



**Exploring the dynamic relationship between Context and
(In)formal entrepreneurship: the mundane and lively
entrepreneurial activities of rural youths in Ghana**

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Abstract

Extant literature has shown that millions of Africans, as part of their everyday work and enterprise practices, participate in informality. Various arguments have been put forward by scholars to explain the persistence of this enterprise phenomenon among such a population. A consensus is that informality is heterogeneous with both static and dynamic elements. The intense focus on informality over the last seven decades in academic and policy circles has led to positive and negative characterisations of this phenomenon. However, in recent years there has been growing acknowledgement that individuals who participate in informality do so at varying degrees within a formality-informality continuum. In line with the new streams of studies which view the phenomenon as occurring within a continuum, this study explored the dynamic relationship between (in)formality as a venture practice and the multi-faceted context of which rural youth entrepreneurs (RYEs) are embedded and navigates. With the study focused on Ghana, it employs both quantitative and qualitative tools to reveal the trigger paths, process enablers and constrainers that influence the venture activities of RYEs within such a continuum.

It calls into question the implicit assumptions in capitalist and non-capitalist centric perspectives (e.g., dualism, structuralism, neo-liberalism and post-structuralism) that explores the diversity of this phenomenon only at the base of the continuum, by unpacking how structures, conditions and actors situated in the domains of context affect such a venture practice. It reveals the strategic and tactical actions carried out by the RYEs studied to exploit economic and non-economic opportunities and resources associated with both formality and informality, and highlight the dynamic ways they employ mix of formality and informality to deal with complex constraints, situations and risks embedded within and across the domains, to emancipate themselves and their businesses. It provides various conceptual and methodological contributions as well as set practical implications for stakeholders affected by the phenomenon.

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Abbreviations

AfDB	African Development Bank
BoP	Base of the Pyramid
CPP	Convention People' Party
CR	Critical Realism
DA	District Assembly
DFID	Department for International Development
DIP	District Industrialisation Programme
ECA	Economic Commission for Africa
FDB	Food and Drugs Board
GLSS	Ghana Living Standard Surveys
GRA	Ghana Revenue Authority
GSS	Ghana Statistical Service
IBRD	International Bank for Reconstruction and Development
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMF	International Monetary Fund
ISSER	Institute of Statistical, Social and Economic Research
MoP	Mid of the Pyramid
NBSSI	National Board for Small Scale Industries
NDC	National Democratic Congress
NPP	New Patriotic Party
NGOs	Non-governmental Organisations

OAU	Organisation of African Unity
RYEs	Rural Youth Entrepreneurs
ROSCAs	Rotational savings and loans associations
SSA	Sub-Saharan Africa
SSNIT	Social Security and National Insurance Trust
ToP	Top of the Pyramid
USAID	United States Agency for International Development
VSLAs	Village and savings and loans associations

Chapter 1: Introduction

1.1 Research Overview

It has long been established that entrepreneurship is an embedded phenomenon, which means that venture activities are situated in context, that enables and constrain processes and outcomes of enterprise emergence (Boettke and Coyne, 2009; Hjorth *et al.*, 2008; Ucbasaran *et al.*, 2001; Welter, 2011; Welter and Gartner, 2016; Zahra *et al.*, 2014). While the important concept of ‘embeddedness’ has been widely explored in literature, earlier conceptions examined the phenomenon within the economic and social domains of context (Granovetter, 1985; Polanyi, 1944; Uzzi, 1996). Over the last decade, the notion of ‘embeddedness’ has been broadened to the other constituencies, such as the institutional, spatial and temporal-historical domains of context (Baker and Welter, 2018; Welter, 2011; Welter and Gartner, 2016; Welter *et al.*, 2019), with limited but growing body of empirical studies recorded in emerging economies.

In line with the more recent studies that have examined how the constituents of context influence entrepreneurs to participate in formality and/or informality (e.g., Berrou and Combarrous, 2012; De Castro *et al.*, 2014; Eijdenberg and Essers, 2017; Langevang *et al.*, 2015; Mbaye, and Gueye, 2018; Uzo and Mair, 2014; Villanueva *et al.*, 2018; Webb *et al.*, 2009, 2014; Welter and Xheneti, 2015; Williams, 2011, 2017; Williams and Vorley, 2015; Williams and Williams, 2012; Xheneti and Thapa Karki, 2018a, b; Xheneti *et al.*, 2019a), this thesis produced two empirical chapters (see: Chapter 4 and 5). The aims of these chapters were to identify and understand how the structures, conditions, actors and processes situated in the multi-faceted context and individual agency shape the emergence processes of (in)formal entrepreneurship among rural youths in Ghana. Here, the concept of ‘agency’ takes a broader sociological view as “a self with the capacity to effectively act upon the world” (Gubrium and Holstein, 1995, p.555). This definition considers the entrepreneur as someone who extracts economic rents from the market by being alert to venture opportunities (Carsrud and Brännback, 2007; Kirzner, 1979) as well as take advantage of shifts in economic and non-economic benefits and costs associated with the market. Also, the study follows studies which conceptualise beyond the formal/informal enterprise dualism (e.g., Benjamin, Mbaye *et al.*, 2012; Kiggundu and Pal, 2018; Shahid *et al.*, 2020; Williams and Shahid, 2016), with the use of the term ‘(in)formality’ referred

to the dynamic decisions and actions entrepreneurs take at a varying degree within the formality-informality continuum. Hence, I identify the actions entrepreneurs take towards the informal segment of the continuum as ‘informality’ and those they take towards the formal segment as ‘formality’.

With (in)formal entrepreneurship in Africa characterised as “complex and requires deeper and multidimensional approaches to research” (Kiggundu and Pal, 2018, p.350), this thesis was examined through the lens of the ‘embeddedness in context’ perspective (Basco, 2017; Welter, 2011; Welter and Gartner, 2016). Such a perspective offered space for investigation of the complex incentives, opportunities, constraints, resources and abilities of Rural Youth Entrepreneurs (RYEs). Hence, the study among the RYEs who operate their businesses in Base of the Pyramid (BoP) settings led to improved understanding of:

“the external factors that determine the nature, size, drivers and consequences of ...(in)formal [-...] (entrepreneurship) as well as the internal (enterprise) dynamics, structure¹ and management practices that drive (in)formal business activities” (Kiggundu and Pal, 2018, p.350).

Here, the actions that entrepreneurs take to participate in BoP settings do not necessarily refer to operations of multinational corporations (Prahalad and Hart, 1999), but rather subsistence and innovative RYEs who are able to identify and exploit business opportunities in such settings to meet the needs and demands of impoverished populations. The operations of the some of the BoP entrepreneurs may go further to serve the demands of those in the mid of the Pyramid (MoP) (that is, the middle class), and the Top of the pyramid (ToP) (that is, upper-class) markets.

Despite the radical contrast in business practices between developing countries in Africa and the developed west (Fafchamps, 2004; Kamoche and Harvey, 2006; Mbaku, 2004; Nkomo *et al.*, 2015), a persistent challenge in the management scholarship has been the dominance and application of theories developed from business practices in the global north to developing countries across the continent (Alcadipani *et al.*, 2012; George, 2015; Nkomo *et al.*, 2015). Thus, by examining the phenomenon of (in)formal entrepreneurship through the lens of the ‘embeddedness in context’ perspective, the study was able to bring to the entrepreneurship

¹ ‘Structure’ as used in this study refers to the arrangement of and relations between the parts or elements of social, economic, institutional and spatial domains of context that are both emergent from and determined by the actions of individuals at the micro, meso and macro environment over time.

literature new insight on some of the indigenous management practices in an African setting that are often under-estimated in scholarship.

1.2 Defining Key Terms used in the Study

This sub-section discusses briefly how the key terms used in the study were defined. Concepts such as, “entrepreneurship”, “youth” or “young people”, “(in)formality”, “rurality” and “non-farm” sector are discussed.

1.2.1 Entrepreneurship

“Entrepreneurship means different things to different people” (Anderson and Starnawska, 2008, p.222) and the concept is widely contested among scholars, with questions raised about how entrepreneurship should be defined (Carsrud *et al.*,1986; Gartner, 1988, 1990, 1993). However, such a debate is beyond the scope of this study. A working definition has, therefore, been adopted to explain the phenomenon as a process that leads to the creation, management and expansion of businesses which are at least 36 months’ old. It is a dynamic phenomenon that can be examined through pluralistic and complementary lenses (Chalmers and Shaw, 2017; Deetz, 1996; Seymour, 2006) and shaped by context and contingency (Mason and Harvey, 2012). The entrepreneur is, therefore, someone self-employed and actively involved in the starting, management or expansion of business(es) with his/her decisions and actions influenced by his/her personal agency as well as the structures, conditions and actors that frame the constituents of the multi-faceted context he/she is situated.

1.2.2 Youths

A persistent challenge that confronts work with youths or young people is defining who they are. As Langevang (2007, p.268) puts it:

“the definitions of youth and the lived experiences of young people vary between countries, regions, rural and urban settings and communities”.

Two traditional perspectives have dominated the literature on youth studies, which are the ‘transitions’ theory and the ‘cultural’ approach (Christiansen *et al.*, 2006; MacDonald *et al.*,

2001). For commentators who follow the transition perspective (e.g., Skelton, 2002), the youthful stage is a phase where individuals move from childhood until they reach an accepted adulthood stage, a period characterised with social independence and maturity. Such a transition period is a unique “stage in its own right with distinctive experiences and issues” (Skelton, 2002, p. 103). However, the transition perspective is criticised to lack the explanatory power to examine the complex pathways young people navigate in periods of rapid socioeconomic change (Gough *et al.*, 2013).

Considering its definition in the developing settings in Sub-Saharan Africa (SSA), various researchers (e.g., Burgess, 2005; Christiansen *et al.*, 2006; Honwana and De Boeck, 2005; Langevang, 2008) have argued that being ‘young’ is a distinct social or cultural period between children and adulthood, where individuals in such a period experiences in complex and nonlinear manner their social and economic worlds across time and place. Being young, therefore, is a socially-construed status that is built internally as well as based on the external environment (Langevang and Gough, 2009), and maybe identified with age (Kristensen and Birch-Thomsen, 2013). It is a period where individuals identified as ‘young people’ navigate complex social systems to utilise their agency to achieve desirable occupational and life goals. Christiansen *et al.* (2006) posit that the youthful stage is a period fraught with myriads of livelihood pathways of which such category of individuals navigates within some local spaces.

Also, Vigh (2006) argues that in a region such as SSA the cultural environment is understated in critical analysis and overshadowed by resource scarcity. This make the agency as well as talents, enthusiasm and situated contextual environments that young individuals navigate often marginalised in academic discourse (*ibid.*). Thus, the phase the youths in the sub-continent navigate has been characterised as a “social moratorium” (Vigh, 2006, p. 96) and a ‘waithood’ period where young people prepare themselves for adulthood, putting together and fitting the bits and pieces they will need as adults (Honwana, 2012, 2014). Honwana (2012) argues further that, the inability of many young people in the sub-region to accumulate resources and lead independent lives in their adult years is a direct outcome of the weaknesses that prevails in their given socio-economic environments which makes it difficult for them to access opportunities. Thus, the consideration of who young people are require the general understanding of their given socio-economic environments and the factors that influence them and affects how they manage their economic and social activities to establish their social positions (Christiansen *et al.*, 2006).

In this thesis, however, the term 'youth' or 'young people', as used interchangeably, is conceptualised in a broader social and cultural sense in which young individuals aged between 15 and 35 years are referred to. This definition is in line with the age classification specified by the African Youth Charter (OAU, 2006) as well as used in many African countries to define youths (Chigunta, 2017). Such a broad classification captures the age definition of 15 to 24 years adopted by the United Nations (United Nations, 2014), 15 to 29 years used by the European Union (Eurostat, 2009) and 18 to 34 years as defined by the Global Entrepreneurship Monitor (GEM) (Kew *et al.*, 2013). To address the heterogeneity in such broad classification, the thesis further distinguishes between the 'younger youth', those aged from 15 to 24, and the 'older youth', individuals aged 25 to 35 years. This sub-categorisation is consistent with the perspective of the Global Entrepreneurship Monitor of which young people have been sub-classified as: youth (18 to 24 years) and young adults (25 to 34 years) (Holienka *et al.*, 2016). Thus, the study considers young people who are engaged in venture creation activities as individuals within the specified age range of 15 to 35 who are aware of entrepreneurship as a career option and utilise their agency to develop ideas, take and manage risks, learn the processes and initiatives involved to develop and own new businesses, using appropriate skills that can let them succeed in their given contextual environments (Chigunta, 2002).

1.2.3 (In)formality

According to Kanbur (2009) any attempt made to study the informal economy, which includes how entrepreneurs manage their firms in such an economy, should begin by defining the construct of 'informality'. This is because the heterogeneity of this phenomenon makes its precise definition vary considerably in many contextual environments. The concept is, however, often defined as business activities that are lawful in all respects except that entrepreneurs do not incorporate their operations with the registrar of companies as a separate legal entity, keeps no complete formal accounts and/or fails to declare incomes from their operations to government for the right amount of taxes to be deducted (Williams and Shahid, 2016). In addition to these indicators, studies (e.g., Barbour and Llanes, 2013; Koufopoulou *et al.*, 2019; Schneider and Buehn, 2018), have also characterised business practices that fail to comply with labour laws, such as: payment of minimum wages to workers, maximum working hours, payment of social security contributions and ensure that health and safety standards are met in the workplace, as part of what is defined as *informality*.

With regards to the definition of formality and informality as used in this thesis, I adopted both narrow and broad definitions for the two empirical studies in Chapter 4 and 5, respectively. The first empirical study (Chapter 4), I followed other studies (e.g., Benjamin, Mbaye *et al.*, 2012; Gatti and Honorati, 2008; Horodnic and Williams, 2016; Perry *et al.*, 2007; Schneider and Enste, 2000) that characterise entrepreneurs participation in formality or informality with their decisions to comply to paying taxes to the state or government. Hence, I adopted a binary definition of the concept to examine the probability that the youths in Ghana make decisions to choose to pay tax to the state on the incomes/profits they make from their businesses. Hence, compliance and non-compliance decisions were proxied with formality and informality respectively.

On the second empirical study (chapter 5), the thesis followed other studies (e.g. Benjamin, Mbaye *et al.*, 2012, 2014; De Castro *et al.*, 2014), by employing a variety of complementary criteria which emerged from the research data to define the constructs of formality and informality. The criteria included: business registration status, book-keeping and accounting practices, tax compliance behaviour, nature of contractual arrangements, management practices of the firm as a 'going concern', access and use of formal organisations and tools, such as: banking services (e.g., savings, credits, etc.), digital financial services (e.g., mobile money services), and access and use of formal social security schemes, such as the Social Security and National Insurance Trust (SSNIT) Informal Pension Scheme as used in Ghana.

It must be noted that, while Chapter 4 followed James (2012) definition of what constitutes a 'tax', which is "a compulsory levy made by public authorities for which nothing is received in return", the definition of the concept was broadened in Chapter 5 to include all mandatory levies imposed on entrepreneurs by formal and informal regulatory authorities or actors, such as: state organisations (tax offices, district assembly revenue officers, etc.), custodians of the chieftaincy institution, ethnic/religious group leaders, etc.). Hence, regulatory authorities who received mandatory payments or levies from the entrepreneurs were required, implicitly or explicitly, to return their actions in the form of provision of public goods, which include creating business and regulatory environments that improve the enterprises or communities of the entrepreneurs.

Also, the indicator 'perceived going concern' as identified among the RYEs studied refers to entrepreneurs' general perceptions and assumptions that they have the ability to manage

the operations of their businesses into the foreseeable future (Göndör and Neag, 2011). Upon reflection of previous business experience and in anticipation of present and future opportunities, resources and risks, this ability is demonstrated through how entrepreneurs coordinate their operations in ways that allow them to manage their resources, personnel and stakeholders, such as creditors, suppliers, customers, etc. Thus, the adoption of this indicator revealed, in a temporal manner, how RYEs use formality and informality practices as tools to structure their firms and manage internal and external risks that prevail in the business, social, institutional and spatial environments.

Hence, the broader definition adopted in the second empirical study, acknowledged the heterogeneity of the concept of (in)formality which was explored rather as a continuum than mutually distinct entities. Within such a broad criterion used to characterise the formality-informality continuum, entrepreneurs were defined to participate in complete formality (what is referred to as entrepreneurs operating their businesses in the formal economy) when their venture activities, which lead to the production and distribution of legitimate goods and services, were situated at the summit of the vertically-framed formality-informality continuum.

On the other hand, entrepreneurs participated in complete informality (what is referred to as entrepreneurs operating their businesses in the informal economy) when their venture activities, which lead to the production and distribution of legitimate goods and services, were recorded as situated at the base of the vertically framed formality-informality continuum. Within these extremes of characterisation of formality and informality, entrepreneurs are considered to participate at varying degree of formality and informality when they operate their ventures within the continuum.

Finally, while the size of an enterprise, in terms of the number of employees, have been used to characterise informality (e.g., Galli and Kucera, 2004; ILO, 1985, 2002; Sethuraman, 1976), this study follows studies of Benjamin, Mbaye *et al.* (2012) in West Africa and Gelb *et al.* (2009) in southern and eastern Africa which shows that the size criterion for characterising informality may not be applicable. This is because, in such a developing setting there is recorded evidence that there are many small and large firms engaged in enterprise activities mainly in the base of the continuum and many small businesses also reported to engage their ventures closer to the summit of the continuum. Thus, the focus of this study was to investigate small, medium and large enterprises operated by RYEs that take actions towards formality and

informality with their businesses.

1.2.4 Rurality

There are long-standing debates on what constitutes 'rurality'. Various studies (e.g., FAO, 2007; OECD, 1994; Ward and Brown, 2009) define rural areas as locations with low population density and smallness in size in terms of human settlement, the predominance of agriculture and forestry as well as the prevalence of 'traditional' social structures and community identity. Also, rurality is often characterised with the scarcity of high-quality resources (Müller and Korsgaard, 2018), especially those that can support productive enterprise activities (Bečicová and Blažek, 2015). Such a character of rurality constrains entrepreneurial efforts, particularly, those that aims to obtain external legitimacy (Clausen, 2020). In SSA, rural areas are often characterised with poverty and underdevelopment (e.g., Namatovu *et al.*, 2012; Scoones, 2009). However, this negative view has been downplayed by Chigbu (2013a, p. 813) who argues that:

“Although these (characteristics) are important aspects of rural realities, they do not fully represent rural issues, which include the state, characteristic or quality of being rural. Instead, they merely represent the problematic aspects of rural areas... This situation arises because rurality is viewed more as a challenge than as a positive condition or choice in the development process”.

Chigbu (2013b), therefore, conceptualised rurality as:

“land-spaces with culturally defined identity; situated within a place statutorily recognised as non-urban; and occupied by settlers predominantly depending on primary sources of labour for their livelihood” (p. 10-11).

In the research setting where the study was conducted, the Ghana Statistical Service, in its 2010 Population and Housing Census report, defined rural areas as localities that have a population of fewer than 5,000 individuals as inhabitants. This study acknowledges that the various economic, demographic and social characteristics used in the literature to depict rurality, especially in SSA, in many ways apply to the setting where the study was conducted. However, the study goes further to characterise rurality as a non-urban place where entrepreneurs are aware of the liabilities (Clausen, 2020) and opportunities of place, and make use of their agency to overcome such liabilities as well as exploit the identified opportunities in economic and non-economic forms and resources situated in the non-urban place to operate their businesses.

1.2.5 “Non-farm” enterprises

With regards to the definition of “non-farm” enterprises, the thesis followed other studies (e.g., Nagler and Naudé, 2014; Haggblade *et al.*, 2010; Reardon, 1997) and adopted a working definition that include only ventures used in national accounting classifications, such as manufacturing (largely as in cottage industries), processing, construction, transport, trade, services and mining, and which generate income for rural and urban households. Thus, businesses in the non-farm sector excluded crop and non-crop production, such as farming, livestock rearing, fisheries and forestry management.

1.3 A brief overview of Ghana’s economy

The sub-section that follows provides a brief overview of the entrepreneurial and policy environment of Ghana. It discusses the structure of the country’s economic and business environment and then reviews the policy environment that has supported enterprise development since the return to constitutional rule in 1992.

1.3.1 The Economy of Ghana, from independence to date

Ghana is an emerging economy located in West Africa, with a population of about 29.5 million, of which 56% are based in urban locations (Population Reference Bureau, 2018). It was the first country in Sub-Saharan Africa to gain independence from British colonial rule in 1957, under the leadership of Kwame Nkrumah of the Convention Peoples Party (CPP). Between the 1960s and late 1970s the country experienced strings of coup d’états and brief periods of socialism until early 1980s when the country took on pro-market policies, within the World Bank/IMF-inspired Structural Adjustment/Economic Recovery Programme (Ayee *et al.*, 1999; Boafo-Arthur, 1999; Tarp and Aryeetey, 2000). The pro-market policies in the mid-1980s and the 1990s led to steady growth and improved stability of the economy, with the country returning to multiparty democratic rule in 1992, under the National Democratic Congress (NDC) party. However, the anti-capitalist rhetoric of past military regimes led to mistrust between business leaders in the country and the officials of the state (Ayee *et al.*, 1999), and between the mid-1980s and the year 2000 “private sector investment remained minimal, and little formal sector

employment was created” (Whitfield, 2011, p.8). Many businesses, particularly in manufacturing sectors collapsed, and there was fall in employment in the public sector (Owusu *et al.*, 2016; Yankson and Owusu, 2016), with job opportunities in the formal economy reduced significantly (Baah-Boateng and Turkson, 2005).

The coming into power of the New Patriotic Party (NPP) in 2001 led to the implementation of wide pro-market policies that enhanced private sector development (Whitfield, 2010). The pro-market policies and interventions implemented after this period saw, to some extent, the revamping of the business environment to support entrepreneurial, creative and innovative endeavours as a means to create wealth and deal with social problems (Arthur, 2006). And, between 2005 and 2013, the country witnessed high growth performances, with average annual growth rate recorded at 7.8% (GSS, 2014a). The relatively improved economic environment led to significant fall in poverty levels in the country, from 51.7% in 1991 to 24.2% in 2013 (GSS, 2014a), culminating in its achievement of lower-middle-income status by 2010 (Whitfield, 2011).

Despite this progress, the good economic performances experienced has led to a little transformation in productive sectors of the economy (Whitfield, 2011), with industrial policies and initiatives implemented to transform the economy in post-2000s reported having been largely ineffective (Whitfield, 2011, 2018). Very little has been achieved in terms of the generation of productive, decent and secured jobs in the private sector for the larger Ghanaian populace (Baah-Boateng, 2013; Baffour-Awuah, 2013; Honorati and de Silva, 2016; Sackey and Osei, 2006). The relatively high growth rates have largely been driven by foreign direct investments in extractive industries, such as mining, oil exploration, cash crop and service sectors (ISSER, 2018; GSS, 2018) which require huge capital outlays and provide limited job opportunities to the country’s large youth population (Owusu *et al.*, 2016). Also, the development of Ghana has not been evenly distributed between rural and urban localities, and between the relatively prosperous southern regions and the constitutes northern regions of Upper East Region, Upper West Region and Northern Region, which account for 40% of the overall poverty in Ghana (GSS, 2014a).

Although agriculture continues to be an important economic activity in the country, its contribution to national GDP has declined (ISSER, 2018). With such a decline, many households in impoverished localities, such as rural areas and the poorer regions, have continued to

experience deteriorated economic and household circumstances, which has worsened their predicaments (Awumbila and Ardayfio-Schandorf, 2008; Bhasin and Annim, 2005; Rademacher-Schulz *et al.*, 2014). Large numbers of youths in these locations are, thus, reported to move to urban destinations south of the country to search for jobs (Awumbila *et al.*, 2014). Many of these youths engage in work associated with informality, and often work under precarious conditions (Yeboah, 2017), earning lower and irregular incomes than those engaged in jobs associated with formality (Awumbila, 2014). Nonetheless, these youths who are informally employed are not a homogenous group, with some reported to earn incomes higher than wage workers in the public sector (Awumbila *et al.*, 2014).

In terms of labour market structure of the economy, the urban labour market is reported to have about 16% of the total labour force working in the formal economy, with the remaining 84% engaged in small enterprises in the informal economy. The rural labour market is also recorded as predominantly informal, accounting for about 96% of those employed in the rural labour market (GSS, 2016), which is characterised with labour exchanges and wage determination highly influenced by local traditions and customs (Aryeetey and Fosu, 2003). To this end, the state of Ghana's economy is shaped by traditional systems, changing political systems, colonial and post-colonial legacies that have influences on the business environment as well as how the labour market is structured (Ackah *et al.*, 2010; Aryeetey and Fosu, 2003).

1.3.2 Enterprise Policies for Youth Development

Over the last 8 years, the government of Ghana development priorities, which are outlined in the Shared Growth Development Agenda I and II (2010-2017), has been focused on accelerating agricultural modernisation, enhancing the competitiveness of the private sector and improve human development, employment and productivity (GoG, 2015). On the Shared Growth Development Agenda II (2014-2017), a Private Sector Development Strategy has been developed, with a focus to promote the growth and development of micro, small and medium enterprises, facilitate the provision of training and business development services, promote business incubators at district levels to enhance local economic development, increase access to credit and create opportunities for public-private partnerships (*ibid.*). Key medium-term policy objectives, developed by the National Development Planning Commission for the country, under the National Development Framework (2018-2057), are also focused on the creation of a business-friendly and industrialised economy which create jobs, transforms the

agricultural sector, develop human capital for industry, and embark on infrastructural development to address the infrastructure and housing gaps which exist across the country.

In line with this medium-term development framework, Ghana's current government, the NPP, led by President Nana Addo Dankwa Akufo-Addo, has a vision which is set within the framework of a "Ghana Beyond Aid" and the achievement of the Sustainable Development Goals by 2030 (GoG, 2019). The NPP government believes the path to industrialisation and formalisation of the economy would lead to poverty reduction and job creation among especially the youths and since assuming office in January 2017 has been implementing its flagship District Industrialisation Programme (DIP) named as 'One district, one factory initiative' and other social interventions, such as: 'one village, one dam' project, Planting for Food and Jobs Project, Free Public Senior High School Programme, the Nations Builders' Corps, 'National Identification Scheme' and the 'National Entrepreneurship and Innovation Plan' (GoG, 2019). The DIP is aimed at creating factories in each of the 216 administrative districts across the country through a public-private partnership, with a targeted figure of 400 new factories budgeted to be operational by 2020.² The programme is expected to facilitate the creation of between 7,000 and 15,000 jobs per district and about 1.5 million to 3.2 million jobs nationwide by the end of 2020. On the National Entrepreneurship and Innovation Plan, the government aims to support the youths to start enterprises and has set aside US\$10 million as seed money for the Plan, which is expected to raise additional funds from private and public sources to the tune of US\$100 million to support its activities.³ Also, in its attempt to create a supportive environment for youth entrepreneurs, the government in its 2018 budget went further to announce its plan to provide to nascent youth entrepreneurs and those with large workforce tax holidays for up to five years (GoG, 2018).

Despite these efforts which shows government renewed interest to formalise Ghana's economy and to make the youths choose entrepreneurship as a sustainable employment choice, the country still "lacks an explicitly defined youth entrepreneurship policy" (Owusu *et al.*, 2016, p.40), with enterprise development initiatives implemented in an uncoordinated manner which has led to duplication of efforts and activities with limited impacts achieved

² See: <http://www.graphic.com.gh/business/business-news/one-district-one-factory-projects-400-factories-by-2020.html> (accessed on:18th July,2017)

³ See: <http://presidency.gov.gh/index.php/2017/07/13/president-akufo-addo-launches-national-entrepreneurship-and-innovations-plan/> (accessed on:18th July, 2017)

(Hoetu, 2011). With little known on the entrepreneurial initiatives that are implemented to support the youth manage and grow their businesses as well as move towards formality, this thesis as part of its findings in Chapter 5, examines the current entrepreneurship interventions that are implemented in the research sites where the study was conducted on the businesses of RYEs.

1.4 Why Examine Youths participation in (in)formal entrepreneurship in a developing African country

Of the different continents, Africa has the largest youth population (ECA, 2009; Filmer and Fox, 2014) with an estimated 420 million people aged between 15 and 35, a figure expected to double by 2050 (AfDB, 2018; World Bank/IFAD, 2017). Each year, 10-12 million youths join the labour market (AfDB, 2016; Page, 2012b) but for these new entrants, only 3 million jobs are available to be accessed in the formal labour market (AfDB, 2016). An estimated 10-16% of the population on the continent are employed in this labour market (Filmer and Fox, 2014; ILO, 2008), with 50% of their jobs engaged on temporary or contract basis (Filmer and Fox, 2014). Large sections of the youth, particularly in developing countries across the continent, participate in entrepreneurship (Chigunta, 2017). In fact, studies have shown that for the different regions of the world, youths in SSA have the highest tendency to operate self-employed businesses (Chigunta, 2002; Kew *et al.*, 2013; Sharif, 1998).

In many of the developing countries across the sub-region, the last decade or two have witnessed steady economic growth (Dolan and Rajak, 2016; World Bank, 2014b). The period 2000 and 2012 recorded an average growth rate of 4.5% compared to 2% in the 20 years prior to the 2000s (World Bank, 2014b). However, these good growth performances have reflected very little in the generation of productive, secured and decent jobs (Dolan and Rajak, 2016; Fox *et al.*, 2016; Kew, 2015; World Bank/IFAD, 2017). The sub-continent is characterised with a large informal economy which according to the ILO (2014) provides workspaces for the world's largest vulnerable population, with their employment rate recorded at 77.4%. The consistent growth performances have rather been driven by foreign direct investments and capital-intensive production in natural resource and service sectors (Christiaensen *et al.*, 2013; Owusu and Afutu-Kotey, 2014; Owusu *et al.*, 2016). Thus, the majority (about 70-80 per cent) of

individuals who are located in the informal labour market, particularly the youth, are engaged in low productive jobs in agricultural and nonfarm sectors (AfDB, 2013; Betcherman and Khan, 2015; Brooks *et al.*, 2013; Filmer and Fox, 2014; Page, 2012a; Shenu and Nilsson, 2014). Currently, the youths are “two or three times more likely than adults to be unemployed” (World Bank/IFAD, 2017, p.1). Over the period, the failure of economic policies to create more secured jobs associated with the formal economy has been partly blamed for the concentration of youths in the informal economy, with their participation in enterprise activities in such an economy considered as crucial to addressing the growing challenge of unemployment in the Sub-region (Chigunta, 2017; Chigunta *et al.*, 2005; ILO, 2005).

Despite this wide acknowledgement that young people in SSA are concentrated in the informal economy, recent reports (Williams, Khan, *et al.*, 2015; Williams and Pompa, 2017) show that these youths do not just stay in the informal economy but rather move in and out of the formal and informal economies, depending on the prevailing opportunities that they identify in such economies. They view the prevailing opportunities associated with the formal and informal economies, which have the potential to improve their livelihoods or make them achieve their occupational and life goals, and pursue such them. In fact, the participation of individuals across these economies is not restricted to the youths but can be observed among the general population (Lindell, 2010). Hence, the boundary between the two economies is indistinct and overlap to the extent that many entrepreneurs engaged in informality have registered their businesses and/or pay taxes in one form or another (*ibid.*).

Among the burgeoning youth population, the large majority are based in rural localities (World Bank/IFAD, 2017). However, with the persistent challenge of paucity of data on rural youths’ participation in the formal and informal labour markets (World Bank/IFAD, 2017), efforts aimed at supporting venture activities of young people are often targeted at a proportionally few urban youths to the disadvantage of their counterparts in rural localities (Namatovu *et al.*, 2012). These include other groups often neglected in policy and enterprise programming discourses, such as: female youths, those from minority ethnic backgrounds and the physically challenged. Until now, empirical studies on the enterprise practices of rural youths are limited. For the few studies available (e.g., Namatovu *et al.*, 2011; Gough and Birch-Thomsen, 2016; Kristensen *et al.*, 2016; Birch-Thomsen, 2016), the evidence shows that the dynamic constituents of context within which rural youths are situated and navigates influence their entrepreneurial decisions and actions.

Thus, the thesis aims to examine youths' participation in (in)formal entrepreneurship in rural Ghana was imperative for three reasons. First, there is the need to understand the values RYEs put on the jobs they create with their enterprises, their performance levels, investment, tactical and strategic decisions towards the rural economy. This is because the dearth of knowledge on their enterprise operations and what venture activities mean to them has led to a situation where there are uncertainties on the impacts of the limited enterprise development interventions and policies that are designed and implemented by governments to support them. Also, with an estimated 40 million rural youths likely to enter the labour market in many African countries by 2030 (World Bank/IFAD, 2017), the number of those who participate in non-farm venture activities is likely to rise. Rural youths would thus continue to diversify their livelihood activities, and it is anticipated that the rural economy would continue to grow in non-farm sectors. A successful and improved rural economy would be one where agriculture is transformed and complemented or supported by a vibrant non-farm sector (Bennell, 2007; Birch-Thomsen, 2016). Such a rise in rural youths' participation in entrepreneurship thus calls for new thinking that can understand the decisions and actions they take toward non-farm entrepreneurship.

This leads to the second reason for studying the enterprise practices of rural youths: the uniqueness of the rural informal economy in such a developing setting. Over the last three decades' informal enterprise activities of individuals have largely been considered as an urban phenomenon, despite the 15th International Conference of Labour Statisticians (ICLS) resolution which recognises that the informal economy in rural areas is large and recommend that enterprise activities in such an economy be included in surveys (ILO, 2013a). Surprisingly, the research direction to understanding entrepreneurship in the formal and informal economies in such unique rural setting is still lacking and needs more attention. This is particularly the case in SSA, where little is known about the enterprise practices associated with formality and informality (Palmer, 2004). Rural societies in most African countries are often typified as economically deprived (e.g., Awedoba, 2005; Boahen *et al.*, 2004; Collier and Gunning, 1999; Dia, 1996), with such geographical locations perceived as constrained environments for venture creation processes (Nkomo *et al.*, 2015). Nevertheless, there is the need to understand how the prevailing contextual environment affects business practices of entrepreneurs in such locations towards the formal and informal economies, and how entrepreneurs adapt and respond to structures, conditions or actors situated in domains of such

a context. Thus, the study provides new insight into the dynamics of (in)formal entrepreneurship in rural localities of an emerging economy.

Finally, despite studies suggesting that large sections of the youths in the continent employed in the informal economy, either manage self-employed businesses or are engaged in wage jobs (e.g., Chigunta, 2017; Gough and Langevang, 2016; Filmer and Fox, 2014; Kew, 2015), much of the literature, with the exception of few studies (e.g., Gough and Langevang, 2016; Ismail, 2016; Langevang *et al.*, 2012), have marginalised the aspirations and enterprise practices of such individuals. Majority of these studies (e.g., Elder and Koné, 2014; Meagher, 2016; Sommers, 2010, p.322; Thieme, 2013) that investigate youth participation in informality often portray these individuals and their work activities in a negative light. They are often viewed as vulnerable group of individuals who lack access to economic opportunities associated with the formal economy, and thus participate in informality to survive or overcome poverty and unemployment (Kristensen and Birch-Thomsen, 2013; Langevang, 2016; Thieme, 2013; Thorsen, 2013). The marginalisation of African youths, who participate in informality, has been characterised to include: those who are women, from minority populations and those who live in remote rural localities and urban slums (Moore, 2015). With costs associated with the formalisation of businesses reported as higher than other regions of the world (Filmer and Fox, 2014), many of these so-called 'marginalised' youths operate self-employed businesses that are not registered and/or pay no taxes to the state.

Compared to other regions, the sub-continent has been reported as the most business-unfriendly region of the world (World Bank, 2014c). However, while the hostile business environment may be a reason why some youth entrepreneurs choose to participate in informality with their ventures, African youth entrepreneurs are not a homogeneous group (Chigunta, 2002; Chigunta *et al.*, 2005; Gough and Langevang, 2016). Despite the complexity of economic problems faced by many of the youths, which influences the decisions and practices some of them engage in towards participating in informality, the diverse contextual environments (Gough and Langevang, 2016; Filmer and Fox, 2014; Fox *et al.*, 2016; Ismail, 2016; Langevang *et al.*, 2012; Langevang, 2016) in which they are located also offers them new possibilities and opportunities to utilise their agency to engage in informal entrepreneurship to serve motives that go beyond earning incomes to survive (Chigunta *et al.*, 2005). Such motives, which are also framed in the form of other immaterial and intangible aspects of work and enterprise ownership, also affect the pathways they navigate to attain what they consider as

'appropriate' or 'successful' adulthood. This include the prestige, improved identities and social positions as well as the sense of belongingness and independence they attain associated with their participation in informal entrepreneurship (Ismail, 2016; Langevang *et al.*, 2012). Thus, the alertness some of the youths demonstrate towards entrepreneurial opportunities, their creativity, innovativeness and resilience to achieve their career and life goals (Ismail, 2016; Locke and te Lintel, 2012) all culminate to reflect the dynamic contextual environment in which they are embedded and navigates.

Hence, the marginalisation of enterprise practices of African youths who participate in informality in academic and policy cycles neglects or devalues not only their aspirations but also their unique interests and attachments to such venture activities, as well as their abilities, energies and the resources they are able to accumulate to create their ventures, as they attempt to achieve their career and life goals (Ismail, 2016; Fox *et al.*, 2016). Moreover, such negative depiction of the venture activities of the youths also undermines the dynamic structures, conditions and actors situated in the domains of context of which these entrepreneurs depend on to establish their businesses. Thus, the study brings new insight into how RYEs in the African country of Ghana demonstrate their understanding of economic and non-economic opportunities and constraints located in the domains of context, of which they are embedded and navigate, by employing formality and informality venture practices as emancipatory strategies and tactics to exploit identified opportunities or circumvent constraints, which facilitate or inhibit their efforts to attain their career and life goals.

1.5 Thesis aims and research questions

This study had two overarching objectives. The first part of the research was focused on identifying the salient structures, conditions and actors (what are referred to as 'factors') situated in the domains of context that influenced the probability that the youths choose to operate non-farm businesses and participate in formality or informality. The second objective of the study was to explore *how* and *when* the structures, conditions and actors which are identified in the domains influence the actions RYEs engage in towards participating in non-farm business activities and aspects of the formality-informality continuum. Within these broad aims, four research questions were outlined and addressed in Chapter 4 and 5 of the study. The

following table illustrates the research aims, corresponding research questions, methodologies used, and chapter numbers:

Table 1-1: Thesis aims and research questions

Thesis aim	Research Questions	Research Methodology	Chapter No.
1. To identify the salient factors which are situated in the domains of context that influenced the probability that the youths in Ghana choose to participate in non-farm entrepreneurship and (in)formality.	<ol style="list-style-type: none"> <i>1. What are the most salient factors situated in the domains of context that trigger the youths in Ghana to participate in non-farm entrepreneurship and formality (or informality)?</i> <i>2. What notable differences, if any, exist between urban youths and rural youths who make such related choices?</i> 	A quantitative study of the 2012/2013 survey data from Ghana Living Standard Survey 6; Source of data: Ghana Statistical Service, Accra	4
2. To explore how and when the structures, conditions and actors situated in the domains of context influence the actions rural youth entrepreneurs (RYEs) make towards participating in non-farm business activities and the formality-informality continuum.	<ol style="list-style-type: none"> <i>3. What is the nature of the multi-faceted context in which RYEs in Ghana are embedded and navigate to operate their non-farm (in)formal businesses?</i> <i>4. How do the structures, conditions and actors situated in the domains of context influence the venture activities of rural youths and their practices toward formality and informality?</i> 	A qualitative study (semi-structured interviews, participant observation and key informant interviews) in rural locations of two contrasting administrative regions of Ghana (Tolon/Kumbungu districts in the Northern Region and the Atwimwa Ngwabiagyia district in the Ashanti Region)	5

1.6 Overview of Research Methodology

With considerations given to the research questions, existing literature on informal entrepreneurship and complexity of the entrepreneurship environment in SSA (Nkomo *et al.*, 2015) as well as how such a contextual environment is evolving to shape the dynamics of venture creation (Dana *et al.*, 2018), this thesis is situated in multiple paradigms in line with literature (Creswell, 2011). The study is explored within the paradigms of critical realism

(Bhaskar, 1975, 1979) and the transformative framework (Mertens, 2003, 2012). A sequential transformative design that employed both quantitative and qualitative techniques was used to understand the phenomenon of non-farm (in)formal entrepreneurship among the youths in Ghana. With the use of mixed-method approaches in business research growing due to their potential to contribute valuable insights to the field (Molina-Azorin, 2007, 2011; Molina-Azorin *et al.*, 2012; Najmaei, 2016), especially in context-specific studies that seek to provide a deeper understanding of the multi-faceted context (Molina-Azorin and Cameron, 2015), the study deemed this approach apt to answer the research questions.

