

RESEARCH REPORT

Identification Of Obstacles And Recommendation For Effective Participatory Fee Fixing Mechanism In Sekondi-Takoradi Metropolis



SUMMARY OF CONTENTS

General

ing Resolution, 2011—Sekondi-Takoradi Metro

GENERAL

IMPOSITION OF RATES

Sekondi-Takoradi Metropolitan Assembly

vernment Act, 1993 (Act 462) (Part VII Sec. 9



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Association of Small-Scale Industries (ASSI) – Takoradi For The Busac Project

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List of Abbreviation/Acronyms

ASSI	Association of Small-Scale Industries - Takoradi
BUSAC	Business Sector Advocacy Challenge Fund
BACs	Business Advisory Centres
GNA	Ghana News Agency
MOU	Memorandum of Understanding
MTDP	Medium Term Development Plan
MSMEs	Micro, Small and Medium Scale Enterprises
NBSSI	National Board for Small Scale Industries
PRO	Public Relations Officer
SSIs	Small-Scale Industries
STMA	Sekondi-Takoradi Metropolitan Assembly
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
VAT	Value Added Tax
WR	Western Region

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Executive Summary

Association of Small-Scale Industries (ASSI) – Takoradi whose members are engaged in diverse businesses as Micro, Small and Medium Scale Enterprises (MSMEs) are not involved in the fee-fixing processes by the Sekondi-Takoradi Metropolitan Assembly (STMA) even though the later is mandated to involve the former in the process. This has resulted in declining business and less revenue to the MSMEs and STMA respectively. To contribute towards changing the present situation, ASSI - Takoradi with support from the Business Sector Advocacy Challenge Fund (BUSAC) seeks to advocate for a participatory process in the fixing of fees by STMA. A research, forming part of the advocacy procedure, was commissioned by the association to inform STMA, ASSI-Takoradi and other stakeholders of an effective strategy of participatory fee fixing. By the research carried out between April 12 to May 11, 2012, existing data on the subject was critically analyzed; visits undertaken to business locations of ASSI members and non-members and guided interviews held with various stakeholders concerned particularly the Budget, Planning and Revenue Mobilization Departments of the STMA.

The research revealed that the non-involvement of MSMEs in the fee fixing process has led to high rates, unclear categorization and poor information about the basis of increases in rates and fee whilst the STMA lacks updated data on MSMEs in the metropolis; thereby impacting negatively on its revenue generation.

However, the following are recommended: STMA should obtain updated data on all MSMEs by collaborating with ASSI and Business Advisory Council (BAC) of National Board for Small Scale Industries (NBSSI); STMA and ASSI should sign a memoranda of understanding (MoU) and clarify responsibilities and obligations of both parties; STMA should ensure periodic engagement with MSMEs to prevent conflict and mistrust; STMA should involve MSMEs in fee

fixing process; the two parties should sensitize the general business associations of the rates/fees prior to collection whilst the STMA endeavour to regularly swap positions of revenue collectors to prevent them from becoming too familiar with MSMEs operators as the situation is breeding malpractices.

CHAPTER 1

INTRODUCTION

This introductory chapter presents brief profile of Association of Small-Scale Industries (ASSI) - Takoradi, the background, objectives, scope of work, method and structure of the research report.

1.1 Brief Profile of ASSI

ASSI-Takoradi was formed in 2001 to assist and strengthen new and existing small-scale industries to achieve sustained economic growth; organize seminars, management, and technical course for the educational upliftment of tenders of the association as well as influence policy makers to implement policies and programs that will create the enabling environment for the development of micro and small-scale industries.

Membership of the association currently stands at 690 males and 1000 females. They comprise tailors, dressmakers, hairdressers, traders of agricultural products, photographers, traditional caterers, carpenters, bakers among others.

1.2 Background of the Research / Problem Statement

Although the District Assemblies in the country are mandated to involve Small and Medium Scale Enterprises (MSMEs) in the fixing of fees, this is not the case in Sekondi-Takoradi. This has led to over-taxation, confusions and disagreements between the Assembly and MSMEs over the high cost of these fees. This situation has resulted to the gradual collapse of many MSMEs in the Sekondi Takoradi Metropolis.

It is against this background that ASSI-Takoradi with support from the Business Sector Advocacy Challenge Fund (BUSAC) is implementing an advocacy action titled “Participatory fee fixing in STMA”. The objective of this action is to advocate a participatory process in the fixing of fees by STMA.

