Boamang, Ahenkro and Denase respectively; thirty – five (35) respondents from Tetrem, twenty (20) respondents from Amoako ;fifteen (15)

respondents from Kwamang and ten (10) respondents from Soko community. The number of respondents were taken from each area is based on the relative population of workers.

3.4 Sampling Techniques Adopted

Sampling, according to Cooper & Schindler (2001), involves selecting some of the elements in a population and drawing conclusions about the entire population. The main sampling technique used was the stratified sampling technique. The stratified sampling technique is used by researcher in order to accord every individual in the population equal chances of being selected. The random sampling technique, specifically lottery method, was also used alongside when selecting traders.

The quality of responses was high as participants took their time to respond to the questionnaire.

3.5 Data Collection Instrument

Questionnaires were used as the main instrument for respondents. They were prepared after a thorough review of literature from internet resources, books, journal, articles and official publications. According to Agyedu, Donkor & Obeng,(2011), a questionnaire is a written instrument that contains a series of questions or statements called items that attempt to collect information on a particular topic. A single questionnaire which was composed of four main sections was designed for workers. The first part sought to collect demographic information of the respondents. The second part sought information of social capital between petty traders and customers. The third part

elicits information on roles of petty traders and the final part is the challenges of the rural and urban petty traders.

3.6 Data Collection Procedures

The researcher visited the respondents in their respective shops, market places, houses, villages, farms and along the street, distributed printed questionnaires to them after seeking permission. The researcher conducted a briefing session with the respondents about objectives of the study. Hard copies of the questionnaires were distributed on sections through face - to- face interaction with the traders. Respondents were asked to use five days to complete the entire questionnaire form and collection of questionnaires was made on the sixth day. It was very much difficult to locate the traders with different trades from Afigya- Kwabre area since the researcher had to walk from length to width of area to look for respondents of the various trades and sometimes deep into the bush and also had to go further to use the local language (TWI) to explain the questionnaires to the respondents.

The researcher used all means in order to retrieve 193 of the questionnaires distributed to achieve ninety-six and half percent (96.5%).

3.7 Data Analysis

Analysis of data is a process of editing, cleaning, transforming and modelling data with the goal of highlighting useful information, suggestion, conclusions and supporting decision making (Adler,2008). Data from the survey were edited and coded appropriately to make meaning out of them. Editing was done to correct errors, check for non

responses, accuracy and correct answers. Coding was done to facilitate data entering and a comprehensive analysis. Descriptive statistics was a medium used for analysis. The results are presented using tables and bar charts. The software Statistical Package for Social Sciences version sixteen (SPSS 16) was also incorporated into study to process the data.

3.8 Validity and Reliability of Instrument

Bless & Higson-Smith (1995) highlight that reliability is “concerned with the consistency of measures”. Thus, the level of an instrument’s reliability is dependent on its ability to produce the same score when used repeatedly.

Validity on the other hand refers to whether an instrument actually measures what it is supposed to measure, given the context in which it is applied (Bless & Higson-Smith, 1995)

The questionnaire used for the purposes of this study was designed by the researcher. Before the questionnaire was administered, it was first sent to the supervisor for vetting ,who offered approval of the reliability and validity of the questions before it was printed. The validity and reliability of a data collection instrument mostly depends on the construction, content validity, wording, format and question flow.

According to Pilot & Hungler (1997), a pre-test is a trial run to determine whether an instrument solicits the type of information envisioned by the researcher .The questionnaires were presented to fifteen (15) traders at I.P.T Junction who were not part of this study to ensure that it was valid and most reliable to achieve its intended purpose.

No problems were experienced and the information received reconciled with what it was intended to collect.

To avoid gender bias almost eighty-five percent (85%) of the questionnaires were given to female traders while almost fifteen (15%) percent to male traders based on the ratio of female to male population of each area.



CHAPTER FOUR

RESULTS AND FINDINGS

This chapter presents the results of the analysis. The presentation comes in the form of tables and figures. The tables show results of frequencies and mean scores obtained by the responses given by the respondents on a host of issues concerning the objectives of the study. The results are preceded by demographic information on the respondents.



Research Question 1

4.1 What are the demographic characteristics of rural and urban petty traders?

Table 4.1 Characteristics of the respondents

Variables	Location		Total (%)	Chi-square (p-value)
	Rural (%)	Urban (%)		
Age group				
≤ 20 years	2.1	11.5	6.7	17.382 (0.002)
21- 30 years	15.5	26.0	20.7	
31- 40 years	18.6	26.0	22.3	
41- 50 years	38.1	21.9	30.1	
> 51 years	25.8	14.6	20.2	
Level of Education				
Non-formal	50.5	7.3	29.0	48.253 (0.001)
Primary education	33.0	47.9	40.4	
Secondary education	9.3	34.4	21.8	
Tertiary education	7.2	10.4	8.8	
Occupational experience				
< 2 years	11.3	29.2	20.2	10.386 (.016)
2 – 5 years	36.1	27.1	31.6	
6 – 9 years	29.9	20.8	25.4	
> 10 years	22.7	22.9	22.8	
Monthly Income				
< GH¢ 100	12.4	14.6	13.5	7.289 (0.121)
GH¢ 101 – 150	22.7	15.6	19.2	
GH¢ 151 – 200	26.8	18.8	22.8	
Gh¢ 201 – 300	21.6	19.8	20.7	
> GH¢ 300	16.5	31.2	23.8	
Source of income				
Bank	30.9	33.3	32.1	11.623 (0.020)
Personal savings	53.6	38.5	46.1	
Friends	4.1	1.0	2.6	
Church	-	3.1	1.6	
Family	11.3	24.0	17.6	
Mode of Operation				
Part time	83.5	25.0	54.4	66.576 (.001)
Full time	16.5	75.0	45.6	

Source; field survey, September, 2013.

Showing in Table 4.1 are the demographic characteristics of the respondents used for the study. From the table it could be observed that majority of the respondents being about 30% were aged 41-50 years. Again, about 22% of the respondents were also aged from 31-40 years. The results have been presented in relation to the location of the respondents, and further analysis showed a statistically significant association between the location of the respondents and their age (Pearson's Chi-square=17.382, $p < .05$).

Furthermore, taking into accounts the level of education of the respondents it was found that approximately 40% of the respondents were primary school leavers. Meanwhile 29% had non-formal education. Again, chi-square analysis of the responses ($\chi^2=48.253$, $p < .05$) shows that there was a statistically significant association between the location of the respondents and their level of education.

Again, from the table, it was revealed that majority of the respondents approximately 32% of the respondents have 2 – 5 years of working experience whereas about 25% have 6 – 9 years of occupation experience. The results have been presented in relation to the location of the respondents for which chi-square analysis of the results ($\chi^2=10.386$, $p < .05$) provided enough evidence to suggest a statistically significant association between the location of residence of the respondents and their occupational experience.

Moreover, approximately twenty-four percent of the respondents earn a monthly income of more than GH¢ 300, meanwhile about 23% earn a monthly income of GH¢ 151 – 200. Again, the responses have been presented in accordance with the location of residence of the respondents and chi-square analysis of the results ($\chi^2=7.289$, $p = .121$)

showed no statistically significant association between the sources of income and the location of the respondents.

Nearly half of the respondents approximately 46% receive their income from personal savings whereas about 32% have the bank as their source of income. A further disaggregation of the results by the location of residence of the respondents showed a statistically significant association between the sources of income and their location (Pearson's chi-square=11.623, $p=.020$).

The respondents were requested to state their mode of operation, and analysis of the responses showed that more than half of the respondents, about 54%, operated by part time whereas the remaining 46% were full timers. Again, there was a statistically significant association between the responses on respondents mode of operation and their location of residence (Pearson's chi-square=66.576, $p=.001$).

Research question 2

How does social capital help the rural and urban petty traders in Ghana?

Variables	Percent							Mean	S.E
	1	2	3	4	5	6	7		
1. Ownership of business	4.7	10.4	6.2	1.6	7.8	20.7	48.7	5.54	.14
2. This business was established through my own funds	10.9	14.5	9.3	2.1	14.5	22.8	25.9	4.67	.15
3. I at times sell my products on credit	5.2	10.9	13.0	1.0	26.4	30.6	13.0	4.76	.13
4. Payment of items purchased takes a long time	3.6	13.0	13.0	2.1	35.8	24.9	7.8	4.59	.12
5. Profit making is not my main aim	28.5	23.3	22.8	1.0	9.8	10.4	4.1	2.88	.13
6. At times payment is done in instalment	2.1	9.8	7.8	3.6	40.9	31.1	4.7	4.83	.10

Table 4.2 Frequencies and mean scores on respondent’s business profile

Source; field survey, October, 2013.