In the first phase of the study, quantitative techniques were used to study cross-sectional data from Ghana's Living Standard Survey (GLSS) 6, which was collected in 2012/2013 by the Ghana Statistical Service. Bivariate probit models, which consider the endogeneity of the two related choices (Ashford and Snowden, 1970; Greene, 2012) to operate non-farm business and participate in (in)formality, were employed. The series of econometric models that were employed among youths in the general population, urban youths and rural youths identified statistically significant variables that described how factors located in the domains of context influenced the likely decisions they youth made to participate in the studied phenomenon.

With a national picture established from the quantitative analysis, and the variation that exist among youths in urban locations and those in rural places identified, the study then moves to the second phase by employing qualitative techniques, such as: semi-structured interviews among 46 RYEs, 14 key informant interviews, participant observations, use of diaries and photographs, which led to a deeper understanding of the workings of the domains of context as well as processes that lead to venture creation among the RYEs. Therefore, by combining both the quantitative and qualitative methodologies, the research design generated findings that would not have been possible if only quantitative or qualitative methods were used and led to a holistic understanding of the phenomenon of non-farm (in)formal entrepreneurship in such a developing African setting.

1.7 Research Contribution

This thesis makes multiple conceptual and empirical contributions. First, the study adds to the modest but growing conceptual studies in the management field which proposes multi-disciplinary approaches to assess formality and informality choices of entrepreneurs to

understand why they engage in such venture activities (e.g., Kiggundu and Pal, 2018; Ram *et al.*, 2017; Webb *et al.*, 2013). Building on conceptual approaches of Welter (2011), Welter and Gartner (2016), Polanyi (1944) and Granovetter (1985), it introduced and worked within the 'embeddedness in context' framework to study (in)formal entrepreneurship as a continuum.

Second, the study worked within the 'embeddedness in context' framework to contribute to the limited but growing empirical studies that explore and identify the salient factors which influence individuals to participate in formal and/or informal entrepreneurship (e.g., Autio and Fu, 2015; Berdiev and Saunoris, 2020; Coolidge and Ilic, 2009; Dau and Cuervo-Cazurra, 2014; Goel and Saunoris, 2016; Goel *et al.*, 2015; Jiménez *et al.*, 2015, 2017; Nguyen *et al.*, 2014; Saunoris and Sajny, 2017; Shahid *et al.*, 2020; Thai and Turkina, 2014; Williams and Shahid, 2016). It extends the debate on the salient factors that trigger entrepreneurs to participate in non-farm entrepreneurship and formality (or informality). This it does by revealing contextual structures, conditions and actors in other domains of context, beyond the formal institutional and economic domains, as examined in most previous empirical studies, which stimulate entrepreneurial individuals to choose to engage in these enterprise activities. Revealing a more holistic view of the diversity of salient factors which influence entrepreneurs to participate in non-farm entrepreneurship and formality (or informality), the study highlighted the crucial role played by factors associated with other segments of context, such as: the informal institutional, the spatial and temporal-historical environments. Thus, the study revealed the conflicting influences of different types of contextual factors which has been unexplored in the broader management literature and highlighted the multi-directional nature of the choices the youths made towards the studied entrepreneurial activities. Hence, the findings shift the analysis from economic and formal institutional-centric contextual considerations to the exploration of structures, conditions and actors situated within and across other constituents of context, which also has micro, meso and macro segments (Basco, 2017; Welter, 2011).

Third, the study contributes to the organisational literature by supporting the contingency theory of organisation structuring (Thompson, 1967). This it does by revealing how RYEs adopt differentiated systems or business models which make them to navigate aspect of the formality-informality continuum in a fluid manner while closing other segments to respond to environmental influences. Thus, it shows the variety of ways RYEs employ formality and informality practices as organisational tools to structure and manage the operations of their firms, particularly internal and external risks associated with employees, suppliers, customers

and formal and informal regulators, among others.

Fourth, the study responds to calls made in recent studies for the expansion of the definition of (in)formality to reflect the heterogeneity of the phenomenon as a continuum (e.g., Benjamin, Mbaye *et al.*, 2012; Godfrey and Dyer, 2015). It worked within the 'embeddedness in context' framework to examine other indicators, such as: the nature of contractual arrangements adopted as aligned to business/labour laws of the state; and access and use of formal organisations (example for purposes of financial services, social security schemes, etc.). It further introduced a new criterion: the 'perceived going concern' indicator, which revealed the overall management approach of operating (in)formal businesses as a 'going concern'. Thus, for the first time, the thesis revealed an indicator which assessed the temporal-historical nature of the phenomenon of (in)formal entrepreneurship. With dearth of knowledge in the literature on how transgenerational work practices influence RYEs to navigate the formality-informality continuum, the study builds on conceptual developments (e.g., Lippmann and Aldrich, 2016; Wadhvani and Jones, 2014) to reveal empirically how temporal-historical structures, conditions and processes affect the decisions and actions RYEs take to participate in the studied phenomenon.

Fifth, the study contributes to empirical studies which explore how social networks influence entrepreneurs in BoP African settings to participate in informal entrepreneurship (e.g., Berrou and Combarous, 2012; Fafchamps, 1996, 2001; Grimm *et al.*, 2013; Fafchamps and Minten, 2002; Khavul *et al.*, 2009; Langevang *et al.*, 2016; Thorsen, 2013; Meagher, 2006; McDade and Spring, 2005; Mumba, 2016; Whitehouse, 2011). It worked within the 'embeddedness in context' framework to reveal how the nature and quality of relationships fostered by RYEs, in terms of: levels of trust, identification and mutual obligations, shape the dynamic ways they navigate segments of the formality-informality continuum. Unlike prior studies, it shows how social structures and relationships influence entrepreneurs in the studied BoP setting to participate in selective formality and informality as well as revealed the complex ways RYEs respond to the workings of social structures and relationships. The study further revealed the variety of ways RYEs employ formality and informality as tools to manage these relationships as they operate their businesses. Thus, it responds to calls in the broader literature for the examination of how social relationships influence firm performance in family and non-family firm settings (e.g., Zellweger *et al.*, 2019).

Sixth, the study contributes to institutional theory (North, 1990) in a number of ways. In the first instance, its findings are aligned to views associated with the 'institutional work' framework (Lawrence and Suddaby, 2006; Lawrence *et al.*, 2009). This because it reveals the dynamic ways RYEs contribute to the building, sustaining and changing formal and informal institutions as well as how communal groups contribute to such institutional processes. The study highlights the subtle but incremental ways those often assumed as marginal actors navigate institutional environments to change such institutions, revealing the intended and unintended consequences of their actions on multiple constituencies of institutional structures. Thus, the results of the study challenge the theorisations of institutional asymmetry scholars (e.g., Littlewood *et al.*, 2018a; Williams, 2017; Williams, Horodnic and Windebank, 2015; Williams and Vorley, 2015) by calling into question which of the formal and informal institutions they refer to in their analysis when they use concepts, such as institutional 'incongruence' or 'asymmetry'. It asks which of such institutions they leave out and how such omissions affect our understanding of the phenomenon of (in)formal entrepreneurship as a continuum and the implications of such omission for public policy. The study also adds to the limited but growing empirical studies that explore how informal institutions replace formal institutions in rural settings, where formal institutions are non-existent, ineffective or inefficient, to influence entrepreneurship (e.g., Light and Dana, 2013; Mair *et al.*, 2012; Shantz *et al.*, 2018). It highlights the ineffectiveness and inefficiency of some informal institutions as substitute or complement institutions and how entrepreneurial youths vary their embeddedness in such institutions to achieve their enterprise goals.

Thus, working within the 'embeddedness in context' framework, the study responds to calls by Wigren-Kristofersen *et al.* (2019) for more research that broadens the concept of embeddedness to other domains of context beyond the social, economic and formal institutional domains, revealing the dynamic, processual and multi-layered perspectives of the influences of other domains, such as: informal institutional, spatial and temporal-historical domains of context on the emergence of (in)formal entrepreneurship.

Seventh, the study contributes to the 'strategic resource in context' perspective. It supports the views of Baker and Nelson (2005) that in resource-constrained environments (in this case a developing country setting) entrepreneurs adopt innovative practices that allow them to access and utilise all the resources they have at hand and with which they are intimately familiar. Hence, the resource acquisition strategy employed by the RYEs, which is

conceptualised as *bricolage*⁴, revealed how they applied “combinations of resources as hand to new problems and opportunities” (ibid., p.333). The study analysed how RYEs access economic and non-economic resources to participate in enterprise activities associated with formality and informality and the value they put on such enterprise practices. It improves our understanding of how RYEs, who are affected by structural inequalities and poverty, are able to emancipate themselves and use their entrepreneurial careers to overcome the challenges they are confronted with by making do with all the resources at their disposal (Baker and Nelson, 2005), to participate actively in BoP and MoP marketplaces and in some cases ToP markets. Thus, the empirical findings support the ‘emancipation’ perspective in the broader entrepreneurship literature (e.g., Rindova *et al.*, 2009) which argues that some entrepreneurs at BoP settings employ various resources and strategies, which include how they employ formality and informality practices as tools for personal and collective emancipation.

Finally, the study responds to the call by Welter *et al.* (2017) for entrepreneurship scholars to study the diversity in entrepreneurship as an everyday practice, especially in BoP settings where the world's largest population inhabits and their everyday life are affected by the enterprise activities, they are engaged in. One of such setting is emerging countries in Africa where knowledge on management practices of BoP entrepreneurs are still limited (Beugré, 2015; Barnard *et al.*, 2017; Kolk and Rivera-Santos, 2018; Nkomo *et al.*, 2015), with this study bridged the gap in the literature. It supports conceptual views and empirical studies that explore ‘contextual embeddedness’ of entrepreneurship (e.g., Yessoufou *et al.*, 2018; Yousafzai *et al.*, 2018; Yousafzi *et al.*, 2018). This it does by revealing how venture creation processes of entrepreneurs in BoP settings unfold as well as create value and other diverse outcomes that sustain and transforms such settings. The study shows that despite the prevailing regulatory and operational challenges that influence many entrepreneurs in SSA to participate in informality, RYEs in Ghana, like other entrepreneurs across the Sub-region (e.g., see: Dana *et al.*, 2018), are taking advantage of the gradually evolving economic, political, technological and cultural environments to engage in dynamics venture activities, particularly associated with ‘selective formality and informality’ within the formality-informality continuum. Thus, the study adds to the limited empirical research that explores the venture activities of rural entrepreneurs

⁴ The conception of *bricolage* as used by Baker and Nelson (2005) in resource-scarce setting was developed from the ideas of Claude Lévi-Strauss (1966) and other scholars across various fields.

in BoP African settings. It reveals the potential impact of their embeddedness in such a dynamic and evolving contextual environment and how their entrepreneurial outcomes are shaped by context and agency.

To this end, the conceptual and empirical contributions revealed through the application of the 'embeddedness in context' framework in this thesis calls into question the implicit assumption in capitalist and non-capitalist-centric perspectives (e.g., dualism, structuralism, neo-liberalism and post-structuralism) that are often used to explore the diversity of the studied phenomenon only at the informality-end of the formality-informality continuum. It argues that such an implicit assumption marginalises and neglects the agency and non-economic motives as well as resources utilised by some BoP entrepreneurs as they navigate domains of context which allow them to vary their movement within the continuum and especially participate in aspects of the formality-segment of the continuum.

1.8 Organisation of the Thesis

This thesis is organised in seven chapters. This chapter (Chapter 1) provides an overview of the study. It then briefly defines the key terms used, such as: entrepreneurship, youths, informality and non-farm enterprises. This is followed by an overview of the economic and policy environment of Ghana. It further provides the background of the study and the motivation to study the (in)formal enterprise decisions and practices of youths in an African setting. It then outlined the objectives and research questions of the thesis, followed by a brief overview of the philosophical and methodological approaches, as well as the key contribution to theory and practice. Chapter 2 comprehensively reviews two kinds of literature that drive the thesis: (in)formal entrepreneurship and the 'embeddedness in context' literature. Also, the chapter reviews the African literature on (in)formal entrepreneurship within the 'embeddedness in context' framework.

Chapter 3 starts with discussions that justify the philosophical paradigms and methodological choices. This is then followed by explanations on how the study was conducted, and issues of ethical considerations addressed. Chapter 4 reports the findings of the quantitative study on the factors situated in the domains of context which show the probability that youths in Ghana choose to participate in non-farm entrepreneurship and (in)formality and

concurrently interprets the findings within the embeddedness in context perspective. The findings of the qualitative study are presented in detail in Chapter 5. Thus, enhancing the validity and robustness of findings of the thesis. Chapter 6 discusses the findings of Chapter 4 and 5 based on the research objectives as well as in line with theoretical and empirical literature as examined on the topics. Chapter 7 provides conclusions for the overall thesis. It begins by discussing briefly a summary of the empirical findings within the specified research questions that have guided the study. Following this, the chapter discusses the implications of the findings for research, policy and practice as well as theoretical and methodological contributions. Also, the research limitations are highlighted. The chapter ends with an outline of possible areas for future research.

1.9 Summary

This chapter offered an overview of the research, aims and approach of the thesis. First, the key terms used in the study are defined. The chapter then provides an overview of the economic and policy environment in Ghana. Next, it set the stage for the entire thesis by presenting the background of the research and the motivation to study the (in)formal entrepreneurship among rural youths in Africa. This was followed by the overarching aims of the thesis and the research questions addressed in the empirical chapters. After that, a section described the methodological approaches and design. The chapter ended with a discussion of key contributions of the thesis project as a whole, followed by an outline with the thesis structure.

Chapter 2: Literature Review

2.1 Introduction

With the discussion in Chapter 1 providing a synopsis of the definitions of key terms used in the thesis, such as: 'entrepreneurship', 'youth', 'rurality' and '(in)formality', this chapter moves further to outline theories in extant literature which have been applied to study the phenomenon of (in)formal entrepreneurship.⁵ It then identifies arguments advanced in the outlined theories that have shaped prior literature under two prominent views: the 'marginality' view and the 'cost-benefit' view and discuss briefly the scope of prior literature in contextualising (in)formal entrepreneurship. This is followed by the rationale for opting for the 'embeddedness in context' perspective as the appropriate theoretical approach to investigate the phenomenon. Its further review literature on 'context' and the various domains of context. The review then examines the resources located in context and how such resources are used by entrepreneurs in emerging economies, where access to economic resources are usually considered as constrained. The chapter then reviews the literature on (in)formal entrepreneurship among African youths in BoP settings within the 'embeddedness in context' perspective. It should be acknowledged here that while the extant literature on all the theories discussed in this chapter is expansive, the purpose of this review is to highlight a limited few of such literature that drove the entire research process in this thesis.

2.2 Theorising (In)formal Entrepreneurship

The heterogeneity of the character of informality has led to various theorisations since the 1950s to understand why individuals participate in such an economic endeavour. The literature is dominated by studies which have examined the phenomenon through the lens of four primary theories. These are: dualism (e.g., Boeke, 1942, 1953; Bromley, 1978; Geertz, 1963; Lewis, 1954; Ray, 1998), structuralism (e.g., Davies, 1979; Gerry, 1979; Moser, 1978; Long and Richardson, 1978; Portes *et al.*, 1989), neo-liberalism (e.g., Becker, 2004; de Soto, 1989, 2001;

⁵ Henceforth, reference to (in)formal entrepreneurship refers to non-farm (in)formal entrepreneurship.

Gerxhani, 2004; Maloney, 2004; Nwabuzor, 2005; Perry and Maloney, 2007) and post-structuralism⁶ (e.g., Gibson-Graham, 2006; Jones *et al.*, 2006; Snyder, 2004; Williams, 2004, 2006).

Dualists consider formality and informality as two distinct economic activities engaged in the 'modern' and 'traditional' sectors respectively, with marginalised entrepreneurs argued to consider the formal economy as an ultimate destination where they would want to operate their businesses (Geertz, 1963). Structuralists portray informality as subordinated economic practices engaged in by marginalised entrepreneurs who lack job security and improved welfare with their impoverished situations attributed to the unequal relationship, they have with operators of large corporations who largely participate in formality. Proponents of this perspective also argue that the failure of the state and its legal systems to regulate such an equal relationship as capitalist systems develop is what has led to a situation where many marginalised entrepreneurs are pushed to participate in informality to deal with welfare crisis.

Neo-liberalists, on their part, argue that the choices individuals make to participate in informal entrepreneurship is a consequence of weak states which make tools of formalisation less available and more expensive to obtain, with over-regulation by the state led to the prevalence of unfavourable tax regimes, corruption, policies and administrative bottlenecks that unnecessarily distorts or impedes the workings of the open market. Hence, rational business actors, such as informal entrepreneurs, are encouraged to voluntarily 'exit' the formal economy to operate enterprises in the informal economy. In the case of post-structuralists, the argument on the choices entrepreneurs make to participate in informality is shifted to the influences of non-economic factors, such as entrepreneurs desire to: redistribute their economic resources to respond to exploitative practices associated with capitalist development in the formal economy, attain social goals and/or improve their identities as well as lifestyles in society.

Over the period, scholars have also examined the phenomenon through other theories, such as: the necessity-opportunity driven perspective (e.g., Adom and Williams, 2012; Williams, 2007a, 2008; Williams and Youssef, 2014; Williams, Round and Rodgers, 2009), 'exclusion' or

⁶ This view draws from a broad array of scholarship within the post-structuralist, post-development and post-capitalist discourses (e.g., Bourdieu, 2001; Escobar, 1995; Gibson-Graham, 2006)

'exit' perspective (e.g., Williams and Youssef, 2015; Shahid *et al.*, 2017), institutional asymmetry or incongruence perspective (e.g., Littlewood *et al.*, 2018a; Williams, 2017; Williams, Horodnic *et al.*, 2015; Williams and Vorley, 2015), purchaser perspective (e.g., Littlewood *et al.*, 2018b; Williams, Horodnic and Windebank, 2017), social network theory (e.g., Villanueva *et al.*, 2018) and social contract perspective (e.g., Windebank and Horodnic, 2016). Careful examination of arguments advanced by studies that have drawn on the outlined perspectives leads to two prominent views which seek to explain why some individuals choose to participate in (in)formal entrepreneurship, that is the 'marginality' and 'cost and benefit' views. The sub-sections that follow explain these views as used in the literature.

2.2.1 The Marginality View

In asking why many entrepreneurs, in particular developing countries, participate in informality as a venture activity, a prominent view considers informal manifestations of entrepreneurship as purely a marginalist activity (Adom, 2014; Chen *et al.*, 2004; Williams and Horodnic, 2015a, b; Williams, Horodnic and Windebank, 2016). This activity is shaped by individuals limited access to economic resources, opportunities, skills and competencies, with marginalised entrepreneurs argued to perceive venture activities associated with formality as progress and modernity (Geertz, 1963). Other scholars also argue that marginalised individuals' participation in informality can be attributed to de-regulation processes of the state, which is occurring across the global economy as functioning part of contemporary forms of capitalism, and has led to increasing de-skilling and degrading of work (Espenshade, 2004). Hence, with limited access to state-sponsored welfare schemes, marginalised entrepreneurs are pushed to participate in informality (Morris and Polese, 2016; Polese *et al.*, 2014). Thus, within the marginality discourse, individuals participate in informality to survive or use earnings from such enterprise activity to mitigate welfare crises.

The primary characteristics of marginalised entrepreneurs who often participate in informality include: those who are women, youths, the unemployed, low income and the poor, individuals with few years of education, those who are not married (e.g., single, divorced or widowed), those in large households, the physically challenged, those engaged in petty trading and self-provisioning, those who are migrants and those who live in less affluent communities or regions (e.g., Adom and Williams, 2014; Sallah and Williams, 2016; Williams and Horodnic,

2015a, b, c; Williams, Horodnic and Windebank, 2016). These individuals are argued to often lack economic resources, skills and competencies and have fewer opportunities to participate in enterprise activities associated with formality. Thus, by implication, if government implement policies that improve the economic environment, market systems and ensure fairer conditions of employment and welfare regimes marginalised entrepreneurs will utilise the resources, skills and opportunities that they can now access to move their business operations to the formal economy.

2.2.2 The Cost and Benefit View

The second principally advanced argument, the 'cost-benefit' view (Autio and Fu, 2015; De Castro *et al.*, 2014; Godfrey and Dyer, 2015; Perry *et al.*, 2007; Williams and Round, 2008), suggest that the behaviours individuals demonstrate towards participating in informal enterprise activities are outcomes of their cost and benefit considerations associated with such venture activities. Unlike the marginality argument which characterise informality as an endeavour for the poor or those in under-served societies, the cost-benefit view cut across individuals who are considered impoverished and the affluent or those in under-served and affluent societies, who have hidden enterprise cultures which has been left unnurtured by the state (Williams, 2004, 2007b). This view argues that the decisions individuals make to participate in formality enterprise or work activities depend, to a large extent, on the prevailing "formal arrangements for which the costs remain lower than the benefits" (Becker, 2004, p. 24). Considering the opportunity costs of participating in formality or informality, entrepreneurs, therefore, make decisions that are based on their considerations of the trade-off between costs they want to avoid and the benefits receivable they have to forego (e.g., Becker, 2004; Leveson and Maloney, 1998).

Scholars who follow this view also argues that the choice entrepreneurs make to participate in formality or informality are determined by the benefits they expect and the considerations they give to the institutional constraints they are often faced with (e.g., Dabla-Norris *et al.*, 2008; Fajnzylber, 2007; Lagos, 1995; Loayza, 1996). Hence, behaving as rational business actors, entrepreneurs who participate in informality adopt organisational forms that allows them to maximise the advantages of resources (financial, human, physical, technological, and social) at their disposal and in the institutional environment by changing the 'rules of the

game' in such an environment so that the benefits accrued are more than the costs (Acs *et al.*, 2014; De Castro *et al.*, 2014). Thus, it is because entrepreneurs consider the benefits of formality as of less value than the costs, which also include repressive actions of the state associated with formality, that they choose to operate their businesses in the informal economy. The implication of this view is that if the state de-regulate its repressive actions that constrain the venture activities of entrepreneurial individuals and affect adversely their costs of operations, such individuals will move their firms to the formal economy.

Moving away from capitalist-centric views that underlies the cost-benefit view, other scholars have considered intrinsic and non-pecuniary factors, such as: personal independence, improved relationships, redistributive motives of some entrepreneurs as well as identity and lifestyle considerations and costs (e.g., fear of rejection, punitive actions and sanctions, etc.) from individuals relatives, friends and neighbours in communities that influence them to participate in informality (e.g., Cross, 2000; Gerxhani, 2004; Gibson-Graham, 2006; Maloney, 2004; Synder, 2004; Sallah and Williams, 2016; Williams, 2004). In sum, the two prominent perspectives of 'marginality' and 'cost-benefit' views, which underlie the various other theories (e.g., dualism, structuralism, neo-liberalism, post-structuralism, etc.), were of particular relevance to this study, as they offered important insight on why entrepreneurs choose to participate in formality and/or informality as part of their venture activities.

In recent times, the focus on formal and informal entrepreneurship has been expanded beyond the economic and development fields to the management, organisational and entrepreneurship fields. Table 2-1 shows some of the studies explored in the last decade.

Table 2-1: Example of studies reviewed on formal and informal entrepreneurship over the past decade in the management, entrepreneurship and economics fields

Authors (Year of study)	Type of study	Philosophy of study	Study setting	Key findings	Contribution
Adom and Williams, 2012	Empirical	Inductive	Emerging economy	That the majority, especially the women informal entrepreneurs, are predominantly necessity-driven while those who are principally intentional participants in informal entrepreneurship are men. However, many women who initially entered informal entrepreneurship out of necessity have over time become more opportunity-driven entrepreneurs.	That in urban Ghana, entrepreneurs participation in informal entrepreneurship are not only driven, partially or fully, by opportunity motives. But, push and pull factors associated with necessity and opportunities are co-present in their rationales for participating in informal entrepreneurship, with significant gender variations recorded in these rationales.
Al-Mataani et al., 2017	Empirical	Inductive	Emerging economy	That hidden entrepreneurs in Oman thrive on loopholes or flawed institutional configurations to operate businesses in domestic ecosystems and international settings. The institutional configurations that shape the emergence of their enterprise activities include sociocultural factors which prevails in their local environments and affect adversely mindset on entrepreneurship, weak formal regulations and policies and cognitive factors that lead to deficient business knowledge and skills amongst passive entrepreneurs. Whilst hidden entrepreneurs are perceived negatively by the local active entrepreneurs and stakeholders in terms of competition, fraud and distortion of government SME policy, interestingly some practices of these entrepreneurs also create learning opportunities as well as access to scarce resources.	That hidden entrepreneurs engage in hybrid enterprise activities that involve both legal and illegal practices. While their businesses are registered and sell legal goods and services, they violate ownership registration and labour laws. However, they differ from other informal activities in terms of effects of their operations on the economy. It also reveals the institutional dynamics in such an emerging economy and how they shape hidden enterprise practices
Assenova and Sorenson, 2017.	Empirical	Deductive	Emerging region	There is considerable variation in the magnitude of the benefits associated with formality in countries in Sub-Saharan Africa. Business registration appeared more valuable in countries where citizens placed greater trust in the government and state regulatory institutions.	That formality benefit firms in developing economies as it allows them to acquire socio-political legitimacy contrary to argument advanced in literature on the benefits of informality. Thus, businesses which formalise, such as being registered perform better than those that do not.

Babbitt <i>et al.</i> , 2015	Empirical	Deductive	Emerging economy	That female entrepreneurs in Indonesia possess highly nuanced preferences about formalisation that are conditioned on many factors. The preference for formalisation is strongest among female entrepreneurs who are older, married, rural-based, and have recently started their firms. The longer a woman owns her business, the more aware she becomes of the credit-related benefits associated with the formal economy.	That differences between female entrepreneurs that emerge along multiple and layered identities affect their decisions to formalise their businesses.
Bennett, 2010	Conceptual	Deductive	n/a	That informality may be a stepping stone toward formality for a firm and that without the stepping stone, formality might never be achieved.	Support arguments advanced in literature that decisions of entrepreneurs to choose formality is based on their expected benefit (in this case profitability). Where the profitability associated with formality is disappointing, entrepreneurs may choose to participate in their informality activities.
Berkel, 2018	Empirical	Deductive and Inductive (Mixed)	Emerging economies	It suggests that the most manufacturing informal firms in Mozambique do not benefit from formalisation due to their underlying conditions, such as: costs of formalisation in terms of fees, taxes, time, social capital and personal intangibles which are high. Benefits of formalisation include being legally recognised by the state and selling to formal clients (e.g., government offices, etc.). Overall, the costs of formalising outweigh the benefits.	Contribute to studies which argue that entrepreneurs operate their businesses at varying degrees along a formality-informality continuum, with their choice to participate in formality and informality influenced by their benefit and costs considerations.
Bruton <i>et al.</i> , 2012	Conceptual (Literature review)	n/a	n/a	That varied contextual factors (e.g., gender, religion, trust, desire to build relationships, resource constraints, emerging technology, etc.) influence practices that aimed at informality.	Call for the indigenous examination of entrepreneurs and firms that participate in informality, exploring the institutional settings where such venture activities are largely engaged in.
Coletto and Bisschop, 2017	Empirical	Inductive (case studies)	Emerging economies	In developing cities, such as Accra and Porto Alegre, informal entrepreneurs act as middlemen by connecting informal waste pickers to the formal industry. For informal waste pickers, although they are integral to the waste management systems in these cities, their economically disadvantaged position excludes them from the formal labour market. Faced with these challenges, they develop creative solutions to guarantee their livelihood and gain more effective collective voice. Thus, revealing multiple connections between informal and formal parts of the economy.	Support arguments that although informal workers, such as informal waste pickers, may participate in the informal economy due to lack of formal employment, the choice to engage in such work activities may also be an empowered choice rather than necessity. Hence, engage in collective practices that gain them voice and guarantee their livelihoods.

Darbi <i>et al.</i> , 2018.	Conceptual	n/a	n/a	These authors developed a model that conceptualises criminal, formal and informal businesses in a three-dimensional model framed around organisational infrastructure, level of legal compliance in the organisational processes and structures employed in their operations, and level of legal compliance of the goods produced or sold. They delineate four other classifications, which not only differentiate formal and informal businesses, but also depict varying levels of informality within existing businesses. Thus, argues for whole or partial stages of transition of businesses between formal and informal economies. They also argue that the choices businesses make to engage in formal and informal arrangements at any point in time are dependent on their cost-benefit analysis.	Authors offer a three-dimensional framework that highlights an organisational infrastructure dimension, a view of firms operating along a continuum and a multi-level analytical argument
Dahles and Prabawa, 2013	Empirical	Inductive (ethnography)	Emerging economy	That informal entrepreneurs engaged in pedicab driving in Yogyakarta (Indonesia) provide evidence of opportunity-driven enterprise activities associated the informal economy, initially demonstrating alertness and innovation to revolutionise the transport industry. However, overtime, protectionist measures and consolidation hamper their innovative enterprise practices, making them engage in routine activities.	Support studies that shows that in emerging economy setting, such as Indonesia, informal entrepreneurs are not driven by necessities but may also be opportunity-driven, which may be contingent on temporal actors and structures.
Dau and Cuervo-Cazurra, 2014	Empirical	Deductive	Global (cross-country)	That economic liberalisation positively impacts both formal and informal entrepreneurship while governance levels have a positive impact on formal entrepreneurship but a negative effect on informal entrepreneurship.	It teases out the theoretical differences between formal and informal entrepreneurship and introduces the informal entrepreneurship index as a method to measure informal entrepreneurship.
De Andrade <i>et al.</i> , 2013	Empirical	Deductive (field experiment)	Emerging economy	That the impacts of information and free cost treatments on business registration have zero or negative impacts on formalisation in firms in Belo Horizonte (Brazil). But inspections have a significant but small effect in that regard. Revealed that entrepreneurs when faced with costs, such as taxes and the need to hire accountants, are less willing to formalise their operations unless there are enforcement mechanism that forces them to do so.	That increasing enforcement of rules is a better approach to get firms to formalise their operations. But there are limits. They argue that, rather than having separate inspectors for different forms of registration, having municipal inspectors who are able to enforce municipal, state, and federal registration would have stronger impacts.
Demenet <i>et al.</i> , 2016	Empirical	Deductive	Emerging economy	That household businesses in Vietnam that formalise their operation are more likely to capitalise on the benefits associated with formality (e.g., access to new equipment, such as electricity and internet, funds from formal sources, etc.) to improve their	That the cost of participating in informality may be higher than the benefits which can affect adversely business performance. Also, the

				performance. However, operators who formalise their operations are likely to deal with problems associated with competition and customers. Thus, firms are more efficient by escaping many of the constraints associated with informality.	benefits associated with formality is dependent on whether business operators are self-employed individuals or employers, with the benefits less pronounced among self-employed individuals. Informality was revealed to impact negatively on business performance and conditions.
Ferragut <i>et al.</i> , 2013.	Empirical	Deductive and Inductive (Mixed)	Emerging economy	That the working and living conditions of street vendors in Quito (Ecuador) did not automatically improve with formalisation of their work and enterprise activities. While some aspects of their operations have improved (e.g., labour, employment, work and skills use and upgrading) especially among growth-oriented vendors, others became worse off, particularly in terms of jobs, income and representation as they worked in one location and could not move around like before to engage in diversified enterprise activities.	That the impact of benefiting from formality is dependent on entrepreneurs' character as growth-oriented entrepreneurs or survivalists.
Floridi <i>et al.</i> , 2016	Empirical	Inductive	Emerging economy	Revealed that in countries, like Egypt and Palestine, trans-formal firms survive their operations in the borderland of the formal and informal economies by constructing institutional relationships that counteract (market) forces, which could threaten their survival. These firms survive by building durable, institutional relationships with customers, suppliers, firms in the same line of business, creditors, and individual state officials.	Support studies that argue that the heterogeneity among entrepreneurs occur along a formal-informal continuum. Using three indicators, such as: registration of firms, existence of a bank account in the name of the firm and the presence of an official balance sheet, authors create an umbrella category of trans-formal firm, which show the borderland that formality and informality activities interacts. Argues that understanding the institutional environment and existing shadow networks is crucial to understanding why trans-formal firms remain and survive in the borderland.

Granados and Rosli, 2018	Empirical	Inductive	Emerging economy	Revealed that the use of institutional structures, such as constitutional courts, to influence the entrepreneurial practices of waste pickers in Cali (Colombia) to formalise their operations (that is through structural and disciplinary powers) did not address real issues of inequality that were experienced by the waste pickers as a social group. These entrepreneurial group are evidenced as affected by the hegemonic and interpersonal powers related to their social groups, which emphasis the day to day struggles they face when trying to pursue their entrepreneurial activities as a solidarity association.	Extend the discussion on the multidimensional continuum of formal and informal entrepreneurship. They argue for more discussions on power and how certain marginalised groups are subject to intersectionalities that will always restrict their opportunities to participate and practice as entrepreneurs in a formal economy and market, particularly, in relation to the implication on what is considered to be legitimate —as specified by norms, values, and beliefs. Hence, the focus of discussions should not be about being formal or informal but about how waste pickers legitimises their positions and identities in the waste economy.
Grimm <i>et al.</i> , 2012	Empirical	Deductive	Emerging economies	Found that in the urban informal economy of seven francophone countries in West Africa heterogeneity of informal entrepreneurs are characterised by a third group of entrepreneurs beyond survivalists and growth-oriented entrepreneurs, who are 'constrained gazelles'. These entrepreneurs are evidenced to share many characteristics with top performers (growth-oriented entrepreneurs) including how having similar managerial abilities although they operate businesses with substantially lower capital stocks similar to those of survivalists. Hence, they are more productive and can thus earn much higher returns to capital than survivalists.	Contribute to studies on the heterogenous character of entrepreneurs who operate businesses in the urban informal economy and argues that constrained gazelles show strong entrepreneurial dynamism even with very low capital stocks.
Ketchen <i>et al.</i> , 2014	Conceptual	n/a	n/a	Highlight that the most salient research opportunities are not within the informal economy but rather within the boundaries and interchanges between the formal and informal economies. Also revealed that qualitative methods, such as field interviews, case studies and ethnography, were considered the most promising investigative methods.	That the views on the best approaches to study the informal economy vary among Strategic Entrepreneurship Journal's editorial board members. But, in general institutional theory and network theory are seen as the best perspectives to lead to major contributions.

Kistruck <i>et al.</i> , 2015	Empirical	Deductive and Inductive (Mixed)	Emerging economy	That being registered makes it easier for entrepreneurs in Guatemala City to obtain the financial capital needed for growth. But, then being registered also comes with increased challenges related to extortion and theft, as the registration lead to unwanted attention from criminals. Hence, legitimacy associated with formality can lead to both resource provision and appropriation in environments where strong and weak institutions co-exist.	Contribute to studies that argues that entrepreneurs within BoP markets do not formalise their operations due to the benefit of adhering to institutional prescriptions perceived as less than the costs.
Knox <i>et al.</i> , 2019	Empirical	Deductive and Inductive (Mixed)	Emerging economies	That among street traders in the selected cities studied in Rwanda, Senegal and South Africa, although majority are self-reliant out of necessity, there is evidence to show that they aspire to grow their businesses and had clear ideas on how to do so irrespective of gender dynamics.	That the categorical identification of enterprise operators in the informal economy as 'survivalist' versus 'growth-oriented' in extant literature depict a marginalist view that assume that survivalists do not aspire for growth with their enterprises.
La Porta and Shleifer, 2014	Empirical	Deductive	Emerging economies	That in developing countries informal firms stay permanently informal, they hire informal workers for cash, buy their inputs for cash, and sell their products for cash. Operators of these firms are evidenced as extremely unproductive and are unlikely to benefit much from becoming formal. Hence, generates a strong prediction that the cure for informality is economic growth. Authors provide evidence to strongly supports their prediction, explaining that informality declines, although slowly, with development.	Argue in support of the dualist view on informality that contrary to the position of neo-liberalists informal entrepreneurs have little worry about government regulations on issues such as: corruption, business licensing and permits, or the legal system. These entrepreneurs are more concerned about lack of resources (e.g., land, finance, human capital, etc.) with argument made that economic growth in developing countries may gradually lead to fall in practices associated with informality.
Marlow <i>et al.</i> , 2010	Empirical	Inductive (case studies)	Developed economy	Revealed that in small firms there are usually tensions that arise between employers and employees from decisions to introduce formalisation which requires established networks of influence to be renegotiated. Authors revealed that the degree of overt and covert managerial resistance to change was an impediment to growth and sustainability, with the reconfiguration of managerial authority key challenge for such firms. However, the smallness in size of the organisations and transparent managerial hierarchies that were sufficiently transparent for established networks and affiliations ensured retained influence.	Present an alternative conceptualisation of formalisation and informalisation processes that emphasises synchronisation through interactional practices. Thus, authors argue for formality-informality dualism instead of dichotomy and challenge the notion that small firms must, should or inevitably move from informality to formality. Also, argument is made that negotiating growth in such firms is not simply about recognising the need for

					and introducing policies to formalize employment relations, but also requires employees, owners and managers to acknowledge and accept the redistribution of authority that the process demands, interactionally as well as procedurally.
Marques <i>et al.</i> , 2018	Empirical	Inductive	Emerging economy	That studied women entrepreneurs in three northern Brazil cities of Salvador da Bahia (Bahia), Fortaleza (Cear) and Belm (Par) opt for legalised individual entrepreneurship to access the benefits of formalising their businesses and to search for mechanisms that encourage a work–family balance. However, in the more rural city studied (that was: Belém locality), women show greater resistance to, and more distrust of, the benefits of legalising their businesses, as opposed to women from the two more urban cities. The authors attribute these behaviours of the rural women entrepreneurs towards formality as partly due to evidence they reported which show that established the law to legalise micro businesses were backed by sensitisation programmes which publicised the benefits of legalisation more in urban areas than the rural areas.	Contribute to research that seeks to understand better entrepreneurial preferences (i.e. formal versus informal) and the role played by gender and legal, financial and family constituents of context.
McGahan, 2012	Conceptual (Literature review)	n/a	n/a	That the study of informal of management, pointing to areas for new theorising capabilities, absorptive capacity, property rights, innovation, and organisational legitimacy for management scholars but also essential discipline. Revealed areas of management scholarship that are benefiting from consideration of the informal economy, such as: nonmarket strategy, systems of innovation, organisational behaviour, human resource management, entrepreneurship, information-systems management, and regulatory management.	Argues that not only is informal economic activity important in its own right, but it is integrally bound to the formal economy. Hence, precision in the construction of concepts that distinguish formal from informal activity is essential for understanding the conditions that give rise to competitive advantages, capabilities, resources, and innovative profiles. Also, argue that studies at the boundary of formal and informal activity has the potential to shed light on foundational concepts in the field of management, which include the nature of the managerial function, the character of the resource-allocation process, and the function of the corporation as a social mechanism for value creation.

<p>Nguyen <i>et al.</i>, 2014</p>	<p>Empirical</p>	<p>Deductive</p>	<p>Emerging economies</p>	<p>That among studied Vietnamese firms government support through financing encourages the firms to enter the formal economy rather than face the costs associated with remaining informal. Such financial support removes growth-constraints of business operators and in enforcing the property rights of these businesses when they register, they gain the full benefits of accessing credit and skilled labour. With the transition process influencing entrepreneurs to realise that the cost of being informal as higher than the benefit, they become less willing to engage in corrupt practices as they participate in the formal economy. The authors argue that this evaluation by business operators are affected by their attention bias. Also, entrepreneurs situated attention focused on growth and structural attention influence the rate at which they are willing to formalise their operations to be innovative.</p>	<p>Contribute to research that seeks to use attention-theory perspective to explain the decisions of entrepreneurs to formalise their operation. Argues that changes within the business and the relationships with external actors occur over time which shift the focus of attention of entrepreneurs and, thus make it more likely for them to formalise their operations.</p>
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2.2.3 The scope of contextualising (in)formal entrepreneurship in literature

Most of the studies that has explored the phenomenon of (in)formal entrepreneurship within the perspectives outlined above adopt contextualised lenses. However, the standardised models often adopted in these studies assume, either implicitly or explicitly, that majority of business operators, in particularly emerging economies, operate their businesses in the informality segment of the formality-informality continuum. Hence, empirical investigations have largely been focused on entrepreneurial behaviours made towards informality than considering formality and informality as a continuum. Thus, many of the extant models explore the phenomenon with “the assumption that formal tools, organisations and institutions are unavailable to informal entrepreneurs” (Godfrey and Dyer, 2015, p. 142). Also, these models usually seek to answer the ‘*who*’, ‘*what*’, ‘*where*’ and ‘*why*’ questions of the emergence of this phenomenon, with less consideration given to the ‘*how*’ and ‘*when*’ questions that are also important to understanding the evolution and organisational forms associated with such a phenomenon as well as the persistence of informality in these economies.