1.3 Research Objectives

The purpose of this research is to inform STMA, ASSI-Takoradi and other stakeholders of an effective strategy of participatory fee fixing.

1.4 Terms of Reference

In particular, the research sought to:

- Identify the current fee fixing procedures by STMA and analyze its effects on MSMEs
- Identify the obstacles to the involvement of MSMEs in fee fixing by STMA as mandated by law.
- Recommend measures to be adopted by the stakeholders for effective and efficient fee fixing by highlighting the benefits of participatory fee fixing.

1.5 Methodology

To achieve these objectives, the following approaches were adapted for the study:

- a. Review of secondary data from documented reports and the internet, publications, journals and articles.
- b. Visit to working location of ASSI – Takoradi members and non members
- c. In-depth guided interviews with key informants: officials of STMA-Budget and Revenue Mobilization departments and other key stakeholders
- d. Analysis of data
- e. Writing of technical report

1.6 Limitation

The perspective of some revenue collectors were not captured as they refused to be contacted. Their views were relevant as they remain the key people on the grounds for the rate/fee collection. However, this paper will contribute immensely to the continuing discussion for participatory fee-fixing mechanisms in the metropolis.

1.7 Organization / Structure of the research report

This research report has been organised into four main chapters.

Chapter One comprises introduction, background of the study, problem statement, objective of the research, terms of reference/scope of the study, research methodology and limitations.

Chapter two considers existing literature and enables some theoretical basis for the research under study to be gained by the researcher.

Chapter three identify and discusses the current fee fixing procedures by STMA and analyze its effects on MSMEs. It further identifies the obstacles to the involvement of MSMEs in fee fixing by STMA and highlights the benefits of participatory fee fixing for both STMA and MSMEs.

Chapter four recommends measures to be adopted by the stakeholders for effective and efficient fee fixing.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter reviews previous and recent studies on MSMEs at the global and local scale and fee fixing approaches by assemblies in the country with special reference to the Sekondi-Takoradi Metropolitan Assembly.

2.2 Findings from the Literature Review

Small Scale enterprises (SSIs) have been variously defined, but the most commonly used criterion is the number of employees of the enterprise. In applying this definition, confusion often arises in respect of the arbitrariness and cut off points used by the various official sources. As contained in its Industrial Statistics, the Ghana Statistical Service (GSS) considers firms with less than 10 employees as Small Scale Enterprises and their counterparts with more than 10 employees as Medium and Large-Sized Enterprises. Many respectable institutions such as the World Bank, United States Agency for International Development (USAID) and United Nations Industrial Development Organization (UNIDO) have defined MSMEs in various ways. For instance, UNIDO's definition of MSMEs for developing countries is noted below:

- Large - firms with 100+ workers
- Medium - firms with 20 - 99 workers
- Small - ““5 - 19 workers
- Micro - ““< 5 workers

An alternate criteria used in defining small and medium enterprises is the value of fixed assets in the organisation. However, the National Board of Small Scale Industries (NBSSI)¹ in Ghana applies both the 'fixed asset and number of employees' criteria. The NBSSI (1998) provided an operational definition of SME to include the following: Small business is any business that employs up to 29 people; and small business is divided into: the micro, small and medium enterprises. The micro enterprises employ up to 5 employees with fixed assets (excluding land and building) not exceeding the value of \$10,000; small enterprises are those employing between 6 and 29 employees or having fixed assets excluding land and building not exceeding \$100,000 and; a medium enterprises employ between 30 and 99 employees with fixed assets of up to \$1m.

Interestingly, most governments and development stakeholders around the globe, including that of Ghana recognize and regard Micro, Small and Medium Scale Enterprises (MSMEs) as the bone of a country's economic development. The government of Ghana in an effort to ensure the growth of these enterprises established the National Board for Small Scale Industries by Act 434 of 1981 and is mandated to promote the growth and development of MSMEs.

In Ghana, significant number of MSMEs is dominated by one person, with the owner mostly taking all major decisions. However, the small scale industries have played a very important role in the socio-economic development and growth of the country since Ghana's independence. For instance, it creates largest employment/job opportunities for the Ghanaian populace, contribute to tax revenue, facilitate the distribution of goods and services when they serve as middlemen among others.