Scale: 1=strongly disagree, 2=disagree, 3=somehow disagree, 4=neutral, 5=somehow agree, 6=agree, 7=strongly agree

Table 4.2 shows the frequencies and mean scores on respondents business profile. From the table it could be observed that almost half of the respondents, approximately 49% of them, strongly agreed they own their respective businesses whereas about 21% also agreed. There was a mean score of 5.54 with a standard error of mean of .14 implying that the responses were in the agreement end of the scale as well as how much deviation from the mean there is.

In addition, from Table 4.2, majority of the respondents approximately 26% strongly agreed that their businesses were established through the mobilization of their own funds. Meanwhile approximately 22% of the respondents agreed to the same assertion. Again, there was a mean score of 4.67 with a standard error of mean of .15

showing the extent of deviation away from the mean score. This also indicates that majority of the scores were in the agreement end of the scale.

Another social capital tool employed by the respondents was selling of their products on credit to community members. The table evidences that approximately 31% of the respondents agreed that they sell their wares on credit. Again, it was found out that about 26% also somehow agreed to the assertion of selling their product on credit. Mean scores obtained by this variable was 4.67 with a standard error of mean score of .13 showing the extent of deviation away from the mean score.

However, about thirty-six percent of the respondents somehow agreed that payment of items purchased by community members takes a long time. Also, approximately 25% of the respondents agreed that the payment takes a long time. There was a mean score of 4.59 as well as a (0.12) standard error of mean score showing the extent of deviation from the mean score.

In addition, about 29% of the respondents strongly disagreed that profit making is not their main aim of trading, whereas about 23% for both disagreed and somehow disagreed respectively. This shows the scores for these variables were towards the disagreement end of the scale which implies that majority of the traders in the community are trading with the aim of making profit. Quite obviously, this variable obtained a mean score of 2.88 with a (0.13) standard error of mean as indicative of the extent of deviation from the mean.

Nonetheless, payments for items by community members are done in instalments with approximately 41% of the respondents somehow agreeing to this. Again, about 31%

also agreed that the payment of items purchased is done in instalments. A mean score of 4.83 and a standard error of mean score of (.10) showed the near neutrality of the responses towards the agreement end of the scale.

Table 4.3 Frequencies and mean rankings for customer/community interaction

Variables	Percent							Mean	S.E
	1	2	3	4	5	6	7		
1. I win customers through socialization	2.1	4.7	3.1	2.1	11.4	42.0	34.7	5.81	.103
2. Socialization help me to increase sales	1.6	3.1	5.2	1.6	15.5	39.4	33.7	5.79	.099
3. I like the treatment given by the community members	1.0	4.7	13.5	3.6	24.9	34.2	18.1	5.22	.107
4. I sometimes get free foodstuffs from community members	17.1	22.3	6.7	4.7	20.7	19.7	8.8	3.84	.149
5. I command respect from the community members	.5	4.7	15.0	5.2	23.8	40.4	10.1	5.10	.101
6. Retail of items to community members	20.7	20.7	9.3	3.6	13.5	25.9	6.2	3.71	.152

Source; field survey, October,2013.

Scale 1=strongly disagree, 2=disagree, 3=somehow disagree, 4=neutral, 5=somehow agree, 6=agree, 7=strongly agree

Social capital issues regarding customer/community interaction were put to respondents as the results are being shown in Table 4.3 above. Responses on variable 1 concerning the winning of customers through socialization show that more than about 42% of the respondents agreed that they win customers through the art of socializing with the community members. Meanwhile approximately 35% also do same when it comes to getting people to buy their products. With a mean score of 5.81 and a standard error of mean of (.103) gives an indication of the extent of deviation from the mean.

Again, responses in Table4.3, regarding „Socialization help me to increase sales“ suggest that about 39% of the respondents agreed while approximately 34% strongly agreed that socializing with the community members helps them increase the sales.

Responses on the variables obtained a mean score of 5.79 against a standard error of mean of (.099).

Approximately 35% of the respondents agreed to the assertion that they like the treatment given them by the community members. Also, about 25% somehow agreed with the assertion of liking the treatment offered them by the community members. This variable obtained a mean score of 5.22 which then suggest that responses were geared toward the agreement end of the scale. This was however associated with .107 standard error of mean indicating the extent of deviation from the mean score.

Analysis of the responses revealed that opinions were divided on the issue of „sometimes receiving foodstuffs from the community members“. The output in table 4.3 shows that about 22% and 17% of the respondents disagreed and strongly disagreed respectively whereas about 21% and 20% of the respondents somehow agreed and agreed respectively that they have been getting free foodstuffs from community members. There was a mean score of 3.84 and a standard error of mean of .149 implying the neutrality and or division of opinion on the subject.

„Command of respect from the community members by respondents in Table 4.3 shows that about 40% of the respondents agreed that they command respect from the community members whereas approximately 24% somehow agreed. The mean score of 5.10 is an indication of the responses being toward the agreement end of the scale with a deviation of .149 standard error of the mean score.

From Table 4.3, it was obvious that about a quarter of the respondents, 26%, declared their agreement with the retail of items to community members whereas about

21% for both strongly disagreed and disagreed respectively that they retail items to community members. A mean score of 3.71 was obtained as well as a standard error score of .152 which also confirms the neutrality and/ or division of opinions on the subject.

Table 4.4 Frequencies and mean scores for petty trading and retailer interaction

Variables	Percent							Mean	S.E
	1	2	3	4	5	6	7		
1. Petty trading is my main source of income	6.7	11.4	13.0	1.6	13.0	25.4	29.0	4.95	.145
2. Petty trading is not highly competitive	19.2	22.3	22.3	1.0	21.8	10.9	2.6	3.27	.129
3. I retail items to community members	20.7	20.7	9.3	3.6	13.5	25.9	6.2	3.71	.152
4. I practice barter trading	36.8	22.8	10.4	3.1	17.1	6.2	3.6	2.74	.135

Source: field survey, October, 2013.

Scale: 1=strongly disagree, 2=disagree, 3=somewhat disagree, 4=neutral, 5=somewhat agree, 6=agree, 7=strongly agree

From Table 4.4, it could be observed that about 29% of the respondents strongly agreed that their main source of income is petty trading whereas about 25% also agreed to that effect. There was a mean score of 4.95 with a standard error of mean of .145 implying that the responses were in the agreement end of the scale as well as how much deviation from the mean there is.

In Table 4.4, majority of the respondents about 22% disagreed that petty trading is not highly competitive whereas approximately 22% somewhat disagreed to that effect. There was a mean score of 3.27 with a standard error of .mean of 0.129 showing the extent of deviation away from the mean score. This also indicates that majority of the scores were in the disagreement end of the scale.

Table 4.4, show that majority of the respondents about 21% strongly disagreed and disagreed respectively that they retail items to the community members. There was a mean score of 3.71, and a standard error of mean of .152 shows the extent of deviation away from the mean.

From the Table, majority of the respondents approximately 37% strongly disagreed whereas about 23% also disagreed that they practice barter trading. With a mean score of 2.74 and a standard error of mean of .135 is indicative of the fact that the distribution of the responses was towards the disagreement end of the scale.

Table 4.5 Continue to do petty trading here * location $\chi^2=30.997$, p= 0.001

Response Items	Location		Total
	Rural	Urban	
Strongly disagree	2 2.1%	3 3.1%	5 2.6%
Disagree	1 1.0%	19 19.8%	20 10.4%
Somehow disagree	8 8.2%	13 13.5%	21 10.9%
Neutral	3 3.1%	7 7.3%	10 5.2%
Somehow agree	26 26.8%	28 29.2%	54 28.0%
Agree	39 40.2%	19 19.8%	58 30.1%
Strongly agree	18 18.6%	7 7.3%	25 13.0%
Total	97 50.3%	96 49.7%	193 100.0%

Source; field survey, November,2013.