Also, some of the standardised models (e.g., Perry *et al.*, 2007; Siqueira *et al.*, 2016; Williams and Kedir, 2018; Williams, Martinez–Perez and Kedir, 2017) adopted sometimes control for crucial contextual factors, such as socio-demographics, size of businesses operated, length of period of which entrepreneurs operate their firms, sector and regional location characteristics, as well as levels of technological innovation, adopted, among others, that influence the emergence of the phenomenon. Thus, ‘de-contextualising’ to some extent the structures, conditions and actors which influence the emergence of (in)formal entrepreneurship. Hence, the need to adopt a broader theoretical framework that explores the emergence of (in)formal entrepreneurship as a continuum, and reveal the ‘*who*’, ‘*what*’, ‘*where*’ and ‘*why*’ as well as the ‘*how*’ and ‘*when*’ which shape the emergence of the phenomenon and behaviours of entrepreneurs towards both the formality and informality segments of the continuum. The rationale for the choice of the adopted theoretical approach is further discussed in the section that follows.

2.3 The rationale for the adoption of the ‘embeddedness in context’ perspective

As stated in Chapter 1, the purpose of this study was aimed at examining the role played by the domains of context in the emergence of (in)formal entrepreneurship among RYEs. The decision to investigate this phenomenon as a continuum was informed by recent reports which shows that the under-studied sub-population (that is, African youths) situate their work and enterprise activities not only at the informality-end of the continuum but also participate actively in the formality segment (Williams, Khan *et al.*, 2015; Williams and Pompa, 2017). These reports has highlighted that such navigation of the continuum is dependent on the prevailing opportunities that the youths identify with the formal and informal economies.

With the primary focus of contextualised entrepreneurship research aimed at accounting for variations and differences in both hidden and well-known phenomenon (Gartner, 2008; Welter *et al.*, 2019), such as (in)formal entrepreneurship, the decision to adopt the ‘embeddedness in context’ perspective (Welter, 2011; Welter and Gartner, 2016), as the appropriate approach to investigate the phenomenon in the emerging economy of Ghana, was aimed at capturing the heterogeneity of the phenomenon engaged in by the rural youths within such a continuum. This aim was also focused on the examination of (in)formal entrepreneurship as a path-dependent and path-created phenomenon (Garud *et al.*, 2010) to understand *how* it originates and transforms to shape the motives, decisions and actions of these entrepreneurs, *why* they consider their participation in aspects of the continuum as crucial during their venture creation activities and *when* they give prominence to such venture practices.

Arguments has been made in the literature that in emerging economies across the global south many entrepreneurs actively navigate within the formality-informality continuum (e.g., Benjamin, Mbaye *et al.*, 2012; De Castro *et al.*, 2014; Williams and Shahid, 2016). For instance, Williams and Shahid (2016, p.2) argues that in these settings:

“many entrepreneurs are neither wholly formal nor wholly informal (but) ... operate somewhere in the middle of these two extremes, displaying various levels of (in)formalisation”.

Nevertheless, empirical research (e.g., De Castro *et al.*, 2014; Uzo and Mair, 2014; Williams and Shahid, 2016) that explore the phenomenon within such a continuum is modest, although growing. These recent studies, explored largely within the institutional domain of context, has

revealed how formal and informal institutions affect the strategic decisions and practices some entrepreneurs engage in towards participating in the formal and informal economies with their ventures. Hence, provided new insights which reflect the heterogeneity of the phenomenon (Webb *et al.*, 2014).

Thus, by adopting the ‘embeddedness in context’ approach the study responded to calls (e.g., Kiggundu and Pal, 2018; Mhando and Kiggundu, 2018; Ram *et al.*, 2017) for the use of pluralistic complementary lenses to capture “the (complex) incentives, constraints, motivations, strategies, and abilities” (Webb *et al.*, 2013, p.1) that are associated with entrepreneurs participation in formal and informal business activities. The adopted approach was, therefore, found as apt as it allowed for the exploration of the phenomenon across multiple lenses in a single study, as required for the emerging economy setting where the study was conducted (Kiggundu and Pal, 2018).

Providing space for deeper understanding of the phenomenon, the approach allowed for the examination of the phenomenon within a critical process framework (Baker and Welter, 2018). This framework ensured that (in)formal entrepreneurship was studied:

“in a variety of different ways that usefully challenge our presumptions and also lead us to attend to empirical factors that might otherwise escape our notice or appear trivial” (ibid., p.33).

Such a perspective which involved fracturing and emphasising on differences, also allowed for “better assembly of piece parts (of the phenomenon under-study) into a coherent whole” (Welter *et al.*, 2019, p. 321). Thus, the approach led to new insights as well as the answering of the research questions of the study. It revealed the dynamics of power, domination, oppression, inequalities and emancipatory tactics which usually shape the emergence of (in)formal entrepreneurship. With new interpretations and meanings gained, I was, therefore, able to “question important taken-for-granted assumptions and judgments that underlie established theories and concepts” (Baker and Welter, 2018, p.33) of the phenomenon. The next section examines the literature on the ‘embeddedness in context’ perspective and reviews studies in Africa through this lens.

2.4 Embeddedness in Context Perspective

This section reviews the literature on the ‘embeddedness in context’ perspective. The section starts with a brief discussion on the background, definition and significance of the chosen theoretical approach, followed by a review of literature on context and the various domains of context as well as resources located in context.

2.4.1 Background, definitions and significance

The complexity and dynamism of the concept of “embeddedness” make it difficult for researchers to define, conceptualise and operationalise it (Uzzi, 1997). This concept is credited to the political economist, Karl Polanyi, in his 1944 book titled the “Great Transformation”, which he relied on historical and anthropological materials to argue that all forms of economies are embedded in social relations and institutions. Polanyi explained that before the era of industrialisation social-economic organisations was mainly carried out through reciprocal and redistributive personal and social relationships. These were relationships of which people were embedded in social, cultural and political institutions within and across the household and societies. But, the emergence of industrialisation and the associated capitalism and market competition, led to some shifting away (dis-embedding) from such reciprocal and redistributive modes of social-economic interactions to marketisation of modern economies. These are economies where state and non-state actors purposefully construct modern market activities, which are self-regulating to drive economic exchange that thrives on demand and supply forces and commodify productive resources. These modern market economies co-exist with the nation-state, which ensures smooth re-embedding processes to the market economies. However, Polanyi argues that tensions arise during the re-embedding process to market economies where the nation-state is less formally structured which lead to ‘double movement’, with the market economies imposing social costs and the re-embedding process also imposing economic costs on state and non-state actors engaged in such a process (Polanyi, 1944).

Building on Polanyi’s work, Mark Granovetter in 1985 refined and popularised the concept of embeddedness by arguing that economic theory adopts approaches that ‘under-socialises’ the roles played by human behaviour during economic exchange and that there are

social processes that facilitate and constrain such exchange, with social interactions that occur during market activities needed to be considered in theory. Thus, the dynamics of embeddedness for Granovetter (1985) involved socially embedded processes that facilitate and constrain economic actions. In this respect, economic actions, such as entrepreneurship occur within two extremes, where on one hand rational market behaviours completely determine price equilibrium based on demand and supply interactions between buyers and sellers with almost no role played by social relationships (Uzzi, 1996). Hence, the under-socialisation of economic actions stems from rational choice theorists' assumption of "utilitarian pursuit of self-interest" (Granovetter, 1985, p.485). On the other hand, extreme market exchange is overly dependent on social relationships and structures with almost no consideration given to rational decisions (Granovetter, 1985). Therefore, entrepreneurship, as an embedded economic and social process, occur between these two extremes and it allows individuals to realise the importance of social actors and structures, become part of such actors and structures and engage in interactions that can lead to resources acquisition (Jack and Anderson, 2002; Korgaard *et al.*, 2015a), information access for venture creation and legitimises their entrepreneurial operations (Burt, 2000, 2004; Gnyawali and Madhavan, 2001; Thornton, 1999). Here, the choices individuals make to foster relationships in social groups⁷ often generate trust and discourage malfeasance in behaviours (Granovetter, 1985).

Nonetheless, the positive outcomes associated with embeddedness exist to some threshold beyond which embeddedness can lead to negative consequences which occur as a result of over-socialisation (Uzzi, 1997; Waldinger, 1995). To ensure that entrepreneurial individuals or their organisations make the most of their embeddedness, not to be under- or -over socialised, they need to balance their embeddedness by negotiating with situated conditions, opportunities and constraints, what is referred to as 'context' (Johns, 2006; Welter, 2011), so that they do not cross such a threshold (Roos, 2019; Gaddefors and Cronsell, 2009; Kalantaridis and Bika, 2006). Thus, relating to Giddens (1984) conception of the duality of structure and agency, the notion of embeddedness as used by Granovetter (1985) considered the active agential roles played by entrepreneurial individuals to foster

⁷ Social groups are collectives of individuals in interdependent relationships (Cartwright and Zander, 1968) and may include a group of individuals who establish businesses, family members, friends, kins and various other actors, such as mentors who influence venture creation processes (Eesley and Wang, 2014; Kim *et al.*, 2013; Portes and Sensenbrenner, 1993; Rotger *et al.*, 2012)

relationships that emanate from social structures or essential milieu within which they inhabit and operate from. Also, the structured nature of the embedded process has been characterised with the material quality and configurations of relationships fostered among social actors, such as weakness of ties (based on frequency of interactions), density and diversity of ties (that is, based on number and similarities of interactions fostered with social actors) (Nahapiet and Ghoshal, 1998; Uzzi, 1996),

Despite its insightfulness, popularity and influence, the theory of embeddedness as conceptualised by Granovetter (1985) has been criticised by many scholars that it has not been fully developed. Halinen and Tornross (1998), for instance, argued that irrespective of the relevance of embeddedness, the concept did not exploit its dynamism in relations to entrepreneurship, which according to Johannisson *et al.* (2002) lead to conceptual challenges as to how entrepreneurship research can explore the influences of the wider socio-economic environment in which entrepreneurs and their businesses are situated. Uzzi (1997, p.35-36) also pointed out that the concept of embeddedness in its initial proposition suffered from “theoretical indefiniteness” as it attempted to combine specific economic actions with generalised propositions about how economic and collective actions are affected or influenced by social ties. In a critical review of the concept, Mark Granovetter expressed that:

“... it has become almost meaningless, stretched to mean almost anything, so that it, therefore, means nothing” (Kripper *et al.*, 2004, p.113).

Uzzi (1997), therefore, suggest that there is need to capture not only the dynamism of the concept to social complexities entrepreneurs and their businesses often face, but also to explore how such complexities develop, examining the working of ties within the wider societal environments of which entrepreneurs are also embedded (Johannisson and Landstrom, 1997; Uzzi, 1999). On the back of these criticisms and in line with arguments raised by Hess (2004, p.166) for researchers to distinguish clearly what they mean by “who” is embedded in “what” to reduce the metaphorical complexities surrounding the concept, various studies have emerged to explore how individuals and organisations are embedded in various domains of context beyond the social and economic domains (Welter, 2011; Welter *et al.*, 2019), such as cognitive, cultural, political, institutional and spatial embeddedness (Kloosterman, 2010; Kloosterman *et al.*, 1999; Muller and Korgaard, 2018; Welter and Smallbone, 2010). Such growing prominence gained by the other domains has led to consideration given to the influences of other structures, conditions and actors embedded in

the contextual environment. Thus, the broadened view of contextual environment has led to the exploration of the *who's*, *what's*, *when's*, *where's*, *why's* and *how's* of the entrepreneurial process across the multiple domains of context (Welter, 2011; Welter *et al.*, 2019).

Considering the reviewed literature, 'embeddedness in context' as used in this study refers to the Welter (2011)'s notion of the term, which is a dynamic construct with multiple dimensions, such as: the economic, social, institutional, spatial and temporal-historical structures, conditions and actors that shape entrepreneurial actions of individuals and provide meaningful account on when, how and why entrepreneurial actions occur, and the specific actors involved in such actions (*ibid.*). Such a dynamic use of the concept broadens our understanding of how entrepreneurs are influenced by situated conditions, opportunities and constraints that make them to achieve their economic and non-economic goals with their enterprises (Jack and Anderson, 2002; Jones *et al.*, 1997; McKeever *et al.*, 2014) and the active roles human agency play in such venture creation processes. Thus, the spotlight of the 'embeddedness in context' perspective is directed at the mutual influences of prevailing structures, condition and actors situated in context on one hand and agency on the other hand, with their interactions transforming both context and agency into new forms. The next sub-section reviews the literature on the nature and form of the domains of the context of which individuals are embedded and how their positioning in such domains influence their venture activities.

2.4.2 Entrepreneurial Individuals embeddedness in the domains of context

Context is "a multiplex phenomenon, which ... [-] ... influences entrepreneurship directly or indirectly" (Welter, 2011, p.176) and it is characterised with "situational opportunities and constraints that affect the occurrence and meaning of organisational behaviour (such as venture creation)" (Johns, 2006, p.386). It is a dynamic construct (Basco, 2017; Hess, 2004; Welter, 2011) which is framed in the form of:

"circumstances, conditions, situations, or environments that are external to the ... [-] ... phenomenon (of entrepreneurship) and enable or constrain it" (Welter, 2011, p.167).

Drawing from ideas of Whetten (1989), Welter (2011) argues that context is multi-faceted and its dimensions include: social, business, institutional, spatial, temporal and historical

conditions or environments which influence entrepreneurial processes. Zahra *et al.*, (2014) also explain that the multi-dimensionality of context may compose of elements, such as: the social and organisational, industry and market, ownership and governance, spatial and temporal environments, which influence venture activities.

Such exploration of the multi-dimensional nature of context leads to broad understanding of how internal and external embedded structures, systems and processes in the micro, meso and macro environment affect entrepreneurial activities across space and time (Welter, 2011). Hence, the various domains of context act as hubs for opportunities and motivations that set in motion various realities and actions associated with venture creation (Johannisson and Monsted, 1997; Kloosterman, 2010). In line with literature (Basco, 2017; Welter, 2011; Welter and Gartner, 2016), the study identifies five constituents of context of which entrepreneurial individuals are embedded, which are: the social, economic, institutional, spatial, temporal-historical domains that influence their venture creation processes. These domains are discussed in turns in the sub-sections that follow.

2.4.2.1 The social domain

The social domain of context refers to the nature, depth and extent of relationships which entrepreneurs depend on to establish and operate their businesses. The interactions entrepreneurs engage in and the sum of their relationships, what is referred to as networks (Dodd and Patra, 2002), bring them access to important resources which influences their entrepreneurial activities (Aldrich and Zimmer, 1986; Birley, 1985; Carsrud and Johnson, 1989; Uzzi, 1997). The social domain, therefore, embodies relationships that provide resources and opportunities to entrepreneurs which may not be easily accessible to other social actors (Dubini and Aldrich, 1991; Kodithuwakku and Rosa, 2002; Portes and Sensenbrenner, 1993). It creates social conditions and relationships that allow entrepreneurial individuals to manoeuvre through resource-scarce environments to access economic resources to establish and grow their ventures (Diomande, 1990; Stuart and Sorenson, 2005). It creates avenues for diverse skills and knowledge to be identified and developed to exploit business opportunities (Arenius and De Clercq, 2005; Hoang and Antoncic, 2003). Relationships fostered in the social domain may, therefore, offer legitimacies which reduce uncertainties often associated with venture creation (Stinchcombe, 1965). This

is likely the case when social actors and groups are able to make sound judgements of the entrepreneurial activities of those they interact with. Hence, accepting their actions as reasonable, appropriate and desirable to warrant additional resources and information to sustain and grow their businesses (Aldrich and Zimmer, 1986; Johannisson, 1987; Zimmerman and Zeitz, 2002).

According to Granovetter (1973), the strength of relationships or ties formed in the social domain may be strong or weak depending on the intimacy, emotional intensity, time spent and the reciprocal actions which characterise such relationships. Referring to Granovetter's differentiation between strong and weak ties, Dubini and Aldrich (1991, p.307) explained that:

“strong ties (are) relations(hips) entrepreneurs can ‘count on’... [-] ... (while) weak ties are superficial or casual, and people typically have little emotional investment in them”.

In terms of characterisation, the significant emotional investment and frequent affective contacts identified with strong ties make such ties more associated with relationships often built in families and among close friends (Jack, 2005; Ibarra, 1993). These relationships are usually based on trust (Krackhardt, 1992), generosity and fairness in place of selfish and *self-centredness* (Granovetter, 1985; Thornton and Flynn, 2005). Strong ties may lead to sensitive (Krackhardt, 1992) as well as reliable but also redundant information (Granovetter, 1973) that may be of less importance to the entrepreneurial individual. Despite the opportunities that are often associated with strong ties, they may lead to negative consequences to entrepreneurial individuals (Johannisson, 1987; Jack, 2005) and can hinder their discovery and exploitation of business opportunities outside such tie networks.

With regards to weak ties, which are generally associated with less frequent or non-affective contacts (Nelson, 1988), (for instance, relationships built with employees, suppliers, customers, etc.), such ties are argued to often lead to more diverse and non-redundant information as well as opportunities which may not be accessible in strong ties (Granovetter, 1973). Granovetter argues further that:

“whatever is to be diffused (example products and services of entrepreneurs) can reach a larger number of people, and traverse a greater social distance, when passed through weak ties rather than strong,” (ibid., p. 1366).

Both strong and weak ties are argued to benefit entrepreneurial individuals at different stages of their entrepreneurial process (Jack, 2010). For strong ties, such as the support individuals receive from family members and close friends, these are considered as crucial resources acquired at the early stage of the venture creation process (Greve and Salaff, 2003) which are often offered at minimal costs (Starr and MacMillan, 1990).

On the other hand, weak ties, such as the relationship formed with business partners and acquaintances⁸, can lead to the identification of new business opportunities (Granovetter, 1973) and create avenues for entrepreneurs to profitably exploit those opportunities over shorter durations (Davidsson and Honig, 2003). In sum, the social domain of context is characterised with conditions, situations and environments that create opportunities and constraints for venture creation through relationships formed in strong and weak ties. However, much also depends on how entrepreneurial individuals use their agency to situate themselves in such a domain of context to make the most out of the relationships formed.

2.4.2.2 *The economic domain*

The economic domain of context of which individuals are embedded embodies the market and industry conditions as well as broader macro-economic structures that affect their economic well-being. These conditions, situations and structures include: poverty, income and wealth inequalities, unemployment, under-employment and general levels of infrastructure development in society. Extant literature shows that economic conditions and structures that create unemployment, under-employment or poverty can influence the decisions individuals make to establish businesses (Banerjee and Duflo, 2007; Margolis, 2014; Vivarelli, 2012). Hence, some individuals take actions to participate in entrepreneurship in an attempt to supplement incomes they make from wage employment or to survive from the poverty and unemployed situations they find themselves.

Also, the economic conditions that influence individuals, particularly impoverished populations, to engage in venture creations may be shaped by market structures and

⁸ This thesis acknowledges that while the distinction between ‘strong’ and ‘weak’ tie networks may be blurred as a result of frequent social interactions with the concepts contested, the study considers relationships formed outside family and close friend circles as weak ties. Thus, it conceptualises weak ties to include relationships formed in religious, ethnic and ROSCA/VSLAs groups.

environments which create avenues or work spaces for these individuals to exploit new business opportunities (Liedholm and Mead, 1999; Vivarelli, 2012). The market environments may be characterised with ease of firm entry, access to productive inputs, credits and labour as well as competitive structures that support venture creation (Rocha, 2012). However, in economic environments where market conditions are imperfect venture activities can be hampered (Vivarelli, 2012). Such imperfect markets may create entry barriers, lower levels of profits and demands, information asymmetries and financial constraints which can hinder entrepreneurial processes (Braunerhjelm, 2010; Goedhuys and Sleuwaegen, 2010; Loayza *et al.*, 2010).

Aside poverty, unemployment and market conditions which affect venture creation activities, economic conditions that lead to uneven distribution of wealth, income and other productive resources among individuals of a given country, that is economic inequality (Bapuji, 2015; Xavier-Oliveira *et al.*, 2015), can affect venture creation decisions and processes (Bapuji *et al.*, 2015; Pathak and Muralidharan, 2018; Sarkar *et al.*, 2018). The growth of economic inequality has been attributed to the decline of traditional industries and related trends of outsourcing and sub-contracting which has led to minimal social security and welfare benefits to employees (Davis, 2016; Patel *et al.*, 2018). Hence, vulnerable work situations have been created which are experienced by these workers. Despite the negative consequences of economic inequality on individuals in terms of low upwards social mobility, conditions of wealth and income inequality may “elicit entrepreneurial responses from individuals who want to create social value” (Pathak and Muralidharan, 2018, p.1155). Such individuals may engage in entrepreneurial activities that address economic and social inequalities.

Also, extant literature shows that macroeconomic conditions which affect entrepreneurial decisions and processes include infrastructural endowment, such as: roads and railways, electricity and water supply, and ICT networks (Acs and Virgill, 2009; Aterido *et al.*, 2009; Ghani *et al.*, 2011; Goedhuys and Sleuwaegen, 2010). Furthermore, other factors, such as rates of taxes charged by the state, exchange rates and commodity price fluctuations have also been identified to affect entrepreneurial efforts of individuals and macro-economic stability of a country (Amorós *et al.*, 2017; Braunerhjelm, 2010; Rocha, 2012). Thus, the economic domain of context is framed in the form of market, industrial and broader macro-economic structures and conditions, such as poverty, income and wealth inequalities,

unemployment, under-employment, commodity price fluctuations, exchange rates and rates of state taxes as well as general levels of infrastructure development in society, which may enable or constrain entrepreneurial actions and practices of individuals.

2.4.2.3 *The institutional domain*

Intimately connected to the economic domain is the institutional domain of context, which provides the rules and regulations that govern labour market entry and participation as well as business transactions in societies. Institutions provide the “rules of the game... [-] ...that shape human interactions” (North, 1990, p.3) and influence the emergence of productive, unproductive or destructive enterprises (Baumol, 1990). The rules and regulations that institutions provide guides entrepreneurs and their businesses to adopt specific practices that allow them to gain legitimacy (DiMaggio and Powell, 1983). Institutions also provide spaces for entrepreneurial individuals to respond in strategic ways in resistance or avoidance to the stipulated rules and regulations (Oliver, 1991). Institutions shape the balance of benefits and costs associated with certain enterprise activities and influence individuals’ decisions on whether and how to engage in such enterprises, as well as make strategic and non-strategic choices associated with ventures created (Autio and Fu, 2015). Thus, even though economic conditions, such as: poverty, income and wealth inequalities, unemployment, under-employment, of which individuals are faced with may drive their actions towards venture creation, institutions frame the foundational regulations, which constrains such venture activities, or provide the reward systems which facilitate their entrepreneurial efforts (Webb *et al.*, 2010) so that their circumstances can be changed. Hence, the nature and quality of the institutional setting of which individuals are embedded affect their venture activities (Baumol, 1990; North, 1990; Sobel, 2008) as well as employment outcomes and levels of economic inequalities and development (Amorós *et al.*, 2017; Davis, 2017).

Institutions are composed of structures, systems and processes that stabilise, incentivise or restrict venture activities. North (1990) dichotomised the primary constituents of institutions into formal and informal institutions which affect entrepreneurial activities. Formal institutions are the codified and written laws, regulations and policies that influence entrepreneurs to behave in appropriate ways as required by state regulators. Extant literature has identified a wide range of formal institutions that affect labour market participation and

new firm formation. These include: legal systems (Armour and Cumming, 2008; Parker, 2007) and regulatory frameworks (Braunerhjelm and Eklund, 2014; Djankov *et al.*, 2002) on finance, market exchange and contract enforcement (Naudé, 2008), state tax regimes (Gentry and Hubbard, 2000; Johnson *et al.*, 1998), property rights systems (Autio and Acs, 2010; Estrin *et al.*, 2013), formal educational systems and skill development services that are in line with industrial policies (Acs and Virgill, 2009; Braunerhjelm, 2010; Khoury and Prasad, 2016), policies and programmes that condition employment outcomes (Davis, 2017) and the operations of the private sector (Hasan *et al.*, 2007), as well as political regimes that condition bureaucratic systems (Khoury and Prasad, 2016; Lakshman, 2003). Also, the mandate of formal institutions may include implementation of policies that provide improved welfare and social security to larger sections of the population of a given country (Aidis *et al.*, 2012; Stephan *et al.*, 2015).

The literature shows that in many developing countries formal institutions are weak and cannot support enterprise development (Atiase *et al.*, 2018; Murithi *et al.*, 2019). Such a weakness associated with formal institutions means that their institutional structures, conditions and processes “cannot ensure that markets run effectively or ... their actions or inactions undermine these markets” (Atiase *et al.*, 2018, p.648).⁹ Hence, these institutions are often characterised with:

“ineffectual rule of law, government corruption, exploitation of public funds/resources, the selective application or enforcement of law, inequitable systems of justice according to group affiliation, limited access to education or public benefits, constrained civil liberties, restricted international trade or market-entry” (Khoury and Prasad, 2016, p. 937).

Such deficiencies in formal institutions, which are often the result of their underdevelopment, inefficiency or ineffectiveness, create *formal institutional void* (Khanna and Palepu, 1997, 1999), that is, the “absence of specialised intermediaries, regulatory systems, and contract-enforcing mechanisms” that increase the cost of transactions (Khanna *et al.*,

⁹ In this thesis, however, I consider the term “weak” as used to characterise some formal institutions in a broader sense which include the ineffectiveness of those formal institutions to ensure individuals easy access and participation in formal labour markets as well as utilise resources from formal sources for their venture creation activities.

2005, p. 63).¹⁰ Formal institutional void can increase operational and transaction costs (Khanna and Palepu, 1999; Webb *et al.*, 2010) or the levels of uncertainties faced by entrepreneurs (Khoury *et al.*, 2015; Webb *et al.*, 2019), which may also affect the growth and quality of enterprise initiatives (Krasniqi and Desai, 2016). Therefore, informal institutions emerge to complement, compensate or replace weak or non-existent formal institutions to reduce uncertainties associated with economic and social interactions during venture creation (London, 2009; London and Hart, 2004; North, 2005; Webb *et al.*, 2014).

North (1990) explained that informal institutions are the shared practices, customs, values and norms of societies, which determine the collective understanding of the people on how economic and social activities should be carried out and give legitimacy to such activities. Informal institutions may specify predictable behaviours codes, conventions and habits that guide enterprise transactions and processes (Biggart and Beamish, 2003; North, 1990) and shape general expectations on an acceptable course of action (Mair *et al.*, 2012). Informal institutions may complement or replace weak or non-existent formal institutions, in terms of the enforcement of laws and regulations on finance, market exchange and tax systems, as well as support knowledge acquisition and skill development activities or provide welfare services and social security to enhance labour market participation and improve employment outcomes. Nevertheless, the working of informal institutions may also be ineffective or inefficient (Webb and Ireland, 2015), especially in settings where they create social barriers and exclusion, and are characterised with “low levels of trust, social hierarchies, beliefs in elitism, (and) restrictive social obligations” (Webb *et al.*, 2019, p.30-31). Thus, entrepreneurial individuals’ embeddedness in formal and informal institutions may provide them with the legitimacies, incentives as well as constraints, which can affect their entrepreneurial efforts.

2.4.2.4 The spatial domain

The spatial domain of context refers to the variations in economic, social and institutional domains of context across different geographical locations, which affect decisions and

¹⁰ The use of formal institutional void in this thesis encompasses the under-development, ineffectiveness, inefficiency and in some cases absence of formal institutional systems to support labour market participation and venture creation activities.

practices of individuals towards participating in entrepreneurship (Welter, 2011). It encompasses physical, material geographies and institutional aspects of location in the form of emotional attachments, shared meanings and representation of place (Kibler *et al.*, 2014, 2015; Korsgaard *et al.*, 2015a, b; McKeever *et al.*, 2015; Lang *et al.*, 2014; Müller and Korsgaard, 2018), that provide legitimacies and controls in such environments for venture creation.

Extant literature has shown that economic factors of place, such as: unemployment, size of the market and associated product demands, availability of inputs for production and operating costs, affect entrepreneurial efforts of individuals (Giannetti and Simonov, 2004; Storey and Johnson, 1987). Also, research has shown how spatial domains of context, measured in terms of geographical proximity to urban locations affect entrepreneurship (Boschma, 2005; Fritsch, 1997; Mueller *et al.*, 2008), and how clustering of small or medium businesses (Delgado *et al.*, 2010; Lämmer-Gamp *et al.*, 2016) stimulate venture creation. Such clustering of firms may reduce the cost of entry and spread business risk, as networks of suppliers and investors already developed may be accessed (Thornton and Flynn, 2005; Backman, 2009). Differences in regions or locations in terms of economic development have also been argued to offer opportunities to some individuals to participate in venture creation over others (Stuart and Sorenson, 2003; Cole, 1959). Such differences in geographical locations examined in literature also include: the size of regions which affect how products are accessed locally and externally (Grek *et al.*, 2009), variation in fertility rates of farmlands, unequal land distribution and pressure from population growth (Ndoen *et al.*, 2002). Thus, these location-specific factors can influence some individuals to move to new destinations with more accessible markets to support their venture creation activities.

Also, studies have shown that there are social systems and institutional structures in geographical locations that can facilitate or constrain entrepreneurial activities (Kibler *et al.*, 2014, 2015; Korsgaard *et al.*, 2015a, b; McKeever *et al.*, 2015; Müller and Korsgaard, 2018). Such locational structures, which can be in urban and rural locations, might be in the form of formal institutions that improve labour market participation, with individuals in core locations, such as urban areas benefiting from 'thick' formal institutions in the form of human capital, skills and knowledge acquired from formal educational institutions than those in peripheral locations, such as rural places, which are characterised with 'thin' or weak formal

institutions (Tödtling *et al.*, 2011).

Spatial structures may also generate communal resources, values and norms on ways to do business (Müller and Korsgaard, 2018; Verheul *et al.*, 2002). Spatial resources that affect venture creation can be in the form of imageries, heritage and brands (Anderson, 2000; Askegaard and Kjeldgaard, 2007; Korsgaard *et al.*, 2015a, b) of which entrepreneurial individuals are embedded. Müller and Korsgaard (2018) found that individuals bridge different locations during their venture activities and are influenced by physical, economic, social and institutional structures and conditions not only in the proximate geographical place but also in distal locations of which entrepreneurs are embedded. Thus, physical, economic, social and institutional structures of geographical locations create conditions, resources and constraints, which affect entrepreneurial activities.

2.4.2.5 The temporal-historical domain

The temporal-historical domain of context refers to the extent to which individuals understanding of time, timing and temporality affect their decisions and practices towards venture creation. It refers to how events and practices that occurred in historical periods before the existence of entrepreneurial individuals and during their life-course influence the actions they take towards venture creation (Lippmann and Aldrich, 2016; Wadhvani and Jones, 2014). Following Schumpeter (1947) views on how historical reasoning affect economic and social activities, such as entrepreneurship, Wadhvani and Jones (2014) argues that historical structures, processes or sequences and contingencies of which entrepreneurs are part of, provides to them path-dependent understanding of how the economic and social world works and offer them spaces to play important roles as part of human entrepreneurial experience, cognition and actions. The authors explained that historical times are deeply embedded temporal structures that shape human cognition, govern relationships and allow entrepreneurs to understand the social and economic practices that are of interest to them. Such understanding of the origins of social and economic practices and how institutions operate allow entrepreneurial individuals to assess the:

“costs, risks, uncertainties, information, cognitive interpretations, and payoffs associated with various types of (entrepreneurial) opportunities, as well as the modes and patterns of discovery and exploitation that come to be accepted and legitimised” (Wadhvani and Jones, 2014, p.199).

Thus, the temporal-historical domain of context of which individuals navigate allow them to “untangle how past choices and behaviours change the conditions under which present and future ones (can be) [...] made” (ibid., p.202).

A key underlying feature of the temporal-historical domain of context, as a non-linear, dynamic and embedded construct, is how uncertainties that prevail in or emerge from complementary domains of context, such as the social, institutional, economic and spatial domains, are able to mediate entrepreneurial actions of individuals who seek to exploit such a domain to participate in venture creation (Lippmann and Aldrich, 2016). Entrepreneurs ability to navigate uncertainties that constrain venture activities and leverage on their knowledge of such uncertainties to exploit business opportunities which emerges may depend on how they situate themselves temporally within the complementary domains of context and utilise their knowledge or experience-induced agency to alter the nature, form and structure of such domains in the micro, meso and macro environment (ibid.). Such entrepreneurial individuals may create meaningful labels that ensure stable interpretation of the conditions that led to the uncertainties they experienced (ibid.). With these interpretive ability and stability, the temporal-historical domain influences entrepreneurial actions and strategies of individuals that can make their businesses more competitive over others.

Also, individuals’ temporal embeddedness in social, economic, institutional and spatial domains provide them with a meaningful account of experiences of other individuals aside themselves. Hence, they may navigate “multiple temporalities that operate in tandem” (Lippmann and Aldrich, 2016, p.58) during the venture creation process. Such understanding of temporal diversity of actors located in the domains of context and the speed at which multiple temporalities operate in different social, economic, institutional and spatial domains can empower entrepreneurial individuals to adopt various periodisation strategies to support their venture activities (Lippmann and Aldrich, 2016). It may affect the urgency to which they give to the passage of time and the multiplicity of tasks they perform as well as their motivation and business performance (ibid.). Thus, the temporal-historical domain of context allows entrepreneurs to evaluate the controls they have over their resources and their environments as they move through different times and seasons (Lippmann and Aldrich, 2016), utilising experiences (Kim and Longest, 2014) and demonstrating their commitment to the goals of their ventures (Uy *et al.*, 2015).

With their understanding of how temporal structures and conditions affect economic and social processes and their roles as part of such processes, entrepreneurs can access, for instance, experiences of past actions of failures and successes which make them pessimistic or optimistic about future entrepreneurial opportunities (Miller and Sardis, 2015). They exploit different time zones of their entrepreneurial journey or life-course, what is termed as “temporal focus” (Bluedorn, 2002; Shipp *et al.*, 2009), to demonstrate behaviours and actions that stakeholders consider acceptable and appropriate to provide them with the legitimacies and resources they need to operate their businesses in their given societies. Entrepreneurial individuals who can learn from past experiences, particularly from similar industries, geographical locations in which they had operated, may be able to use such experiences to influence current enterprise activities such that they can be able to achieve improved financial performances (Toft-Kehler *et al.*, 2014). Such industry-experienced individuals may prefer to operate their businesses in particular business sectors and choose to work as sole proprietors, joint ventures or employers with co-workers as well as gain the understanding of the current responsibilities and roles in their enterprises (Kim and Longest, 2014). The degree at which they switch their perceptions to different time zones in their life-course can lead to certain entrepreneurial outcomes that demonstrate their risk aversion, or risk-tolerance and strategic actions towards venture creation (Lippmann and Aldrich, 2016). Thus, entrepreneurs are influenced by imprinted past and present actions which pushes and pulls them towards venture creation (Boeker, 1988; Mathias *et al.*, 2015; Perkmann and Spicer, 2014) and influence their future course of actions.

The next sub-section discusses briefly the different forms of resources located in the various domains of context examined that influence entrepreneurial decisions and practices.

2.4.3 Forms of resources located in the multi-faceted context in resource-constrained societies

An important feature of the multi-faceted context in which individuals are embedded and operate their ventures are the various forms of tangible and intangible resources that are located in the domains of context, which influence their entrepreneurial practices. Bourdieu (1986) identified four forms of such resources or *capital*, which are: economic, cultural, social and symbolic capital.

Economic capital comprises of financial resources, assets and material wealth, of which individuals use to participate in venture activities. Individuals who have economic capital in abundance have higher chances to control production and thus acquire status and power in the social environment or *field* in which they are located. Bourdieu conceptualised that there are three different types of cultural capital, which are: *embodied*, *objectified* and *institutionalised*. Embodied cultural capital is the personal dispositions of individuals, such as their physical and mental features which affect tastes and preferences and how they make gestures and use language. Objectified cultural capital takes the form of material objects which include artefacts, machines, tools and various other cultural goods. Institutionalised cultural capital come in the form of academic credentials and professional qualifications that shows how individuals are skilled, knowledgeable or competent in some specific activities.

The third form of capital, *social capital*, while its definition is subject to debate (Adler and Kwon, 2002; Nahapiet and Ghoshal, 1998), Bourdieu (1985, p.248) has referred to it as:

“the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance or recognition”.

The bonding and bridging attributes associated with social capital in strong and weak ties can affect how individuals identify entrepreneurial opportunities and access resources in social relationships (Stam *et al.*, 2014). However, negative outcomes of social capital can also constrain venture activities (Portes, 1998). For *symbolic capital*, Bourdieu (1993, p.7) referred to such a resource as the “degree of accumulated prestige, celebrity or honour and is found on a dialectic of knowledge and recognition”. Symbolic capital has important attributes which generate trust and can allow entrepreneurial individuals to influence stakeholders, such as investors, customers and business partners, on the legitimacy of the economic, social and cultural resources they possess to support their venture activities (De Clercq and Voronov, 2009; Pret *et al.*, 2016; Stringfellow and Maclean, 2014) and can significantly affect the success of their ventures (Zott and Huy, 2007). Apart from the four primary forms of resources identified by Bourdieu (1986), entrepreneurs may also draw on cognitive interpretations, reasoning and mentalities as important resources to exploit their aspirations, passion, ideas, expectations, wishes, hopes and emotions at the ideation phase and throughout the life-

course of their ventures (Çakmak *et al.*, 2018; Lippmann and Aldrich, 2016; Wadhvani and Jones, 2014).

An important feature of these different resources is how they can be transposed from one form to another (Moore, 2008; Pret *et al.*, 2016; Shaw *et al.*, 2017). However, such convertibility attributes of economic, cultural, social and symbolic capital are dependent on the levels of entrepreneurial individuals' embeddedness in social, economic, institutional and spatial domains of context, which also involve their investment in time to be able to accumulate (Çakmak *et al.*, 2018; Lippmann and Aldrich, 2016). The literature shows that in many resource-constrained environments (for instance, developing countries), entrepreneurs adopt various strategies that allow them to utilise all the resources they have at their disposal, including converting their non-economic capitals to economic capital, to participate in venture creation (Baker and Nelson, 2005). In such highly unpredicted and uncertain environments where new challenges and opportunities that usually emerge are not associated with corresponding resources, Baker and Nelson (2005) argues that entrepreneurs may decide to adopt one of three options: (1) look for new means outside their ventures (2) avoid such challenges by doing nothing or reducing their operations or (3) explore out of necessity new ways of using existing resources to solve the new business challenges that are emerging.

Where entrepreneurs adopt the third option, such individuals may address the problem of economic resource scarcity by adopting internal and external strategies (Vanevenhoven *et al.*, 2011), which involve applying new methods that combine existing inputs, such as: physical assets, labour, skills, customers or markets and the external institutional or regulatory environment (Baker and Nelson, 2005). Combining familiar resources, they build trust, negotiate strategic relationships based on social norms, participate in group-based activities and demonstrate resilience (Duymedjian and Ruling, 2010; Janssen *et al.*, 2018). Such combination of resources may enhance the value of resources they accumulate as well as their ultimate outcomes, thereby pioneering new capabilities (Di Domenico *et al.*, 2010; Gundry *et al.*, 2011; Phillips and Tracey, 2007). Hence, they are able to create improved goods and services for their enterprises as well as their societies (Schumpeter, 1934; Kirzner, 1973). Thus, entrepreneurs' ability to utilise the various forms of resources at their disposal simply

go beyond converting other forms of resources, such as cultural, social and symbolic capital as well as cognitive structures to economic capital, but also involves combining all these different forms of capital in unison based on when they consider it appropriate to engage in their venture activities. Such strategies of combining resources are dependent on how they utilise their constrained agency (Coe and Jordhus-Lier, 2011) in a temporal and multi-faceted manner, as it has been found among migrant workers in uncertain economic environments in rural India who are recorded to be:

“seeking, and obtaining, incremental and sometimes highly significant changes in micro spaces of work and living, albeit it in a world dominated by capital” (Rogaly, 2009, p.1984).