¹ The NBSSI is a non-profit public sector organisation under the Ministry of Trade, Industry and Presidential Special Initiatives and came into being in 1985. It has secretariats in all the regional capitals and Business Advisory Centres (BACs) in one hundred and ten (110) district capitals and offers business development services for micro and small enterprises.

Again, available data from the Registrar General indicates that 90% of companies registered are micro, small and medium enterprises. This target group has been identified as the catalyst for the economic growth of the country as they are a major source of income and employment (Mensah, 2004).

It is therefore evident that the informal sector is certainly the main income provider for majority of Ghanaians as the available formal sector only employs extremely limited number of the economically active labour force. Majority of jobs are created by MSMEs. In some rural areas and regions of the country, MSMEs are the key sources of employment and hence only source of income. Thus, MSMEs in Ghana helps alleviate poverty by generating income, creating jobs, allowing children to go to school, enabling families to obtain health care, and empowering people to make the choices that best serve their needs.

Though MSMEs contribute tax revenue by paying tax to the various District Assemblies in the country, their involvement in the fee-fixing process is not encouraging. In fact, the process of fee-fixing varies from assembly to assembly. But then, what is a fee? Fees may be defined as a fixed sum charged, as by an institution or by law, for a privilege. Put differently, a fee is an amount of money paid to do something or paid for a professional person for their work (Longman Dictionary of Contemporary English).

Among the major sources of revenue by the district assemblies including STMA are fees, rates and licenses. Licenses are based on economic activities in the district. The license or tax serves as the permit for undertaking any such activity in the district. Whilst some of such licenses are paid on annual or quarterly basis, a greater number of them are paid on monthly basis, and thus increase the cost of collection. The non-taxes include market fees, other charges and rent as well as interest on investment. The fees are charges on tolls paid by users of the services provided by the Assembly. Examples are the market tolls, rent, lorry parks tolls, etc.

However, on fees, the STMA and other Assemblies under section 34 of Act 462, has the authority to levy fees on a range of items. Some of the fees are on slaughterhouses, market dues; market stalls, trading kiosks etc. Similarly on licenses, the Assembly is assigned to raise revenue from issuance of licenses from host of items and activities. They include dog licenses, extension of hours, hotels and restaurants, beer and wine sellers, petroleum installations, lorry parks overseers, self-employed artisans. It should however be mentioned that in line with the 1992 Constitution, Central Government still reserves the right to collect certain taxes in the MMDAs. Some of the important ones include; Income Tax, Value Added Tax, Import and Export Taxes and Excise Duties.

As noted early, the 1992 Constitution of the Republic of Ghana and the Local Government Act, 1993, Act 462 gives the Assemblies and for that matter the STMA, the mandate to fix and review rate/fees with the Fee-fixing resolution (FFR) given the authority to collect such rate/fees. However, most MMDAS do not involve MSMEs in the fee fixing resolutions. They continually ignore the identifiable groups in decision making and do not work hard to explain development policies and issues with them; which make implementation mostly difficult.

In STMA, the rates are fixed without the involvement of the rate payers. The rates, mostly business operating permits, are paid per annum and categorized depending on several factors including nature / type of trade. For instance, in 2011, Garages (repair /servicing) were categorized into four groups. Group 'A' involving heavy duty paid GH¢250 whilst Group 'D' comprising auto mechanic workshops paid GH¢20. Similarly, self employed persons such as auto Electricians, Welders (Auto), Painters, Plumbers, Masons, Key Cutters, Watch Repairers among other all paid GH¢10 for the year; whilst large and small workshops paid GH¢20 and GH¢10 respectively. However, the Assembly lack data on MSMEs in the metropolis and hence impact of monies collected. In the year 2010, ASSI decided to collect the business operating

fees of its members for submission to the STMA. ASSI collected a flat amount of GH¢10 from each member. Though, the first tranche of GH¢1,600 was collected by a Revenue Officer of STMA, the second tranche of GH¢ 1,100 was not accepted, because ASSI, as noted by STMA, was not authorised to collect the fees on behalf of the assembly. (GNA, July 7, 2010)