From Table 4.5 respondents were requested to state their level of agreement or disagreement on the issue of continuing to do petty trading in their respective communities. The output suggest that majority of the respondents (n=58, 30%) agreed, whereas (n=54, 28%) somehow agreed that they will continue to do petty trading in the communities. The results have on further been fragmented in relation to the location of the respondents and chi-square analysis ($\chi^2=30.997$, $p= 0.001$) showed a statistically significant association between the responses given on their continuity of doing business in the communities and their location.

Table 4.6 I like the progress of work in the community * location $\chi^2=30.997$, $p= 0.001$

Response Items	Location		
	Rural	Urban	Total
Strongly disagree	1	8	9
	1.0%	8.3%	4.7%
Disagree	6	18	24
	6.2%	18.8%	12.4%
Somehow disagree	16	29	45
	16.5%	30.2%	23.3%
Neutral	2	2	4
	2.1%	2.1%	2.1%
Somehow agree	27	19	46
	27.8%	19.8%	23.8%
Agree	28	13	41
	28.9%	13.5%	21.2%
Strongly agree	17	7	24
	17.5%	7.3%	12.4%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, November,2013.

The respondents were further asked to indicate their level of agreement or otherwise whether they like the progress of work in the community. The output depicted in table 4.6 above demonstrates that about (n=46, 24%) and (n=41, 21%) of the respondents somehow agreed and agreed respectively that they like the progress of work in the community. However, 45 respondents representing approximately 23% somehow disagreed with that assertion. The results are presented in relation to the location of the respondents. Chi-square analysis of the results ($\chi^2=30.997$, $p < .05$) suggest a statistically significant association between the two variables cross-tabulated.

Research Question 3

The role played by rural and urban petty traders in Ghana

Table 4.7 Employment opportunity by location $\chi^2=15.019$, $p= 0.010$

Response Items	Location		Total
	Rural	Urban	
Strongly disagree	0	1	1
	.0%	1.0%	.5%
Disagree	0	1	1
	.0%	1.0%	.5%
Somehow disagree	0	1	1
	.0%	1.0%	.5%
Somehow agree	5	19	24
	5.2%	19.8%	12.4%
Agree	41	41	82
	42.3%	42.7%	42.5%
Strongly agree	51	33	84
	52.6%	34.4%	43.5%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, November,2013.

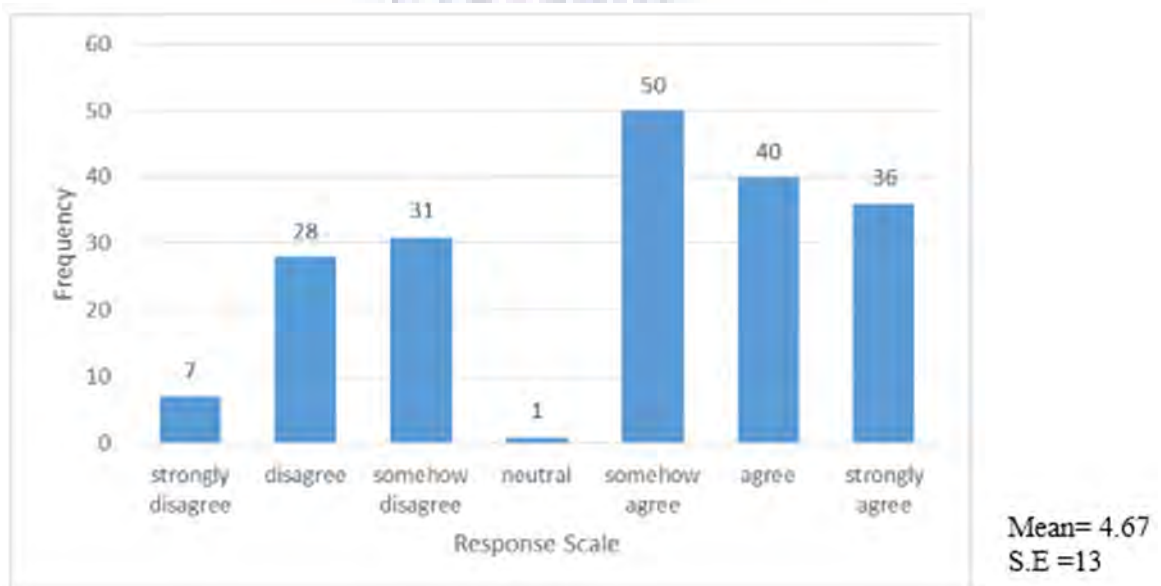
On the role of petty traders play in rural and urban Ghana, Table 4.7 presents the results of respondents responses on the subject. From the table, it could be seen that (n=84, 43.5%) strongly agreed that petty trading gives employment opportunity to people. Also, eighty-two respondents being approximately 43% of the respondents agreed to the assertion that petty trading gives employment. The results have also been presented in relation to the location of the respondents, and analysis of Pearson's chi-square analysis for the variable showed a statistically significant association for the two variables (Pearson's chi-square=15.019, $p < .010$).

Table 4.8 Easy entry * location $\chi^2=30.997$, $p= 0.791$

Response items	Location		Total
	Rural	Urban	
Strongly disagree	3	1	4
	3.1%	1.0%	2.1%
Disagree	5	5	10
	5.2%	5.2%	5.2%
Somehow disagree	10	12	22
	10.3%	12.5%	11.4%
Neutral	1	1	2
	1.0%	1.0%	1.0%
Somehow agree	29	21	50
	29.9%	21.9%	25.9%
Agree	25	26	51
	25.8%	27.1%	26.4%
Strongly agree	24	30	54
	24.7%	31.2%	28.0%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, November,2013.

From Table 4.8 above, a total of 54 respondents (28%) strongly agreed that there is the advantage of easy entry into the petty trading business whereas about 51 respondents making up 26.4% agreed that it is easy to enter into the business. The distribution of the results suggests that the responses were geared towards the agreement end of the scale. A further breakdown of the responses according to the location of the respondents failed to provide any statistically significant association between the two variables (Pearson's chi-square=30.997, p= 0.791).



Source; field survey, November,2013.

Figure 4.1 low capital requirements

Figure 4.1 portrays the respondents' extent of agreement or disagreement with the statement that there is low capital required to set up a petty trading business. The responses as depicted in the chart suggest that 50 respondents somehow agreed whereas

40 respondents agreed with 36 respondents strongly agreeing with the assertion that there is low capital requirement in the industry. Mean score obtained was 4.67 with .13 as the standard error of the mean score showing the extent of deviation away from the mean score.

Table 4.9 Petty trading is effective and efficient * location $\chi^2=9.067$, p= 0.106

Response Items	Location		Total
	Rural	Urban	
Disagree	1	3	4
	1.0%	3.1%	2.1%
Somehow disagree	10	14	24
	10.3%	14.6%	12.4%
Neutral	3	8	11
	3.1%	8.3%	5.7%
Somehow agree	24	29	53
	24.7%	30.2%	27.5%
Agree	44	26	70
	45.4%	27.1%	36.3%
Strongly agree	15	16	31
	15.5%	16.7%	16.1%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, November,2013.

Table 4.9 shows that 70 respondents, approximately 36%, agreed that petty trading is effective and efficient. In addition, 53 respondents representing about 28% somehow agreed with the notion that petty trading is effective and efficient. A further disaggregation of the responses according to the location of the respondents suggested that there was no statistically significant association between the variable and the location of the respondents (Pearson's chi-square=9.067, p= 0.106).

Table 4.10 Economic agents in distribution of goods and services * location
 $\chi^2=4.248$, $p= 0.643$

Response Items	Location		Total
	Rural	Urban	
Strongly disagree	3	3	6
	3.1%	3.1%	3.1%
Disagree	9	8	17
	9.3%	8.3%	8.8%
Somehow disagree	5	9	14
	5.2%	9.4%	7.3%
Neutral	14	11	25
	14.4%	11.5%	13.0%
Somehow agree	23	15	38
	23.7%	15.6%	19.7%
Agree	29	37	66
	29.9%	38.5%	34.2%
Strongly agree	14	13	27
	14.4%	13.5%	14.0%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, January, 2014.