Thus, entrepreneurial individuals in resource-constrained environments combine various resources as a means to find approaches that work and allow them to address the various constraints they are faced with as well as exploit identified opportunities, which may be economic and non-economic in form.

2.5 Youths Entrepreneurs embeddedness in the domains of Context in BoP settings across Africa

Africa's BoP entrepreneurs, including those who are young, are embedded in domains of context, which affect their actions towards participating in (in)formal entrepreneurship (Kiggundu and Pal, 2018). The domains of context are explored in turns in the sub-sections that follow.

2.5.1 The economic domain

There is a consensus that the economic environment in countries across the African continent, particularly in the sub-region, of which entrepreneurs operate their businesses is the most business unfriendly environment compared to other regions of the world (World Bank, 2014c). The economic domain of context which is framed in the form of the high prevalence of poverty, income inequality and unemployment manifest in the creation of new businesses associated with informality (Amorós and Cristi, 2011; Fox and Thomas, 2016). Such a domain is characterised with a general lack of infrastructure and market failures (Rivera-Santos *et al.*, 2015). Nevertheless, the economic problems and resource constraints faced by many societies and entrepreneurs also provide them opportunities to engage in creative and innovative ways to establish and manage businesses that address these problems (Rivera-Santos *et al.*, 2015). Such creativity and innovation employed to exploit business opportunities allow some entrepreneurs to take control of the resources at their disposal to create economic and social value not only in BoP markets but also Mid of the Pyramid (MoP) (Babah Daouda *et al.*, 2019) and Top of the Pyramid (ToP) markets.

For youth entrepreneurs in the continent, while many of them are constrained by intergenerational poverty (Yankson and Owusu, 2016; Eguavoen, 2010), the ease of entry and small initial capital characterised with informal entrepreneurship (Eijdenberg and Borner, 2017; Otoo *et al.*, 2012), influence the decisions they make to participate in informality with their ventures to survive (Calves and Schoumaker, 2004; Chigunta, *et al.*, 2005; Langevang, 2008, Yankson and Owusu, 2016). However, such ease of entry also creates stiff competition

in some industries (Chigunta *et al.*, 2016; Thorsen, 2013), which make youth entrepreneurs adopt various tactics and strategies to survive in the business environment. The strategies include diversifying their business activities and networking in the informal economy to spread risks associated with business failure and loss of incomes (Langevang *et al.*, 2016). They participate in multiple enterprise activities that lead to multiple streams of incomes in the informal economy (Hart, 1973; Kilby *et al.*, 1984). This is particularly the case among rural dwellers (Mureithi, 1973; Palmer, 2004). However, youth entrepreneurs' in the continent of Africa do not only participate in informality with their ventures, but they also participate in formality to achieve their occupational and life goals (Williams, Khan *et al.*, 2015; Williams and Pompa, 2017).

2.5.2 The social domain

Extant literature also shows that entrepreneurs in Africa, like other entrepreneurs, are embedded in the social domain of context, which influences their actions towards informal entrepreneurship. It is widely reported that the relationships entrepreneurs build in social networks lead to collective support and generate informal agreements and insurance (Fafchamps, 1996, 2001; Grimm *et al.*, 2013; Fafchamps and Minten, 2002) and improved business performance (Berrou and Combarous, 2012; McDade and Spring, 2005; Pasquier-Doumer, 2013). Informal entrepreneurs use strong and weak ties to acquire inputs, access information and other resources that reduce their transaction cost of business (Berrou and Combarous, 2012). Such ties built among kinship, marital, ethnic and religious groups are usually based on trust and can lead to community development (Khavul *et al.*, 2009; Kinyanjui, 2014), as evidence in Ethiopia among poor women have shown (Kebede and Butterfield, 2009). The study of Berrou and Combarous (2012) showed that in Burkina Faso the success of businesses operated by informal entrepreneurs depends on their ability to combine both strong and weak ties during their venture creation activities.

The importance of social ties to entrepreneurs has also been reported among youth entrepreneurs (Awumbila *et al.*, 2014; Gough and Birch-Thomsen, 2016; Langevang *et al.*, 2016; Thorsen, 2013). Despite the facilitating roles that social relations (strong and weak ties)

play in organising enterprise activities in the informal economy, several studies have highlighted the significant adverse or constraining effect such relationships can also have on the business activities of informal entrepreneurs' (Grimm, *et al.*, 2013; Langevang *et al.*, 2016; Meagher, 2006; Whitehouse, 2011). Such relationships may make them sell:

“at below normal prices, providing *mbasela* (a Nyanja word for “extra”), giving tips, extending credit to known and trusted customers, looking for products elsewhere when one does not have what a customer wants, negotiating prices on behalf of customers when buying from others, and in some instances delivering products to customers” (Mumba, 2016, p.234-235).

These actions may affect the profitability and growth of their businesses. However, despite the lack of empirical studies which suggest the important roles strong and weak ties play on the decisions and practices of youth entrepreneurs towards participating in formality, it is likely such relationships that affect their entrepreneurial actions towards informality may also influence some of them to participate in formality. Therefore, the dynamic nature, form and strength of ties in the social domain of context within which youth entrepreneurs are embedded reinforce and constrain their actions towards formal and informal entrepreneurship.

2.5.3 The institutional domain

Entrepreneurs in Africa are embedded in formal and informal institutions which influences their actions towards (in)formal entrepreneurship (Khavul *et al.*, 2009; Uzo and Mair, 2014; Zoogah *et al.*, 2015). Extant literature shows that formal institutions are weak and inefficient (Mbaku, 2004), which impact negatively on the performances of businesses (Adomako and Danso, 2014; Zoogah *et al.*, 2015). Many entrepreneurs, therefore, depend on informal institutions to achieve their objectives, acquire resources and obtain contracts (Chironga *et al.*, 2011).

For young people on the continent, the weak and inefficient formal institutions have affected them on how they access formal education and skills which allow them to participate actively in the formal labour market. Large numbers of the youth population are not able to depend on formal institutions to access quality formal education, good jobs and the

associated reputation and social status they seek to participate actively in adult societies (Chigunta and Chisupa, 2013; Hansen, 2010; Locke and te Lintel, 2012). Also, formal institutions, such as formal education systems, has been structured such that large numbers of the youths find agricultural occupations as less desirable career options (White, 2012). Hence, many of these youths aspire for jobs in the formal labour market (Yeboah *et al.*, 2017). But, the majority of jobs in this labour market are occupied by older workers (Golub and Hayat, 2014; Peeters, 2009), with its weaknesses affected disproportionately the employability of youth populations (Betcherman and Khan, 2015; Fox *et al.*, 2016; Garcia and Fares, 2008).

Also, structural adjustment policies implemented over the last three decades has led to falls in employment in public organisations and industries (Calves and Schoumaker, 2004; Langevang, 2008, Langevang and Gough, 2012; Gough *et al.*, 2013; Owusu *et al.*, 2016; Yankson and Owusu, 2016). During these periods, the removal of subsidies by African governments affected disproportionately vulnerable groups, such as women and youths (Argenti, 2002; Bennell, 2000). Thus, formal institutional structures, conditions and processes were unable to provide the adequate jobs, social security, insurance, entitlements and other benefits that the youths needed. Hence, large proportions of these youths chose to depend on prevailing informal institutions to achieve their career goals.

Informal institutions in the continent are characterised with 'rules of the game' that promote collectivist enterprise practices built around kinship, ethnic, religious and communal ties (Zoogah *et al.*, 2015), such as employment of family and community members, group loyalty, care, respect and support for community activities. Also, the informal institutions that prevail ensure that the youths are exposed to enterprise activities associated with informality at early ages of their socialisation process (Ofosu-Kusi, 2002; Schildkrout, 2002). The responsibilities they play in the home and the community equip them with basic numeracy, money management and interpersonal skills that make it easy for them to integrate into the economic and social fabrics of their societies (Nsamenang, 2004; Twum-Danso, 2009). Such responsibilities also build their understanding of the values of work, enterprise ownership and management as crucial for developing their sense of responsibility and belongingness, maturity, self-esteem and confidence within the family and community. Hence, provide to them opportunities to participate actively in their societies (Ochieng, 2012; Gankam Tambo,

2014). The socialisation processes, located in the informal institutional domain of context, shape their entrepreneurial dispositions (Chigunta, 2002, 2017), and improve their understanding of the social and cultural benefits associated with (informal) entrepreneurship, such as the respect and prestige they gain from their businesses (Langevang *et al.*, 2012). The enterprise decisions youths make are therefore products of their shared understanding of the social and cultural expectations of the work-based activities, that are inculcated in them by their families (Filmer and Fox, 2014), peers and communities (Ismail, 2016; Fox *et al.*, 2016).

With lack of functioning welfare systems in most of the societies in Africa (Nsamenang, 2002; Therborn, 2006), the shared expectations required of the youths may include the fulfilment of care and support obligations towards the collective, especially weaker and older dependent relatives (Twum-Danso, 2009). The ability of youths to take actions that meet such responsibilities have important implications in terms of entitlements and reputations they receive from the collective (*ibid.*). The unwritten cultural rules of reciprocity and trust that shape relationships within informal institutions of family, ethnic and community group mandate the youths to engage in work activities that meet the demands and expectations of such key actors' influential to them:

“The fundamental underlying principle is reciprocity, or the expectation that in the long run everyone is treated fairly. As reciprocity forms a central component of the socialisation process [-] children grow up very much aware that the care that their parents provide for them is based on their belief of a pay-off. By bringing forth a child and taking care of him (her) during his(her) childhood a parent is issuing a contract, which (s)he expects to be paid back once the child is in position to do this by fulfilling their expected responsibilities and behave in an appropriate manner” (Twum-Danso, 2009, p.426-427)

Thus, while societal norms and values may require youths in the continent to take entrepreneurial actions, such as participate in informality practices that allow them to meet the expectations and demands of their families and communities, such norms may also constrain their creativity and initiative. This may be the case, especially in situations where entrepreneurial youths' attempt to undertake business activities associated with formality that do not offer them spaces to conform to conventional norms and expectations. Thus, the burden of meeting expectation and demands of actors in the micro and meso environments of significant others, such as family, peers and communal members, may hinder youth

entrepreneurs from pursuing formal entrepreneurship and hence chooses to engage in informal venture activities.

Also, the shared practices, values and expectations entrepreneurial youths participate in have gender dimensions. In many countries, there are established gender norms and practices that relate to work and family life, especially for women and girls who are required to learn at very early ages to balance occupational goals with family responsibilities (Fox *et al.*, 2016). For these young women, their decisions to operate businesses associated with informality may be influenced by norms and practices that segregate the kind of jobs they can pursue compared to those of their male counterparts (Fox and Sohnesen, 2012; Filmer and Fox, 2014). Fox *et al.* (2016, p. i10) explain that “female encounter social norms that limit their development, agency (the ability to formulate and attain goals independently of their parents) and their employment”. Their commitment to family life can make them choose occupations that offer them the flexibility to earn incomes and also cater for their families (Gough, 2010). Such actions aimed at fulfilling gender norms, may thus affect the choices the youths, especially those who are female, make to engage in venture activities associated with informality.

Also, the concurrent prevalence of customary and patriarchal structures that prevail in many African societies may affect how women engage in businesses activities, especially those associated with informality. With the existing formal legal systems, which protect equal land rights and access to agricultural lands, poorly enforced, these informal institutions limit women access and ownership of farmlands (Budlender and Alma, 2011; Karikari *et al.*, 2005). Hence, many young women participate in non-farm venture activities associated with informality (Fox *et al.*, 2016). More so, the influence of informal institutions is not only limited to gender and familial norms. There are also marital, ethnic and religious dimensions which are associated with rites, practices and stereotypes that affect self-esteem, prestige, identity, status, inheritance and individuals’ source of livelihood (Afolayan, 2011; Arnaldo, 2004; Bortei-Doku, 1990; Genyi, 2013; Lancaster, 1976; Namatovu *et al.*, 2018; Roncoli, 1985; Sossou, 2002). Hence, the actions the youths take to participate informal entrepreneurship are shaped by diverse informal institutions (Chigunta *et al.*, 2005).

Thus, the ‘rootedness’ of youth entrepreneurs in Africa in informal institutions, such as

customary practices and expectations, as against their 'shallowed' embeddedness in formal institutions (Ismail, 2016), such as formal educational systems, formal labour market, formal financial systems and technology, shape their actions, motives and practices towards informality. Nonetheless, the levels at which the youths choose to operate formal or informal businesses depend on their levels of embeddedness in formal and informal institutions. It is, therefore, possible that some entrepreneurial youths may be influenced by constraints associated with informal institutions to rather choose to participate in formality venture practices in their attempt to circumvent regulations associated with such informal institutions, in the interest of their firms.

2.5.4 The spatial domain

Extant literature shows that across and within countries in SSA economic, institutional and social structures, conditions and actors characterised with some specific locations (for example: affluent and impoverished regions, urban and rural localities) influence the form of opportunities and constraints as well as motivations that lead to venture creation. For instance, poverty is reported as concentrated in rural areas than in urban localities (Dercon, 2009; McArthur, 2014), with deteriorating economic and household circumstances in rural places continued to worsen the predicaments of poor households (Langevang, 2008; Vigh, 2006). Rural locations are still under-served with physical, economic and social infrastructure lacking (Hove *et al.*, 2013), making many youths consider farming a least viable career prospect (Asciutti *et al.*, 2016; Gough *et al.*, 2013).

The inadequacy of rural infrastructures, such as schools, electricity, markets, transport and credits which are considered important for enjoying life in modern society have fuelled the economic motives of many rural youths to move to urban centres to live and work (Kristensen and Birch-Thomsen, 2013; Bennell, 2007). For those who operate their enterprises in urban destinations, such individuals usually raise their economic capital from personal sources, such as engaging in wage jobs (Thorsen, 2013; Langevang *et al.*, 2012, Yeboah, 2017), or from their network of families and friends and they often face stiff competitions in the marketplace (Chigunta *et al.*, 2016; Langevang *et al.*, 2016; Thorsen,

2013). For those on wage jobs, the low amount of wages they receive influence them to learn about the business and social environments and eventually they establish their own ventures (e.g., see: Thorsen, 2013). Evidence in northern Ghana shows that youths are influenced by locational factors to move not only to urban centres but also other rural locations which are near or distant, from which they acquire skills, experience and accumulate financial resources to establish their businesses (Gough and Birch-Thomsen, 2016). Also, some youth choose to stay in their rural localities, with a study by Kristensen and Birch-Thomsen (2013) in Uganda and Zambia found that those who do so often choose to engage in enterprise activities that allow them to utilize their entrepreneurial skills at the same time stay closer to their families or maintain stronger relationships and trust with their clients.

Also, despite the general lack of support from the state by rural youths in many countries across the continent, evidence in rural Zambia shows that programmes and policies of the government have benefited the youth and led to a situation where there is in-migration among urban youths to participate in such interventions of the state (Birch-Thomsen, 2016). Also, there are regional differences in the influence of informal institutions on occupational choices and enterprise practices of individuals, as Zoogah *et al.* (2015) argue that there are different forms of *Ubuntu* in many societies which affect enterprise practices of individuals. Zoogah *et al.*, 2015 explains *Ubuntu* is a native Zulu language in South Africa which means “I am who I am through others” (Zoogah *et al.*, 2015, p.15). It is a concept which refers to collective behaviours that instil loyalty and in-group support (Mbigi and Maree, 1995; Zoogah *et al.*, 2015), such as practices formed in mutual self-help support schemes of social groups. Thus, economic, physical, social and institutional structures, conditions and actors in spatial locations affect the occupational choice of African youths, with many youths often found to bridge spatial locations to access opportunities, skills, information, experience and financial resources to engage in venture activities associated with informality (e.g., see: Gough and Birch-Thomsen, 2016). Nonetheless, it is likely that economic, physical, social and institutional structures, conditions and actors in spatial locations may influence some youths to participate in venture activities associated with formality.

2.5.5 The temporal-historical domain

Extant literature (e.g., Gielnik *et al.*, 2014; Young, 2019) shows that the entrepreneurial

activities of individuals in Africa are influenced by temporal-historical factors, which include informality practices they engage in which are shaped by events that occurred in historical periods before their existence and over their life-course (e.g. see: Karakire Guma, 2015; Young, 2019). For instance, Young (2019) reports on urban Uganda by explaining how colonial planning, history of poor governance and instability, ineffective tax regimes of the state have influenced local entrepreneurs to engage in informal economic activities. Meagher (2018) also draws evidence from northern Nigeria to show how history and other factors, such as gender, wealth and ethno-religious identity, influence how taxing the informal economy shape governance outcomes and exacerbate social divisions rather than rebuild social contract among the population.

In the case of the youths, there is evidence to show that children of self-employed parents engage in informality are likely to become self-employed entrepreneurs who also participate in informality (Gough, 2010; Langevang *et al.*, 2012; Pasquier-Doumer, 2013). This intergenerational transmission of employment statuses has led to inequalities across generations (Pasquier-Doumer, 2014). According Pasquier-Doumer (2014), individuals from families with traditions that operate businesses managed across generations, although they may be lowly educated, benefit from skills and social capital developed over the life-courses of older members of their families. The skills developed from family members, especially from parents, may shape the decisions and actions the youths take towards careers, especially on informal entrepreneurship, over their life-course and may affect how they manage their businesses.

Aside the family, the skills developed may also be reproduced within communities as has been found in Ghana (Palmer, 2007). Individuals in such families and communities may, therefore, have competitive advantage over others in terms of value addition to product and services they deal in and sales of such products. However, their acquired intergenerational skills may not improve their managerial skills and access to physical capital (Pasquier-Doumer, 2014). This is especially the case when such individuals are engaged in enterprise activities with high levels of productivity and not subsistence production. Pasquier-Doumer (2014) explains further that much of the skills acquired by younger generations for participating in informal entrepreneurship may depend on how they have been exposed to the businesses and associated skills of the older generations.

Also, concerning the intergenerational transmission of gender norms, Gough and Langevang (2016, p.60) explained that in African countries, such as Ghana:

“the rate of female youth entrepreneurship exceeds that of males. This is historically rooted with women having been very active in trading since pre-colonial times”.

Langevang *et al.* (2015) and Overå (2007) also linked the association of female identity to historical times with their participation in venture creation, which they argue to have evolved during colonial times to the 1970s and 1980s where structural adjustment policies were implemented. The era of the structural adjustment policies are argued to have led to situations where it has become necessary for females to work in self-employed ventures to supplement household incomes.

Evidence from Uganda also shows that the work and communal experiences in the life-course of some youths as well as significant others make them to understand the non-economic values associated with venture creation, which shape their motives to participate in certain venture activities to make a difference in their communities as well as gain prestige associated with such ventures (Langevang *et al.*, 2012). Langevang *et al.* (2016) also report among urban youths in the same country that their life experiences of navigating economically constrained environments influenced their motives to establish their enterprises, or change their ventures over time, which also challenged the life aspirations they pursued.

In sum, the domains of the multi-faceted context in which African youths are embedded and navigate, including their temporal experiences, influence their decisions and actions towards non-farm enterprise activities and practices associated with formality and informality within the formality-informality continuum.

2.6 Summary

This chapter provides an overview of the theoretical framework that informed this thesis. It started with a review of the extant literature on the phenomenon of (in)formal entrepreneurship by giving an outline of some of the different approaches that have been used to study the phenomenon. It then re-grouped arguments that underly these different perspectives under two broad views: the 'marginality' and the 'cost-benefit' views, and discussed briefly the scope of prior literature in contextualising (in)formal entrepreneurship. It explained that while the marginality argument considers impoverished individuals, who lack resources, skills and opportunities, as those who participate in informal enterprise activities to survive or deal with welfare crisis, the cost-benefit view sees individuals, whether rich or poor, who participate in informality as those driven by hidden enterprise cultures, who attempt to cut down costs associated with state regularisation of the formal economy by using informality to maximise the benefits derived from their firms. Within the cost-benefit view, it also explained the consideration given by some scholars to intrinsic and non-pecuniary factors, such as: personal independence, improved relationships, redistributive motives, identity and lifestyle, to explain individuals' choices to participate in informality.

The chapter went further to argue that while much of the prior studies have contextualised (in)formal entrepreneurship, the focus of the studies, with exception to a few, assume, either implicitly or explicitly, that majority of business operators in emerging economies are located in the informal segment of the formality-informality continuum, with their empirical investigations largely focused on entrepreneurial behaviours made towards informality than both formality and informality. Also, these studies are argued to often seek to address the '*who*', '*what*', '*where*' and '*why*' questions of the emergence of informal entrepreneurship, with less consideration given to the '*how*' and '*when*' questions that are equally important to the persistence of the phenomenon in such economies. The chapter further argued that some of the models used to investigate the phenomenon 'de-contextualised' to some extent the structures, conditions and actors which shape the emergence of (in)formal entrepreneurship, thus making the findings lead to a partial view of the dynamic roles played by context in such emergence process. These limitations in existing literature therefore influenced the decision I made to adopt a broader theoretical approach

that explores the emergence of (in)formal entrepreneurship as a continuum, examining in-depth contextual factors which shape decisions, motives and practices engaged in by entrepreneurs towards formality and informality segments of the continuum.

Thus, the rationale for investigating the phenomenon within the 'embeddedness in context' perspective is discussed. Here, the chapter argued that the embeddedness in context perspective account for variations and differences in both hidden and well-known phenomenon, such as (in)formal entrepreneurship, and allow for the application of pluralistic complementary lens to investigate the complex incentives, constraints, motivations, strategies, and abilities of entrepreneurs to operate and grow businesses within the continuum. Such fracturing and emphasising on differences allow for the revelation of the dynamics of power, domination, oppression, inequalities and emancipatory tactics which usually shape the emergence of the phenomenon, and also allow for better assembly of the various aspects of the phenomenon into a coherent whole (Welter *et al.*, 2019). Thus, it leads to empirical findings which challenge some of the prevailing assumptions on the phenomenon that often escape scholars or appear trivial to them (Baker and Welter, 2018).

The chapter then moves further to theorise the embeddedness in context perspective. Here, the background, definition and significance of this approach are discussed, followed by the definition of 'context' and theorisation of the various dimensions, which are social, economic, institutional, spatial and temporal-historical domains of context (Welter, 2011; Welter and Gartner, 2016). The chapter then reviewed literature on resources located in context with emphasis placed on economic, cultural, social and symbolic capital (Bourdieu, 1986) as well as cognitive structures which shape human agency to exploit temporal resources as highlighted by extant literature (Çakmak *et al.*, 2018; Lippmann and Aldrich, 2016; Wadhvani and Jones, 2014). Finally, the chapter reviewed the literature on (in)formal entrepreneurship among African youths in BoP settings within the 'embeddedness in context' perspective. The next chapter examines the methodology that drove the research.

Chapter 3: Methodology

3.1 Introduction

The aim of this chapter is to explain and justify the methodology used to examine the dynamic roles played by context in the emergence of (in)formal entrepreneurship in rural Ghana. For this purpose, the chapter outlines the philosophical paradigms, and discusses the rationale for selecting and applying critical realism and the transformative paradigm to study the phenomenon. This is followed by a discussion on the research design, choice of research sites, unit of analysis, data collection methods, as well as the analytical approaches and procedures employed in the research project.

3.2 Philosophical assumptions

3.2.1 The Adopted Paradigms for the thesis

The assumptions of ontology, epistemology, axiology and believed logic of inquiry (Lincoln *et al.*, 2011) that framed the research questions (see Chapter 1) and methodological processes used for this study were situated in varied ways within the post-positivist school of critical realism and the transformative paradigm within critical theory. Holmes (2006) in his paper presented at the mixed method conference in Cambridge in July, 2006 asks the question:

“Can we really have one part of the research which takes a certain view about reality nested along another which takes a contradictory view? How will we reconcile or even work with, competing discourses within a single project?”.

Scholars have argued for the “incompatibility thesis” (Howe, 2004) and considered the mixing paradigms as “untenable” due to the use of “impermeable” and “artificial boundaries”, such as the typologies developed by Guba and Lincoln (2005) or Creswell (2009). However, Creswell (2011) explains that varied stances of multiple paradigms can be incorporated in a single study. This is especially possible in situations when the use of multiple paradigms is aimed at linking “paradigms to research designs” (*ibid.*, p.275), in ways that relate the paradigms adopted to different phases of the research design (Creswell and Plano Clark, 2007,

2011). Reminding researchers, especially those who use mixed methods the importance of going back to Kuhn (1970) description of a research paradigm, Morgan (2007, p.50) defined a paradigm as “shared belief systems that influence the kinds of knowledge researchers seek and how they interpret the evidence they collect”. Thus, arguing that a paradigm should bring the “best” or “typical” solutions to problems related to research questions that lead to consensus among scholars in speciality areas (Morgan, 2007, p.50). In line with the arguments made in the literature, this thesis, its objectives and the answering of its research questions are situated within the paradigms of critical realism (Bhaskar, 1975, 1979) and to a degree the transformative paradigm (Mertens, 2003). The two paradigms and how they have been applied to achieve the goals of the research project are discussed in the sections that follow.

3.2.2 Critical Realism

Aspects of the theoretical constructs and assumptions developed to drive this thesis is closely associated with critical realism (CR), as found in the writing of Roy Bhaskar (1975, 1979). As a reflexive philosophical, meta-theoretical paradigm (Archer *et al.*, 2016), CR argues for the existence of a world that is independent of ideas, constructions and assumptions that pertains to human consciousness but accept that people understanding of such a world are shaped by their perceptions and standpoints (Maxwell, 2012; O’Mahoney and Vincent, 2014). Bhaskar (2008, p.241-242) argues that:

“things exist and act independently of our descriptions, but we can only know them under particular descriptions. Descriptions belong to the world of society and men; objects belong to the world of nature”.

Yeung (1997, p.52) explained further by stating that such a paradigm:

“celebrates the existence of reality independent of human consciousness, ascribe causal powers to human reasons and social structures, (and) reject relativism in social and scientific discourses”.

CR also argues that the world (*ontology reality*) is “theory-laden but not theory-determined” (Fletcher, 2017, p.182). It is complex, having hierarchical structures and layers (Bhaskar, 1978), which can be stratified into three domains that overlaps (*stratified reality*) with: the

outer layer, the empirical domain, comprising of events which can be observed and understood through human interpretation (Archer, 1998; Danermark *et al.*, 2002; Fletcher, 2017). The second domain is the actual realm, which constitutes the mediating layers of objective events that happen as outcomes of contingencies and interactions of the different causal powers (Sayer, 1992). The third domain, the real domain, consist of the deep ontological layers of subjective natural or social events or ideas that are structured with the causal powers (Danermark *et al.*, 2002; Fletcher, 2017).

To scientifically explain the real causes of social and biological phenomena (*epistemology*), CR proposes that there is the need to delve into the empirical domain and then through the actual mediating layers that allow for the generative powers or structures to be identified and examined, so that the ontological causes of the phenomena are elicited. “The domain of the actual (therefore) provides conditions under which particular generative powers may or may not manifest or ‘actualise’ themselves” (Liu *et al.*, 2014, p.5; Archer, 1998). The objective of CR is, therefore, to identify the factors that can accurately predict or cause a phenomenon by illuminating how such factors affect structure and agency separately (Archer, 1995; Robson, 2002). The direction of effect generated by the causal powers according to critical realists:

“concerns not a relationship between discrete events but the ‘causal powers’ or ‘liabilities’ of objects or relations, or more generally their ways of acting or ‘mechanism’” (Sayer, 1992, p.104-105).

What is important, therefore, is the researcher’s ability to determine the nature of relationships that exist between factors that influences and those that are influenced. Thus, the logic of inquiry is that of retroduction, where the interacting structures and mechanisms which causes the emergence of a phenomenon are discovered (Olsen, 2004). Such a discovery process, at the initial phase, may involve the identification of “demi-regularities’ at the empirical level of reality” (Fletcher, 2017, p. 185), which are partial event regularities which prima-facie indicate the occasional, but less than universal, actualisation of mechanisms or tendencies, or a definite region of time-space (Lawson, 1997) and may provide “evidence of relatively enduring and identifiable tendencies in play” (*ibid.*, p. 224). The occurrence of multiple demi-regularities may offer insight into the generative powers that are related, and

possibly their causes of the phenomenon under study (Vareilles *et al.*, 2017).

But, with the nature of society viewed as an open but stratified, socio-economic system, prediction cannot be made as deduced in the natural sciences (Danermark *et al.*, 2002). Hence, in our open society:

“there is no guarantee with CR research that the researcher will observe events with underlying mechanisms [-] ... as there is the possibility that they will either not observe events as the mechanisms [-] ... (may) not activate, or the activation of the mechanism interacts with other mechanisms creating an event that is difficult to pin down and examine. In the complicated world of business with a multitude of impacting variables, directly pin-pointing a mechanism at play could be very problematic” (McAvoy and Butler, 2018, p.163).

Thus, management research which adopts CR may need to be guided by “a priori theory” that address this particular problem (ibid., p.164) often characterised with over-coded retrodution (Bertilsson, 2004). Such a theory or theories, which predict the possible occurrence of the mechanisms, must be placed “on trial” (ibid.) until such mechanisms or at least some have been identified through research.

3.2.2.1 Application of CR ontology and epistemology to thesis: contextually embedded youth entrepreneurs and the reflexive habitus

Building on the work of Bhaskar (1978) and Giddens (1984), Margaret Archer accepts that social structure, culture and agency are ontologically stratified. She developed the morphogenetic-morphostatic cycle (Archer, 1995) and explained the theory of morphogenesis as a concept which accepts that the structures of society are developed and shaped by the intentional and unintentional consequences of actions and activities of agents. On the other hand, Archer explained morphostatic as those procedures and activities that sustain or preserves prevailing structures of specified systems or organisations (ibid.). An underlying tenet of Archer’s construct is that structure and agency emerge at different inter-temporal levels of social reality and operate across different periods. The cycle of flow of morphogenesis-morphostasis can, therefore, be categorised into three stages: (i) *structural conditioning* (ii) *socio-cultural interaction* and (iii) *structural reproduction or elaboration*. To be able to analytically differentiate between structure and agency, Archer develops her *analytic dualism* theory which determines the form of the interdependencies that exist

between structure and agency without reducing in relative terms the individualistic power of both structure and agency. Archer argues that regardless of the period of analysis, there are pre-existing structures that constrain or enables agential activities, such that the interaction that occurs may lead to the reproduction (morphostasis) or transformation (morphogenesis) of the existing structures. The interaction that occurs between structure and agency at the initial stage of their mediation process affect agents differently depending on the level of social bargaining power they have, such that the projects they seek to attain may be constrained or enabled (Herepath, 2014).

There are fundamental disagreements between Archerian scholars and Bourdiesian theorists on how power emerges in development and social change and how actions of individual persons are conceived. However, Decoteau (2015) argues that careful examination of core tenets of emergence, the stratification of reality and conjunctural causality offers useful insights to researchers on how Bourdieu approach of 'habitus' (Bourdieu, 1977, 1984, 1990) can be combined with Archerian reflexivity approach (Archer, 2003, 2007) to understand the influencing relationship that exist between structures and agents. The reflexive habitus approach (Decoteau, 2015) was, therefore, found as a useful philosophical framework to examine the interaction that occur between the multi-faceted context of which youth entrepreneurs are embedded and navigates and their actions to participate in formal and informal entrepreneurship.

Bourdieu (1986) contends that capital accumulated may not only come in the form of material resources or assets but may be social, cultural or symbolic. Navarro (2006) also explained that such varied forms of capital are relevant and can be moved between and across domains of context. The mechanisms that lead to the creation of cultural capital may play instrumental roles in determining how power relations that foster non-economic domination and class structures are created (Gaventa, 2003), thereby leading some individual agents or collectives to unconsciously accept inequalities in their societies (Bourdieu, 1986). Such individual agents (in the case of this thesis, youth entrepreneurs), may make use of their embedded powers (Archer, 1995, based on Sayer, 1992) by reflecting on their resources, talents and abilities to challenge or respond appropriately to the enduring social structures or class systems that constrains or enables their entrepreneurial actions.

By adopting this approach, I was, therefore, able to analysis and discuss how youth entrepreneurs, as unique contextual agents, took decisions, actions and behaved in certain ways which were conditional on their interactions with different facets of context and explored their usually 'taken for granted' embedded dispositions and experiences (causal powers and liabilities) that influence their decisions and actions. Also, the reflexive habitus approach allowed me to discuss how such entrepreneurs (as agents) performed routine actions in stable homologous and dynamic heterologous rural societies. Thus, revealing the enterprise-related actions they performed that were guided by reflexivity as they responded to evolving mechanisms, conditions and structures situated in the domains of context across space and time, being influenced and also influencing such mechanisms consciously and sometimes unconsciously.

Hence, the *empirical* aspect of the findings was the revealed practices of the RYEs as they participate in the formality-informality continuum which was easily visible and observed during the data collection. The *actual* was also the revealed patterns and trends of their enterprise activities which were derived from their narratives and experiences. Finally, the *real* aspect of the findings constituted the workings of the invisible structures, conditions and actors situated in the domains of context which shaped the phenomenon of (in)formal entrepreneurship among the studied population, with the workings of these contextual factors partially derived from the narratives and decisions of the RYEs. This is because the complete understanding of the workings of the structures, conditions and actors could not be determined with absolute certainty during the research process.

3.2.3 Transformative paradigm to a degree

According to Mertens (2003, p.159), the use of the transformative paradigm as a framework allows researchers to achieve the goals of their studies to "serve the end of creating a more just and democratic society that permeates the entire research process". This paradigm is built on the *ontological* assumption which "reject cultural relativism (but) recognise that different versions of what is believed to be real exist" (Mertens, 2012, p.5). The transformative paradigm also adopts an *epistemological* position that involves:

“understanding the historical and social (domains of context) ... [-] ... as well as building relationships (during the research process) that acknowledge power differences (between the researcher and the researched) and support the development of trust amongst the involved parties” (Mertens, 2012, p.6).

This paradigm is also grounded on the *axiology* assumption of “the importance of respecting cultural histories and norms in interactions” during the research process to “increase social justice” (Mertens, 2012, p.3).

3.2.3.1 Application of Transformative Paradigm to thesis: Understanding Temporal-Historical perspectives and addressing issues of social justice

In this thesis, the CR philosophical position I adopted allowed me to achieve the first research objective of the study and to answer the underlying questions on that objective, which assessed the salient factors located in the domains of context that influenced the youths to choose to participate in non-farm entrepreneurship and formality (or informality) in Ghana. However, an aspect of the *priori* theories developed for the study (see: Chapter 2) hinged on exploring the influences of temporal-historical domain of context on the decisions the youths made towards participating in formality (or formality). The temporal nature of such an investigation required a different philosophical lens that explore the nature of marginalisation some of the research participants may have experienced throughout their life-course and trace the emancipatory tactics and strategies they might have employed which influenced their actions towards formality and/or formality.

While critical realism has emancipatory intent, as Bourdieu (1990) accounts for the tensions and contradictions that arise when individuals encounter and are challenged by different *fields* and reveals how they can resist power and domination in one *field* and express complicity in another (Moncrieffe, 2006), the incorporation of the transformative paradigm (Martens, 2003, 2010, 2012) provided avenues for the exploration of the dynamics of power as a crucial historical under-current which shape the emergence of (in)formal entrepreneurship. The paradigm revealed, both implicitly and explicitly, how power endure and/or are transformed by RYEs and the various stakeholders affected by their businesses during the venture creation process. The benefit of applying this paradigm was also recorded in the voice it gives to underrepresented or marginalised populations (Mertens, 2017) as it

offered to them a platform to share in-depth their understanding of the influences of the domains of context on their ventures as well as allowed me to reflect on my own position in the entire research process. The transformative paradigm is focused:

“on the strength that resides in communities that experience discrimination and oppression (such as, rural areas across a developing country such as Ghana) on the basis of their cultural values and experiences” (Mertens, 2012, p.3)

Thus, the adoption of this paradigm as a complementary philosophical approach was considered a novel position to address the problem of inconsistency in theorisation (Cresswell, 2011) of the phenomenon in the developing country setting chosen for the study, where the influences of temporal and historical events on the decisions and actions of individuals to participate in (in)formality are rarely explored in the entrepreneurship literature.

With the assumptions of the transformative paradigm in mind, I planned and developed a research strategy that ensured that processes leading to the qualitative study (see Chapter 5) were carried out in accordance with the research location (in this case, rural Ghana) and developed strategies that attempted to capture the different versions of realities of the interview participants. The research strategy and process I followed also built relationships that ensured that the study was conducted in a manner responsive to the cultural environment of the participants. Thus, the transformative paradigm allowed me to reflect on my position and influence in the research process as an African academic whose education and career has been shaped by knowledge that I have developed from urban societies across Ghana and the developed west of England. Hence, such a reflection allowed me to build “relationships that acknowledge power differentials and supported the development of trust amongst the involved parties” (Mertens, 2012, p.6).

3.3 Methods

For this thesis, a mixed method approach was used to achieve two aims: 1) the use of quantitative methodologies alone to examine the choices the youths in Ghana made to participate in non-farm entrepreneurship and formality (or informality) seemed inadequate. This is because it provided only an overview of the decisions they made to participate in the studied entrepreneurial activities. Thus, the incorporation of the qualitative study provided a space for complementarity, in ways that deepened my understanding of the diversity and complexity of actions carried out during this entrepreneurial process. It also improved my understanding of how structures, conditions and actors situated in domains of context influence the practices the youths engage in within the formality-informality continuum. 2), the transformative goal of giving voices to often ‘marginalised’ entrepreneurs in academic and policy discourses was for a developmental purpose to encourage influential players in academic and policy-making circles to consider the diversity of the venture practices of such subpopulations studied to participate in formality and informality and how they respond appropriately to policies that benefit all players affected by this phenomenon. Thus, the combination of quantitative and qualitative methods to answer the research questions allowed for a more complete and robust exploration of the phenomenon among the youth population from a developing African country.

3.3.1 Research Design: Sequential Transformative Design

The study used a sequential transformative design (Creswell and Plano Clark, 2011). With research questions developed out of the initial literature reviews, the sequential transformative design used for the study was implemented through a flexible deductive-inductive approach that was “neither purely deductive, nor purely inductive” but “operated rather simultaneously in a deductive-inductive dialectic (Yeung, 1997, p. 63). This approach created spaces for:

“harmonious synchronisation between deductive abstraction and inductive grounding of generative mechanisms” that ensured “the most practically feasible method of theorisation [-] ... (involving) an interactive process of abstracting theories based on [-] immanent critique and the grounding of abstractions in concrete data (Yeung, 1997, p. 63).

Starting with the quantitative research, I carried out an extensive search for national survey data that considered various aspect of economic, cultural and social justice issues in the chosen country for the study and prepared the data to suit the purpose of the quantitative phase of the research. With the survey data organised, an intensive but flexible deductive inference was carried out to describe, explore and to some extent explain the various factors which influenced the decisions youths made to participate in non-farm entrepreneurship and formality (or informality).

Carrying out an extensive data collection through semi-structured interviews, field observations and an intensive but flexible inductive analysis, the qualitative study was focused on exploring from the viewpoint of RYEs, their processes of interacting with salient structures, conditions and actors situated in the economic, social, institutional, spatial and temporal-historical domains of context. The study was also focused on how these interactions shaped their business and social lives as well as the dynamic ways they navigated the formality-informality continuum. Placing the research participants as experts who understood the workings and influences of their contextual environments, I was interested in stories that described the intertwined past and present experiences of such environments (that is, stories on career and social development over their life-course and those of influential actors and structures in their lives). I was also interested in the future expectations and possible strategies and tactics the youths plan to adopt to achieve their occupational and life goals as well as to formalise the operations of their non-farm businesses.