CHAPTER 3

RESEARCH FINDINGS AND DISCUSSIONS

3.1 Introduction

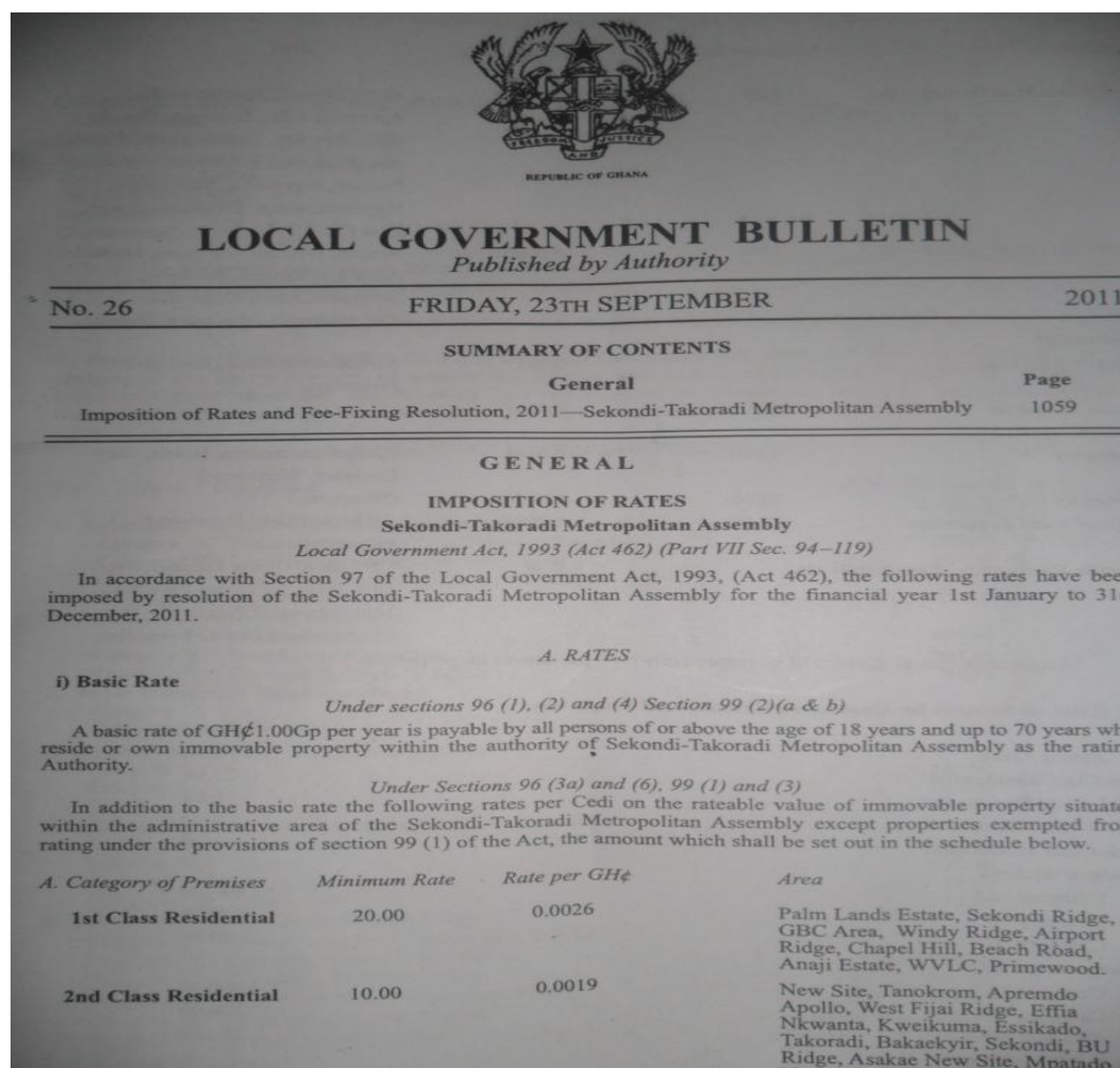
This chapter identifies and discusses the current fee fixing procedures by STMA and analyzes its effects on MSMEs. It further details the obstacles to the involvement of MSMEs in fee fixing by STMA and also highlights the benefits of participatory fee fixing.

3.2 Current fee fixing procedures by STMA

- The estimation of STMA's income for the ensuing year starts with the preparation of the "Fee Fixing Resolution (FFR)" of the year. This is the document specifying the fees/licenses and other charges for the various terms.
- The Budget Committee, comprising of the Budget and Planning Officers, the Coordinating Director and the Finance Officer, makes proposals. In general, the Budget committee comprises various Heads of Departments.
- The proposals are forwarded to the Revenue Sub- Committee for consideration.
- The draft of the FFR is sent to the Executive Committee for approval.
- The approved draft FFR by Executive Committee is sent for the General Assembly for discussion/consideration and approval.
- If there happens to be any changes, the necessary adjustments are made in the revenue projections accordingly.