In Table 4.10, sixty-six respondents that is about 34% agreed whereas 38 respondents also being approximately 20% somehow agreed that petty traders served as economic agents in the distribution of goods and services. The results have further been broken down in terms of the location of the respondents which showed that there was no statistically significant association between the variables (Pearson's chi-square=4.248, $p=0.643$).

Table 4.11 Items are reached more easily and comfortable * location $\chi^2=1.578$, p=0.813

Response Items	Location		Total
	Rural	Urban	
Somehow disagree	3	4	7
	3.1%	4.2%	3.6%
Neutral	2	4	6
	2.1%	4.2%	3.1%
Somehow agree	19	18	37
	19.6%	18.8%	19.2%
Agree	42	45	87
	43.3%	46.9%	45.1%
Strongly agree	31	25	56
	32.0%	26.0%	29.0%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, January,2014.

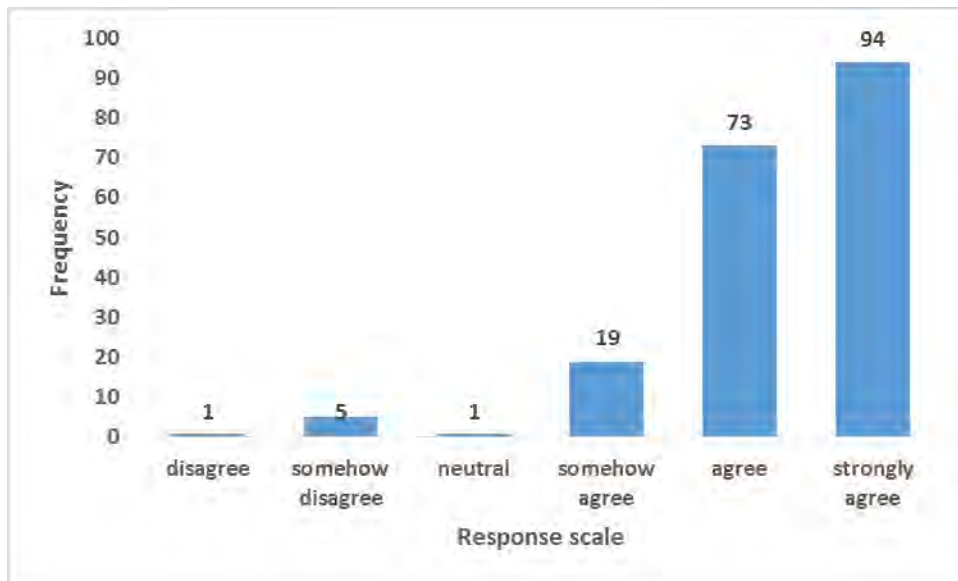
In Table 4.11, eighty-seven respondents being about 45% agreed whereas 56 respondents constituting 29% strongly agreed that items are reached more easily and comfortably. The results have further been broken down in accordance with the location of the respondents and chi-square analysis of the responses ($\chi^2=1.578$, p=0.813).

Table 4.12 Encouraging the development of hawkers and entrepreneurs * location
 $\chi^2=3.034$, $p= 0.695$

Response Items	Location		Total
	Rural	Urban	
Disagree	3	2	5
	3.1%	2.1%	2.6%
Somehow disagree	6	7	13
	6.2%	7.3%	6.7%
Neutral	1	1	2
	1.0%	1.0%	1.0%
Somehow agree	41	30	71
	42.3%	31.2%	36.8%
Agree	34	40	74
	35.1%	41.7%	38.3%
Strongly agree	12	16	28
	12.4%	16.7%	14.5%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, January,2014.

The respondents were further asked whether petty trading encourages hawking and entrepreneurship. The responses as being shown in Table 4.12 above gives evidence that 74 respondents representing approximately 38% agreed whereas 71 more consisting of about 37% somehow agreed that the petty trading business encourages the development of hawkers and entrepreneurs. Furthermore, the results has been presented in relation to the location of the respondents for which chi-square analysis conducted did not show any statistically significant association between their responses to the question and their location(Pearson's chi-square =3.034, $p= 0.695$).



Source; field survey, January,2014.

Figure 4.2 Petty trading operated individually, Mean=6.28, S.E= .066

Figure 4.2 shows that 94 respondents strongly agreed that petty trading is operated individually likewise 73 respondents who also agreed with that assertion. Again, 19 respondents also somehow agreed. The variable obtained a mean score of 6.28 coupled with a standard error of mean of .066 showing the extent of deviation away from the mean score. This indicates that the response distribution were toward the agreement side of the scale.

Table 4.13 Frequencies and mean scores for roles of petty trading

Variables	Percent							Mean	S.E
	1	2	3	4	5	6	7		
1. No skills required	4.7	17.6	15.5	1.6	32.1	15.0	13.5	4.38	.131
2. Serves as a living for some people	-	.5	1.0	.5	9.3	47.2	41.5	6.26	.058
3. Encourages participation	-	.5	3.1	2.6	24.9	43.0	25.9	5.84	.070

Source; field survey, February,2014.

Scale: 1=strongly disagree, 2=disagree, 3=somewhat disagree, 4=neutral, 5=somewhat agree, 6=agree, 7=strongly agree

Table 4.13 shows that majority of the respondents, about 32% somehow agreed that there are no skills required; however, approximately 18% of the respondents disagreed to that effect. There was a wide spread of the responses across the scale which suggests that opinions on no skills required for entry into the industry were divided. A mean score of 4.38 and a standard error of mean of .131 shows the level of deviation away from the mean score.

The statistics in Table 4.13 shows that about more of the respondents, about 47%, agreed whereas approximately 42% strongly agreed that petty trading serves as a source of living for some people. The mean score of 6.26 is an indication of the responses being toward the agreement end of the scale with a deviation of .058 standard error of the mean score.

As indicated in Table 4.13, about 43% of the respondents agreed that petty trading encourages participation whereas approximately 26% strongly agreed. The mean score of

5.84 is an indication of the responses being toward the agreement end of the scale with a deviation of .070 standard error of the mean score.

Research question 4

What are some of the challenges that are associated with urban and rural petty traders in Ghana?

Table 4.14 Frequencies and mean scores for the challenges petty traders face

Variables	Percent							Mean	S.E
	1	2	3	4	5	6	7		
1. Do not compete with other traders	21.8	30.1	22.8	1.6	8.8	8.8	6.2	2.97	.132
2. Always harassed by police and task force	33.7	31.6	6.7	7.3	13.5	3.6	3.6	2.61	.126
3. I sell my products in instalments	5.7	25.4	20.7	3.1	31.6	10.9	2.6	3.73	.117
4. Difficulties in savings	4.1	17.6	18.7	2.6	22.3	16.1	18.7	4.44	.137
5. I have a permanent site for trading	4.7	14.0	15.0	-	13.5	31.1	21.8	4.40	.119
6. Weak association of petty trading	-	5.2	7.8	4.7	16.6	29.0	36.8	5.67	.106

Scale: 1=strongly disagree, 2=disagree, 3=somehow disagree, 4=neutral, 5=somehow agree, 6=agree, 7=strongly agree

Source; field survey, February,2014.

In reviewing the challenges associated with urban and rural petty traders, table 4.14 shows that majority of the respondents, about 30%, disagreed whereas approximately 22% strongly disagreed with the assertion that the petty traders do not compete with other traders. Further, about 23% of the respondents disagreed somehow. Mean score obtained for the variable was 2.97 and a standard error of mean of .132 showing the extent of deviation from the mean score.

The respondents were requested to show the extent of their agreement or disagreement with the notion that they get harassed by the police and the task force. Analysis of the responses shows that majority of the respondents, about 34%, strongly

disagreed while approximately 32% disagreed that they are harassed by the police. A mean score of 2.61 with a standard error of mean of .126 was obtained for this variable.

Variable 3 also requested the respondents to indicate whether they sell their products in instalments, and the outcome as depicted in table 4.14 above shows that majority of the respondent's somehow agreed that they sell their products in instalments. However there was a wider spread of the scores regarding this variable in that there were a notable percentage of the respondents about 25% who disagreed as well as approximately 21% who also disagreed somehow with the assertion that they sell their products in instalments. There was a mean score of 3.73 with a standard error of mean of .117.

In addition, on the difficulties respondents face in saving. The responses suggest that a bulk number of the respondents about 22% somehow agreed that they have the difficulty of saving. However, there was a wider spread of the responses spread across the mid portion of the scale. This therefore suggests how neutrally distributed the responses were. This inadvertently produced an even mean score of 4.44 with a standard error of mean of .137.