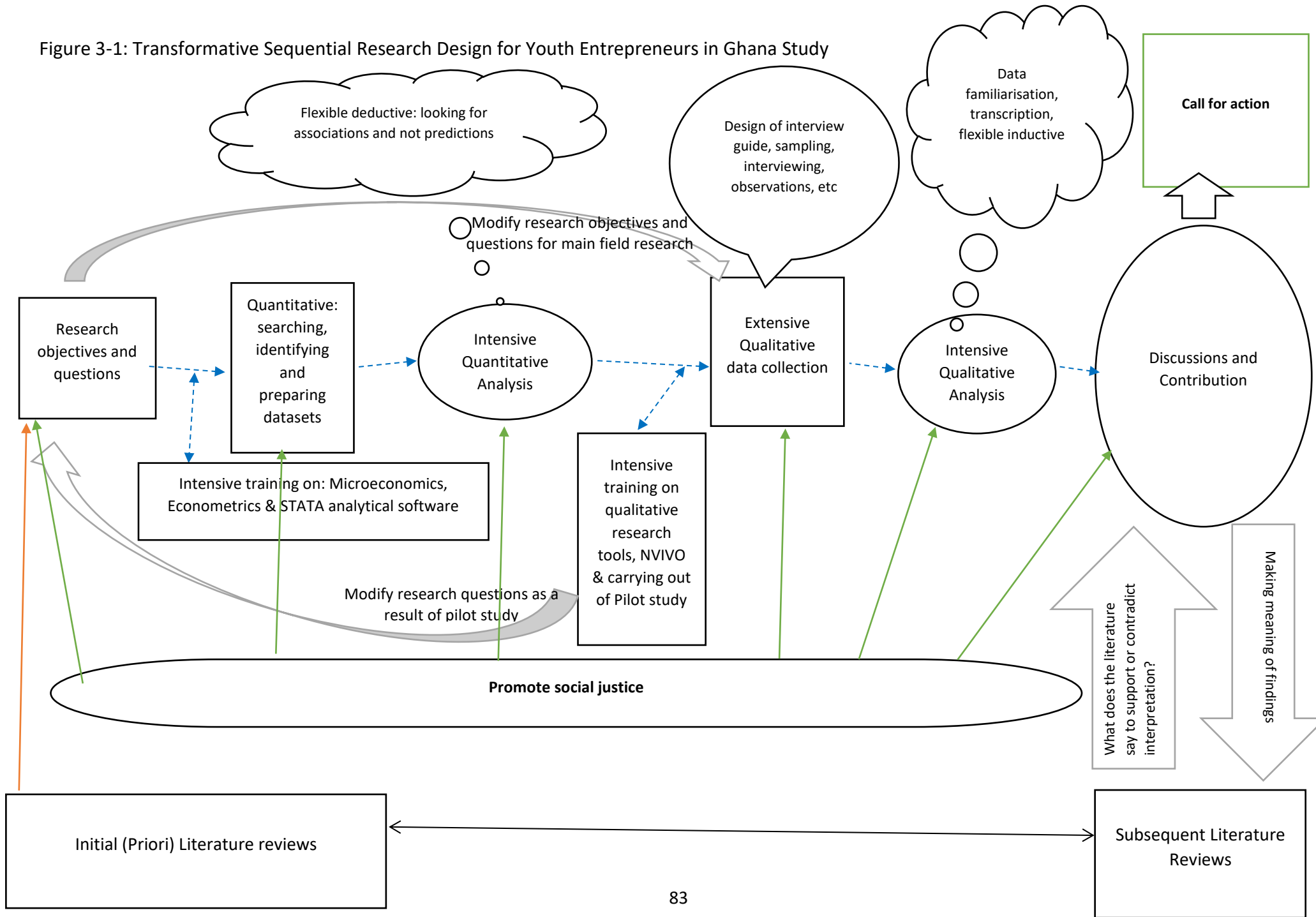
Also, the study aimed at achieving its transformational agenda of ensuring that the data collection and outcomes of the study “benefit” the communities where the field study was conducted (Sweetman *et al.*, 2010, p.442). Hence, I ensured that towards the end of the data collection process I adopted a strategy which involved me attending training events and information-sharing activities that were organised in two of the three research districts through which the research participants and community-based organisations, which include: service providers and policymakers, converged. My participation, therefore, provided me the opportunity to observe interactions that often go on in such group activities. I also listened to the views of the attendants on what they believe can be done by key stakeholders to improve the business environment and move their venture activities towards formality. Thus, the application of this novel transformative methodological approach allowed me to assess,

in a reflexive manner, interactions that were on-going not only between myself, as the researcher and the RYEs, but also among other key actors and structures in the micro, meso and macro environments. These included actors such as: customers, suppliers, employees, NGOs, community leaders, formal institutional regulators, among others, who influenced and were influenced by the entrepreneurs interviewed across space and time.

To avoid the temptations of dominant-less-dominant designs¹¹ that can compromise data collection and analysis for a mixed method study (Creswell and Plano Clark, 2011), I ensured that the time I spent in developing techniques required to conduct the quantitative and qualitative studies and the actual processes that led to the research process were equal. I also ensured that the research approach adopted provided more of “a complete picture of the phenomenon under study than ..[-]..(would have been) possible ..[-]..(if) a single method (was used)” (Mertens, 2012, p.9). Figure 3-1 below provides a framework of the sequential transformative design (also known as social justice design) used for this thesis.

¹¹ “Mixed methods designs can be divided into equivalent status designs (that is, the researcher conducts the study using both the quantitative and qualitative approaches equally to understand the phenomenon under study) and dominant-less dominant studies or nested designs (that is, the researcher conducts the study within a single dominant paradigm with a small component of the overall study drawn from an alternative design)” (Azorín, and Cameron, 2010, p.98).

Figure 3-1: Transformative Sequential Research Design for Youth Entrepreneurs in Ghana Study



3.3.2 Reliability, Validity and ‘trustworthiness’ of the Mixed Method Approach adopted

To ensure that the findings of the study from the adopted mixed method design are reliable and valid, I ensured that the quantitative and qualitative approaches complemented each other and ensured that the philosophical paradigms that I chose were valid and supported the thesis. Other validities, such as weakness minimisation, sequential validity and sample integration validity, were ensured (Onwuegbuzie and Johnson, 2006). Weaknesses in each research strategy was countered by the strength of the other (Christensen *et al.*, 2014; Gray, 2014). Also, the adoption of a ‘semi-ignorance’ approach of the literature on the research topic and findings reported from the quantitative study prior to and during the qualitative data collection and analysis allowed for sequential validity to be achieved during the integration phase of the analysis (see: Chapter 6). However, sample integration was not achieved because the sample used for the qualitative study was different from that of the quantitative study. Other specific steps carried out which enhanced the validity, credibility and trustworthiness of the study are highlighted throughout the entire thesis.

3.4 The Quantitative Phase (Data and Methods)

This section of the chapter describes the data and modelling approach adopted for the quantitative phase of the study (see: Chapter 4). The first half of the section provides an overview of the data collection and preparation process as well as the empirical variables used for the study and how they have been operationalised. This is then followed by an empirical strategy that outlines the econometric techniques used to determine the associations established between the dependent and independent variables in the bivariate probit estimation presented in Table 4-2 in Chapter 4.

3.4.1 Data Collection

3.4.1.1 Data Source

According to Saunders *et al.* (2016, p.300-331), secondary data that are collected from reliable

sources (e.g., government statistical offices) can offer researchers high quality data which has the potential to lead to “unexpected new discoveries” and can save their time and financial resources. I, therefore, sought permission from the Ghana Statistical Service (GSS) office in Accra in 2016/2017 to use their dataset from the sixth round of the Ghana Living Standards Survey (GLSS6)¹² to undertake the first part of the study. With the research questions and objectives for the thesis in mind, I searched the internet for potential secondary data and settled on the GLSS6 datasets, which was the latest available dataset at the time, after carefully examining all the datasets in previous rounds. I chose the GLSS6 out of previous rounds because the GLSS6 maintained the questionnaires used during the fifth round but also added three new modules which provided important information for this study, such as: The Labour Force Module which focus on employment and time use, a module on household access to Financial services and a module on Governance, Peace and Security (GSS, 2014b).

The GLSS has over the years been used to measure socio-economic indicators that monitor the impact of development policies on the living conditions of individuals within Ghana. The choice I made to use the GLSS6 was, therefore, informed by the wide acceptance of the comprehensiveness and reliability of tools employed by the national statistical office in Ghana to conduct such surveys. The GLSS6 was conducted with technical assistance from the World Bank who supported the development of similar tools as used in World Bank Living Standards Measurement designs and sampling methodologies. The surveys have been used widely by policymakers and academics in the country and elsewhere. Hence, I saw the GLSS6 as a valuable source of data to provide insights into the living conditions and decisions the youths make to participate in economic activities, such as non-farm entrepreneurship and formality.

3.4.1.2 Survey Instruments of the GLSS6 Data

The GLSS6 has five primary questionnaires, namely: household questionnaire, non-farm household questionnaire, community questionnaire, governance questionnaire and prices of

¹²Starting from 1987 the Ghana Statistical Service have conducted seven waves of surveys, with the second, third, fourth, fifth and seventh round conducted in 1988, 1991/1992, 1998/1999, 2005/2006 and 2016/2017. the GLSS7 datasets which was collected in 2016/2017 was only released in October,2018 to the public. Data is available upon request at: <http://www.statsghana.gov.gh/downloadpage.html>

food and non-food items questionnaire (GSS, 2014b, p.2). The response from the GLSS6 dataset on the questionnaires provided detailed information on the demographic characteristics of households, education, health, employment, migration and tourism, housing conditions, agriculture, expenditure, income and assets as well as other components, such as individuals decisions to pay taxes to government on their incomes/profits, their access to financial services and perceptions on formal institutions and governance structures, such as perception of competence of tax authorities, among others.¹³

3.4.1.3 Sample Design and Unit of Analysis

The GLSS6 is a nationally representative survey. Based on projections from Ghana's 2010 Population and Housing Census, the GSS estimated household population from the survey period to be 26.3 million. Out of this population, the GSS employed a two-stage stratified sampling design to first sample 1,200 enumeration areas (EAs) as Primary Sampling Units (PSU). The PSUs were then allocated into the 10 administrative regions using probability proportional to population size (PPS). The EAs were further divided into urban and rural localities of residence. The second stage then ensured that 15 households were systematically selected from each PSU to form the secondary sampling units (SSUs) and to provide representative indicators that ensured regional, locational and national balance. Of the 18,000 households selected for the survey, only 16,772 were successfully interviewed (GSS, 2014b) and of the 16,772 households, a total of 71,524 individuals Ghanaians answered the questionnaires, with the overall non-response rate computed at 6.8%.

With the thesis focused on economically active youths who are engaged in self-employed enterprises in the non-farm sector, I restricted the sample to individuals in the age range of 15 to 35. The complete data for the sample size of those aged 15 and above was 42,659 of which the surveyed youths were 23,903 individuals. The primary economic activity of the sampled youths ranges from those who worked as employees in the public sector (7.5%), employees in the private sector (13.5%), the self-employed enterprise operators in the non-farm sector

¹³ Sample of the questionnaires used for the GLSS 6 data collection can be found in: <http://www.statsghana.gov.gh/nada/index.php/catalog/72>

(24.02%), the self-employed in the farm sector (46.33%), the reported unemployed (3.03%), retired (0.84%) and other inactive (4.78%). The sample used for the analysis in Chapter 4 was, therefore, individuals who were within the age group of 15 and 35 and responded to the survey questionnaire on employment choice to operate non-farm self-employed businesses and made decisions to pay (or not) taxes to the government on incomes/profits from their businesses.

3.4.2 Data Preparation and Variable Selection

The data was then prepared for analysis by merging relevant datasets, checking and dealing with missing data and outliers and recoding variables as well as creating dummy variables as appropriate. In all, I used 24 variables for the analysis. The sub-section that follow provides much details on the variables I selected for the analysis and how they have been operationalised.

3.4.2.1 Variables selection

With the goal of the analysis in Chapter 4 not aimed at making predictions, but rather looking for associations between the dependent and independent variables, my aim was to choose variables that were based on prior theory and empirical findings. I, therefore, draws upon three sets of literature: non-farm entrepreneurship, (in)formal entrepreneurship and tax compliance literature. While I acknowledge that the debates and variations in conceptualisation on these topics are expansive, such debates go beyond the scope of this thesis. Therefore, this sub-section aims to identify and highlight the factors that influence individuals to choose to participate in non-farm entrepreneurship and formality (or informality).

For lack of meaningful data from the GLSS6 dataset on entrepreneurs' choices to incorporate their businesses and keep accounting records in formal ways, the youth response on compliance to state taxes was used as a proxy for their probability of choice to participate (or not) in formality with their established non-farm businesses. On the variable labelled *S4AQ19* the respondents were asked the question that: *"are taxes deducted from your pay/income/profits?"*. I assumed in the quantitative study that individuals who operate self-employed businesses and responded "yes" to this question are those who made decisions to comply with tax regulations of the state and actually paid taxes on their incomes/profits. Similarly, those who responded as

“no” are individuals who are considered to be non-compliant to state taxes.

Although the variable on tax compliance has the limitation of not providing much information on those who responded to the question whether they voluntarily complied with regulations for taxes to be deducted from their incomes/profits or they were forced to pay, it provides a very important information which I believe leads to insight on tax behaviour of individuals in the country. Also, I considered the assumption of using tax compliance as proxied for formality as plausible considering the fact that business formalisation processes in Ghana require that entrepreneurs must first register their businesses with tax authorities to be given tax identification number (TIN) before they can incorporate their enterprises with the Registrar General Department. Thus, this approach of operationalising tax compliance as indicator of formality is consistent with studies (e.g., Demenet *et al.*, 2016) that use alternative indicators, such as tax registration, instead of business license.

Therefore, I considered youth entrepreneurs who responded to pay income taxes as individuals who had been captured in formal computerised systems of tax authorities and to some extent have moved towards the formalisation process. Also, because entrepreneurs in such a developing country setting may be subjected to various indirect taxes and trade tariffs which are different from income taxes, the analysis in Chapter 4 was developed based on the premise that the youth entrepreneurs who responded to the question on tax compliance were individuals who understood the difference between income taxes and the other forms of taxes of government and responded accurately with information on income tax.

Furthermore, the analysis was carried based on the assumption that youth entrepreneurs who responded to the question on tax compliance were individuals who were earning incomes/profits beyond the minimum tax-free threshold of taxable income and thus were qualified to pay taxes on their incomes. Thus, I defined compliance to state taxes as the decision youths, who are engaged in self-employed businesses, made to declare all the incomes/profits they made to tax authorities and allowed such authorities to deduct appropriate amounts as taxes from the incomes/profits (Braithwaite, 2009; James and Alley, 2004; Palil and Mustapha, 2011). Table 3-1 provides the variables selected for analysis and the literature which informed the selection of such variables.

Table 3-1: Selected variables for analysis and supporting literature

	Participation in Non-farm Entrepreneurship		Participation in Informality (or tax non-compliance)	
Variable Types	References	Theoretical propositions/ Empirical Findings	References	Theoretical propositions/ Empirical Findings
<u>Individual-level characteristics:</u>				
Gender	Ackah,2013; Bezu <i>et al.</i> , 2009; Canagarajah <i>et al.</i> , 2001; Newman and Canagarajah,1999; Nix <i>et al.</i> , 2015; Rijkers and Costa, 2012; Senadza, 2012; Van den Broeck and Kilic, 2018	Because of gender inequalities related to access to resources, such as farmlands, females may be pushed to participate in employment in the non-farm sector. Also, prescribed gender norms which influence women to choose jobs that balance work with family commitment may influence female decision positively towards non-farm entrepreneurship.	Williams, 2009; Williams and Round, 2009; Williams and Shahid, 2016; Williams and Gurtoo, 2012	Women are more likely to participate in informality. It allows women to play their domestic roles as maintainers of household and as carers (Xheneti <i>et al.</i> , 2019b)
Education level	Abdulai and Delgado, 1999; Ackah, 2013; Bayene, 2008; Bezu <i>et al.</i> , 2009; Davis <i>et al.</i> , 2007; Mduma and Wobst, 2005; Reardon <i>et al.</i> , 2007	Higher levels of formal education offer individuals career choice towards higher-paid wage jobs in non-farm sectors. However, those with lower levels of formal education may be limited by their levels of education to participate in non-farm entrepreneurship. Where those with higher education choose to participate in non-farm enterprise activities because higher education is a key source of human capital, it allows them to undertake business activities with a higher return.	Gurtoo and Williams (2009); Williams and Shahid (2016); Jiménez <i>et al.</i> , 2015	Level of education is directly proportional to the degree of formality. But, Gurtoo and Williams 2009 found in their study in India that entrepreneurs who are better educated were those who participated in informality than workers who were formally employed.
<u>Household-level factors:</u>				
Position within household	Ackah, 2013; Dhanaraj and Mahambare, 2017; Lambert <i>et al.</i> , 2014, p.8; Haddad and Reardon, 1993; Haddad <i>et al.</i> , 1997; Shitima, 2018, p.209	Intra-household characteristics, such as positions or statuses individuals occupy within households, be it head, spouse, children or extended family members may influence their decisions to participate in economic activities in the non-farm sector. This is because individuals' positions in	Wijebandara and Cooray (2016)	Wijebandara and Cooray (2016) found in Sri Lanka that the position of individuals in a household affects their participation in informal entrepreneurship.

		households may be associated with differential levels of inequalities, commitments and obligations which may affect such individuals' usage of time and ability to access resources, assets and participate in non-farm enterprise activities.		
Marital status	Abdulai and Delgado, 1999; Nagler and Naudé, 2014	Marital status can influence households' decisions to operate non-farm enterprises.	Williams and Horodnic, 2016	Williams and Horodnic, 2016 found that individuals in other marital statuses, such as single, consensual union, divorced, widowed are more likely to participate in informality.
Family size	Nagler and Naudé, 2014; Olugbire <i>et al.</i> , 2012; Reardon, 1997; Wijebandara and Cooray (2016, p.368); Havnevik <i>et al.</i> , 2003	The size and composition of a household have been associated with individuals participation in non-farm entrepreneurship, with larger households with members made up of older persons, who earn wage incomes, likely to influence members to participate in non-farm entrepreneurship. For large households composed of many younger children, individuals may be influenced to engage in non-farm entrepreneurship confined to the household.	Khavul <i>et al.</i> , 2009	Individuals in extended families are likely to be influenced by such families to participate in informality.
<u>Economic factors:</u>				
Wealth status	Barrett <i>et al.</i> , 2001; Bhaumik <i>et al.</i> , 2011; Woldenhanna and Oskam, 2001	The level and composition of wealth or financial assets that individuals and households have influenced their decisions towards non-farm entrepreneurship, with those who have higher levels of wealth more likely to take decisions towards non-farm entrepreneurship than their counterparts who are less wealthy.	Williams and Horodnic, 2015a	Individuals levels of social class (or wealth status) have been associated with formality and informality decisions.

Farmland size	Ackah, 2013; Barrett <i>et al.</i> , 2001; Bezabih <i>et al.</i> , 2010; Bezu <i>et al.</i> , 2009; Bezu and Holden, 2014; Damite and Negatu, 2004; Nagler and Naudé, 2014; Olugbire <i>et al.</i> , 2012; Reardon <i>et al.</i> , 2007	There is evidence in Africa that landholdings influence an individual's choice to participate in farm or non-farm entrepreneurship.	de Mel <i>et al.</i> , 2013	Evidence in Sri Lanka has associated land ownership issues with firm non-registration. Thus, I theorise that individuals with larger farmlands may be influenced to engage in commercial production and participate in formality associated with both farm and non-farm entrepreneurship.
Ownership of house	Olugbire <i>et al.</i> , 2012; Nagler and Naudé, 2014;	Ownership of assets, such as house (or rooms) has been found to have a positive influence on decisions individuals make to participate in non-farm entrepreneurship.	de Mel <i>et al.</i> , 2013	Evidence in Sri Lanka has associated land ownership issues with firm non-registration. Thus, ownership of house can influence business and property registration with the state or pay property rates.
Social Protection Expenditure		With the high prevalence of the informal economy in SSA, it is difficult to estimate the wealth of individuals by using income proxies or assets (Olvera <i>et al.</i> , 2008), and so expenditure is used as an alternative measure of wealth. Wealthier individuals may be able to spend more on non-food expenditures, such as expenditure on social protection, than poorer individuals. Thus, they are likely to use their level of affluence to participate in non-farm entrepreneurship than the less affluent.	Castells and Portes, 1989; Lund, 2009; Morris and Polese, 2016; Polese <i>et al.</i> , 2014, 2015	Individuals who have fewer benefits, such as low incomes and poor working conditions, with no social protection or welfare provisioning from the state, are more likely to participate in informality
<u>Enterprise and Industrial Experience:</u>				

Years of work experience	Alemu and Adesina, 2017; Benedikter <i>et al.</i> , 2013	Individuals years of experience in farm and non-farm sectors may influence their participation in non-farm entrepreneurship, with those who have more years in farming more likely to participate in non-farm entrepreneurship as evidence in Ethiopia has shown (Alemu and Adesina, 2017).	Xheneti <i>et al.</i> , 2019b, p.10	Work experience and years of such experience influence the risks at which male and females' individuals are willing to take, for instance, towards informality.
Traditional apprenticeship experience	Haan, 2006; Langer, 2013; Palmer, 2009; Liadi and Olutayo, 2017; Pasquier-Doumer, 2013	Enterprise skill acquired from non-formal training systems may influence individuals' decisions positively to participate in non-farm entrepreneurship.	Haan, 2006; Pasquier-Doumer, 2013; Palmer, 2009	Enterprise skills acquired from non-formal training systems, such as traditional apprenticeship, may influence individuals' decisions positively towards participation in informality.
Industry of primary work	Van den Broeck and Kilic, 2018	Evidence in Ethiopia, Tanzania and Uganda shows that individuals are more likely to be influenced by non-farm industries to continue employment in the non-farm sector than agriculture.	Siqueira <i>et al.</i> , 2016	Conditions that prevails in certain industries may influence entrepreneurs to move their businesses towards formality or informality.
<u>Sociological Characteristics</u>				
<u>(Social systems & Normative institutions)</u>				
Ethnicity	Nagler and Naudé, 2014; Chigunta <i>et al.</i> , 2005; Golub, 2015; Miguel and Posner, 2006	Studies in SSA shows that individuals' ethnicity is likely to influence their decisions to participate in entrepreneurship. The likely influence of ethnicity on (non-farm) entrepreneurship is stronger in homogenous localities than heterogeneous places.	Golub, 2015; Shahid <i>et al.</i> , 2017; Ojo <i>et al.</i> , 2013; Hart, 1973	Informality has been associated with some ethnicities, ethnic minorities and migrants from some ethnic groups.
Religious group participation	Golub, 2015; Haggblade <i>et al.</i> , 1989;	Individuals who participate in religious activities are likely to be influenced by such activities to participate in (non-farm) entrepreneurship.	Heinemann and Schneider, 2011; Namatovu <i>et al.</i> , 2018	There is evidence in the literature to show strong association between religious activities and

				informal entrepreneurship.
Participate in ROSCAs/VSLAs	Bortei-Doku and Aryeetey, 1995; Karlan <i>et al.</i> , 2012; Kedir <i>et al.</i> , 2011a; Kimuyu, 1999	Self-help financial activities, such as ROSCAs/VLSAs, has been associated with farm and non-farm economic activities.	Neves and Du Toit, 2012	Individual participation in traditional/communal saving schemes, such as ROSCAs, is associated with informality.
Reputation in Society	Baron and Markman, 2000, 2003; Benedikter <i>et al.</i> , 2013; Olugbire <i>et al.</i> , 2012; Langevang <i>et al.</i> , 2012	Individuals desire to build favourable reputations in their societies influence their decisions to participate in non-farm entrepreneurship. Also, positive reputation build improves individual access to resources to participate in non-farm entrepreneurship.		I theorise that institutional actors who confer favourable reputation on entrepreneurs influence how such individuals choose to participate in formality or informality.
<u>Perception of Formal Regulatory Institutions:</u>				
Tax office/officials competence	Pimhidzai and Fox, 2012	Individuals will participate less in non-farm entrepreneurship in societies where revenue authorities are considered less competent or ineffective, and apply regressive tax regimes.	Joshi <i>et al.</i> , 2014; Pimhidzai and Fox, 2012; Prichard and Van den Boogaard, 2017	There is a strong association between actions of tax authorities of the state towards entrepreneurs and their participation in formality or informality.
Pay additional monies/bribes to tax authorities	Griffiths <i>et al.</i> , 2009	Additional unapproved payments made to regulatory authorities, such as tax officials, may discourage some individuals to participate in non-farm entrepreneurship (Griffiths <i>et al.</i> , 2009). However, such unapproved payment may facilitate processes leading to the establishment of non-farm businesses.	Schneider and Enste (2000); Jha and Bag, 2019; Nguyen <i>et al.</i> , 2014; Williams and Kedir, 2018	Entrepreneurs perception of corruption in public institutions (which includes bribery) has been associated with informality.

Trust politicians		I theorise that trust for politicians to make policies that improve the business environment will influence individuals' decisions to participate in non-farm entrepreneurship.	Daude <i>et al.</i> , 2012 ; Ibrahim <i>et al.</i> , 2015	Arguments in the tax morality literature suggest that where individuals have trust in public officials, such as politicians, they are likely to have higher tax morale.
Locational Characteristics :				
Rurality of residential area	Fafchamps and Shilpi, 2003; Nagler and Naudé, 2014; Reardon, 1997	The rurality of geographical place of individuals may influence their decisions to participate in non-farm entrepreneurship. This is because it may determine how such individuals can access resources, markets, infrastructure and alternative jobs, such as wage employment in the non-farm and farm sectors.	Williams, 2010; Williams, Horodnic and Windebank , 2016; Williams and Nadin, 2010; ILO, 2013b;	The level of development in localities, such as rural and urban areas are associated with the level of formality or informality in such locations
Administrative Regions	Nagler and Naudé, 2014	Regional heterogeneity may influence some individuals to participate in non-farm entrepreneurship, as it may determine the level of economic development and access to resources markets, infrastructure and alternative jobs, such as wage employment.	Williams, 2010; Williams, Horodnic and Windebank , 2016; Williams and Nadin, 2010	The level of development in regions and localities have been associated with the level of formality or informality in such locations.

3.4.3 Empirical approach

Across the sub-field of (in)formal entrepreneurship, various quantitative studies (e.g., Kedir *et al.*, 2011b; Siqueira *et al.*, 2016; Williams, Kedir *et al.*, 2013) have followed guidelines on categorical data analysis (Agresti, 2002; Hoetker, 2007; Long, 1997; Wiersema and Bowen, 2009) to consider the decisions individuals and firms make to participate in informal entrepreneurship (or employment) as an endogenous choice. Such studies primarily employ probit and logit models as critical parts of their analyses. In line with these studies, I used simultaneous equation

estimation techniques to model the jointly determined decisions that youths in Ghana made to operate non-farm business and participate in formality. I, therefore, estimated the bivariate probit model to consider the endogeneity that may exist between the choice to operate a non-farm business and choose to participate in formality.

A simultaneous model is suitable because there is a good reason to suspect that both decisions are correlated, with the problem of endogeneity of formality arising from *omitted variables* which are correlated with both choices to participate in non-farm entrepreneurship and formality. For instance, individuals who have prior knowledge on the benefits or opportunities that other entrepreneurs who established formal non-farm businesses enjoyed may be interested in choosing to operate non-farm businesses that formalise their activities, so as to enjoy similar benefits. So, if this were the case and prior knowledge on formal non-farm business operations are not controlled for, the estimate of the parameter of interest obtained would be upward biased. In fact, the estimated parameter would be capturing not only the influence of prior knowledge on the choice to operate non-farm businesses, but also the influence of individuals' attitude towards formality. Thus, the bivariate probit model was employed to address these issues. Also, with both the choice to participate in non-farm entrepreneurship and formality leading to binary outcomes, I considered the use of a linear instrumental variable two-stage least squares (IV-2SLS) estimation to reduce this bias (Chiburis *et al.*, 2012). However, I chose to employ the bivariate probit model in line with established literature, both theoretically and empirically, which shows that simultaneous likelihood estimation methods are superior to conventional two-stage instrumental variable procedures. This is especially the case where the analysis seeks to estimate the influence that a binary endogenous variable has on a binary outcome in the presence of unobservables (e.g., Bhattacharya *et al.*, 2006, Freedman and Sekhon, 2010; Wooldridge, 2010).

With the data used for this study being cross-sectional, the probability that the youths participate in non-farm entrepreneurship and formality were modelled as both discrete outcomes. Here, three separate bivariate probit models were estimated to assess the associations between the decisions the youths made to participate (or not) in non-farm entrepreneurship and formality (or informality) and the contextual factors that prevailed (see

Table 3-1 for the list of variables, such as: individual, household, economic, industrial, sociological/communal, formal institutional and locational variables). Thus, the influences of these contextual variables on non-farm entrepreneurship and formality (or informality) decisions were assessed among the youths in the general population, urban youths and rural youths respectively. The bivariate probit estimation technique, which controls for the endogeneity of two related choices (Ashford and Snowden, 1970; Greene, 2012), was therefore found as an appropriate specification to generate unbiased parameter estimates. Following the mathematical computations of Greene (2012, p.778-782):

$$\begin{aligned} y_1^* &= X_1' \beta_1 + \varepsilon_1, & y_1 &= 1 \text{ if } y_1^* > 0, 0 \text{ otherwise} \\ y_2^* &= X_2' \beta_2 + \varepsilon_2, & y_2 &= 1 \text{ if } y_2^* > 0, 0 \text{ otherwise} \end{aligned} \quad (1)$$

Where y_1^* and y_2^* represent latent dependent variables (that is, the probability that individuals choose (or not) to participate in non-farm entrepreneurship and tax compliance respectively); X_1' and X_2' are vectors of explanatory variables in the two models; β_1 and β_2 are vectors of coefficients associated with the explanatory variables in the two models; ε_1 and ε_2 represent random error terms for both models, which followed the normal distribution with mean of 0, variance of 1 and correlation of ρ . The cross-equation correlated error terms are:

$$\begin{pmatrix} \varepsilon_1 \\ \varepsilon_2 \end{pmatrix} | x_1, x_2 \sim N \left[\begin{pmatrix} 0 \\ 0 \end{pmatrix}, \begin{pmatrix} 1 & \rho \\ \rho & 1 \end{pmatrix} \right]. \quad (2)$$

If $\rho = 0$ the outcomes are independent and therefore, the two equations are best modelled separately. When $\rho \neq 0$ the two outcomes are correlated as the probability of one outcome depends on the probability of the other. As the value of ρ rises from 0 to 1, the correlation of the two error terms is increasing. Similarly, values between 0 and -1 indicate a negative correlation. Also, the parameters (β_1 , β_2 and ρ) in the bivariate model can be estimated by maximizing the log-likelihood function as follows:

$$\ln L = \sum \ln \Phi_2 [q_{i1} X_1' \beta_1, q_{i2} X_2' \beta_2, q_{i1} q_{i2} \rho], \quad (3)$$

where $\Phi_2[q_{i1} X_1' \beta_1, q_{i2} X_2' \beta_2, q_{i1} q_{i2} \rho]$ represents the cumulative density function for the bivariate standard normal distribution with correlation ρ ; $q_{i1} = 2y_{i1} - 1$ and $q_{i2} = 2y_{i2} - 1$.

Therefore, $q_{ij} = 1$ if $y_{ij} = 1$ and $q_{ij} = -1$ if $y_{ij} = 0$, for $j = 1, 2$. Hence, equations (1) and (2) are simultaneously estimated using maximum likelihood, producing unbiased estimates of parameter coefficients β and ρ . Thus, the bivariate probit estimator used for the quantitative study achieved the main requirements of a non-farm formal (or informal) entrepreneurship model and also provided a general test of whether decisions made towards non-farm entrepreneurship and formality were related through unmeasured variable effects. I estimated the bivariate probit model using the bivariate probit command with robust standard errors (*biprobit Y1 Y2 X1 X2 X3, robust*) in STATA/SE14. While the *biprobit* command uses maximum likelihood to estimate the model, by employing robust standard errors my aim was to overcome the heteroscedasticity problem often associated with cross-sectional data.

To this end, the methodological approach I applied allowed me to adopt a widely used and acceptable statistical approach in a growing sub-field to parse individual, household, industrial as well as other contextual behavioural determinants, such as sociological, institutional and locational factors to assess the extent that they influenced the youths to participate in non-farm entrepreneurship and formality.

3.5 The Qualitative Phase

This section of the chapter presents descriptions of the qualitative study carried out of which its findings have been reported in Chapter 5. The section starts with a brief discussion of the research sites, then, a discussion on the interview development and implementation, followed by a description of the sample interviewed, then, data analysis procedures as well as a brief discussion on the ethical issues of the study.

3.5.1 Research Sites

The first research site, *Tolon* and *Kumbungu* districts, are two of the 26 administrative districts in the poorer Northern Region, while the second research site, *Atwima Nwabiagya* district, is also one of the 37 districts located in the relatively prosperous Ashanti Region south of Ghana. As

stated earlier on in Chapter 1 (see: section 1.3.1), the development of Ghana has not been uniformed across the 10 administrative regions, with the three uppermost regions historically marginalised both economically and politically. With the qualitative study aimed at understanding the roles that context plays to influence the actions the youths in rural Ghana take to operate non-farm businesses and participate in aspects of the formality-informality continuum, I selected the research sites purposively in these contrasting regions to elicit a better understanding of the phenomenon under-study. Aside from the inequality in development between the two selected regions, the geographical environment as well as cultural activities carried out in both settings are different.

With the first research site near the Sahel and the Sahara region, the temperature in that part of the country is much warmer with year-round agricultural activities less supportive due to the shorter rain patterns which occur between April/May to October (GSS, 2014d, 2014e). The second research site, on the other hand, is located in the wet semi-equatorial zone marked by long periods of heavy rainfall (Mid-March to July and September to Mid-November) which support year-round farming activities and there is also active mining and commercial activities in this research site (GSS, 2014c). Also, while the first research site is located in a region that is noted to experience high out-migration of youths, the second research site is located in a more diverse region that is a migration destination for northerners, with many of the young migrants reported to work in the farm and non-farm informal economies (Alhassan, 2017; Awumbila and Ardayfio-Schandorf, 2008). Table 5-1 in Appendix B.1.5 show the demographic characteristics as well as sectors of employment of the contrasting research sites. Figure 3-2, 3-3 and 3-4 also show the geographical locations of the country, districts and communities where the field interviews and participant observations were conducted.

Figure 3-2: Map of Ghana in Africa

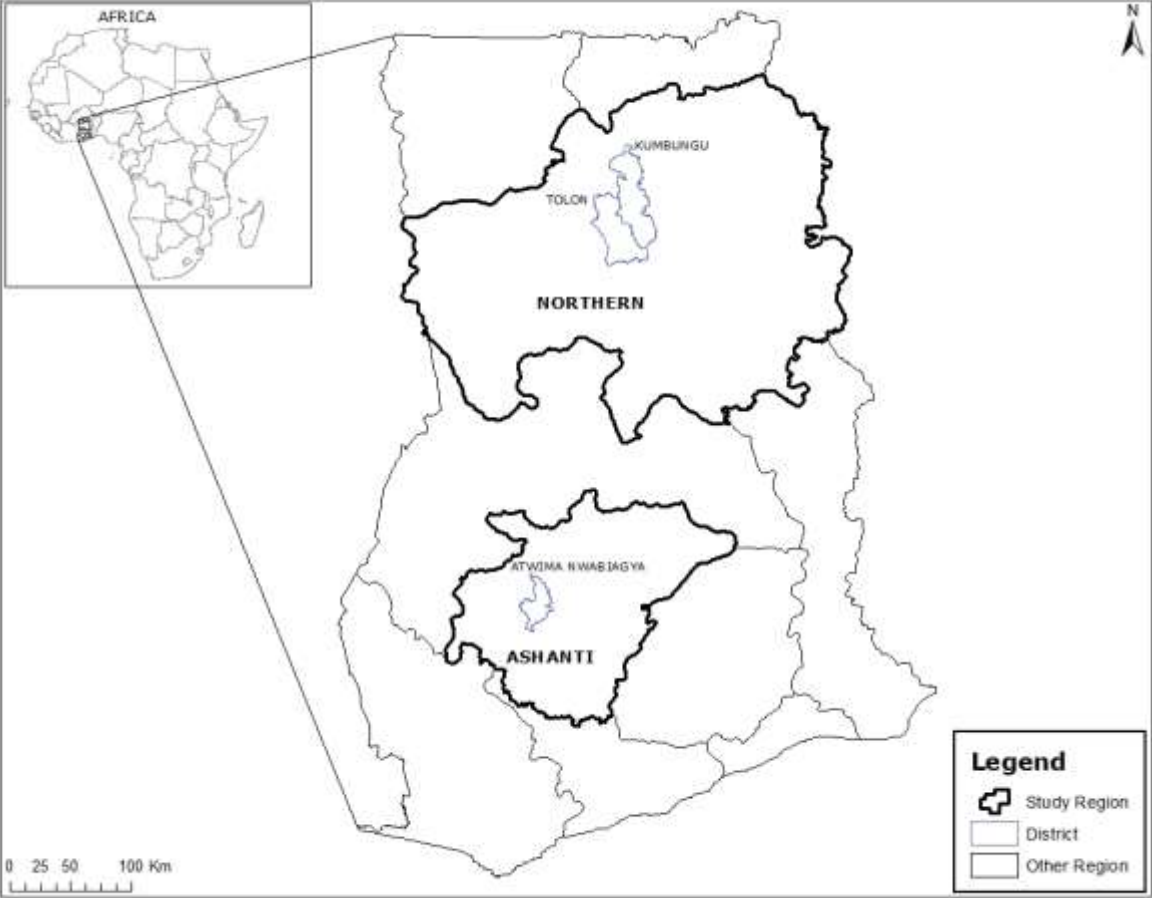
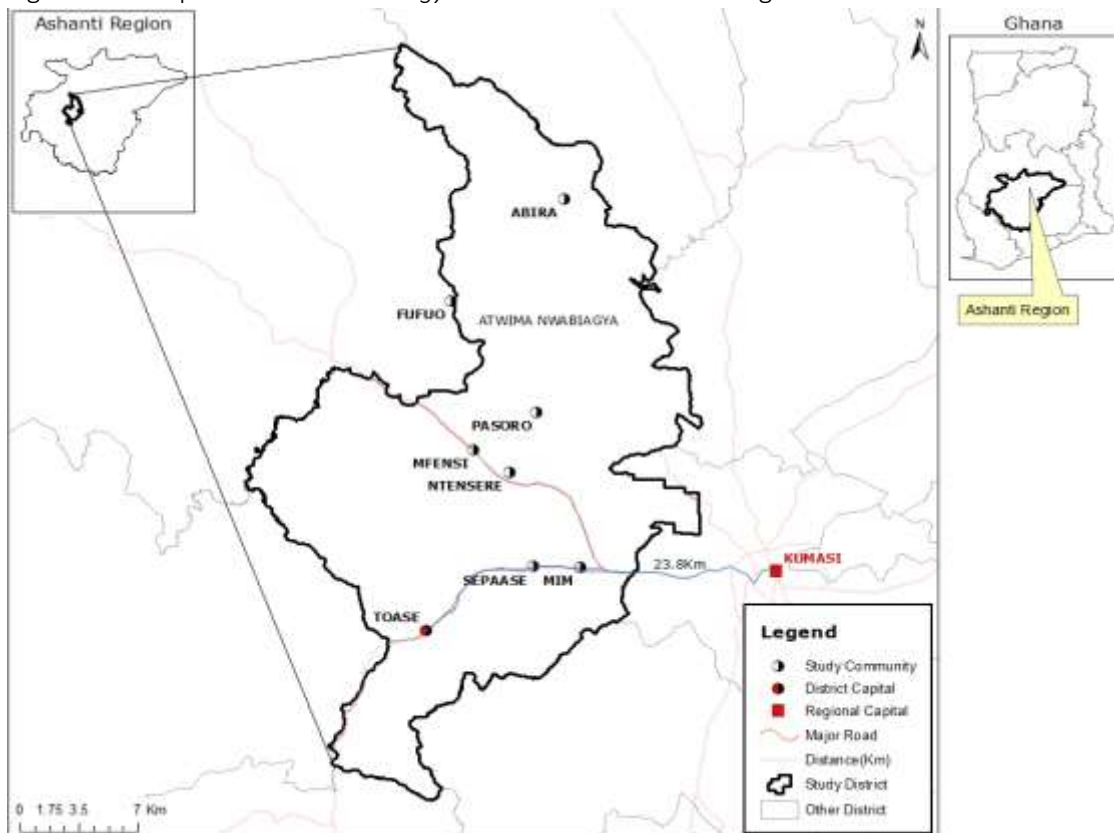


Figure 3-3: Map of *Tolon* and *Kumbungu* Districts in the Northern Region of Ghana



Figure 3-4: Map of *Atwima Nwabiagya* District in the Ashanti Region of Ghana



3.5.2 Identification of the sample population

The fieldwork was carried out between January and June, 2018 in two phases. First, I went on an initial visit to the research districts, with my assistants (interpreters) who are natives of the respective research regions and speak fluently the *Dagbani* or *Akan* languages, to familiarise myself with the research setting (Bernard, 1994). During this phase of the study, I spent 2 weeks in each of the research sites, meeting key stakeholders, such as: heads of the planning departments of the District Assemblies (DAs), programme officers at the National Board for Small Scale Industries (NBSSI), assembly members, community elders, revenue collection officers, community development officials, NGO managers and other self-help community organisations. I used this opportunity to seek permission from these stakeholders to conduct the study in their districts and selected the key informants that would be interviewed in the subsequent phase of the study. My assistants and I then carried out a mapping exercise that allowed me to travel to the length and breadth of the districts to identify places and market centres where non-farm enterprise activities were concentrated as well as sparsely located. This mapping exercises informed me on the criteria I could use to draw the sample for my study, with the following criteria employed to select the participants for the subsequent stage of the study:

1. The entrepreneur must be a youth (15 to 35) and have started his/her self-employed business or should be actively in charge of the management a family business
2. The entrepreneur must be based in a rural locality
3. The business of the entrepreneur has to be in the non-farm sector
4. Selected youths' entrepreneurs must be engaged in different types of non-farm businesses, and those with varied experiences and life situations (this include: considerations given to gender, marital status, location of enterprises, years of business operation, type of market accessed whether local, regional or international, etc.)
5. The youth entrepreneur should be willing to participate in the study and available for a face to face interview. Such an entrepreneur should also share his/her lived experiences, before and after starting the established business(es). He/she should recount the actions he/she took at different stages of his/her life, such as: work activities and family life during childhood, schooling, formal and non-formal skill acquisition through apprenticeship,

migration and enterprise history of self and family, sources of funding for business, participation in traders' unions activities and other self-help associational activities, engagements with financial institutions, government, NGOs, suppliers, customers and communities, among others (see: interview guide in Appendix B.1.4)

6. Also, a selected youth entrepreneur had to share his/her experience of participating, to some extent, in (in)formality
7. Selected key informants (e.g., policymakers, community development officers, NGOs managers, community elders, etc.) in the district and regional capitals should also be individuals who influence policies, especially related to enterprise development and youth development.