It must however be noted that the STMA Budget Committee hold discussions on the approved fee-fixing resolution with the rate payers; thus; the various sector associations such as Garages, Butchers, Furniture etc. The STMA directly invites executives of the sectoral associations to inform them of the rates imposed by resolution of the STMA for the given financial year in accordance with section 97 of the Local Government Act, 1993, (Act 462).

Ideally however, STMA should invite the umbrella association, ASSI, to in turn invite the various sectors. The picture below shows the front page of the published FFR of STMA for 2011.



3.3. Obstacles to the involvement of MSMEs in fee fixing by STMA.

- a. **Unwillingness to provide data:** STMA sources indicate that ASSI and the sectoral associations are reluctant to provide detailed up-to-date data on their membership to aid revenue collection.
- b. **Lack of communication:** It is perceived by authorities that leaders of MSMEs do not communicate issues discussed with duty bearers to their members for fear of losing their positions.
- c. **Lack of location address:** Significant numbers of MSMEs in the metropolis have no contact/location address. The situation, as noted by authorities makes it difficult for the involvement of MSMEs in discussions.
- d. **Unclear and disunity among business association leaders/leadership of the MSMEs:** The assembly claims to have been accused of working with persons who did not represent the interests of MSMEs in the metropolis. STMA sources revealed the major challenge facing the assembly was the confusion within the MSMEs. (GNA, September 14, 2011)
- e. **Difficulty in implementation:** it is believed by some section of stakeholders that involving MSMEs in the fee-fixing process would make implementation difficult. This is because the MSMEs would prefer the lowest rate to be charged which would be economically ineffective. It is also seen that allowing ASSI to collect the rates on the assembly's behalf as they did in 2010 have the tendency of diverting monies collected for other uses; such as using it as membership dues.

- f. Most MSMEs interviewed were of the strongest opinion that STMA do not intend to involve them in the fee-fixing process as their involvement will reveal certain hidden issues and also tax collectors feel their job will be taken over if leaders of MSMEs and/or ASSI are permitted to collect the fee from their members on behalf of the Assembly.

- g. **Tendency to propose very low rate:** as the MSMEs operates different businesses, the rate charged are also different and dependant on trade involved. However, it is perceived that ASSI and or MSMEs prefer a flat rate for all MSMEs irrespective of trade and their ability to pay and so would forcibly propose and push for such low rate if involved in the process.

3.3 Analyzes of current fee fixing procedures by STMA and its effects on MSMEs

Indeed, the current system where MSMEs are not involved in the discussion stage till the final stage where the rate/fees for the given is made known to them by the assembly is not helpful and impacting negatively both on the operations of MSMEs and the revenue earned by the assembly. Again, the sectoral representation is not effective. STMA engagement with executives of the various sectors to disclose the rates/fees for a given year instead of the umbrella body-ASSI is not in the right direction as it is contributing to the disrespect accorded the *mother* association. Also, the desire on the part of the sectoral executive to wield power instead of allowing ASSI to exercise its mandate is a huge challenge. As noted by one SME owner, " when STMA deals with the sectoral executives, it becomes very easy for them than the mother association-ASSI; but that is not good and not the right thing; hierarchy must be respected".

Specifically, the following effects are borne by the MSMEs and the STMA.

3.3.1 Effect on MSMEs

- a. **Increased cost of business:** The lack of engagement between MSMEs and the STMA has led to high rates, unclear categorization and poor information about the basis of increase in rates and fees. This has increased the operating cost of doing business by MSMEs in the metropolis.
- b. **Closure of shops/kiosks:** STMA tax official usually lock kiosk/shops of MSMEs operators who default. Such exercise often takes place at night to the surprise of the shop owners in the morning. The effect is simple. Business cannot continue until the amount is paid. But at times, such business owners/operators may be unaware of the

fees and the duration of payment as less education/sensitization is done by the city authorities.

- c. **Harassment:** Most ASSI members and non-members in the small-scale business cycle interviewed noted that they were subjected to harassment by revenue collectors of STMA for their inability to pay the fees promptly. To ensure prompt payment, the executives of ASSI-Takoradi in 2010 decided to collect the fees in installments, got the full amount from each member and submitted to STMA but denied. The association thought the method would rather make it easier for all members to honour their obligations.