The respondents were asked to indicate whether they have a permanent site for trading. The responses shows that about 31% of the respondents somehow agreed to have a permanent site for trading. Again, approximately 22% strongly agreed that they have permanent site for trading.

Approximately 37% of the respondents strongly agreed to the assertion that there is a weak association of petty trading. Whereas approximately 29% agreed to that effect. A mean score of 5.67 and a standard error of mean of .106 was obtained.

Table 4.15 Challenges of petty traders

Variables	Percent							Mean	S.E
	1	2	3	4	5	6	7		
1. Access to credit is a major problem	-	4.1	5.7	4.1	20.7	31.6	33.7	5.71	.097
2. Difficulties in collecting money from the debtors	-	4.7	10.4	7.8	30.1	22.3	24.9	5.30	.103
3. Poor government policies	1.0	4.1	9.3	10.9	21.2	23.8	29.5	5.37	.110
4. I Have government support	35.2	31.1	15.0	7.3	4.7	4.1	2.6	2.38	.111
5. High increase of prices affect sales	2.6	3.1	1.6	-	12.4	36.8	43.5	6.01	.098
6. Lack of transport to convey produce to market centres	-	5.2	7.8	4.7	16.6	29.0	36.8	5.67	.106

Source; field survey, February,2014.

Scale; 1=strongly disagree, 2=disagree, 3=somehow disagree, 4=neutral, 5=somehow agree, 6=agree, 7=strongly agree

Table 4.15 summarises some of the challenges petty traders face. The table concerns „access to credit is a major problem“ and the results show that majority of the respondents, that is about 34% strongly agreed whereas approximately 32% agreed that access to credit is a major problem. There was a mean score of 5.71 with a standard error of mean of .097 showing the extent of deviation from the mean.

Approximately 30% of the respondents strongly agreed while about 25% also agreed that there are difficulties in collecting money from debtors. Yet again, there was a mean score of 5.30 as well as a standard error of mean of .103.

Furthermore, approximately 30% of the respondents strongly agreed that the industry is regulated by poor government policies. Meanwhile about 24% also agreed to that effect. A mean score of 5.37 was obtained. A standard error of mean of .110 shows the extent of deviation away from the mean score obtained.

However, regarding support from the government it was found from the responses that majority of the respondents about 35% strongly disagreed whereas approximately 31% disagreed to the effect that they receive government support. The mean score obtained was 2.38 with a standard error of mean of .111 which shows the extent of deviation from the mean.

Regarding high increases in prices affecting sales, majority of the respondents about 44% strongly agreed whereas approximately 37% agreed to that effect that high increases in prices of goods and services affect their sales. There was a mean score of 6.01 with a standard error of mean of .098 signifying that the responses were directed towards the agreement end of the scale.

Again, about thirty-seven percent of the respondents strongly agreed whereas 29% more of the respondents also agreed that there is lack of transport to convey produce to market centres. A mean score of 5.67 and a standard error of mean of .106 were obtained from the responses. This finding suggest that majority of the responses are in the agreement side of the measurement scale.

Table 4.16 Difficulties in buying in large quantities * location $\chi^2=15.770$, $p= 0.008$

Response items	Location		Total
	Rural	Urban	
Disagree	2	11	13
	2.1%	11.5%	6.7%
Somehow disagree	2	10	12
	2.1%	10.4%	6.2%
Neutral	1	3	4
	1.0%	3.1%	2.1%
Somehow agree	24	23	47
	24.7%	24.0%	24.4%
Agree	34	26	60
	35.1%	27.1%	31.1%
Strongly agree	34	23	57
	35.1%	24.0%	29.5%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, February, 2014.

The respondents were asked to indicate whether they face the difficulty of buying in large quantities. The responses as being shown in Table 4.16 above evidences that 60 respondents constituting about 31% of the total respondents population agreed whereas 57 respondents also approximating 30% strongly agreed with the claim that they face the difficulty of buying in large quantities. Again a further disaggregation of the responses by the location of the respondents showed a statistically significant association between the responses given on the variables and their location of trade (Pearson's chi-square=15.770, $p < .05$).

Table 4.17 low capital for starting business * location $\chi^2=10.952$, p= 0.090

Response items	Location		Total
	Rural	Urban	
Strongly disagree	0 .0%	1 1.0%	1 .5%
Disagree	10 10.3%	6 6.2%	16 8.3%
Somehow disagree	19 19.6%	11 11.5%	30 15.5%
Neutral	2 2.1%	5 5.2%	7 3.6%
Somehow agree	22 22.7%	26 27.1%	48 24.9%
Agree	35 36.1%	27 28.1%	62 32.1%
Strongly agree	9 9.3%	20 20.8%	29 15.0%
Total	97 50.3%	96 49.7%	193 100.0%

Source; field survey, February,2014.

In Table 4.17, it could be found that 62 respondents comprising about 32% agreed with the claim that there is low capital for starting business whereas 48 respondents being approximately 25% somehow agreed. Chi-square analysis of the responses showed a statistically significant association between the responses on the subject of low capital requirement for starting business and their location of trade (Pearson's chi-square=10.952, p<.05).

Table 4.18 high interest rate on loan * location $\chi^2=7.934$, $p= 0.243$

Response items	Location		Total
	Rural	Urban	
Strongly disagree	0	1	1
	.0%	1.0%	.5%
Disagree	1	0	1
	1.0%	.0%	.5%
Somehow disagree	1	0	1
	1.0%	.0%	.5%
Neutral	17	22	39
	17.5%	22.9%	20.2%
Somehow agree	6	7	13
	6.2%	7.3%	6.7%
Agree	25	34	59
	25.8%	35.4%	30.6%
Strongly agree	47	32	79
	48.5%	33.3%	40.9%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, February,2014.

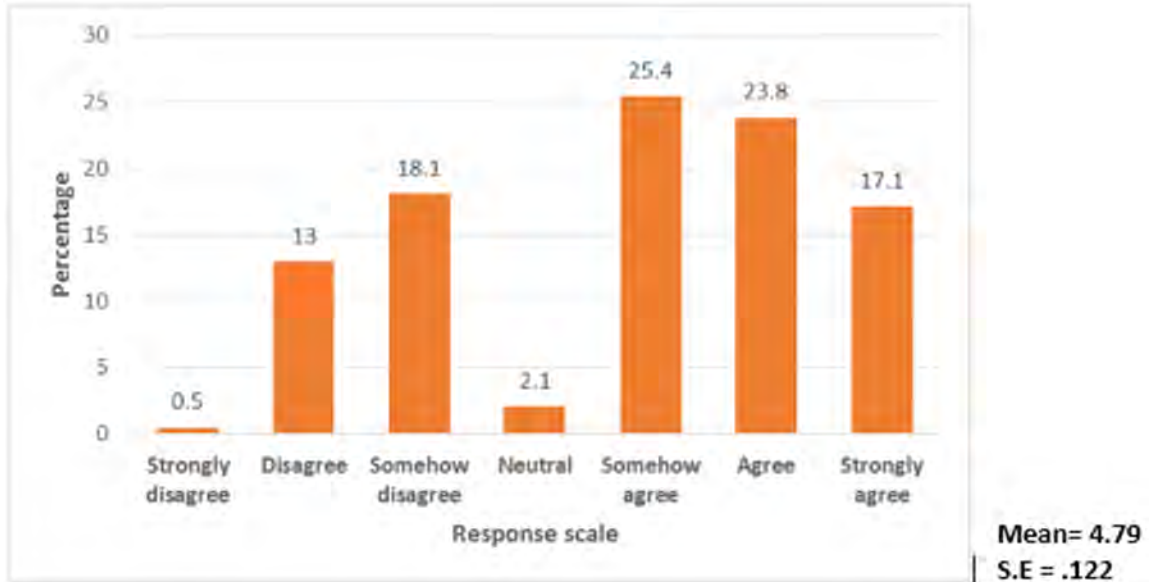
In Table 4.18, the respondents were again asked to declare the extent of their agreement or disagreement with the assertion that there high interest rates on loans. The responses show that majority of the respondents (n=79, 40.9%) strongly agreed whereas 59 respondents being about 31% agreed that there is high interest rates. This implies that the responses were in the agreement region of the scale. Further, the responses have been classified in terms of the location of the respondents, and chi-square analysis of the responses ($\chi^2=7.934$, $p= 0.243$) showed no statistically significant association between the responses given by the respondents based on their location.