As mentioned earlier on in the section, an initial trip was carried out during which I undertook a pilot study after the mapping exercise among selected ten participants, of which through interactions led me to identify some of the difficulties that would arise in the actual administration of the interviews later on in the study. Some of the difficulties revolved around the wording of the research questions, issues on clarity and sensitivity of information as well as issues of unequal power dynamics that could play out when interviewing female gender in the first research site. This was a research site where gender inequality was found to be high with the communities having strong patriarchal family structures. The piloting allowed me to establish trust and I participated in relationships that allowed me to design interview guide that capture the activities and events that were of prime importance to the interviewees and to address all problems I anticipated before the final data collection. Also, I used this stage of the study to train my assistants (interpreters) to understand the specific aims of the study and how they would be supporting me to achieve such aims. This training involved discussing with them issues of confidentiality and how all material data collected would be kept solely by me. Thus, I made them to sign an undertaking to hand all material documents and information related to the data collected at their disposal to me immediately the data collection process was completed.

At the second phase of the data collection, I used the criteria I developed to select the respondents purposefully (Patton, 1990, 2002), following three specific ways. First, I recruited 33 participants from the selected research communities, along the streets that lead to the communities and in village markets, after engaging with the participants in informal discussions

to know about their enterprise activities. This was then followed by a snowball sampling exercise (Goodman, 1961) which identified 3 more respondents or:

“cases of interest from people who know people who know people, who know what cases are information-rich, that is, good examples for study, good interview subjects” (Patton, 1990, p.182).

The third stage involved the recruitment of 10 individuals who were beneficiaries of government’s and donor-funded projects, such as: *the USAID Resiliency in Northern Ghana (RING)* project and the *Rural Enterprise Programme (REP)* as well as those of private NGOs, such as the *Women and Youth Economic Empowerment (WoYEEP)* project implemented by the Centre for Integrated Rural and Child Development (CirCDev) in the *Atwima Nwabiagya* district, and the enterprise skill training organised by *Camfed Alumni Association (CAMA)* in the *Kumbungu* district. Of the 13 individuals, who were selected for the interviews from the REP/RING/CAMA projects only 5 signed the participant consent form to participate in the interviews. Also, 14 key informants were interviewed in both research sites. All participants in both research sites consented to participate in the interviews. My selection of 46 young participants was not aimed to represent all RYEs in the research sites but to allow me to interrogate the domains of context to understand how some RYEs were actively embedding, dis-embedding and re-embedding their enterprise activities in such domains and how such a process was shaping their navigation of the formality-informality continuum and vice versa.

Table 3-2: Selection of Participants in Research sites

Selection of Participants	Northern Region		Ashanti Region	Total
	Kumbungu District	Tolon District	Atwima Nwabiagya District	All Research sites
Recruitment from home-based enterprises in the research communities	2	0	7	9

Recruitment along the side of the road that leads to a research community	4	4	8	16
Recruitment in village markets	2	4	2	8
Through snowballing in communities	1	0	2	3
Recruitment from REP/RING/CAMA Programmes	3	0	2	5
Recruitment from WoYEEP Project	-		5	5
Key Informants Interview at the district level	5	3	3	11
Key informants Interviews at the regional level	2		1	3
Total Interviewed participants (including key informants)	30		30	60

3.5.3 Interview Development and Implementation

In my attempt to develop interview guides that allowed flexibility in the data collection process and give participants the opportunity to reveal information they consider as important, I developed semi-structured interviews, which allowed me to obtain “both retrospective and real-time accounts by those people experiencing the phenomenon of theoretical interest” (Gioia *et al.*, 2013, p.19). I followed the advice by Kvale (1996) on how to conduct a successful interview, by ensuring that I was familiar with the focus of the interview and its setting. I used my initial pilot study to achieve such a focus. Also, I structured the questions in ways that gave purpose to the interview, asking simple, easy and short questions, with no jargons. I was also sensitive to my respondents by listening attentively to what they were saying and how they were saying it and responded in an open and flexible manner on the topics that we discussed. Hence, I steered the

interviews in the direction of what the participants wanted to tell me on the topics of inquiry and allowed the participants to clarify inconsistencies in their responses. Thus, the semi-structured interview guide I designed and implemented was revised as the research progresses, to some extent “following the twists, turns and roller coaster rides involved in discovering grounded theory” (Glaser and Strauss, 1967, cited in Gioia *et al.*, 2013, p.19), by:

“introducing questions, follow up questions, probing questions, specifying questions, asking direct and indirect questions... [-] ... (as well as) structuring questions to suit the interviewees follow up response when required” (Kvale, 1996, p.133-135).

Also, the questions I developed were aimed at allowing for:

“pauses... [-] ...to give the interviewees the opportunity to reflect and amplify... [-] ...answers” as well as allow (the) researcher to interpret questions when necessary (Kvale, 1996, p.133-135).

The research questions I developed, therefore, reflected the perceived influences of structures, conditions and actors situated in domains of context on the venture creation process which was the unit of analysis.¹⁴Table 3-3 provides some of the literature reviewed and how they informed the development of interview questions.

¹⁴ For definition of unit of analysis please visit: <https://socialresearchmethods.net/kb/unitanal.php>

Table 3-3: Example of Literature reviewed that informed the development of interview questions

Thematic focus of questions	Examples of research studies linked to interview questions	Useful concepts	Theoretical propositions/ Empirical Findings	Question Guide for the individual interviews with entrepreneurs' different types of businesses
B. Early work exposure and experiences to work, entrepreneurship, formality and informality practices (Growing Up, During Movement /Transitions /Apprenticeship)	Criaco <i>et al.</i> , 2017; Carr and Sequeira, 2007; Edelman <i>et al.</i> , 2016; Garcia <i>et al.</i> , 2019; Hallam and Zanella, 2017; Ishengoma, 2018; Krueger, 1993; Langevang <i>et al.</i> , 2012	Intergenerational transmission of entrepreneurship practices; past experience to venture creation may also increase entrepreneurial self-efficacy and commitment of these individuals to their businesses.	Prior business experience (including skills and experiences acquired in family and non-family firms, from parents and role models) influence individuals' decision to participate in entrepreneurship/ (in)formality.	Q2. Can you tell me more about the different work/activities (including odd jobs) you did throughout the time you were very young for your parents/family or guardians in your community, home town or village to the different locations you may have moved to and then here? For those jobs you did for non-family members how were you able to get them? What made you decide to do those jobs? (kindly talk about each job and the motivation that made you choose to do them)
	Amoah, 2019; Frazer, 2006; Li <i>et al.</i> , 2010; Nordman and Pasquier-Doumer, 2014; Poppo and Zenger, 2002; Uzo <i>et al.</i> , 2019; Velenchik, 1995)	Path-dependent learning of formal and informal enterprise practices, including types of contracting to manage enterprises; Influence of previous exposure to poor working conditions; Previous experience of benefits associated with venture practices (e.g., informality, non-formal apprenticeship) will influence these individuals to replicate or participate in such venture activities, especially if the benefit was higher than the costs (Amoah, 2019; Frazer, 2006).	Scholars argue that to manage complex relationships and explicit and implicit knowledge (as well as skills) to ensure that such knowledge is shared and protected there is the need to adopt mix of formal and informal contracts (Li <i>et al.</i> , 2010; Poppo and Zenger, 2002). But, evidence in Nigeria shows that social relational activities trigger a higher prevalence of word-of-mouth agreements among channel intermediaries, whereas a blend of commercial and social relational activities trigger a higher prevalence of written agreements (Uzo <i>et al.</i> , 2019). Some youths in Ghana who engage in non-formal vocational /apprenticeship pay apprenticeship fees while others do not pay (Velenchik, 1995). Evidence in West Africa show that youth engaged in non-formal training face poorer working conditions, including being unpaid (Nordman and Pasquier-Doumer, 2014)	Q3. For the apprenticeship training, did you pay any apprenticeship fee before you started the training? How much was it? Did your master or madam give you a written contract after you made such a payment which stated the specific roles you would play during the apprenticeship and her roles as well? If no, why do you think she didn't give you such a written agreement? Q4. For the apprenticeship training, was there any management training you were provided by your master in addition to the hard-vocational skills you received on the training? What were they? What about skills related to keeping accounting records of business transactions, such as sales, purchases and incomes, how were you trained in those areas? Q5. So, when you were working with your master as an apprentice, had he registered his business with the government? What about taxes, was your master paying taxes to the government every month on the incomes he made from his business when you were doing the apprenticeship? What were some of the responsibilities given to you to do by your master? I want both those that were related to your training and those that were not related to your skill acquisition. Q6. For the wage work you

				did what was the mode of payment with regards to the wages and salaries you earned? Why do you think your pay on that job was not sent to the bank for you to withdraw but rather you were paid in cash? Q7. In what ways do you think you have benefited from these work and training activities you engaged in? In what ways do you think these work and training activities affected you negatively in your choice of career? Can you tell me more about the difficulties and challenges you faced in these different jobs and during your apprenticeship?
D. Entrepreneurship motivations and practices	Filmer and Fox, 2014; Ismail, 2016; Langevang <i>et al.</i> , 2012	Varied meaning given enterprise ownership and management (including diversification practices)	African youths are diverse group of individuals who have varied characteristics and motivations and behave in different ways across different domains of context to achieve their occupational goals and life aspirations. For some of them, the motivation to work and operate businesses go beyond earning income to survive, to include other immaterial and intangible aspects of work, such as the social status and prestige that enterprise ownership provides to them (Filmer and Fox, 2014; Ismail, 2016; Langevang <i>et al.</i> 2012).	Q9. At what point in your career did you decide to start your own business? What were some of the reasons you considered before deciding to start such a business? Was the business you planned to operate differently from this one that you currently manage? Can you tell me the different businesses you have managed since you decided to work for yourself? Why did you finally settle on this particular trade? Do you still do the other businesses? Why? How old were you when you started your first self-employed business
E. Source of support received at the start of business	Birch-Thomsen, 2016; Chigunta and Mwanza, 2016; Chigunta <i>et al.</i> , 2016; Kala, 2016; Langevang <i>et al.</i> , 2012, 2016; Mumba, 2016	benefits and costs associated with assessing support from strong and weak ties	African youths access support for non-farm entrepreneurship from social structures and relationships largely built within strong and weak tie networks.	Q10. When you planned to start your business did anyone helped you? In what way did such person(s) support you? For instance, did you get any help such as information on where you can locate your business or advice about jobs you can operate, financial support or capital, customers etc from family, friends, banks? Why do you think these people decided to give you such support?
	Anderson and Baland, 2002; Gugerty, 2007; Mutua and Oyugi, 2007; Wellalage and Locke, 2016	Influence of sources of support on formality and informality practices	Informal associations, such as ROSCAs, make entrepreneurs able to save (to get the strength to save), and allow women to protect their household savings against claims by their partners for use for other household needs or immediate consumption (Anderson and Baland, 2002; Gugerty, 2007; Mutua and Oyugi, 2007). There is evidence that in SSA informality increases credit constraints from formal sources (Wellalage and Locke, 2016)	

F. Choice of Rural Location and associated opportunities and constraints		The influence of conditions of place on enterprise practices	Evidence in the literature shows that African youth choose to stay in their rural localities to utilise their entrepreneurial skills at the same time stay closer to their families or maintain stronger relationship with their clients (Kristensen and Birch-Thomsen, 2013). Those who move to new destination do so acquire skills, experience and financial resources (Gough and Birch-Thomsen, 2016; Thorsen, 2013). Government policy on employment also influence urban youth to move to rural locations (Birch-Thomsen, 2016)	Q11. Why did you decide to operate such a business in this community or location? Any other reasons? What are some of the challenges you encounter doing business in this location? Will you change such location if you were to decide all over? If yes, why? If no, why not?
			The literature (e.g., Gough and Birch-Thomsen, 2016; Yankson and Owusu, 2016; Yankson and Owusu, 2016; Yeboah, 2017) associate poor living and working condition associated with informality with location of residence or business.	
H. Enterprise Practices: (in)formality of non-farm business(es)	Berkel, (2018), Mukorera, 2019; Williams and Kedir, 2017	perceived economic and non-economic costs and benefits of business registration	The literature (e.g., Mukorera, 2019) shows that factors, such as: institutional imperfections, asymmetry of bureaucracy associated with the registration process, lack of access to technology, market and financial constraints, lack of entrepreneurial and management skills influence some African entrepreneurs to choose not to register their businesses. Also, there is evidence that formal enterprises with five or more employees that operate as unregistered enterprises have significantly higher annual sales, employment and productivity growth rates compared with those firms that registered their operations at startup (Williams and Kedir, 2017). Furthermore, Berkel, (2018) reports on small manufacturing firms in Mozambique that these businesses do not benefit from formalisation due to underlying conditions, such as: costs of formalisation in terms of fees, (taxes) time, social capital and personal intangibles which are high. The author identified benefits of formalisation, such as being legally recognised by the state and selling to formal clients (e.g., government offices, etc). However, she argues that overall the costs of formalising outweigh the benefits. Hence, operators of the manufacturing firms choose to operate in the informal economy.	Q16. Have you registered your business? How did you get to know the first time that you have to register your business? Where did you do the registration? How much did you pay in all to do the registration? How long did it take for you to register the business after you started your operations if you have registered? Why do you think some entrepreneurs in this community choose to register (or not) their businesses?

<p>O. Marital factors</p>	<p>Afutu-Kotey <i>et al.</i>, 2017; Langevang, 2008;</p>	<p>perceived economic and non-economic costs and benefits of marital status and its influence on non-farm entrepreneurship and (in)formality</p>	<p>The literature in Ghana (e.g., Langevang, 2008; Afutu-Kotey <i>et al.</i>, 2017) show that processes leading to marriage and marital responsibilities affect youth entrepreneurs and how they engage in non-farm businesses and the associated informality.</p>	<p>Q32. Are you married? If yes, what factors did you consider before deciding to marry? (eg. why did you think marriage is important to you as a young entrepreneur)? Q33. How do you think people consider youth entrepreneurs in this community who are married in term of respect given to them? How do you think such respect affect their businesses? What about their marriages? How do you think their marital statuses affect the businesses they operate? Q34. What about the decision's entrepreneurs make towards informality? Do you think their marital status influence them in any way in terms of keeping financial records or paying taxes or registering their businesses? How? Q35. If you are married, which people show you that respect? What were some of the preparation you made financially before you got married? How much did it cost you in total? Who bared the costs involved in the ceremony? What role did your family members play in organising and preparing for the marriage? How much from your business did you use to support the marriage ceremony? Q36. If you are married, how does your spouse see you and the way you manage your business? (eg. hardworking, supporting, resourceful spouse and what do you do that make him or her see you that way?) (eg. support family expenses, pay children school fees, etc) Q37. If you are not married do you plan to marry soon? What sort of person do you plan to marry and why? (eg. hardworking, supporting, resourceful spouse and why you need such sort of person?) What plans are you making towards marriage and when do you plan to do so? Eg. in terms of buying items and savings? How much have you spent so far on your marriage preparations?</p>
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<p>R. Perception of youth and adults in the community with regards to work and enterprise management</p>	<p>Afutu-Kotey <i>et al.</i>, 2017; Ismail, 2016; Langevang, 2008; Ismail, 2016</p>	<p>perceived benefits of using non-farm enterprise and (in)formality enterprise activities to attain adulthood</p>	<p>According to the literature (e.g., Afutu-Kotey <i>et al.</i>, 2017; Ismail, 2016; Langevang, 2008; Ismail, 2016) decisions and actions that lead African youths to pursue different occupations also affect the pathways they navigate to achieve what they consider to be 'appropriate' or 'successful' adulthood. Hence, participation in non-farm entrepreneurship and informality shape their identities, build their sense of belongingness and becoming independent (Ismail, 2016).</p>	<p>Q42. What do you think are the expectations of youths and adults in this community with regards to engaging in work activities or enterprise management?</p>
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On the implementation strategies of the qualitative study, there are various traditions that have been discussed in the literature, such as ethnography, grounded theory, case study, action research, among several others (Denzin and Lincoln, 2011). However, Patton (2002) argues that the contradictions and overlaps that exist in these different perspectives make it impossible to categorise them in a definite sense of philosophical and theoretical positions. Therefore, I was careful to adopt a flexible inductive approach for the data collection processes, organisations and analysis, with processes, such as “coding, memo writing, theoretical sampling and saturation, sorting memos ...” (Charmaz, 2011, p.367) carried out to a degree associated with grounded theory¹⁵ as Gioia *et al.* (2013) has theorised and applied. Such an approach allowed me to collect the data from multiple sources, such as: field observation, including using photographs, semi-structured interviews and key informant interviews. This approach gave an “extraordinary voice to (the) informants, who... [-] ... (were) treated as knowledgeable agents” (ibid., p.26), and allowed me to create new knowledge as well as develop theory.

Because research participants have their own agenda when they choose to participate in a study (Gioia *et al.*, 2013), it was important for me to protect the interests of my respondents while serving those of my study. Thus, before the interviews, I informed the respondents of the importance of anonymity and confidentiality of the information they would provide and asked for their permission to be audio recorded using a digital recorder device. Also, where I took photographs of the interactions that were ongoing in the business or social environment, I asked for approval from all the individuals who appeared in the interviews or photographs before taking such photos. Hence, with permission given, I carried out face-to-face interviews. The interview guides in Appendix B.1.4 provide detailed information on the nature of questions I asked during the fieldwork in rural Ghana. I followed up on the interviews with some of the participants after an initial listening of the audio recordings and reading their transcripts. This practice allowed me to gain a fuller

¹⁵ According to Braun and Clarke (2006, p.8-10), Grounded Theory is very similar to Thematic Analysis in terms their procedures for coding ‘themes’ or coding from data. Also, both grounded theory and thematic analysis are suitable to generate theory (Bryman 2015; Miles and Huberman, 1994; Hayes, 2000). However, there are differences between the two. For grounded theory, the processes involved in collecting data and analysing such data run parallel which allows researchers ground new data being collected on what has previously been analysed in the research process.

understanding of the themes that were emerging (Bryman and Burgess, 1994). Thus, the informal discussions I had with the participants clarified the meanings of the relevant aspects of the answers they had given (Kvale, 1996). It also provided in-depth knowledge on the influences of structures, conditions and actors situated within and across the domains of context which influenced the respondents to participate in (in)formal entrepreneurship as well as enhanced my understanding of how business was generally understood and conducted by entrepreneurs in the research sites.

Also, on strategies adopted that involved personal observations and interviewing, I initially adopted a “moderate” (outsider) participation approach (Sekaran and Bougie, 2016, p.128) which allowed me to observe activities of the respondents from a relative distance. Then, as the interactions continued for days and weeks I fostered closer relationships which made it possible for me to build trust with the participants in meaningful ways. This approach allowed me to collect data on their lived experiences at their most convenient times and in their own terms (Gioia *et al.*, 2013). I conducted about 3 interviews per day as in many cases the respondents were willing to engage in much more open conversations by sharing their stories. Also, I had to pause in between the interviews on many occasions as some of the respondents attended to their customers or other business endeavours. I used those periods to observe the interactions that were on-going between the respondents and their business environment and took some notes. I decided to end the interviews when 46 participants had been interviewed out of the 78 youth entrepreneurs shortlisted in both research sites to participate in the study. The decision to stop the interviews was due to data saturation being achieved (Yeo *et al.*, 2014). Hence, I realised that the responses of the respondents at the later stages of the interviews were leading to the same themes that had already emerged in the collected data. Table 3-4 provides a detailed account of all the interview participants, their age, occupation and duration of their interviews. For anonymity and ethical considerations, the participants are identified with codes, and only brief details have been provided about them.

Table 3-4: Participants and Interview details

Interview Participants by Code	Age (years)	Participant description (primary occupations at the time of the interviews)	Duration of Interview (minutes) (includes follow-ups)
INT1	33	Hairdresser, also sells ladies bags and food	118
INT2	30	Mechanic	84
INT3	30	Seamstress	92
INT4	30	Seamstress	84
INT5	34	Carpenter	104
INT6	24	Blacksmith	82
INT7	27	Kente Weaver	74
INT8	28	Welder/Blacksmith	115
INT9	21	Blacksmith	85
INT10	34	Petrol and Diesel Retailer, also sell building materials (cement, iron rods, etc.)	77
INT11	34	Mechanic	72
INT12	34	Blacksmith	88
INT13	34	Shea butter processing-family business	134
INT14	26	Seamstress	72
INT15	30	Smock maker, distributor & retailer- family business	89
INT16	28	Motor Mechanic	77
INT17	23	Seamstress	65
INT18	33	Smock maker, distributor & retailer (family business)	136
INT19	25	Manufacturer, distributor and retailer of traditional herbal medicine-family business	142
INT20	26	Shop Operator: Agrochemical retailer (include sale of fertiliser)	72
INT21	34	Hairdresser	65
INT22	25	Kente Weaver and Hairdresser	62
INT23	22	Kente Weaver	76
INT24	30	Seamstress	74
INT25	27	Caterer & Hairdresser	82
INT26	27	Food Joint (Family business)	98
INT27	34	Seamstress	88
INT28	32	Pottery manufacturer, wholesaler & Retailer	75

INT29	26	Kente Weaver and Metal Fabricator	68
INT30	26	Kente weaver	82
INT31	25	Seamstress	77
INT32	18	Kente weaver	64
INT33	26	beautician/hairdresser	81
INT34	28	Mobile money merchant/sale of recharge cards	96
INT35	26	DJ at funerals/festivals and weddings (Partnership)	113
INT36	34	Seamstress	76
INT37	23	Funeral Decorator (Partnership); also skilled at Kente Weaving	63
INT38	27	Oil Palm Processing and soap making (Family business)	72
INT39	26	Shoe manufacturer and retailer	65
INT40	29	Hairdresser	76
INT41	29	Mechanic & commercial driver	96
INT42	22	Mobile money merchant/sale of recharge cards	88
INT43	25	Local food joint	
INT44	33	Trader (local rice distributor)	122
INT45	32	Mechanic and small-scale miner	134
INT46	34	Drinking spot operator	78
NPUBOFFICER01	39	Community Development Programmes officer	59
NPUBOFFICER02	46	Programme Coordinator for social intervention programme in district	57
NPUBOFFICER03	38	Community Development Programmes officer	71
NPUBOFFICER04	42	Programme Coordinator for Enterprise development in a district	52
SPUBOFFICER05	28	Programme Coordinator for Enterprise development in a district	63
NPUBOFFICER06	43	Public official at Domestic Tax Revenue Division	36
SPUBOFFICER07	48	Public official at Domestic Tax Revenue Division	42
NPUBOFFICER08	45	Public official at Registrar General Department	53.89

NPUBOFFICER09	42	Regional Coordinator at Social Security and National Insurance Trust (SSNIT) Informal Sector Scheme office	51
NGOOFFICER10	26	Project coordinator at a local NGO in a district	47
NGOOFFICER11	28	Project coordinator at a local NGO in a district	92
MFILEAD12	48	SMEs credit manager in community bank	35
TRADASSOC13	36	Programme Coordinator at Association of Hairdressers and Beauticians	42
TRADASSOC14	44	Programme Coordinator of Tailors and Dressmakers Association	58

3.5.4 Data Transcription, Coding and Analysis

3.5.4.1 Data Transcription

Although I am a Ghanaian, the data was collected in administrative regions that spoke languages different from my native language. To eliminate any distortion of the meanings provided by the respondents and interpretations offered by the research assistants (interpreters), I worked closely with my trained assistants, who as natives of the research sites understood the local concepts, jargons and languages used by the respondents on their response to the questions. The research assistants, who had experienced in collecting qualitative research themselves, were trained before the fieldwork on the importance of translating verbatim to me what the respondents said during the face-to-face interviews. As soon as the interviews were over, my assistants and I found some quiet place to sit, listened to the audio recordings, made notes on the content and discussed the specific responses the respondents provided to ensure that translations given during the interviews were exactly what the respondent had said and meant. Where my assistants and I could not agree on the content of a response, the team followed up on the respondents for further clarifications on the topic, although it was a time-consuming process. I then transcribed verbatim all questions asked and responses provided by the respondents during the initial and follow up interviews in MS Word, resulting in 718 pages of generated data. I then transferred the transcribed data

to NVIVO, version 11, which allowed me to organise the data. I was able to reduce and display the data in thematic links. However, while the NVIVO 11 helped me to ease the monotonous work on the data, “the role of the computer remains restricted to an intelligent archiving system” (Kelle, 1997, p.5.7), with the analysis carried out by me, the human interpreter.

3.5.4.2 Coding and Analysis

I transformed all the collected and transcribed data, including field notes, into a single folder with two subfolders for each of the two research sites. Prior to reading the transcripts to identify emergent terms, codes and categories I presumed some “level of semi-ignorance” (Gioia *et al.*, 2013, p.23) in terms of prior knowledge of literature on the chosen topics of inquiry, and on the trends identified in the findings reported in the quantitative study (see: Chapter 4) on the factors situated in the domains of context which influenced the youths to participate in non-farm entrepreneurship and formality (or informality).

Following Gioia *et al.* (2013) analytical framework to enhance qualitative rigour, my goal was to organise the data in such a way that the process of analysis is reliable, consistent and enabled data replicability, while minimising distortion in the data analysis process. Thus, I followed this process so that new knowledge can be generated from the data to support theory building. I started the coding process by reading each of the cases to extract quotes that expressed, inferred or referred to the domains of context or decisions the youths made to participate in non-farm entrepreneurship and/or (in)formality. I then used the extracted quotes as the new dataset and coded it inductively (that is, adopted an ‘open coding’ methodology to code the data). The goal of this first step of coding was to closely associate the codes with the original data to “give an adequate account that captures the meaning” of the respondents’ experiences and understanding of context, non-farm entrepreneurship and (in)formality in their own words (Gioia, 2014, p.6). I, then, held weekly meetings with my assistants of which I discussed and deliberated on the generated codes to ensure that dialogical inter-subjectivity was achieved, as I considered the perspective of the research assistants as important which allowed me to:

“identify dialogical tensions (that existed) between ... [-] ... explicit and implicit elements (identified in the data) ... [-] (and) between the various perspectives (the research assistants had about what they understood as the views of the respondents and the context within such

respondents made those claims)” (Gillespie and Cornish, 2009, p.40).

As soon as the discussions were over I ensured that all the printed documents used for such discussions were retrieved from my assistants in line with the undertakings signed on confidentiality. Such a coding process that balanced internal/external perspectives on the generated codes brought out the often taken for granted contextual factors that are invisible to either outsiders or those embedded within them and improved my confidence on the reliability of the coded data. It allowed me to assess the critiques and clarity provided to me by my assistants and based on their feedback led to the re-organisation of the codes into ‘basic codes 1’ and in some cases the breaking down of the codes into distinct sub-codes labelled as ‘basic codes 2’. The ‘basic codes 1’ were then combined to produce new codes which represent the ‘first-order concepts’ (Gioia *et al.*, 2013).

At the second stage, I assumed the role of a:

“knowledgeable agent who can [-] ...think at multiple levels, that is, at the level of the informant terms and codes and at the more abstract... [-] ...theoretical level of themes, dimensions, and the larger narratives-answering the important question “what’s going on here?” theoretically” (Gioia *et al.*, 2013, p.20)

I, therefore, gleaned through the entire coded data to identify and linked similar concepts into themes¹⁶ and made connections between different themes, asking questions on whether the themes that emerged provided any meaningful insights that could describe and explain the nature and workings of structures, conditions and actors situated in domains of context on the (in)formal entrepreneurial process. I then reviewed the extant literature on the topic and examined which of the developed concepts and themes were considered relevant in the literature as well as those themes that had emerged strongly from the data but have been given less significance in theory (Miles and Huberman, 1994). This iterative process of examining the relationships that exist between the organised categories or themes and existing theories was a back and forth on-going process. It involved me sometimes re-examining the raw data or going back to the field to seek further clarification from the

¹⁶ Braun and Clarke (2006) explain the process of identifying themes involve researchers familiarising themselves with the data and through such an exercise generating initial codes, searching for themes within the generated codes, reviewing identified themes, their definitions and using them to produce reports. For more on the techniques used to identify themes kindly read: Ryan and Bernard (2003).

respondents. The consideration that was given to the data and extant theory in tandem led to the research process “transitioning from an inductive to abductive research (Gioia *et al.*, 2013, p.21).

Having explored all the workable set of themes and concepts in the iterative process between data and extant theory, the third stage of the coding process involved me moving to a higher level of abstraction. This process allowed me to interpret and develop theories, from the emerged themes by disemboguing them into aggregate dimensions (Gioia *et al.*, 2013), which showed how the emerged themes and concepts developed at the second stage were linked. The data structure in Chapter 5, Figure 5-1 and codebook in Appendix B.1.6 provides a sample of the analytical process carried out, with the findings reported in Chapter 5.

3.5.5 Ethical Considerations and Researcher’s Bias

At the heart of a good quality research lies the considerations given to ethics in the entire research process (Webster *et al.*, 2014; Saunders *et al.*, 2016; Sekaran and Bougie, 2016). This is especially the case when the subjects studied brings ethical concerns and the topics addressed are considered sensitive in nature (Graffigna *et al.*, 2010; Patton, 2002), such as, those that explore delicate topics (e.g., amount of income/profits earned from enterprise activities, non-compliance to state taxes, business non-registration, bribery, corruption, etc.). This study, therefore, followed ethical compliance procedures and guidelines specified by the University of Sheffield, including receiving approval from the Ethics Committees upon filing and submitting all the required documents. Although some of the ethical compliance procedures followed have been flagged throughout the thesis, the remaining processes carried out are discussed in the paragraphs that follow.

First of all, I ensured that upon arrival in the chosen research districts I first visited the offices of the district assembly and/or the local police station with my research assistants to brief them about my research to be conducted in the district and requested for advice on the security situation in the communities within the district. Based on the advice and names and telephone numbers of the assemblymen or women of the safest communities’ I received from

these offices, I ensured my safety and those of my team by undertaking a mapping exercise of enterprises in publicly accessible places of the recommended communities. In the selected communities, I first met the assemblymen or a group of elders and politely briefed them about the purpose of my study. This process allowed me to gain some information on the history of the communities and the economic activities the people were engaged in as well as some information on their migration practices, especially among the youths.

Through personal observation and interactions, I was able to invite some of the RYEs in the communities and briefed them about the purpose of the research. For those who consented to voluntarily participate in the study I presented them with clear information about my role as the principal investigator, the nature of questions I intended to ask them, why they have been chosen and how they were free to decline answers to certain questions or withdraw altogether from participating in the interviews at any stage if they changed their minds. A sample of the detailed information sheet and consent forms signed by the participants is at Appendix B.1.1 and B.1.2. To avoid any deception in the data collection process, I dealt with any confusion that arose from the interviews, by carefully carrying out a debriefing exercise at the end of the interviews to assess the level of contentment of participation by the respondents and gained more insight into their reflection of the study. This led to an open and honest atmosphere where the respondents felt secured and honestly answered the questions, after which I thanked them for taking the time to participate in the study and informed them of my willingness to share with them the findings of the study. All the participants permitted me to disclose their real identities. However, I chose to anonymise their identities with the use of codes to avoid any possible conflict that could arise from the sensitive information they disclosed.

As indicated earlier in this Chapter, the study had a transformative agenda. It explored how particular groups of RYEs (especially those who are: young women, migrant youths, less educated, among others), who were historically undermined or marginalised and could not access economic and social power located in families, communities and destination locations, participated in advocacy and empowerment activities to reduce their marginalisation and social injustice. Hence, participating in training activities and self-help village savings and loans association (VLSA) meetings in the research sites, I ensured that I followed ethics that relate to participation in communal events of such entrepreneurs. Thus, I attended these

events with the only goal to “learn from (them) rather than speak for (them) or intervene in (their activities)” (Cannella and Lincoln, 2011, p.83). However, it was not until towards the end of the entire data collection process that I switched into such a more active participatory role. Thus, I attended enterprise development and advocacy training sessions that were organised and led by the research participants, NBSSI office and the local NGOs in the research sites.

During the data analysis and presentation stage of the study, I abided by the promise made to the participants and ensured that their personal data were kept in a secured confidential location in compliance with the Data Protection Act and the Data Protection Policy of the University of Sheffield, using password-protected folders in a password-protected computer. Thus, I ensured that my evaluation of the entire research process was not only carried out in terms of ensuring reliability, replicability and validity but also closely aligned the ethical objectives of the study with these other evaluation criteria which enhanced the integrity of the research process.

Also, my selection of RYEs in different communities within the same research districts and different regions added validation to the findings as it allowed me to triangulate the findings to understand the structures, conditions and actors who influence (in)formal entrepreneurial processes in rural locations with similar and contrasting characteristics. Also, my use of reflective notes¹⁷ throughout the research process allowed me to balance my subjective biases and feelings with descriptive notes on particular topics that were spoken about by the participants (Miles and Huberman, 1984). Furthermore, although my young age allowed me to establish rapport with the respondents to easily share their experiences and understanding of the research topic, there was still the temptation for some of the participants to have exaggerated their responses being interviewed by a stranger. I, therefore, although used one interview guide per a participant, ensured that the interviews were carried out in multiple phases through follow-ups for clarification which ensured that the views and interpretations of the participants were understood. I ensured that care was taken not to lead

¹⁷ I followed Blaxter *et al.* (2010) by developing four separate reflective notes for personal observations, methodologies, theory building and analytical memos, which allowed researcher to reflect on his role in specific phases of the entire research process.

the participants to provide some specific responses, ensuring that I adopted a neutral position on some of the contentious topics, such as non-compliance to state taxes and decisions not to incorporate their businesses. But, I believe my physical presence during the interviews might have had some influence on the responses they provided. For example, me being perceived by the participants as an outsider (someone from a different ethnic group) may have had some effect on how they provided their responses. However, the rapport and trust I established with them during the entire research process as well as the presence of natives as interpreters may have countered some of those uncontrolled effects.

3.6 Summary

In this chapter, I have discussed the philosophical paradigms of critical realism (Bhaskar, 1975, 1979, 2008) and the transformative framework (Martens, 2003, 2010, 2012) of which assumptions that underpinned and framed the overall research study were situated. I have also described the research design and detailed quantitative and qualitative approaches and procedures used to answer the primary research questions of the study. Although the adopted methodological approach of transformative mixed method design was found to be extremely challenging, I considered it appropriate to achieve the goal of bringing new insights into the emergence processes of (in)formal entrepreneurship among the subpopulation studied.

The study started with my discussion of the quantitative techniques I employed to organise and analyse the GLSS6 datasets to understand the salient factors situated in the domains of context which determine the probability that the youths in Ghana choose to participate in non-farm entrepreneurship and formality. This was then followed by the qualitative study, which was collected through semi-structured interviews and personal observations in the field. I analysed the collected data using Gioia analytical framework (Gioia *et al.*, 2013), and followed rigorous methodological processes that ensured the trustworthiness of the study (Lincoln and Guba, 1986). I also ensured that ethical processes were carefully followed throughout the entire research process. I presented the empirical findings of the study in Chapter 4 and 5.

Chapter 4: Empirical evidence on youths' participation in Non-farm entrepreneurship and Formality

4.1 Introduction

This chapter reports the quantitative findings that examined the characteristics of youth entrepreneurs in Ghana and identified the salient structures, conditions and actors (henceforth referred to as 'factors') that influence the probability that the youths choose to participate in non-farm entrepreneurship and formality. The chapter was driven by the following research questions: *(1) What are the most salient factors situated in the domains of context which influenced the youths in Ghana to choose to operate non-farm businesses and participate in formality (or informality)? (2) What notable differences, if any, exist between urban and rural youths who make such related choices?* To answer these questions, the chapter starts with an overview of the characteristics of the youths in Ghana who participate in non-farm entrepreneurship, which is discussed in Section 4.2.

The chapter then examine the probability that youths in the general populations, urban youths and rural youths choose to simultaneously operate non-farm business(es) and participate in formality or informality. Here, formality is proxied with the indicator compliance to state taxes and informality is proxied with the indicator non-compliance to state taxes. Using the 'embeddedness in context' perspective as a framework (Welter, 2011), the chapter employs bivariate probit models to estimate the jointly determined decisions of the youths. Here, 22 variables were selected from the GLSS6 datasets as independent variables with the results reported in Table 4.2. The Chapter then discusses in section 4.5 the identified factors in line with the research questions and then moves on to report the complementary analysis carried in section 4.6. The Chapter ends in section 4.7 with a summary that highlight the key findings.

4.2 Descriptive Statistics

A descriptive analysis of the data is presented to get:

“a feel for the data by obtaining a visual summary or by checking the central tendency and the dispersion of variables... [-] (and) to know our data by examining the relationships (that exist) between the variables” (Sekaran and Bougie, 2016, p.278).

Without any manipulation, the sub-section 4.2.1 discuss the individual, household, economic/industrial, sociological/communal, formal institutional and locational characteristics as provided by the GLSS6 dataset and used for the analysis in sections 4.4.

4.2.1 Descriptive findings

The data presented in Table 4.1 shows that out of the 23,903 surveyed youths in the working population, 24% participated in non-farm entrepreneurship as primary economic activity. On compliance with state taxes, the data shows that among the 4,494 youth entrepreneurs who responded to the questionnaire the average rate of compliance was recorded at 17%. This response rate implies that the overwhelming majority of the youths in Ghana who operate non-farm businesses engage in informality, as they are non-compliant in terms of paying taxes to the state on earned incomes.

4.2.1.1 *Individual Characteristics*

At the individual level, it can be seen that the average age for participating in non-farm entrepreneurship is 24 years. This implies that youths in Ghana who operated non-farm businesses were likely to have started their venture activities when they were younger youths (age group 15 to 24) than young adults (those within the ages of 25 to 35). In terms of gender, the data shows that more than half (about 59%) of the youths engaged in non-farm entrepreneurship were male. With regards to the level of formal education, the data reveals that seven out in ten youths who participated in non-farm entrepreneurship had lower levels of formal education or no education. This finding is reasonable as youths with higher levels of education were likely to had capitalised on their formal knowledge and skills to get jobs in formal organisations. Hence, they were likely to choose less to operate non-farm businesses.