- d. **Less Time for Business:** Most business owners –ASSI members and non-members in their attempt to evade payment of the fees, close their shops and run away when they foresee the coming of the revenue collectors. This means less time is spent for business activity.

- e. **Fear to advertise:** Most MSMEs interviewed expressed their fear to advertise their goods and services on the local radio/FM stations for fear of being placed within a higher tax zone by STMA. It is perceived that the tax authorities of the assembly follow all adverts on the radio stations and use it as another mechanism to charge MSMEs. This was summed up beautifully by a seamstress located in Takoradi Market Circle, 'I tell you, if you make adverts on the FM Stations, then STMA thinks you are earning big profit and so the tax collector comes the next day and ask you to pay more whilst your friend who makes no adverts pays less'

3.3.2 Effect on STMA and the nation

a. **Loss of revenue:** the STMA has inadequate data on all economic activities in the metropolis e.g. hairdressers, tailors, traders, barbers, lotto kiosk etc. Therefore, some individuals and small-scale enterprises engaged in economic activities avoid the payment of taxes to the Assembly. This coupled with the existing number



of revenue collectors of STMA find it extremely difficult to locate all the MSMEs. The result is less revenue generated by the Assembly.

Again, as the fee-fixing process is exclusive of MSMEs in the metropolis, most MSMEs are wrongly taxed. For instance, interview with most shop owners revealed that those supposed to pay higher rates and have the financial strength to pay such amount are wrongly taxed. This makes those rated high, unable to pay. Thus, those supposed to pay less pay more and vice-versa.

b. **Loss of skilled labour/artisans:** Almost all *masters*² interviewed claimed that STMA uses the number of apprentice at a given workshop to determine the rate/fee to be paid. As such, most masters who willingly decided to train youths (*took the apprentice without charge*) in the metropolis that hitherto was on the streets, have *sacked* all such youths.

The result is simple: less skilled artisans for the nation in the next few years. Again, such

² senior members of any of the artisanal groups

youth can easily resort to various deviant behaviors which will be detrimental to the economic development of the metropolis and the nation as a whole.

- c. **Alleged malpractice by revenue collectors:** the non-involvement of MSMEs in the fee-fixing process has resulted in the unclear categorization, which the MSMEs believe has further given room for 'cheating' by revenue collectors. It is alleged by most MSMEs that revenue collectors frequently charge unapproved rates and give receipts that does not tally with the amount paid but which the MSMEs are afraid to report to the city authorities.

3.5 Benefits of participatory fee fixing.

The benefits were analyzed from two angles: benefits to STMA/Government and benefits to ASSI/MSMEs.

3.5.1 Benefits to STMA/Government

- **Increase STMA's revenue base:** through the participatory approach, members of ASSI can help the assembly to locate almost all MSMEs which will help revenue collectors in checking tax evasion and tax resistors to enable the assembly meet its revenue targets to promote greater development. The input of market women, petty traders and other business entities in the fee fixing resolution would not only create an atmosphere of peace but would also help the Assembly in their revenue mobilization drive. "If we, barbers, bakers, traders etc are engaged in dialogue for fee fixing, we will easily and readily pay the fees as it will enable the STMA to get enough revenue for development", a point by a Barber at Sekondi.
- **More skilled labour:** if participatory approach is employed, *masters* will no longer dismiss apprentice who they freely offered to train. This would ensure more people are left off the streets and increase the skilled labour base of the nation.
- Reduce the time spent by fees collectors and cost of doing business by the STMA.
- Unnecessary unrest would be avoided if traders are actively involved in the fee fixing process

3.5.2 Benefits to ASSI/MSMEs

Below are the major benefits of participatory fee-fixing to the MSMEs/ASSI

- **Sense of involvement/ownership:** By contributing their ideas to arrive at the rates/fees to be charged, the Association and its members would own the final decision as well as be more willing to pay for the agreed rates.
- **Increase in productivity:** MSMEs will pay the fees at the appropriate time which will ensure more time is used for productive ventures/activities to facilitate income generation. By paying promptly, their workshops will not be locked at night by the revenue officers; a situation which distort business activity.
- **Less harassment:** Most MSMEs will willingly pay the fees and ensure there is little/no harassment from revenue collectors.
- **Conducive environment:** MSMEs would work in a perfect environment which has the potential for business activities to triumph.