Table 4.19 challenges for storage * location $\chi^2=16.032$, $p= 0.007$

Response items	Location		Total
	Rural	Urban	
Disagree	4	10	14
	4.1%	10.4%	7.3%
Somehow disagree	9	18	27
	9.3%	18.8%	14.0%
Neutral	0	3	3
	.0%	3.1%	1.6%
Somehow agree	29	33	62
	29.9%	34.4%	32.1%
Agree	39	19	58
	40.2%	19.8%	30.1%
Strongly agree	16	13	29
	16.5%	13.5%	15.0%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, February,2014.

From Table 4.19 above it could be observed that 62 respondents being about 32% somehow agreed whereas 58 more also consisting about 30% agreed that they are facing the challenge of adequate storage for their products. It is worthy of note that there was a significant number of respondents (n=27, 14%) who disagreed somehow with the fact that they have inadequate storage for their products. Again, chi-square analysis of the responses revealed that there was a statistically significant association between the responses on the challenges of storage and the location of the respondents (Pearson's chi-square=16.032, $p < 0.05$).



Source; field survey, February,2014.

Figure 4.3 poor road network for goods and services

From Figure 4.3 the diagram shows that majority of the respondents 25% somehow agreed whereas approximately 24% agreed that there exist poor road network for goods and services. There was a mean score of 4.79 with a standard error of mean of .122 showing the extent of deviation from the mean score. From the figure, it could be observed that the responses were towards the agreement end of the scale implying majority being in support that the road network in the area is poor and as such not conducive for the transportation of goods and services.

Table 4.20 lack of partnership * location $\chi^2=1.168$, $p= 0.978$

Response items	Location		Total
	Rural	Urban	
Strongly disagree	5	5	10
	5.2%	5.2%	5.2%
Disagree	5	6	11
	5.2%	6.2%	5.7%
Somehow disagree	19	16	35
	19.6%	16.7%	18.1%
Neutral	4	4	8
	4.1%	4.2%	4.1%
Somehow agree	26	22	48
	26.8%	22.9%	24.9%
Agree	23	24	47
	23.7%	25.0%	24.4%
Strongly agree	15	19	34
	15.5%	19.8%	17.6%
Total	97	96	193
	50.3%	49.7%	100.0%

Source; field survey, February,2014.

From Table 4.20 above, majority of the respondents (n=48, 24.9%) somehow agreed while 47 respondents making up about 24% agreed that there is a lack of partnership. Again, the responses were broken down according to the location of the respondents and chi-square analysis showed that there was no statistically significant association between the responses given by the respondents and their location (Pearson's chi-square=1.168, $p= 0.978$).

CHAPTER FIVE

DISCUSSION OF RESULTS

This chapter presents the discussion of the findings of the study in relation to the themes outlined in the literature review of this study.

5.1 Demographic Profile of the respondents

From the findings it is quite clear that the majority of the petty traders used for the study were aged from 41 – 50 years, Meanwhile, most of the petty traders were only primary school leavers. The majority have 2 – 5 years of working experience in the industry with a monthly income of more than GH¢ 300. The sources of income of most of the petty traders were mainly from their own personal savings and were operating their businesses on part time basis (Table 4.1). This is in agreement with the findings of Osei *et al* (1993) who maintained that the SME industry in Ghana is characterised by low levels of education and training of the self-employed.

5.2 How does social capital help the rural and urban petty traders in Ghana?

It is widely believed that societies with a strong social capital have a high tendency of residents relating and interacting with each other to solve problems for the common good of everybody. The study found that most of the petty traders surveyed owned their businesses with approximately 49% of the traders strongly agreeing to owning their businesses. The setting up of the businesses were through their own efforts by personally raising the start-up capital for business operations as about 26% of the

traders indicated in table 4.2. This finding is an indicator of the strength of social capital existent in the communities. The petty traders through their own efforts create a system of survival for themselves while at the same time solve problems of the community at large. Personally raising funds to start their own businesses to serve the populace is an indication of the economic strength and growth potential in the communities. This will ensure that the social capital eminent in the community is sustained or improved upon.

Again, the study showed that petty traders in the Afigya-Kwabre District are engaged in selling their products on credit to their customers with more than 30% of the traders somehow agreeing to this effect (Table 4.2, v3). Further findings suggest the traders somehow agreed to the claim that payment for items sold on credit takes a long time and also in instalments (see table 4.2, v4 & v6). This outcome can be viewed in relation to Robert Putnam's (2000) belief that social capital can be measured by the amount of trust and reciprocity between individuals or communities. This gesture of petty traders in the Afigya-Kwabre District selling to individuals on credit suggest this level of trust that exist between the social fibre of the members of the community. To some extent, this confirms Putnam's definition of social capital i.e. seeing the concept as the inclination that arises from the network of individuals wanting to do things for each other. The study again, recognizes the fact that most of the traders strongly disagreed to accepting the notion that profit making is not their main aim of operating their businesses.

The petty traders in the Afigya-Kwabre District agreed that they win their customers through socialization as 42% agreed. Undoubtedly, the majority of the traders

agreed again to the claim that socialisation help to increase their sales. In addition, the traders like the treatment meted out to them by the community members as expressed in table 4.3, v3. From table 4.3, v4 the views of the petty traders was divided regarding sometimes getting free foodstuffs from community members". Furthermore, it must be noted that the petty traders in the Afigya-Kwabre District command respect from the community members (table 4.3, v5). The traders retail items to community members as a quarter of the surveyed traders agreed (Table 4.3, v6). This findings shows an expression of a shared sense of identity between the petty traders and community members. They hold similar values, trust each other and do things for each other. This creates a congenial social environment necessary for economic, social and political growth as suggested by Edwards (2005). One can resolve that through the social network of community members, the traders are able to create a solid customer base which manifests in economic gains thereby strengthening the already existent social capital of the community. The efforts of the petty traders in the Afigya-Kwabre District do not only help in binding the community but also serve as a social hub that bridges diverse people with a value of reciprocity. This is evidenced by the fact that the traders are able to win customers through socializing, retailing products to the community members and in return sometimes getting free foodstuffs from the community members. The efforts of the community members in reciprocating the gesture of the traders cannot be overemphasized. This result confirms the works of Dekker & Uslander (2001), Penner, (1997) and Fukuyama (1999).

Again, the study found that the petty trading business remains the main sources of income for the traders in the Afigya-Kwabre District as almost 30% of the traders

strongly agreed (Table 4.4, v1). However, the traders disagreed with the claim that petty trading in the Afigya-Kwabre District is not highly competitive. This suggest that if trading in the study area is competitive, then the petty traders are forced to employ marketing strategies aimed at winning and retaining customers. By so doing they are forced to give out products on credit. This afford customers enough time to pay and at the same time in instalments. Though these efforts adopted by the petty traders are geared towards satisfying their own social needs, it must be realised that this process has the great potential of improving the living conditions of the whole community, as there is mutual benefit between the individuals involved and the community at large. This further creates a powerful social capital which is critical for societal, economic and infrastructural development. Due to the insurmountable benefits, the petty traders were not ready to leave the various communities in which they were petty trading (Table 4.5). In addition, the petty traders declared that they like the progress of work they were doing in the communities as approximately 24% being the majority of the petty traders suggested (see table 4.6). As indicated earlier, the driving force of social capital is economic sustainability. The unwillingness of the traders to leave the communities is an indication of the strength of the social capital in the communities. Leaving their trading communities will mean a breakdown of the social capital in those communities.

5.3 The role played by rural and urban petty traders in Ghana

One majorrole played by petty trading that contributes effectively to building a deep social capital among community members is employment. Table 4.7 suggests that about 44% of the petty traders strongly agreed that petty trading offers employment opportunities to community members. This shows that the petty trading business helps to

widen the network of relationships among the community members as they employ members which enhances the dimension of cultural and community diversity among members.