Table 4-1: Descriptive Statistics

Variables	Type of Variables	Non-farm Youth entrepreneurs in the surveyed youth population				
		Observation	Mean	S. D	Min	Max
<u>Dependent Variables:</u>						
Non-farm Entrepreneurship	Dummy (1=Yes, operate a non-farm business as primary occupation; 0=otherwise)	23,903	0.2402	0.4272	0	1
Tax Compliance	Dummy (1=Yes, comply with tax regulations and pay tax on income/profit; 0=otherwise)	4,494	0.1785	0.3829	0	1
<u>Individual Characteristics:</u>						
Gender (female=1)	Dummy (1=Female; 0=otherwise)	5,741	0.4107	0.4920	0	1
<i>Formal education level</i>						
No education	Dummy (1=have no education; 0=otherwise)	5,740	0.1960	0.3970	0	1
Primary education	Dummy (1=have education which falls in Primary level; 0=otherwise)	5,740	0.2373	0.4255	0	1
Lower secondary	Dummy (1=have education which falls in Lower secondary level; 0=otherwise)	5,740	0.3770	0.4847	0	1
Upper secondary	Dummy (1=have education which falls in Upper secondary level; 0=otherwise)	5,740	0.0979	0.2972	0	1
Post-secondary/technical education	Dummy (1=have education which falls in Post-secondary/technical education level; 0=otherwise)	5,740	0.0404	0.1970	0	1
University or higher education	Dummy (1=have education which falls in University or higher level; 0=otherwise)	5,740	0.0300	0.1705	0	1
Adult education	Dummy (1=have education which falls in Adult level; 0=otherwise)	5,740	0.0214	0.1448	0	1
<u>Household Characteristics:</u>						
<i>Position within household</i>						
Household head	Dummy (1=have position as household head; 0=otherwise)	5,125	0.2999	0.4583	0	1
Spouse	Dummy (1=have position as Spouse; 0=otherwise)	5,125	0.2000	0.4004	0	1
Child	Dummy (1=have position as Child; 0=otherwise)	5,125	0.4595	0.4984	0	1

Extended family members	Dummy (1=have position as Extended family member; 0=otherwise)	5,125	0.0406	0.1973	0	1
Marital status						
Married	Dummy (1=have marital status as married; 0=otherwise)	5,740	0.5462	0.4979	0	1
Never married	Dummy (1=have marital status as Never been married; 0=otherwise)	5,740	0.1059	0.3078	0	1
Consensual union	Dummy (1=have marital status as in Consensual union; 0=otherwise)	5,740	0.0997	0.2996	0	1
Divorced	Dummy (1=have marital status as Divorced; 0=otherwise)	5,740	0.1246	0.3303	0	1
Widowed	Dummy (1=have marital status as Widowed; 0=otherwise)	5,740	0.1237	0.3293	0	1
Family size	Continuous	5,741	4.8718	2.7565	1	19
Economic Characteristics:						
<i>Wealth quintile:</i>						
First quintile	Dummy (1= have wealth status which falls in first quintile; 0=otherwise)	5,741	0.0991	0.2988	0	1
Second quintile	Dummy (1= have wealth status which falls in second quintile; 0=otherwise)	5,741	0.1484	0.3555	0	1
Third quintile	Dummy (1= have wealth status which falls in third quintile; 0=otherwise)	5,741	0.2064	0.4048	0	1
Fourth quintile	Dummy (1= have wealth status which falls in fourth quintile; 0=otherwise)	5,741	0.2573	0.4372	0	1
Fifth quintile	Dummy (1= have wealth status which falls in fifth quintile; 0=otherwise)	5,741	0.2888	0.4532	0	1
Farmland size	Dummy (1=Individuals who owns over 4 hectares of farmlands; 0=smallholders and non-landholders)	5,741	0.0061	0.0778	0	1
Ownership of house (Yes=1)	Dummy (1=Yes, have self-acquired house; 0=otherwise)	5,741	0.4586	0.4983	0	1

Social Protection Expenditure						
Zero expenditure towards social protection	Dummy (1= Spent zero funds towards social protection; 0=otherwise)	5,741	0.3360	0.4724	0	1
100GHS or less spent on social protection	Dummy (1=Spent at most 100GHS on social protection; 0=otherwise)	5,741	0.3104	0.4627	0	1
101-1000GHS to spent on social protection	Dummy (1=Spent between 101 GHS and 1000GHS funds on social protection; 0=otherwise)	5,741	0.3224	0.4674	0	1
Over 1000GHS spent on social protection	Dummy (1=Spent Over 1000GHS on social protection; 0=otherwise)	5,741	0.0312	0.1738	0	1
Enterprise and Industrial Characteristics:						
Years of work experience	Dummy (1= 4 or more years of work experience; 0=otherwise)	5,739	0.7663	0.4232	0	1
Traditional apprenticeship experience (Yes=1)	Dummy (1= Yes, have apprenticeship experience from informal sources; 0=otherwise)	5,728	0.2158	0.4114	0	1
Primary work in Non-farm industries	Dummy (1= Have primary occupation in non-farm industries; 0=otherwise)	5,741	0.8857	0.3182	0	1
Sociological Characteristics:						
(Social systems & Normative institutions)						
Ethnicity						
Akan	Dummy (1= membership of the Akan ethnic group; 0=otherwise)	5,741	0.4332	0.4956	0	1
Ga-Dangme	Dummy (1= membership of the Ga-Dangme ethnic group; 0=otherwise)	5,741	0.0688	0.2531	0	1
Ewe	Dummy (1= membership of the Ewe ethnic group; 0=otherwise)	5,741	0.1580	0.3648	0	1
Mole-Dagbani	Dummy (1= membership of the Mole-Dagbani ethnic group; 0=otherwise)	5,741	0.2000	0.4000	0	1
Other ethnic groups	Dummy (1= membership of the other smaller ethnic groups; 0=otherwise)	5,741	0.1400	0.3471	0	1
Membership of religious group (Yes=1)	Dummy (1= membership of a religious group; 0=otherwise)	5,734	0.9543	0.2088	0	1
Participate in ROSCAs/VSLAs (Yes=1)	Dummy (1= Yes, participate in ROSCAs/VSLAs activities; 0=otherwise)	5,740	0.6141	0.4868	0	1

Reputation in Society (Yes=1)	Dummy (1= Yes, have favourable personal reputation in society; 0=otherwise)	5,436	0.7493	0.4335	0	1
Perception of Formal Regulatory Institutions:						
Tax office/officials competent (Yes=1)	Dummy (1= Yes, tax offices/officials are competent; 0=otherwise)	3,134	0.7013	0.4577	0	1
Pay additional unapproved monies (bribes) to tax officials (Yes=1)	Dummy (1= Yes, pay additional unapproved monies (bribes) to tax officials; 0=otherwise)	4,249	0.1012	0.3016	0	1
Trust politicians (Yes=1)	Dummy (1= Yes, have trust for politicians; 0=otherwise)	5,463	0.4635	0.4987	0	1
Locational Characteristics:						
Rural -Urban locality (Rural=1)	Dummy (1= Lives in rural location; 0=otherwise)	5,741	0.3477	0.4763	0	1
Administrative Regions:						
Western Region	Dummy (1= Lives in the Western Region; 0=otherwise)	5,741	0.1075	0.3097	0	1
Central region	Dummy (1= Lives in the Central Region; 0=otherwise)	5,741	0.0852	0.2792	0	1
Greater Accra Region	Dummy (1= Lives in the Greater Region; 0=otherwise)	5,741	0.1545	0.3615	0	1
Volta Region	Dummy (1= Lives in the Volta Region; 0=otherwise)	5,741	0.0946	0.2927	0	1
Eastern Region	Dummy (1= Lives in the Eastern Region; 0=otherwise)	5,741	0.1103	0.3132	0	1
Ashanti Region	Dummy (1= Lives in the Ashanti Region; 0=otherwise)	5,741	0.1601	0.3667	0	1
Brong Ahafo Region	Dummy (1= Lives in the Brong Ahafo Region; 0=otherwise)	5,741	0.0730	0.2601	0	1
Northern Region	Dummy (1= Lives in the Northern Region; 0=otherwise)	5,741	0.0813	0.2734	0	1
Upper East Region	Dummy (1= Lives in the Upper East Region; 0=otherwise)	5,741	0.0786	0.2691	0	1
Upper West Region	Dummy (1= Lives in the Upper West Region; 0=otherwise)	5,741	0.0550	0.2281	0	1

Source: GLSS6, 2012/2013

4.2.1.2 Household Characteristics

The next block in Table 4.1 reports the household characteristics of the youths, such as: position within the household, marital statuses and family size. Considering intra-household dynamics, the data shows that more than seven out in ten youth entrepreneurs reported as a child or household head. On marital status, more than half of the respondents reported as married. Considering family size, the data shows that on average the youth entrepreneurs had 4.8 family size. This implies that the respondents had relatively higher family sizes which could have positively or negatively influences their venture activities.

4.2.1.3 Economic Characteristics

In terms of economic characteristics, such as wealth statuses, the data shows that the larger proportion of those who operated non-farm businesses were youths with higher levels of wealth, with more than half (about 54%) recorded among those who were on the fourth and fifth wealth quintiles.¹⁸ It is likely that these individuals were able to capitalise on their economic resources to exploit business opportunities (Evans and Jovanovic, 1989; Kerr and Nanda, 2009) in the non-farm sector than those who were less affluent. With regards to asset ownership, such as farmland, the data shows that among the youths who were engaged in non-farm business activities, less than 1% owned agricultural lands which are over 4 hectares in size.¹⁹ This means that the overwhelming majority of the youths' lacked access to agricultural lands to participate in commercial farm production. Thus, the youths might have chosen to operate non-farm businesses due to limited accessibility to farmland for commercial production. On ownership of landed properties, more than half of the youths have no landed properties in the form of self-acquired houses. Hence, they may not have

¹⁸ The wealth index as used in this study, involves giving each person in the population a score which represents how wealthy they are based on the characteristics of their household, in terms of assets owned by households. This classification allows for analysis of inequalities in access to key assets and resources between rich and poor households. The wealth index is a score created in five 'wealth quintiles' as follows: the poorest 20% into quintile one, the second poorest 20% into quintile two, the middle 20% into quintile three, the second wealthiest 20% into quintile four and the wealthiest 20% into quintile five. The wealth quintile has generally been done in Demographic and Health Surveys for most developing countries (For more information visits: <http://www.presentationofdata.com/what-are-wealth-quintiles/>) <https://dhsprogram.com/topics/wealth-index/>

¹⁹ According to AGRA (2017, p.11) farm size of about 4 hectares in Ghana and Tanzania can be used for commercial purposes. For other writers, such as: Eastwood *et al.*, (2010, p. 3394), land size of smallholder production in the Sub-region are usually smaller than five hectares.

been able to collateralise assets, such as house-owned, to raise capital to operate non-farm businesses.

Another economic characteristic examined is the reported expenditure incurred on social protection and welfare improvement.²⁰ The data shows that youths who over the last 12 months spent zero funds on social protection constituted about a third of the population (about 33%), while similar proportions (31% and 32%) were recorded among those who spent about 100GHS on social protection and 101-1000GHS on social protection respectively. Interestingly, the more affluent class who spent over 1,000GHS on social protection constituted only 3%. This finding suggests that the majority (over 60%) of the youths who operate non-farm businesses lacked secured social protection.

4.2.1.4 Enterprise and Industrial Characteristics

At the enterprise and industrial level, the data shows that more than seven in ten of the youths were exposed to business activities in the farm and/or the non-farm sectors before they decided to establish their businesses. As suggested in the literature (e.g., Krueger, 1993; Langevang *et al.*, 2012), this prior business experience might have influenced the choices the youths made to operate farm or non-farm businesses. This is because they may have developed some understanding of the opportunities and constraints that exist in either or both sectors. Also, the data shows that two in ten had traditional apprenticeship experience before they chose to operate their non-farm business. This finding shows that, among the youth entrepreneurs many of whom had lower levels of formal education, few could access apprenticeship, even from non-formal sources, such as traditional vocational training. This limited access to apprenticeship training may have constrained their abilities to enter certain industries in the non-farm sector to establish businesses. The data further shows that on average about nine in ten reported that their enterprise activities were primarily located in non-farm industries, with the remaining (12%) reported to participate in work activities in the

²⁰ Social protection expenditures as used in this thesis refers to the expenditures incurred by individuals and their families to secure themselves against shocks related to ill-health and poor wellbeing. It encompasses expenditures individuals incur to safeguard themselves against vulnerabilities associated with child-birth or maternity, disability, work injury, times of unemployment and pension coverage to secure individuals old age. This definition is in line with World Bank (2001) and UNRISD (2010).

farm sector.

4.2.1.5 Sociological Characteristics (Social systems and normative institutions)

The next block in Table 4.1 reports on sociological characteristics (also used as proxies for social systems and normative institutions) which includes ethnicity, membership to a religious group, participation in informal savings activities, such as: rotational savings and loans associations (ROSCAs) or village and savings and loans associations (VSLAs) and reputation in society. On ethnicity, the data shows that youths in ethnic groups, such as the Akan and Mole-Dagbani ethnic group, are the largest group. With regards to informal associational activities, such as participation in religious groups, more than nine in ten of the youths reported as members of religious groups. Also, on informal self-help financial systems, such as ROSCAs/VSLAs, the data shows that six in ten of those who reported to engage in non-farm enterprise activities also participated in ROSCAs/VSLAs activities. It may be likely that these youths utilised the economic and social spaces and opportunities provided by ROSCAs/VSLAs to operate non-farm businesses. Furthermore, the data shows that six in ten of the respondents were accorded with respect or had favourable reputations²¹ in their communities, which might have been a source of social capital to enhance their operations.

4.2.1.6 Perception of Formal Regulatory institutions

Considering the perception of the youths on formal regulatory institutions, the data shows that seven in ten considered tax offices as competent in the performance of their duties. However, with only 17% of these respondents reported to pay taxes to this state regulatory institution (see sub-section 4.2.1), the finding raises questions on the effectiveness of tax offices to implement broad-based tax systems that capture all income earners, including the youths, in the tax net. Interestingly, the data further shows that only 10% of the youths considered tax officials to demand additional unapproved monies (bribes) from them during business-related interactions. This finding suggests that the overwhelming majority (90%) of

²¹ The Reputation Institute developed the RepTrak™ Pulse which measures the reputation of business organisations (in the case of this study individual entrepreneurs) by using four developed criteria: a reputable enterprise (1) “has a good overall reputation;” (2) “(an entrepreneur) I have good feeling about;” (3) “(an entrepreneur) that I trust”; and (4) “(an entrepreneur) that I admire and respect” (Ponzi *et al.*, 2011, p.22). I used the fourth measure ‘admire and respect’ as a proxy for reputation. I selected the variable which answers the questions: “are you respected in your daily life?” as proxy for individuals’ reputation in society.

the youths may not have seen activities of tax officials as hindrances to their operations. Nonetheless, with only 17% of them reporting to comply with tax regulations of the state, the response on bribe payments raises additional questions as to how the 90% were able to assess and determine that tax officials do not take additional unapproved monies in the discharge of their duties. With regards to trust for public officials, such as politicians, to implement good policies that could improve the business environment, the data shows that more than half of the youths reported to have no trust in politicians, that these officials would implement policies that improve the business environment. This lack of trust could have influenced their decisions and choices to participate in non-farm entrepreneurship and formality (or informality).

4.2.1.7 Locational Characteristics

The last block in Table 4.1 reports the locational characteristics of the youth entrepreneurs. The data shows that at least six in ten of them were based in urban locations, where they were likely to access well-developed markets to grow their non-farm businesses. On Administrative Regions, the data shows that youths' participation in non-farm entrepreneurship were unevenly spread across the ten administrative regions of Ghana, with the Ashanti Region and Greater Accra Region recording the highest proportions (16% and 15% respectively). This is followed by the Eastern Region (11%), Western Region (10%), Volta Region (9%), Central Region (8%), Northern Region (8%), Upper East Region (7%), Brong Ahafo Region (7%) and Upper West Region (5%). Comparing between the relatively affluent and the poorest regions, the data show that almost three in ten of the youths were located in the relatively affluent regions of Ashanti Region and Greater Accra Region, while two in ten were located in the poorest uppermost regions of Northern Region, Upper East Region and Upper West Region.

4.3 The Bivariate Probit Model

The next section (section 4.4) attempted to use the GLSS6 dataset to carry out further analysis to examine which of the factors situated in the domains of context influenced the choices the youths made to participate in non-farm entrepreneurship and formality (or informality). Table 4.2 shows the relationship that exists between the various factors and the decisions the youths made towards the under-studied phenomenon. Since I used a cross-sectional data but not a panel data for this analysis, the relationships that I discussed in sections 4.4 are meant to show associations between the dependent and independent variables and not an outright conclusion of causality among them. In the first model (Model 1), I used bivariate probit techniques to estimate the relationships between the dependent variables and independent variables to reveal the probability that the youths in the entire population chose to operate non-farm businesses and participated in formality (or informality). Similarly, Model 2 and Model 3 estimated the related choice the urban and rural youths made respectively to operate non-farm businesses and engage in formality (or informality).

In the sections that follow, I examined the influences of factors located in the domains of context on the phenomenon under study. Also, the findings are compared with similar studies, especially on compliance with state taxes in Ghana and in the neighbouring African countries, where no similar evidence was found in the literature in Ghana.

Table 4-2: Bivariate Probit Estimates

	Model 1		Model 2		Model 3	
	Youths in the population		Urban youths in the population		Rural youths in the population	
VARIABLES	Entrepreneurship	Tax compliance Decisions	Entrepreneurship	Tax compliance Decisions	Entrepreneurship	Tax compliance Decisions
INDIVIDUAL CHARACTERISTICS:						
Gender						
Male						
Female	0.774*** (0.0584)	-0.299*** (0.0615)	0.766*** (0.0724)	-0.382*** (0.0785)	0.855*** (0.104)	-0.121 (0.103)
Level of Formal Education						
No education						
Primary education	0.0296 (0.0648)	0.0158 (0.0659)	0.00599 (0.0919)	0.0295 (0.111)	0.0424 (0.0993)	0.0436 (0.0855)
Lower Secondary	-0.0844 (0.0668)	0.0996 (0.0651)	-0.260*** (0.0899)	0.246** (0.100)	0.154 (0.105)	-0.0212 (0.0912)
Upper Secondary	-0.379*** (0.0880)	0.532*** (0.0814)	-0.469*** (0.109)	0.678*** (0.114)	-0.330* (0.182)	0.276* (0.142)
Post-secondary/technical education	-0.981*** (0.103)	0.748*** (0.0902)	-1.009*** (0.127)	0.985*** (0.126)	-1.090*** (0.197)	0.578*** (0.149)
University or higher education	-1.228*** (0.116)	1.242*** (0.0967)	-1.266*** (0.136)	1.272*** (0.127)	-1.455*** (0.288)	1.448*** (0.228)
Adult education	-0.0650 (0.130)	0.295** (0.127)	0.0802 (0.368)	0.164 (0.358)	-0.00325 (0.149)	0.253* (0.140)
HOUSEHOLD CHARACTERISTICS:						
Position within the household						
Household head						
Spouse	0.0539 (0.0604)	-0.0350 (0.0581)	0.0582 (0.0773)	-0.0221 (0.0809)	0.0519 (0.0983)	-0.0301 (0.0847)
Child	-0.0864 (0.0640)	0.0939 (0.0623)	-0.122 (0.0836)	0.260*** (0.0887)	-0.0876 (0.105)	-0.0338 (0.0919)

Extended family members	-0.168 (0.128)	0.114 (0.133)	-0.170 (0.174)	-0.144 (0.212)	-0.00672 (0.205)	0.122 (0.177)
Marital status						
Married						
Never married	-0.168** (0.0807)	-0.0966 (0.0773)	-0.157 (0.0968)	-0.0856 (0.0977)	-0.308* (0.166)	-0.0609 (0.142)
Consensual union	0.181*** (0.0645)	0.00210 (0.0618)	0.154* (0.0874)	-0.0339 (0.0944)	0.221** (0.0986)	0.0189 (0.0832)
Divorced	0.145* (0.0817)	-0.156* (0.0857)	0.222** (0.102)	-0.169 (0.107)	-0.0692 (0.152)	-0.147 (0.150)
Widowed	0.0936 (0.0838)	-0.120 (0.0941)	0.358*** (0.114)	-0.363*** (0.133)	-0.308** (0.152)	0.0999 (0.141)
Family size	0.00821 (0.0104)	-0.0234** (0.00935)	-0.0143 (0.0155)	-0.0252 (0.0155)	0.0352** (0.0146)	-0.0303** (0.0120)
ECONOMIC CHARACTERISTICS:						
Wealth quintile						
First quintile						
Second quintile	0.0123 (0.0816)	0.246*** (0.0776)	0.0605 (0.162)	0.320 (0.235)	0.0221 (0.102)	0.256*** (0.0898)
Third quintile	0.0304 (0.0818)	0.277*** (0.0786)	0.174 (0.158)	0.494** (0.234)	0.0276 (0.108)	0.199** (0.0942)
Fourth quintile	0.159* (0.0849)	0.449*** (0.0815)	0.331** (0.159)	0.726*** (0.232)	0.177 (0.116)	0.243** (0.105)
Fifth quintile	0.333*** (0.0929)	0.487*** (0.0881)	0.530*** (0.165)	0.693*** (0.237)	0.222 (0.146)	0.446*** (0.128)
Farmland size	-0.0636 (0.182)	0.179 (0.118)	-0.125 (0.303)	0.463** (0.201)	0.0170 (0.232)	0.275* (0.146)
Ownership of house (yes=1)	0.0805* (0.0449)	0.0807* (0.0428)	0.152*** (0.0572)	0.00374 (0.0591)	-0.00902 (0.0739)	0.172*** (0.0668)
Social protection expenditure						
Zero expenditure on social protection						
100GHS or less spent on social protection	0.0389 (0.0498)	-0.122** (0.0480)	0.0376 (0.0629)	-0.0454 (0.0634)	0.0249 (0.0870)	-0.204*** (0.0787)

101-1000GHS spent on social protection	0.0850* (0.0513)	-0.0612 (0.0487)	0.168** (0.0674)	-0.0960 (0.0687)	-0.0968 (0.0852)	-0.0223 (0.0717)
Over 1000GHS spent on social protection	-0.187* (0.105)	0.134 (0.0959)	-0.172 (0.119)	0.314*** (0.115)	-0.142 (0.232)	-0.319* (0.188)
ENTERPRISE AND INDUSTRIAL EXPERIENCE:						
<i>Years of work experience</i>	0.122** (0.0523)	-0.0135 (0.0504)	0.204*** (0.0638)	0.0108 (0.0635)	-0.0183 (0.0960)	-0.0809 (0.0846)
<i>Traditional apprenticeship experience</i>	0.146*** (0.0509)	-0.136*** (0.0511)	0.196*** (0.0642)	-0.265*** (0.0678)	0.101 (0.0896)	0.0132 (0.0791)
<i>Primary work in non-farm industries</i>	1.574*** (0.0614)	0.400*** (0.0526)	1.395*** (0.105)	0.774*** (0.109)	1.759*** (0.0814)	0.295*** (0.0702)
SOCIOLOGICAL CHARACTERISTICS (SOCIAL SYSTEMS & NORMATIVE INSTITUTIONS):						
<i>Ethnicity</i>						
Akan						
Ga-Dangme	0.00580 (0.0763)	0.359*** (0.0720)	-0.0566 (0.0923)	0.262*** (0.0929)	0.165 (0.147)	0.547*** (0.116)
Ewe	-0.0211 (0.0658)	0.0562 (0.0652)	-0.0685 (0.0848)	-0.0400 (0.0872)	0.127 (0.119)	0.197* (0.104)
Mole-Dagbani	0.0844 (0.0808)	-0.209*** (0.0763)	-0.289*** (0.101)	-0.135 (0.107)	0.533*** (0.134)	-0.297** (0.117)
Other ethnic groups	0.00476 (0.0669)	-0.0499 (0.0620)	0.00581 (0.0850)	-0.0628 (0.0863)	0.180 (0.123)	-0.0769 (0.0991)
<i>Membership of religious group (Yes=1)</i>	0.0703 (0.0883)	-0.0398 (0.0769)	0.212 (0.148)	-0.176 (0.135)	0.0213 (0.109)	-0.0499 (0.0976)
<i>Participate in ROSCAs/VSLAs (Yes=1)</i>	0.0895** (0.0444)	0.0486 (0.0420)	-0.0429 (0.0600)	0.0319 (0.0604)	0.237*** (0.0678)	0.115* (0.0594)
<i>Reputation in Society (Yes=1)</i>	-0.00734 (0.0450)	-0.0146 (0.0439)	-0.00519 (0.0581)	0.00187 (0.0599)	-0.0241 (0.0758)	-0.0571 (0.0662)

PERCEPTION OF FORMAL REGULATORY INSTITUTIONS:						
Tax office competence (Yes=1)	-0.105** (0.0439)	-0.116*** (0.0411)	-0.133** (0.0569)	-0.157*** (0.0574)	-0.00477 (0.0734)	-0.0723 (0.0618)
Additional unapproved monies (bribes) to tax officials (Yes=1)	-0.101* (0.0568)	-0.0105 (0.0543)	-0.127* (0.0720)	-0.0544 (0.0714)	-0.0450 (0.0964)	0.145* (0.0872)
Trust Politicians (Yes=1)	-0.0123 (0.0395)	0.0335 (0.0375)	-0.00845 (0.0510)	0.106** (0.0518)	-0.0601 (0.0649)	-0.0329 (0.0565)
LOCATIONAL CHARACTERISTICS:						
Locality type						
Urban						
Rural	-0.168*** (0.0485)	0.112** (0.0466)				
Administrative Regions						
Western Region						
Central Region	-0.137 (0.0883)	-0.314*** (0.0843)	0.0430 (0.117)	0.134 (0.118)	-0.520*** (0.149)	-0.672*** (0.123)
Greater Accra Region	-0.316*** (0.0800)	-0.106 (0.0738)	-0.245** (0.0972)	0.267*** (0.0956)	-0.445** (0.204)	-0.622*** (0.179)
Volta Region	0.163 (0.105)	0.104 (0.0959)	0.122 (0.151)	0.849*** (0.146)	0.114 (0.163)	-0.432*** (0.139)
Eastern Region	0.0762 (0.0818)	-0.291*** (0.0763)	0.0431 (0.114)	0.150 (0.121)	0.0698 (0.123)	-0.630*** (0.101)
Ashanti Region	-0.0258 (0.0761)	-0.156** (0.0686)	0.0312 (0.0973)	0.324*** (0.0972)	-0.154 (0.124)	-0.738*** (0.106)
Brong Ahafo Region	-0.0235 (0.0936)	0.398*** (0.0804)	-0.0325 (0.126)	0.676*** (0.129)	-0.112 (0.135)	0.234** (0.103)
Northern Region	0.573*** (0.117)	0.215** (0.110)	1.015*** (0.170)	0.474** (0.187)	0.171 (0.167)	0.0832 (0.146)
Upper East Region	0.481*** (0.132)	0.0520 (0.133)	0.732*** (0.205)	0.483* (0.266)	0.164 (0.191)	-0.163 (0.167)
Upper West Region	0.0722	0.284**	-0.440**	1.071***	0.258	-0.302

	(0.149)	(0.124)	(0.204)	(0.192)	(0.208)	(0.186)
Constant	-1.933*** (0.172)	-1.184*** (0.158)	-1.892*** (0.264)	-2.103*** (0.329)	-2.269*** (0.247)	-0.621*** (0.205)
Observations	6,350	6,350	3,346	3,346	3,004	3,004
Rho(ρ)	-0.3823574		-0.4435468		-0.2470186	
Wald test of rho=0: chi2(1)	179.091		167.309		25.7074	
Prob > chi2	0.0000		0.0000		0.0000	

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

4.4 Analysis of Findings on Ghana's youth joint decisions to participate in Non-farm Entrepreneurship and Formality

The sub-sections that follow examine the results in Table 4.2 within the lens of the 'embeddedness in context' perspective (Welter, 2011; Welter and Gartner, 2016) to examine the salient factors which influenced the likely decisions made towards non-farm entrepreneurship and formality. Here, the evidence is explored within the economic, social, institutional, spatial and temporal-historical domains of context, of which the youths were embedded which influenced their entrepreneurial decisions and actions.

4.4.1 The economic domain

In line with the literature (see: Chapter 2 and Chapter 3, Table 3-1), economic and industrial factors examined in this sub-section include: wealth status, house ownership, size of farmland owned, expenditures on social protection and primary work in non-farm industries.

4.4.1.1 *Economic and industrial factors*

Within the economic domain of context, the findings among the youths in Model 1 revealed that individuals with higher *wealth statuses* (such as those on fourth and fifth wealth quintiles) are those who showed higher propensities to operate non-farm businesses when compared to the most impoverished youth populations (those on the first wealth quintile). Among these youths, the result also shows that the relatively poor (second and third wealth quintiles) and the more affluent (fourth and fifth wealth quintiles) both demonstrated higher propensities to participate in formality. However, the coefficients show that the more affluent youths were likely those who made favourable decisions towards formality compared to the less affluent. These findings on the influence of wealth statuses on the probability that the youth chose to operate non-farm businesses and participate in formality are also observed among urban youths in Model 2. However, for rural youths, the results in Model 3 shows that the influence of wealth status was recorded on decisions made to participate in formality but not to operate non-farm businesses. When the more affluent youths (fourth and fifth wealth quintiles) are compared to the most impoverished youths (those on the first wealth quintile), the finding is consistent with arguments made in the literature which associate formality with affluent individuals and informality with marginalised individuals or survivalists (e.g., Geertz,

1963). Similarly, the results in Model 3 shows that the relatively poor (those on second wealth quintiles) and the middle class (those on third wealth quintile) were likely to have made decisions towards formality when compared to the most impoverished youths.

Surprisingly, the finding as recorded on wealth status is inconsistent with the study of Ibrahim *et al.* (2015) who found no significant evidence on the association between wealth status of Ghanaians and their morality to choose to pay taxes to the state. However, the authors reported that being satisfied with individuals' financial situation is a significant determinant of such morality. Similarly, the results are inconsistent with the findings of Bougna and Nguimkeu (2018) who found in Cameroon that despite the strong association between wealth and the profits entrepreneurs make with their businesses, such an economic condition have no significant influence on their decisions to participate in formality.

Examining assets owned, the findings in Model 1 shows that among youths in the general population, there is some significant association between *ownership of house* and choices they made to operate non-farm businesses and participate in formality. However, these results were estimated at 10% levels of significance. Interestingly, when urban and rural youths are observed separately in Model 2 and 3 respectively, the results show that urban youths' who own houses were likely influenced by *ownership of house* to operate non-farm businesses. However, for their rural counterpart *ownership of house* rather influences their choice to participate in formality.

The finding on the positive influence of asset, such as the house they owned, on the probability that the youths chose to operate non-farm businesses is consistent with the study of Taiwo (2013) among the general population. Considering other assets, the results showed in model 2 and model 3 that there are significant associations between *size of farmlands owned* and urban and rural youths' choices to participate in formality. However, these results were estimated at 5% and 10% levels of significance respectively. A plausible explanation is that perhaps those with larger farmlands were engaged in commercial production which made them visible to tax authorities. Hence, they chose to comply with regulations by paying taxes on their incomes. The finding of the insignificant influence of *size of farmland* on decisions the youths made to operate non-farm businesses is consistent with the study of Ackah (2013) among individuals in the general population.

Also, for the variable *social protection expenditure* when the three estimated models are observed, it can be seen that while the youths, especially urban youths, who spent between 101-1000GHS on social protection were likely influenced by such expenditures to operate non-farm businesses, their counterpart who spent over 1000GHS demonstrated lower propensities to operate non-farm businesses. Interestingly, the results also show that less affluent rural youths who spent at most 100GHS on social protection and more affluent rural youths who spent over 1000GHS on social protection demonstrated higher propensities to participate in informality. However, affluent urban youths who spent over 1000GHS on social protection likely chose to participate in formality. These findings highlight the diverse ways in which economic situations of less and more affluent urban and rural youths influenced them to choose to operate non-farm businesses and participate in formality or informality.

Finally, on the variable *primary work in non-farm industries*, the results as observed in all the three models estimated show that there is a strong significant association between the primary industries of which the youths worked and their choices to operate non-farm businesses and participate in formality. A probable explanation is that perhaps there were favourable conditions, such as higher profitability, in certain industries within the economic domain of context which influenced these youths to choose those industries as primary industries of operation. Also, it is likely that their exposure to various industries allowed them to identify certain enterprise opportunities associated with formality in specific industries of which they estimated to be more than the costs of formalisation. Hence, they were influenced to choose to participate in formality in those industries than engage in informality.

4.4.2 The social domain

This sub-section examines the findings in Table 4.2 through the lens of the social domain of context (see: Chapter 2). Here, variables which describe relationships in social structures are assessed. This include: position in the family, family size, marital status, ethnic group, religious group membership and associational activities in ROSCAs/VSLAs.

4.4.2.1 Strong ties

To evaluate how strong relationships, influence the youths to operate non-farm businesses

and participate in formality, variables such as position in the family, family size and marital statuses are examined. Across the three models, it was recorded in Model 2 among the urban youths that there is a strong association between individuals identified as *children* in the household and the choice they made to participate in formality compared to household members who identified themselves as *heads*. A probable explanation is that perhaps urban youths were able to draw from the intra-household relationships they formed to participate in formality when they made decisions towards occupations, such as choose to operate non-farm businesses. Also, compared *household heads* it is likely that youths who identify themselves as *children* have less financial obligation and burden towards the household. Hence, they could afford to choose to participate in formality with their businesses.

When the variable *family size* is examined, the findings in Model 1 shows that among the entire youth population there is a strong association between *family size* and the choice the youths made to participate in informality, although this result was estimated at a 5% level of significance. Interestingly, when urban and rural youths are observed separately, the results in Model 3 shows among the rural youths that there is a strong association between *family size* and the decisions they made to operate non-farm businesses and participate in informality. These findings suggest that while rural youths, who are part of larger families, may be able to depend on the relationships they formed in families to access resources that allowed them to establish non-farm businesses, obligations to these relationships could also influence them to divert portions of their incomes meant for taxes to meet the needs of dependent members of their families.

The finding on decisions to operate non-farm businesses is consistent with studies of Taiwo (2013) in Ghana and Olugbire *et al.* (2012) in neighbouring Nigeria who recorded that larger family size has a positive influence on individuals' likely decisions to participate in non-farm entrepreneurship. However, the result contradicts the study of Babatunde and Qaim (2010) who also found in rural locations in Nigeria that family size has a negative influence on individuals' likelihood to participate in non-farm entrepreneurship. The finding on the decisions of the youths to participate in informality is also consistent with the study of Amponsah and Adu (2017) who found in Ghana that individuals demonstrate lower propensities toward tax compliance when their family sizes increases.

When *marital statuses* are examined in all three models, the results show that youths, especially urban youths, who had lost relationships through a *divorce* or were *widowed* were likely influenced by their marital statuses to operate non-farm businesses compared to those who were married. In contrast, the results among the rural youths show a strong negative association between *widowed* marital status and the choice rural youths made to operate non-farm businesses. Interestingly, the results show that urban and rural youths in *consensual union*, were likely influenced by the relationships they formed to operate non-farm businesses. However, rural youths whose marital status was *never married* demonstrated lower propensities to operate non-farm businesses. On the choice to participate in formality, the results among the general population show that youths whose marital status was recorded as *divorced* demonstrated lower propensities to participate in formality. Interestingly, when urban and rural youths were observed separately, the significant influence of marital status on formality decisions was recorded among urban youths who were *widowed*. These youths are observed as having been influenced by *widowed* marital status to participate in informality.

With relationships fostered among spouses evidenced in the literature (e.g. Wolf and Frese, 2018) to lead to improved access to finance, emotional support, advice, ideas and the sharing of networks which lead to venture creation, it is likely that the rural youths with *widowed* marital status may lack these support systems associated with spouses which can encourage them to operate non-farm businesses. For the *divorced* and *widowed* youths, a plausible explanation to their choices, which is consistent with the literature (e.g., Manjokoto and Ranga, 2017), is that perhaps lost marital relationships may have placed them in difficult economic situations which required that they engage in non-farm business activities and informality to support themselves and their children. Also, the un-married rural youths may likewise not benefit from spousal support, which perhaps explains why they are less likely influenced by their marital status to operate non-farm businesses.

Thus, the results show that strong relationships associated with *positions in the family*, *family size* and *marital statuses* are important factors which influenced the probability that the youth made decisions to choose to operate non-farm businesses and participate formality or informality.

4.4.2.2 Weak ties

This sub-section examines the likelihood that social identification and networking activities associated with weak ties, built within ethnic groups, religious groups and ROSCAs/VSLAs influenced the youths to choose to operate non-farm businesses and participate in formality, by paying taxes. Examining the influence of *ethnicity*, the results in Model 1 shows that while youths affiliated to the *Mole-Dagbani* ethnic group were likely influenced by their ethnicity to choose to participate in informality, their counterparts from the *Ga-Dangme* ethnic group showed higher propensity to participate in formality. Interestingly, when urban and rural youths are observed separately in Model 2 and Model 3, the results show that while the relationships urban youths affiliated to *Mole-Dagbani* ethnic group form in their ethnicity adversely influenced their decisions to operate non-farm businesses, for their rural counterparts the said relationships had positive influence on their venture creation decisions in the non-farm sector. However, relationships fostered by rural youths affiliated to *Mole-Dagbani* ethnic group are strongly linked to their choice to participate in informality. For youths affiliated to *Ga-Dangme* ethnic group, the results show that there is a strong association between the relationship they formed in their ethnicity and the choice they made to participate in formality. These findings suggest that it is likely the relationships these youths built in their ethnicity influenced them positively to choose to pay taxes to the state on their earned incomes.

Examining other weak ties, such as religious groups and ROSCAs/VSLAs, the results show that among the general population in Model 1 youths' participation in activities of ROSCAs/VSLAs had a positive influence on their choice to operate non-farm businesses. However, this result was estimated at a 5% level of significance. Observing urban and rural youths separately, the result in Model 3 shows a similar finding among the rural youths. Surprisingly, the results show that there is some association between ROSCAs/VSLAs and the choice the rural youths made to participate in formality, although such a finding was estimated at a 10% level of significance.

Thus, the results suggest that some of the youths were likely influenced by the relationships they formed in weak ties to make decisions towards formality when they chose to operate non-farm businesses. With regards to the literature, the finding on participation in

non-farm entrepreneurship among the rural youths is consistent with evidence from neighbouring Nigeria of which Olugbire *et al.* (2012) found that community participation has a positive influence on individuals' decisions to choose to operate non-farm businesses.

In sum, the evidence examined in the sub-sections 4.4.2.1 and 4.4.2.2 shows that strong and weak ties formed within the family, ethnic groups and community groups, such as ROSCAs/VSLAs, influenced the decisions some of the youths made to operate non-farm businesses as well as participate in formality or informality.

4.4.3 The institutional domain

In line with the literature (see: Chapter 2 and Chapter 3, Table 3-1), this sub-section examines the factors located in formal and informal institutions which are strongly associated with the choices the youths in Ghana made to operate non-farm businesses and participate in formality. For formal institutions, variables such as: levels of formal education, perceptions of competence of tax offices, additional unapproved payments or bribes and trust for politicians are examined. For informal institutions, variables such as gender, family size (as a proxy for the extended family system), marital status, traditional apprenticeship, ethnicity, religious membership and participation in ROSCAs/VSLAs are investigated.

4.4.3.1 Formal Institutional factors

The evidence among the youths' in all three estimated models shows a strong but negative association between higher levels of education and the choice the youths made to operate non-farm businesses. This finding suggest that youths with higher formal education (such as: *upper secondary, post-secondary/technical and university education*), who may have been exposed to formal education systems for prolonged periods and might have acquired skills, knowledge and information about formal labour markets, were likely influenced by these exposure and developed skills to choose other forms of occupations (e.g., wage employment) than operate self-employed businesses in the non-farm sector. These youths are strongly linked to formality when they made decisions to operate non-farm businesses.