CHAPTER 4

CONCLUSION AND RECOMMENDATION

4.1 Conclusion

It is crucial for the STMA to actively involve MSMEs in their fee fixing resolution. What remains clear is that the neglect of stakeholders in fee fixing resolution normally led to agitations, which culminated into an atmosphere of gloom for businesses. Further, the STMA should find alternative ways of disseminating new rates and fees with business Associations and their respective leaders within the metropolis.

4.2 Recommendation for participatory fee fixing

The following recommendations in a chronological manner should be considered by stakeholders

- i. STMA should recognize ASSI and business Associations in general as partners in development and dialogue with them on the concerns of small businesses as well as the development intervention of the Assembly. The STMA cannot continually ignore the identifiable groups and so must work hard to explain all development policies and issues with them, for easy implementation.
- ii. STMA should collaborate with ASSI, the Business Advisory Centres (BAC) of NBSSI in compiling an updated database of MSMEs in the metropolis.
- iii. STMA should contact ASSI, the umbrella body of MSMEs in the metropolis and not directly deal with the sectoral executives. ASSI should intend contact/invite the sectoral heads to any discussion with STMA.

- iv.** A memorandum of understanding (MOU) should be signed between STMA and ASSI-Takoradi to clarify responsibilities and obligations of the two parties to facilitate collaboration.
- v.** The Budget Committee of STMA should involve the executives of ASSI in all stages of the FFR or at least in the initial drafting stages to note their inputs/comments/suggestions and not just after the approval by the General Assembly.
- vi.** STMA should ensure that fee fixing rates are gazetted. The gazetting would give them legal backing to enforce revenue collection and further help to meet revenue targets as well as generate adequate funds for development.
- vii.** The STMA and ASSI should after the approved FFR, educate/sensitize rate payers prior to rate/fee collection exercises. The two parties should organize outreach programmes on the fees.
- viii.** STMA should develop a mechanism to check activities of revenue collectors. This is because of the alleged malpractice on the part of some revenue collectors by MSMEs in the metropolis. Among the illegal acts/malpractices alleged include issuing inappropriate receipts and collecting unapproved rates from SMEs.

4.3 Other Recommendations for ASSI-Takoradi members

The researcher deems the following as urgent recommendations for ASSI-Takoradi members and MSMEs in the metropolis.

Proper book-keeping

As interviews with members disclosed poor record keeping, it is prudent for the executives of ASSI to consider training on effective book keeping for its members. An estimated 70% of the association members interviewed does not keep records of any sort about their activities. This current situation is highly unhelpful in the face of development and competition in the market.

Regular capacity building seminars

ASSI-Takoradi should collaborate with the BAC of the NBSSI in Takoradi to organize regular seminars aimed at assisting to improve members'

entrepreneurial and managerial skills to enhance the profitability of their businesses and to ensure their growth and survival.



ASSI executives engaged in a discussion at BAC office in Takoradi

Business Registration of Members

With the emerging market in the Western region due to the oil production, it is imperative for ASSI members to as a matter of urgency, register their businesses with the Registrar General to take advantage of the market and transact business with companies of various sizes.

Better savings culture

ASSI members must cultivate the habit of savings with reputable financial institutions in the region. The reputable financial institutions is emphasized by the researcher as most MSMEs in the region regularly complain bitterly of their monies been 'taken away' by non-bank financial institutions (e.g. some susu agents and microfinance institutions) some of which are usually unregistered by Bank of Ghana and other mandated agencies.

Formation of Teams (partnership)

Those engaged in the same business e.g. Barbers, Seamstresses etc should work together as teams. Such teams/partnership has the potential to secure/yield large contracts and ensure that delivery is on time. Further, such teams stand the chance of obtaining credit from well established banks through the 'group guarantee concept' in lieu of collateral concept currently been operated by most banks in the country

Aggressive membership drive

Even though ASSI currently boast of 1690 members, there still exist many MSMEs/associations

which ought to be part of ASSI but presently not members. ASSI therefore needs to embark on an aggressive membership campaign since it represents the interest of such MSMEs in the metropolis.



A small-scale enterprise located in Takoradi

Other Recommendation

BAC/NBSSI ought to ensure that ASSI takes its rightful position within the metropolis and that each sector recognizes ASSI as such.

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