The petty traders in the Afigya-Kwabre District have found petty trading easy to enter as well as requiring low capital for business start-up and operations (see table 4.8 and fig 4.1). This finding is in sync with the works of Osei *et al.* (1993) who maintained that small firms are characterised by low level of capital requirement, and easy entry. Again, 36% of the petty traders still have the belief that petty trading in the Afigya-Kwabre District is effective and efficient in their operations (Table 4.9). This implies that the effectiveness and the efficiency of the operations of the petty trading business go a long way to deepen the social ties that exist among community members and the traders. In addition, the traders serve as economic agents in the distribution of goods and services as more than 30% of the traders agreed to that effect. This implies the petty traders act as intermediaries between the communities and the producing firms/companies. By so doing, the petty traders completes the supply chain of most products as they take the products to the door step of the final consumer making the items easily and comfortably reachable as about 45% of the traders agreed (Table 4.11 and 4.12).

5.4 Challenges associated with petty trading in Ghana

The sustainability of petty trading as a tool for social capital development is threatened by challenges. Petty traders are faced with the difficulty of accessing credit facilities from financial institutions as about 34% agreed strongly that access to credit is a major problem they face (Table 4.15, v1). This connotes that the operations of the traders

are hampered, as they cannot always rely on their personal savings, gifts from friends and family members to sustain the business over a long period of time. Resorting to financial institutions has, on the other hand, become a challenge as the financial institutions do not consider the traders creditworthy. This challenge is further compounded by the issue of high interest rates as it is known from table 4.18 that there are high interest rates on loans granted to the few SMES which the banks consider creditworthy. This also affects the operations of the businesses as much is spent on servicing the interest rather than the principal of the loan itself. Another roadblock stems from the fact that given the level of education of the traders as corroborated by the works of Blasbeinget *al* (1991) who asserted that it is very often difficult for entrepreneurs who have limited access to education to get access to formal financial schemes since they find it very difficult to fill in the complex forms for applying for them without business records, a minimum prerequisite before granting credit.

Furthermore, the gesture of giving items to community members on credit has gone without a challenge. The traders pointed out that they find it difficult collecting their money from their debtors. This is the scenario in the Afigya-Kwabre District where 30% of the traders somehow agreed that they face difficulties in taking back their money for goods sold out on credit. This by experience has the tendency of marring the social relationship that exist between the traders and the community members as this often resulted in conflict.

Again, the petty traders are of the strong belief that their operations are hampered by poor government policies (see table 4.15, v3). Furthermore, they strongly disagreed to the claim that petty traders operating in the Afigya-Kwabre District have the support of

the government (Table 4.15, v4). Moreover, petty traders are challenged by the high increase in the prices of goods as this generally affect their sales as can be found in table 4.15, v5. There is also lack a of transport to convey produce to market centres as about 37% of the traders strongly agreed that they do not have good access roads to convey produce to the markets. Perishable produce are left to rot away in the hinterlands (Table 4.15, v6& fig 4.3). This confirms the works of Bekea, Dondo and Mutiso, (1999) who asserted that SMES are constrained by lack of infrastructural facilities in terms of access roads, adequate power, water, sewage and telecommunication. As these challenges hinder the operations of SMES (petty traders) one can resolve that social capital in communities stands to be affected. Again, petty traders in the Afigya-Kwabre District find it a challenge to buy in large quantities as pointed out by the traders in table 4.16. The inability of the petty traders to buy products in large quantities implies that the traders do not get to enjoy the benefits of „economies of scale. The effect of this challenge was put out by Boon (1989) who stated that economies of scale can make it difficult for small enterprises to offer prices that are as low as large enterprises.

Since the source of income for the traders is basically from their personal savings and gifts from families and friends, they are still unable to raise large sums of capital to start their businesses as reiterated by 32% of the traders who agreed that there is low capital for starting their businesses (Table 4.17). Kayanula & Quartey (2000) once pointed out that SMES often resort to personal savings, gifts from friends and families to start their businesses. This, in effect, affects the operations of the enterprises particularly during the starting years. Another challenge for petty traders has been storage facilities. Since they mainly operate from their homes storage for goods has to compete for space

with personal belongings. This was shown in table 4.19 where more than 32% of the traders „somehow agreed“ to facing the challenge of storage.

Formation of partnership was thought to be a way out for the petty traders in sustaining their businesses. However, it was rather the opposite when it emerged that the petty traders find it a challenge to find partners for their businesses (table 4.20). Partnerships have the advantage of a greater pool of resources to tap from to sustain the businesses.



CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter provides a general summary and conclusion for the study, as well as recommendation for policy analysis and further studies.

6.1 Summary of Findings.

The summary of findings is presented based on the specific objectives of the study because the research questions were formulated from the specific objectives. The major findings of study are as follows;

1. Demographic characteristics of petty traders
2. Social capital of petty traders and customers
3. Roles of petty traders
4. Challenges associated with petty traders

6.1.1 Demographic Characteristics of Petty Traders

The study showed that the majority of the petty traders between 41-50 years of age and were primary school holders. It was also revealed in the study that the most traders have 2-5 years of working experience with a monthly income of more than GH300. The sources of income of most of the petty traders were mainly from their own personal savings and were operating their businesses on part time basis.

6.1.2 Social Capital of petty traders and customers

The result from the data collected showed that, majority of the petty traders owned their businesses. The setting up of the businesses was through their own funds. It was found that petty traders sell their product on credit; payment for items purchased takes a long time. It was also revealed in the study the majority of the petty traders disagree that profit making was not their main aim.

From the data gathered in the study, it becomes evidently clear that socialization helped traders to own customers thus increased their sales. Through socialization, traders got free foodstuffs. On the contrary, petty trading was not competitive enough and barter trading was not practiced. Majority of petty traders would continue their trade and they liked the progress of work in their community.

6.1.3 Roles of petty traders

The study showed that, petty trading gives employment to people, has easy entry encourages participation and hawking. Entrepreneurship served as a source of living for some people, required no skills and low capital for start-up business and operated individually and served as an economic agent in the distribution of goods and services to the community. The majority of the petty traders reached items more easily and comfortably.

6.1.4 Challenges associated with petty traders

The findings from the study showed that problems of accessing credit to start and maintain business were major challenges to the petty traders. From the data gathered in the study, it became evidently clear petty traders find it difficult to collect their money from debtors. This challenge is further compounded by high interest rate on loans from the banks. The lack of government support and poor implementation of government policies hampered their operations. The majority of the petty traders are challenged by the high increase in the prices of goods which affect sales.

From the study, perishable produce are left to rot away in the hinterlands due to the bad nature of roads. It was found that petty traders are unable to raise large sums of capital to start business and buy products in large quantities. Besides, lack of storage facilities and partners is related challenge found.

6.2 Conclusion

The main findings in this study showed that, demographic characteristics such as age, educational level, time practised by petty traders, monthly income, source of income and mode of operations play a major role in investigating the performance of rural and urban petty traders. The study lends credence to the fact that most petty traders owned their business set up and start-up capital. This was expected, since it required lesser amount of capital and it very easy to enter. The majority of the petty traders won customers through socialization, retailed their products and in return got free foodstuffs at time. This in turn helped increase sales. The majority of petty traders believed that petty trading offers employment opportunities for people to earn money to

cater for themselves and their families. This implies the business served as source of livelihood for traders in Afigya-Kwabre District. Access to credit and financing of business were major challenges to all small-scale firms. Lack of good roads to transport produce, difficulties in collecting money from debtors and buying produce in large quantities, high inflation, high interest rate affect operations of businesses.

Petty traders complains are not heard by the government and other stakeholders due to bad association of traders and a lack of business partners.

It was also revealed from the study that, majority of petty traders lacked support from government and other stakeholders and operations of businesses are hampered by poor implementation of government policies concerning small-scale firms.

6.3 Recommendations

Based on the conclusions from the study, the following policy recommendations are provided:

1. Establishment of SSES Bank
2. Reduction of interest rates
3. Provision of infrastructural facilities
4. Ban on the importation of foreign goods
5. Implementation of SSES policies
6. Formation of partnerships

6.3.1 Establishment of SSES Bank

There is the need for government to set up more SSES banks which will deal with only issues concerning SSES access to credit. This will improve SSES to support economic growth.

6.3.2 Reduction of Interest Rates

The reduction of interest rates should be a short term issue. If the interest rate is reduced, it will encourage more petty traders to access loans from the bank. They will invest the capital into their businesses for expansion and this will reduce the unemployment problem in the country.

6.3.3 Provision of Infrastructural facilities

Government should provide infrastructural facilities such as good tarred roads to enable petty traders to convey their produce from the hinterlands to the market centres.

6.3.4 Ban on Importation of Foreign Goods

Government should establish policies which will ban the importation of foreign goods which can be produced locally by SSES. Government should put high tariff of import duties on imported commodities in order to raise its price so that people will patronise made in Ghana goods.

6.3.5 Good Implementation of SSES Policies

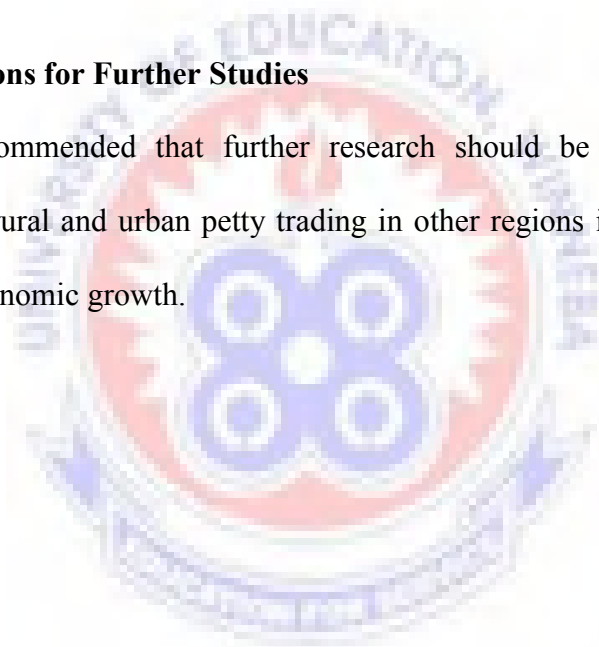
The implementation of SSES policies should be strictly adhered to since they contribute to the economy of the country.

6.3.6 Formation of Partnership

Formation of partnerships among petty traders in the communities and districts has the advantage of a greater pool of resources to tap from to sustain the businesses.

6.4 Suggestions for Further Studies

It is recommended that further research should be done to investigate the performance of rural and urban petty trading in other regions in Ghana which serves as the engine of economic growth.



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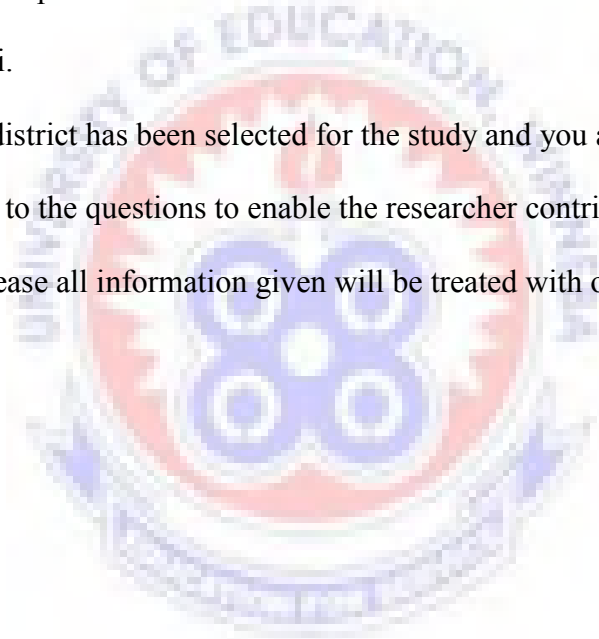
APPENDIX

QUESTIONNAIRE

UNIVERSITY OF EDUCATION, WINNEBA-KUMASI CAMPUS
(DEPARTMENT OF DESIGN AND TECHNOLOGY EDUCATION)

The questionnaire is designed to solicit information on investigating the performance of rural and urban petty traders in Afigya-Kwabre District. The research work is being carried out by Miss. Agoe Sylvia, an M-Tech Ed (Mechanical) student at level 700 of the above mentioned department of the Graduate Studies of the University of Education, Winneba-Kumasi.

Afigya-Kwabre district has been selected for the study and you are kindly requested to provide response to the questions to enable the researcher contribute knowledge in the field of study. Please all information given will be treated with outmost confidentiality.



RESEARCH QUESTION 1: DEMOGRAPHIC DATA

Please tick in the appropriate box below

1. Please, indicate your age?

- (a). below 20 years []
- (b). 21-30 years []
- (c). 31-40 years []
- (d). 41-50 years []
- (e). 50 and above []

2. Level of Education

- (a). non-formal education []
- (b). Primary education []
- (c). Secondary education []
- (d). Tertiary education []

3. How long have you practised the petty trading?

- (a). below 2 years []
- (b). 2-5 years []
- (c). 6-9 years []
- (d). above 10 []

4. Please indicate the number of children

- (a). 1-2 []
- (b). 3-5 []
- (c). 6-8 []
- (d). above 8 []

5. What would be your monthly income?

- (a). below 100 GH¢ []
- (b). 110-150 GH¢ []

- (c). 150-200 GH¢ []
- (d). 201-300 GH¢ []
- (e). above 300 GH¢ []

6. What is your main source of income?

- (a). Bank []
- (b). Personal Savings []
- (c). Friends []
- (d). Churches []
- (e) family []

7. Mode of operation

- (a) Part time []
- (b) full time []



RESEARCH QUESTION 2

How does social capital help the rural and urban petty traders?

SOCIAL CAPITAL	Strongly Agree	Agree	Somehow Agree	Neutral	Somehow disagree	Disagree	Strongly disagree
8. This is my own business.							
9. This business was established through my own funds.							
10. I sell my products on credit							
11. Profit making is not my main aim.							
12. Petty trading in this community is on part-time basis							
13. Payment of items purchased takes a long time.							
14. At times payment is done in installment.							
15. I win customers through socialization.							
16. Socialization has helped me to increase my sales.							
17. I like the (good) treatment given by these community members.							
18. Petty trading in this community is my main source of income.							
19. Petty trading is not highly competitive in this community.							

20. I sometimes retail some of my items the community members for selling.							
21. I don't request for profit on items given to the retailers.							
22. The retailers render proper accounts based on items collected.							
23. At times I get some food stuff free of charge from some community members.							
24. Barter trading at times is also practised in this community.							
25. I feel happy to render some services to my community free of charge.							
26. Due to my services to the community free of charge, I command respect from them.							
27. They are proud of me.							
28. I will continue to offer my needed services to them when the need arises.							
29. I like the progress of work in this community.							
30. I will continue to do petty trading here for some time to come.							

RESEARCH QUESTION 3

What Roles Does Petty Trading Play In Afigya-Kwabre District

ROLES	Strongly Agree	Agree	Somehow Agree	Neutral	Somehow disagree	Disagree	Strongly disagree
31. Serve as employment opportunity.							
32. Easier in entry.							
33. Low capital is required.							
34. Petty trading is effective and efficient economic agent in the distribution of goods and service.							
35. Petty trading helps in reaching items more easily and comfortable							
36. It encourage development of hawkers, small entrepreneurs etc.							
37. Petty trading can be operated individually.							
38. Can be operated in any place.							
39. No skills of selling are involved/needed.							
40. It serves as a source of living for some people.							
41. It encourages participation.							
42. It can take place at anywhere.							

RESEARCH QUESTION 3

What Challenges Are U Confronting In Your Petty Trading

CHALLENGES	Strongly Agree	Agree	Somehow Agree	Neutral	Somehow disagree	Disagree	Strongly disagree
43.I compete with other traders.							
44. I am always harassed by police and other tax force.							
45. I sell my products/goods in installment.							
46. I have difficulties in savings.							
47. I have a permanent site to carry out trading.							
48. Weak association of petty traders.							
49. Access to credit is a major trading problem.							
50. Difficulties in collecting money from debtors.							
51. Poor government policies in petty trading.							
52. I have governmental support.							
53.High increases of price at times of products.							
54 Lack of transport.							
55. Difficulties in buying products in large quantity.							

56. Capital requirements in starting the business are low.							
47. High interest rate of low loans.							
58. Challenges in storing goods.							
59. Poor road network for goods and services.							
60. Inadequate skills and professionalism.							
61. Lack of partnership							