This finding of a strong association between exposure to higher formal education and youth choices to participate in formality, in terms of their compliance to pay taxes, is

consistent with evidence recorded across the sub-region (Bougna and Nguimkeu, 2018; Kamasa *et al.*, 2019) and in Ghana (Amponsah and Adu, 2017; Antwi *et al.*, 2015; Danquah and Osei-Assibey, 2018). Thus, in such an African setting where the majority of the people have limited knowledge on tax regimes of the state (Aiko and Logan, 2014; Isbell, 2017), youth populations who have much exposure to formal education and training were likely those who chose to participate in formality. However, contrary to the evidence from these studies, Armah-Attoh and Awal (2013) found in Ghana that those with primary education were less likely to evade state taxes compared to their counterparts with tertiary education. Interestingly, the results in Model 1 and Model 3 further revealed that under some conditions the youths, particularly rural youths, who had undergone *adult education* in formal organisations (perhaps through training activities of state organisations and non-governmental organisations (NGOs)), were likely to choose to participate in formality. This finding is consistent with the evidence reported in Rwanda where tax education programmes were found to influence entrepreneurs to make decisions towards formality (Mascagni *et al.*, 2019).

On the variable *perception of competence of tax offices*, the results in Model 1 and Model 2 shows that there are strong but negative associations between *competence of tax offices* and the choices the youths made to operate non-farm businesses and participate in formality. Hence, it is likely that this institutional factor constrains venture activities of the urban youths. This finding raises some questions as to why the youths may choose informality over formality when they believe tax offices were competent in the discharge of their duties? Is it the case that these youths consider that the competent tax offices and their officials would be able to detect their off-the-book practices? If so, then the fear of being charged high taxes which reflected their earnings might have been what influenced them to choose to participate in informality. But, if this fear makes them completely evade taxes, then their action raises further questions as to the nature of competence of the tax offices as perceived by the urban youths. Perhaps, while the tax officials may have been competent to detecting off-the-book practices, they still might have lacked the competence to implement programmes that capture much of the youths to pay taxes to the state. This argument is plausible considering the fact that only 17% of the youth in the entire population recorded to pay taxes to government (see: section 4.2.1). Hence, if this argument is accepted then the

findings shows the dynamic ways the youth entrepreneurs responded to this formal institutional factor.

Also, the results in Model 1 and Model 2 show that there is a significant but negative association between *additional unapproved payments to tax officials* and the decisions urban youths made to operate non-farm businesses. Interestingly, this institutional variable influenced positively the decisions rural youths made to participate in formality. Hence, it implies that while additional unapproved payments to tax officials constrained the venture activities of urban youths, for rural youths such payments influenced them to be tax compliant. These findings are consistent with the literature (e.g., Mbaku, 1992, 1996) which argue that corrupt practices that involve bribes or the payment of unapproved amounts to civil servants, such as tax officials, in Africa discourage entrepreneurship but can also reduce bureaucratic red tapes faced by some entrepreneurs.

Finally, the result in Model 2 revealed a strong positive association between the variable *trust for politicians* and the decisions urban youths made to participate in formality. This finding suggests that perhaps the trust that urban youths have for politicians that they would implement policies that improve the business environment influenced their decisions to participate in formality. However, the evidence of the likely influence of *trust for politicians* on decisions made towards formality was estimated at 5% level of significance. This finding is consistent with the study of Ibrahim *et al.* (2015) who found in Ghana that individuals who trust the government as well as have confidence in parliament are likely to have higher morale to pay taxes to the state.

In sum, the evidence suggests that the perceptions urban and rural youths have on the structure, conditions and actors associated with formal institutions influenced them in diverse ways to choose to operate non-farm businesses and participate in formality or informality.

4.4.3.2 Informal Institutional factors

Traditional apprenticeship, an informal training source, is reported as the largest source of technical and vocational training of workers in Sub-Saharan Africa (Johanson and Adams, 2004; Liimatainen, 2002; Nordman and Pasquier-Doumer, 2014). This skill development system is considered as an informal institution, characterised with social-cultural traditions

that often restrict the transfer of skills and trade secrets only to members of particular families or clans (Haan, 2006). Examining the influence of this institutional variable on the decisions youths in Ghana made to operate non-farm businesses and participate in formality, the results in Model 1 and Model 2 established that there is a strong association between urban youths experience in traditional apprenticeship and the choices they made to operate non-farm businesses. Also, *traditional apprenticeship experience* was recorded to be significant but negatively associated with urban youths decisions to participate in formality. Hence, the strong association between *traditional apprenticeship experience* and the decisions the youths made to participate in informality, is consistent with the literature in Ghana (e.g., Palmer, 2007, 2009; Taiwo, 2013).

In line with the literature (see: Chapter 2, section 2.5.3), other variables, such as: gender, family size, marital status, ethnicity and ROSCA/VSLAs, identified with informal institutions, were framed and examined as constituting gender norms, norms associated with extended family system, marital institutions, ethnic norms and traditional financial systems, respectively. On the *gender* variable, the result in Model 1 revealed a strong association between gender norms and the decisions the youths made to operate non-farm businesses and participate in informality. A similar observation is made in Model 2 among urban youths. However, for rural youths, the result in Model 3 shows that gender norms were strongly associated with decisions they made to operate non-farm businesses, with no significant association recorded on their choices to participate in formality. These findings suggest that it is likely gender norms that, which segregate male and female roles towards occupations, influenced urban female youths to choose to participate in non-farm entrepreneurship and informality. For their rural counterparts, such norms may have influenced their decisions to operate non-farm businesses.

The finding of female youths' demonstrated higher propensity to operate non-farm businesses is consistent with the literature (e.g., Ackah, 2013, Langevang *et al.*, 2015; Newman and Canagarajah, 1999). These studies argue that societal norms in Ghana which accept and encourage women to participate in venture activities were part of the many reasons why they choose to operate businesses in the non-farm sector. Similarly, the evidence on their decisions to participate in informality is also supported by some studies which found that women in the country have lower propensities towards compliance to state

taxes when compared to their male counterpart (e.g., Antwi *et al.*, 2015; Danquah and Osei-Assibey, 2018).

In such an African context, where the extended family system is widely practised (Khavul *et al.*, 2009), it is likely that normative practices that require families to support the business activities of entrepreneurs with resources located in the nuclear and extended family may have been what influenced the rural youths with larger *family sizes* to demonstrate higher propensity to operate non-farm businesses. Similarly, it is also likely that the rootedness of these youths in cultural practices which obligate entrepreneurs to cater for the needs of family members who are not in the position to look after themselves (Khavul *et al.*, 2009) might have been what influenced their decisions to choose to participate in informality.

Extant literature suggests that marriage is a cultural institution in many societies across Africa, with this institution associated with obligations and prestige for both men and women (e.g., Afolayan, 2011; Bortei-Doku, 1990; Genyi, 2013; Lancaster, 1976; Roncoli, 1985; Sossou, 2002). Hence, it is likely that the strong associations recorded across the three Models between marital statuses, such as: *never been married, consensual union, divorced and widowed*, and the decisions the youths made to operate non-farm businesses and participate in formality (or informality), were due to influences of the obligations and prestige that are associated with or embedded in this cultural institution.

In a similar view, the findings across the three Models recorded among the youths in the general population, urban and rural youths who were affiliated to *Mole-Dagbani* ethnic group, *Ga-Dangme* ethnic group and *Ewe ethnic group* may relate to influences associated with ethnic norms which shaped their behaviours to respond positively or negatively to venture creation activities in the non-farm sector and/or formality. The finding on ethnicity is consistent with evidence recorded in neighbouring Nigeria of which Alabede *et al.* (2011) and Alabede (2014) found that different ethnicities exhibit different behaviours towards compliance to state taxes. Hence, Alabede *et al.* (2011) argue that the distrust that some ethnicities have for government influence those affiliated to such ethnicities to comply less to paying taxes to the state. Thus, it is likely that youths affiliated to *Ga-Dangme* and *Ewe* ethnicities were influenced by ethnic norms that are encouraged tax compliance.

Finally, the results on decisions to operate non-farm businesses and participate in

formality among the rural youths who participated in traditional financial systems, such as *ROSCAs/VSLAs*, may reflect the normative practices associated with such financial systems. The study by Danquah and Osei-Assibey (2018) recorded evidence to show that individuals in Ghana who operate savings accounts with formal financial organisations, such as banks, are likely influenced by their saving practices to be tax compliant to the state. However, the findings in this chapter among the rural youths also shows that traditional financial systems, such as *ROSCAs/VSLAs*, under some circumstances influence entrepreneurs to participate in formality, in terms of being tax compliant. The evidence on formality is consistent with the findings of the study of Amponsah and Adu (2017) who argued that interactions of these traditional financial systems with formal organisations, such as tax offices, create avenues for tax officials to educate and sensitise those who participate in the activities of the *ROSCAs/VSLAs*. Hence, this engagement influences the rate at which these individuals choose to comply to pay taxes to the state.

4.4.4 The spatial domain

The sub-section examines the factors located in the spatial domain of context which influenced the decisions the youths made to operate non-farm businesses and participate in formality. Here, variables investigated included: *rurality of location* and *the administrative regions*.

4.4.4.1 Economic and non-economic factors of place

Examining the association between rurality and the probability that the youths made decisions to operate non-farm businesses and participate in formality, the result in Model 1 shows that youths located in rural areas demonstrated higher probability to participate in formality when they chose to establish non-farm businesses compared to their urban counterpart. This finding is in stark contrast to the evidence which shows that rurality of location is negatively associated with the decisions the youths made to operate non-farm businesses. Despite the established fact that poverty levels in most rural localities in Ghana are higher than urban areas (Cooke *et al.*, 2016) which may affect how rural youths accumulate economic resources to establish their businesses, the results suggest that it was likely rural youths were not discouraged by their lack of economic resources of place to exploit

business opportunities associated with formality. Thus, arguing in line with the literature (e.g., Kibler *et al.*, 2014; Korsgaard *et al.*, 2015a, b; Muller and Korsgaard, 2018), these youths may have drawn on other non-economic forms of resource of place to participate in formality.

It is likely that these youths may have been influenced by collectivist norms in homogenous locations, which ensure that rural entrepreneurs conform to certain regulations and, thus, reinforced their decisions to be tax compliant. In urban areas where traditional norms are likely to be less enforceable due to the heterogeneous nature of such locations, urban youths may choose less to conform to both formal and informal regulations. Also, although youths located in urban areas may be within reach of formal regulatory authorities, the heterogeneous character of such locations may allow some of the youths to hide in localities, such as slums, to participate in informality with their enterprises. This argument is consistent with the findings of Yankson and Owusu (2016) who recorded in urban Ghana that youths engage in non-farm enterprise activities in slums (in this case Nima township) which offer them spaces to hide from tax collectors. For rural youths in more homogenous localities, it may be easy to identify these inhabitants to demand that they comply with taxes obligations (Palmer, 2004). It is also likely that the rural youths responded more positively to enterprise initiatives of the government which encouraged them to choose to formalise their operations than their urban counterpart.

The findings on the influence of locality (be it rural or urban) on the likely decisions youths made to operate non-farm businesses is consistent with the results of Taiwo (2013) as recorded among the general population. Similarly, the finding on formality is consistent with the study of Armah-Attoh and Awal (2013), who reported that urban residents in Ghana have higher propensity to evade state taxes compared to their rural counterpart. However, this finding contradicts the results of Amponsah and Adu (2017) who reports that it is rather urban residents' who have higher propensities to be tax compliant compared to rural residents. Furthermore, the argument of rural youths likely to have responded favourably to government initiative on formality is consistent with recent evidence from Rwanda which shows that rural dwellers are more likely to participate in tax education programmes than their urban counterparts (Mascagni *et al.*, 2019). Thus, these youths are likely influenced by their acquired knowledge to comply with state taxes.

With regards to regional diversity, the results show strong associations between the *administrative regions* and the decisions the youth made to operate non-farm businesses as well as participate in formality or informality. For instance, in relatively affluent regions of the *Greater Accra Region* and the *Ashanti Region*, the results in Model 1 shows that, while regional location is strongly but negatively associated with the decisions youths in *Greater Accra Region* made to operate non-farm businesses, for their counterpart in the *Ashanti Region* was strongly associated with the decisions they made to participate in informality. Interestingly, when urban youths are observed separately in Model 2, the results revealed that youths in both affluent regions demonstrated higher propensities to participate in formality, although the results continue to show that regional factors have an adverse influence on urban youths' choice to participate in non-farm entrepreneurship in *Greater Accra Region*. This finding suggests that perhaps urban youths in the *Greater Accra Region* can access wage jobs in more formal public and private sectors which make them demonstrate lower propensities for non-farm entrepreneurship but higher propensities for compliance to state taxes. Where they chose to operate non-farm businesses, it is possible that being located in these relatively affluent regions provided them access to numerous business opportunities associated with formality which influenced them to choose formality over informality.

Also, the results in Model 3 shows that rural youths in the affluent *Greater Accra Region* and *Ashanti Region* were likely influenced by regional factors to choose to participate in informality, with rural youths in *Greater Accra Region* also recorded lower propensities for non-farm entrepreneurship. A plausible explanation for this finding is that perhaps urban societies in the affluent regions were more equipped with formalised tax administration systems that enforced compliance compared to the rural societies in both regions. This argument is consistent with the study of Danquah and Osei-Assibey (2018) who found that tax loss or gap is higher in rural areas of Ghana than urban areas. Considering the likely influences of non-economic factors of place, it is also possible that perhaps shared meaning of place associated with formality and informality of non-farm businesses among individuals in the regions was what influenced the urban and rural youths to choose to participate in formality and informality respectively.

Turning to the least affluent regions in the north of the country, the results in Model 1

shows that regional locations, such as the *Northern Region* and the *Upper West Region*, are strongly associated with the decisions the youth made to participate in formality, with factors specific to the regional locations also significantly associated with the decisions youths in the *Northern Region* made to operate non-farm businesses. For youths in the *Upper East Region*, factors specific to their regional location have a significant influence only on the decisions they made to operate non-farm businesses but not to participate in formality. Interestingly, when urban youths in all three regions are observed separately in Model 2, the results show that location-specific factors are strongly associated with the decisions urban youths made to participate in formality. However, while location-specific factors are positively associated with the decisions urban youth in the *Northern Region* and the *Upper East Region* made to operate non-farm businesses, these factors influenced negatively the decisions urban youths in the *Upper West Region* made to operate non-farm businesses.

Finally, the evidence revealed that the influence of factors situated in the spatial domain of context is not limited to the two extreme types of spatial locations, that is affluent and least affluent localities. But, also in-between localities, as the results show that there are significant influences of regional diversity on the probability that the youths made decisions to participate in formality or informality in in-between regions, such as *Brong Ahafo Region*, *Volta Region*, *Central Region* and *Eastern Region*. Thus, the heterogeneity of spatial locations of which youths in Ghana are embedded is likely to have created varied motives, opportunities, resources, constraints, risks, sanctions and conditions which influenced them to choose to operate non-farm businesses and participate in formality or informality.

4.4.5 The temporal-historical domain

The sub-section that follow examine the evidence in Table 4.2 within the temporal-historical domain of context. The variables examined included: experience in life-course proxied with *years of work experience* as well as other experiences the had in the various domains of context.

4.4.5.1 Temporal-historical experiences in social, institutional, economic and spatial domains of context

Examining the likely influence of experiences in life-course, the results in Model 1 and Model 2 shows that youths in the general population and urban youths with many *years of work experience* in the labour market demonstrated higher propensities to operate non-farm businesses, although *years of work experience* had no significant influence on the decisions they made to participate in formality. Also, various studies (e.g., Awumbila *et al.*, 2014; Langevang, 2008, 2016; Langevang and Gough, 2009; Thorsen, 2013) in Ghana and the neighbouring country, Burkina Faso, suggest that the precarious employment experiences associated with work in the urban economy influence the youths to participate in informality. This assertion in the literature is supported by the results which revealed that youths in rural localities were more likely to have been influenced by their experiences specific to place to participate in formality when compared to their urban counterparts. However, the findings on urban and rural youths' decisions to participate in formality and informality suggest that individuals experience of place (be it rural/urban or regional locations) influenced them in dynamic ways to participate in formality or informality when they chose to operate non-farm businesses.

Furthermore, as discussed within the different domains of context the experiences the youths had in terms of formal education systems, with tax offices and officials, family and ethnic networks, marital experience, traditional apprenticeship experience, ROSCA/VSLAs activities, as well as economic and non-economic resources located in spatial locations, were likely to have influenced their choices to participate in non-farm entrepreneurship and formality (or informality). Thus, the findings already discussed imply that the youths, whether rural or urban-based, might have made decisions which were dependent on their past and present experiences with structures, conditions and actors situated in the other domains of context and their expectations of the future related to their chosen occupational choices. For instance, although the evidence reveals that female youths (especially among the urban youths) were likely influenced by gender norms to participate in informality, the study by Annan *et al.* (2014) shows that the compliance rate of women in Ghana to paying state taxes is subject to time with the rate higher over prolonged periods of time. Hence, overtime, female youths may be able to circumvent gender norms which can influence them to instead choose to participate in formality. Thus, the examination of youth navigation of the temporal-historical domain of context, allowed the evidence to be examined across the life-course of

the youths' entrepreneurs.

To this end, the interactions the youths engaged in various structures, conditions and actors situated in and across the domains of context, might have been contingent on time, which influenced their choices to participate in non-farm entrepreneurship and formality (or informality).

4.5 Discussion of findings

The past decade has witnessed a significant body of empirical research that characterise those who participate in formal and/or informal entrepreneurship (e.g., Benjamin, Mbaye *et al.*, 2012; Thai and Turkina, 2013; Williams and Horodnic, 2015a, b, 2016). Also, there are burgeoning but modest number of studies which attempt to identify the specific factors that influence individuals to participate in formal and/or informal entrepreneurship (e.g., Autio and Fu, 2015; Berdiev and Saunoris, 2020; Coolidge and Ilic, 2009; Dau and Cuervo-Cazurra, 2014; Goel and Saunoris, 2016; Goel *et al.*, 2015; Jiménez *et al.*, 2015, 2017; Nguyen *et al.*, 2014; Saunoris and Sajny, 2017; Shahid *et al.*, 2020; Thai and Turkina, 2014; Williams and Shahid, 2016). These studies have shown that the trigger factors are diverse and may affect the decisions of entrepreneurs in dynamic ways.

For instance, in the study of Coolidge and Ilic (2009), the authors compared two surveys of the government of South Africa and found that businesses, especially relatively larger firms, in urban localities are likely to formalise their operations. Also, firms that participated in informality were found as likely to move towards formality should there be factors, such as: better access to government services, access to finance, and better opportunities for growth. Also, Dau and Cuervo-Cazurra (2014), used a panel data-set of 139 countries for the period 2000–2011, to reveal that institutional factors, such as economic liberalisation (that is, the reduction of the level of government influence in economic activity) and governance levels (that is, the strengthening of the implementation of rules to facilitate the proper functioning of markets by the state) have differential impacts on formal and informal entrepreneurship. The authors found that while economic liberalisation positively impacts both formal and informal entrepreneurship, governance levels have a positive impact on formal

entrepreneurship but a negative effect on informal entrepreneurship. Thus, the study showed how different types of formal institutions may have a conflicting influence on formality and informality. Similarly, the study of Jiménez *et al.* (2015) shows that level of formal education as a formal institutional factor can have differential impact on formal and informal entrepreneurship. Here, the authors revealed that formal entrepreneurship is positively associated to secondary and tertiary education, whereas informal entrepreneurship is only negatively affected by tertiary education.

Nguyen *et al.* (2014) also found among Vietnamese firms that formal institutional factors, such as: government supported finance and reduced levels of corruption in the economy, influence entrepreneurs in the country to participate in formality. The authors further revealed that innovation focused on growth can influence businesses to participate in formality. While the finding on corruption is consistent with the studies of Jiménez *et al.* (2017) and Berdievand Saunoris (2018), that on innovation contradict the evidence from Goel *et al.* (2015), which found that increases in innovation activity rather spur informal entrepreneurship. On corruption, Jiménez *et al.* (2017), went further to show that the pernicious effects of corruption apply to both businesses in the formal and informal economies. These authors also revealed that political discretion as an institutional factor increases the potential for opportunism by government officials. This, therefore, affect adversely costs and uncertainty of entrepreneurs, and hence discouraged them from participating in formal entrepreneurship. The authors further reported that other factors, such as: direct investment from abroad and scarcity of economic resources, affect participation in formal entrepreneurship and informal entrepreneurship, respectively.

Also, in cross-country studies, various other factors have been revealed to affect individuals participation in formal and/or informal entrepreneurship. These include: socially-supportive and performance-based cultures, favourable conditions that enhance economic development, quality of governance, improved access to resources (Thai and Turkina, 2014). More so, the evidence highlight salient factors, such as: economic freedom, as characterised with: rural of law (property rights, freedom from corruption), limited government (fiscal freedom, government spending), regulatory efficiency (business freedom, labour freedom, monetary freedom), and open markets (trade freedom, investment freedom and financial freedom), quality of government decentralisation and corruption spill-overs from

neighbouring countries, among others (e.g., Berdiev and Saunoris, 2020; Goel and Saunoris, 2016; Saunoris and Sajny, 2017). Thus, the evidence shows that there is diversity of salient factors which influence entrepreneurs to participate in formality and/or informality. However, most of these studies seems to focus on the influences of structures, conditions and actors associated with the economic and formal institutional domains of context.

In line with previous studies, the purpose of this chapter was to examine the in-country factors that influenced youths in Ghana to choose to participate in non-farm entrepreneurship and formality. Working within the 'embeddedness in context' perspective as a framework (Welter, 2011), the primary insight gained from the study highlights that the decisions youths in Ghana make towards entrepreneurial actions, such as: non-farm entrepreneurship and formality or informality, are regulated by similar or different salient structures, conditions and actors situated in the contextual environment. Here, the contextual environment is viewed as multi-faceted with economic, social, institutional, spatial and temporal-historical constituents. So far, received empirical research has conflated the influences of identified salient factors that shape the character of those who participate in these venture activities or drives their decisions and motives. The related choices to participate in "non-farm entrepreneurship" and "formality" or "informality" are often examined as a single entrepreneurial action identified as "formal entrepreneurship" or "informal entrepreneurship". Hence, the study in this Chapter has revealed that although the factors which influenced youths to choose to participate in the starting, management or expansion of businesses in the non-farm sector may be related to those that influenced them to be tax compliant (or not), these contextual factors are also likely to have differing influences on their actions. Thus, this finding benefits the literature by allowing researchers to undertake deeper analyses of the trigger factors which induce different entrepreneurial choices, such as participation in non-farm entrepreneurship and formality (or informality). It fleshes out the relationships that exist between these entrepreneurial actions and the salient structures, conditions and actors situated in the contextual environment which trigger their emergence.

Also, when the findings of the Chapter are synthesized to discuss the most salient factors (*research question 1*), Table 4-3 revealed that not only are the two entrepreneurial actions of non-farm entrepreneurship and formality (or informality) distinct, there are varied,

complex and dynamic ways in which the most salient contextual factors stimulate their emergence. For instance, the synthesized Table 4-3 suggest that youths with economic, industrial and spatial characteristics, such as: those who were from upper class backgrounds, worked primarily in non-farm industries or located in the impoverished Northern Region were influenced favourable by these contextual factors to participate in non-farm entrepreneurship and formality. Similarly, the youths were influenced adversely by institutional factors, such as the competence of tax office, to participate in non-farm entrepreneurship and formality. In contrast, however, institutional and spatial factors, such as: prolonged exposure to formal education system, gender norms, norms associated with traditional apprenticeship and rurality of place, were reported to have influenced differently the choices the youths made to participate in non-farm entrepreneurship and formality.

Also, the complexity of influences of the most salient factors were revealed in how social structures and conditions as well as relationships formed by those who participate in VSLA/ROSCAs activities or identified with consensual union marital status strongly influenced the youths to participate in non-farm entrepreneurship. In contrast, within the social domain of context we see that the counterpart of the youths who participated in Ga-Dangme ethnic network activities were influenced by network activities to participate in formality. Similarly, Table 4-3 shows that, while relationships and network activities formed by those identified with never-married marital status adversely influenced their choice to participate in non-farm entrepreneurship, those associated with larger families or Mole-Dagbani ethnic networks influenced these individuals, albeit adversely, to participate in formality.

Thus, consistent with the literature (e.g., Zellweger *et al.*, 2019), the findings revealed the multi-directional nature of the influences of social structures and relationships situated in household and non-household settings and the dynamic responses entrepreneurial youths in the studied BoP setting give to such structures and relationship as part of their choices to participate in non-farm entrepreneurship and formality. More so, the analysis within the 'embeddedness in context' framework highlighted that the identified social structures and relationships are characterised with mechanisms through which various norms (such as: familial norms, norms associated with marital status, ethnic norms, norms situated in VSLAs/ROSCAs) regulate the choices the youths made to participate in non-farm entrepreneurship and formality. Hence, this finding is consistent with evidence in the broader

literature (e.g., Garcia *et al.*, 2019; Reay, 2019) which suggest that social structures and relationships shape the normative commitments of individuals to participate in entrepreneurship.

Furthermore, the complexity of the influences of the most salient factors were revealed in how various characteristics situated in the contextual environment, such as: norms associated with traditional system, relatively poor economic backgrounds or the characteristics of being low spenders on social protection as well as years of work experience and locational factors (in the affluent regions of Greater Accra Region and Ashanti Region or in the between regions of Brong Ahafo region, Eastern Region and Central region), were all identified to significantly stimulate, either favourably or adversely, the decisions the youths made to participate in non-farm entrepreneurship or formality. Thus, the evidence as revealed among the youths are consistent with extant literature discussed in this section which highlight the diversity and dynamics of the salient factors that shape entrepreneurs' decisions to participate in formality and/or informality. However, unlike prior empirical literature which revealed the influences of factors associated with economic and formal institutional aspects of the broader contextual environment, the findings of this study have revealed the crucial role played by factors associated with other segments of context, such as: the informal institutional, the spatial and temporal-historical environments. Hence, the findings revealed a more holistic view of the diversity of salient factors which influence entrepreneurs to participate in non-farm entrepreneurship and formality (or informality).

Table 4-3: Contextual Factors that influenced Youths in Ghana to Participate in Non-farm Entrepreneurship and Formality

<u>Non-Farm Entrepreneurship Decisions</u>			<u>Formality Decisions</u>		
<u>Positive</u>	<u>Negative</u>		<u>Positive</u>	<u>Negative</u>	
<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> • Wealth status-upper class • Primarily work in non-farm industries <p><u>Social factors</u></p> <ul style="list-style-type: none"> • Strong ties: relationships formed by those in consensual union • Weak ties: relationship formed in VSLA/ROSCAs <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Informal institutions: <ul style="list-style-type: none"> • Gender norms • Marital norms that affect those who are in consensual unions • Norms associated with traditional financial systems • Norms associated with traditional apprenticeship <p><u>Spatial factors</u></p> <ul style="list-style-type: none"> • Regional factors in impoverished regions: Northern Region & Upper East Region <p><u>Temporal factors</u></p> <ul style="list-style-type: none"> • Years of work experience 	<p><u>Social factors</u></p> <ul style="list-style-type: none"> • Strong ties: relationships formed by those never-been married <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Formal institutions: <ul style="list-style-type: none"> • Prolonged exposure to formal education systems • Tax office competence <p><u>Spatial factors</u></p> <ul style="list-style-type: none"> • Rurality of place • Regional factors in the Affluent region of Greater Accra Region 	<p>High Influence</p>	<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> • Wealth status-relatively poor, middle class & upper class • Primarily work in non-farm Industries <p><u>Social factors</u></p> <ul style="list-style-type: none"> • Weak ties: relationship formed in Ga-Dangme ethnic networks <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Formal institutions: <ul style="list-style-type: none"> • Prolonged exposure to formal education systems • Participation in adult education programmes • Informal institutions: <ul style="list-style-type: none"> • Ethnic norms that affect those in Ga-Dangme ethnicity <p><u>Spatial factors</u></p> <ul style="list-style-type: none"> • Rurality of place • Regional factors in the poorer regions of Northern Region & Upper West Region • Regional factors in in-between region: Brong Ahafo Region 	<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> • Relatively poor (Low spenders) on Social protection to secure welfare <p><u>Social factors</u></p> <ul style="list-style-type: none"> • Strong ties: relationships formed in families with larger sizes • Weak ties: relationship formed in Mole-Dagbani ethnic networks <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Formal institutions: <ul style="list-style-type: none"> • Tax office competence • Informal institutions: <ul style="list-style-type: none"> • Gender norms • Ethnic norms that affect those from Mole-Dagbani ethnicity • Norms associated with traditional apprenticeship • Norms associated with extended family system <p><u>Spatial factors</u></p> <ul style="list-style-type: none"> • Regional factors in the Affluent Ashanti Region • Regional factors in the in-between regions: Eastern Region and Central Region 	<p>High Influence</p>
<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> • Ownership of landed property: house • Middle class (Medium spenders) on Social protection to secure welfare <p><u>Social factors</u></p> <ul style="list-style-type: none"> • Strong ties: relationships formed by those divorced <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Informal institutions: <ul style="list-style-type: none"> • Marital norms that affect those who are divorced 	<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> • Affluent class (Top spenders) on Social protection to secure welfare <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Formal institutions: <ul style="list-style-type: none"> • Bribe payment (additional unapproved payments) to tax officials 	<p>Low Influence</p>	<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> • Ownership of landed property: house 	<p><u>Social factors</u></p> <ul style="list-style-type: none"> • Strong ties: relationships formed by those divorced <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Informal institutions: <ul style="list-style-type: none"> • Marital norms that affect those who are divorced 	<p>Low Influence</p>

The second aim of the chapter (*research question 2*) was to identify, if any, notable differences that exist between urban and rural youths who made the related choices to participate in non-farm entrepreneurship and formality. To achieve this aim, the complexity of influences of the most salient contextual factors were synthesized in Table 4-4 and Table 4-5 and examined among the urban and rural youths respectively. The first notable difference relates to the wide range of contextual factors associated with the economic domain of context (example: upper class wealth status, ownership of house, medium spenders on social protection) which influenced the urban youths to choose to operate non-farm businesses. Meanwhile, their rural counterparts were stimulated by diversity of factors associated the social constituent of context (example: relationships formed in families with larger sizes, Mole-Dagbani ethnic networks, network activities in VSLAs/ROSCAs) to make such decisions towards non-farm entrepreneurship.

Another notable difference relates to how rural youths who reported as relatively poor (second wealth quintile) demonstrated strong likelihood to participate in formality when their urban counterpart from similar economic backgrounds were not significantly influenced by such backgrounds to make decisions towards formality. The choice made by the relatively poor rural youths to participate in formality raises questions about the character of this entrepreneur group and what might have influenced them to choose to participate in formality despite their lower wealth statuses. A plausible explanation may be that these youths have the characteristics of those described by Grimm *et al.* (2012) as 'constrained gazelles' who were found rather in urban West Africa to operate growth-oriented businesses associated with formality even though they managed such businesses with substantially lower capital stocks similar to survivalists (in this case the most impoverished in society).

Table 4-4: Contextual Factors that influenced Urban Youths to Participate in Non-farm Entrepreneurship and Formality

<u>Non-Farm Entrepreneurship Decisions</u>		<u>Negative</u>	<u>Formality Decisions</u>		<u>Negative</u>
<u>Positive</u>			<u>Positive</u>		
<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> • Wealth status-upper class individuals • Ownership of landed property: house • Middle class (medium spenders) on social protection to secure welfare • Primarily work in non-farm Industries <p><u>Social factors</u></p> <ul style="list-style-type: none"> • Strong ties: relationships formed by those who are identified as divorced or widowed <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Informal institutions: <ul style="list-style-type: none"> • Gender norms • Marital norms that affect those who are divorced or widowed • Norms associated with traditional apprenticeship <p><u>Spatial factors</u></p> <ul style="list-style-type: none"> • Regional factors in impoverished regions: Northern Region & Upper East Region <p><u>Temporal factors</u></p> <ul style="list-style-type: none"> • Years of work experience 	<p><u>Social factors</u></p> <ul style="list-style-type: none"> • Weak ties: relationships formed by those who are participate in Mole Dagbani ethnic networks <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Formal institutions: <ul style="list-style-type: none"> • Prolonged exposure to formal education systems • Tax office competence • Informal institutions: <ul style="list-style-type: none"> • Ethnic norms that affect those from Mole-Dagbani ethnicity <p><u>Spatial factors</u></p> <ul style="list-style-type: none"> • Regional factors in the Affluent region of Greater Accra Region • Regional factors in the impoverished region of Upper West Region 	<p>High Influence</p>	<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> • Wealth status- middle class & upper-class individuals • Ownership of larger pieces of land that support commercial farming activities • Affluent class (Top spenders) on social protection to secure welfare • Primarily work in non-farm Industries <p><u>Social factors</u></p> <ul style="list-style-type: none"> • Strong ties: relationship formed in the household when identified as a child • Weak ties: relationship formed in Ga-Dangme ethnic networks <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Formal institutions: <ul style="list-style-type: none"> • Prolonged exposure to formal education systems • The trust individuals have for politicians to implement good business and regulatory policies • Informal institutions: <ul style="list-style-type: none"> • Ethnic norms that affect those in Ga-Dangme ethnicity <p><u>Spatial factors</u></p> <ul style="list-style-type: none"> • Regional factors in the poorest regions of Northern Region & Upper West Region • Regional factors in the affluent regions of Ashanti Region & Greater Accra Region • Regional factors in in-between regions: Brong Ahafo Region & Volta Regions 	<p><u>Social factors</u></p> <ul style="list-style-type: none"> • Strong ties: relationships formed by those who are identified as widowed <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Formal institutions: <ul style="list-style-type: none"> • Tax office competence • Informal institutions: <ul style="list-style-type: none"> • Gender norms • Marital norms that affect those who are widowed • Norms associated with traditional apprenticeship 	<p>High Influence</p>
<p><u>Social factors</u></p> <ul style="list-style-type: none"> • Strong ties: relationships formed by those in consensual union <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Informal institutions: <ul style="list-style-type: none"> • Marital norms that affect those who are in consensual unions 	<p><u>Institutional factors</u></p> <ul style="list-style-type: none"> • Formal institutions: <ul style="list-style-type: none"> • Bribe payment (additional unapproved payments) to tax officials 	<p>Low Influence</p>	<p><u>Spatial factors</u></p> <ul style="list-style-type: none"> • Regional factors in impoverished region of the Upper East Region 		<p>Low Influence</p>

Table 4-5: Contextual Factors that influenced Rural Youths to Participate in Non-farm Entrepreneurship and Formality

<u>Non-Farm Entrepreneurship Decisions</u>			<u>Formality Decisions</u>		
Positive	Negative		Positive	Negative	
<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> Primarily work in non-farm Industries <p><u>Social factors</u></p> <ul style="list-style-type: none"> Strong ties: relationships formed by those in consensual union Strong ties: relationships formed in families with larger sizes Weak ties: relationships formed in Mole-Dagbani ethnic networks Weak ties: relationships formed in village savings and loans associations/ rotating savings and credit association <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> <u>Informal institutions:</u> <ul style="list-style-type: none"> Gender norms Marital norms that affect those who are in consensual unions Norms associated with extended family system Ethnic norms that affect those Mole-Dagbani ethnicity Norms associated with traditional financial systems 	<p><u>Social factors</u></p> <ul style="list-style-type: none"> Strong ties: relationships formed by those who are widowed <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> <u>Formal institutions:</u> <ul style="list-style-type: none"> Prolonged exposure to formal education systems <u>Informal institutions:</u> <ul style="list-style-type: none"> Marital norms that affect those who are widowed <p><u>Spatial factors</u></p> <ul style="list-style-type: none"> Regional factors in the Affluent region of Greater Accra Region Regional factors in the in-between region of the Central Region 	High Influence	<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> Wealth status-relatively poor, middle class & upper class Ownership of landed property: house Primarily work in non-farm Industries <p><u>Social factors</u></p> <ul style="list-style-type: none"> Weak ties: relationship formed in Ga-Dangme ethnic networks <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> <u>Formal institutions:</u> <ul style="list-style-type: none"> Prolonged exposure to formal education systems (post-secondary to university level) <u>Informal institutions:</u> <ul style="list-style-type: none"> Ethnic norms that affect those in Ga-Dangme ethnicity <p><u>Spatial factors</u></p> <ul style="list-style-type: none"> Regional factors in in-between region: Brong Ahafo Region 	<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> Relatively poor (Low spenders) on Social protection to secure welfare <p><u>Social factors</u></p> <ul style="list-style-type: none"> Strong ties: relationships formed in families with larger sizes Weak ties: relationship formed in Mole-Dagbani ethnic networks <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> <u>Informal institutions:</u> <ul style="list-style-type: none"> Ethnic norms that affect those Mole-Dagbani ethnicity Norms associated with extended family system <p><u>Spatial factors</u></p> <ul style="list-style-type: none"> Regional factors in the affluent regions: Ashanti Region & Greater Accra Region Regional factors in in-between regions: Eastern Region, Central Region, Volta Region 	High Influence
	<p><u>Social factors</u></p> <ul style="list-style-type: none"> Strong ties: relationships formed by those who identify themselves as never been married <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> <u>Formal institutions:</u> <ul style="list-style-type: none"> Some level of exposure to formal education systems (upper secondary school level) <u>Informal institutions:</u> <ul style="list-style-type: none"> Marital norms that affect those who have never been married 	Low Influence	<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> Ownership of larger pieces of land that support commercial farming activities <p><u>Social factors</u></p> <ul style="list-style-type: none"> Weak ties: relationship formed in Ewe ethnic networks <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> <u>Formal institutions:</u> <ul style="list-style-type: none"> Some level of exposure to formal education systems (upper secondary school level) Participation in adult education programmes Bribe payment (additional unapproved payments) to tax officials <u>Informal institutions:</u> <ul style="list-style-type: none"> Ethnic norms that affect those in Ewe ethnicity 	<p><u>Economic and industrial factors</u></p> <ul style="list-style-type: none"> Affluent class (Top spenders) on Social protection to secure welfare <p><u>Social factors</u></p> <ul style="list-style-type: none"> Weak ties: relationship formed in VSLA/ROSCAs <p><u>Institutional factors</u></p> <ul style="list-style-type: none"> <u>Informal institutions:</u> <ul style="list-style-type: none"> Norms associated with traditional financial systems 	Low Influence

The findings further highlight how within the same contextual domains urban youths and rural youths were influenced strongly by some factors and not others in complex ways. For instance, within the institutional domain of context tax compliance adversely influenced urban youth decisions towards non-entrepreneurship and formality but had no influence on rural youths; trust for politicians had significant influence on formality decisions of urban youths but not on rural youths. Also, norms associated with gender, widowed marital status and traditional apprenticeship influenced urban youths adversely to choose to participate in formality while their rural counterparts were influenced by norms associated with extended family system and Mole-Dagbani ethnicity. Similar observations are made when locational factors, such as being located in affluent, impoverished or in-between regions were observed.

Received research in the entrepreneurship field (e.g., Williams and Nadin, 2012a,b,c) routinely point to how entrepreneurs in urban or affluent localities of transition or developed societies (e.g., Ukraine, Russia and England) are largely influenced by economic factors associated with commerce, such as profits, to participate in informality (in terms of keeping off-the-book records), while their counterparts in rural or deprived localities are rather influenced by social factors, such as relationships, to participate in informality. However, unlike the evidence reported among the youths in Ghana, fewer studies have empirically examined how rural and urban entrepreneurs are influenced similarly or differently by economic and social factors to choose to operate non-farm businesses and simultaneously participate in formality and/or informality. Thus, situated in a developing African setting, the findings as revealed among the urban and rural youths, go further to show the specific most salient factors that shape the decisions entrepreneurs make to participate in non-farm entrepreneurship and formality or informality (in terms of being tax compliant or not).

In sum, the findings of this Chapter weighed in on the debate on the salient factors that trigger entrepreneurs to participate in non-farm entrepreneurship and formality (or informality). It highlights the complexity of the structures, conditions and actors in other domains of context, beyond the formal institutional and economic domains, as examined in prior empirical studies, which stimulate entrepreneurial individuals to choose to engage in these enterprise activities. This, include some informal institutions, social structures and relationships, location-specific factors and life-course factors (such as: years of work experience) attributed to the temporal-historical domain, which were recorded among the

youths in Ghana and argued to have differential influences on non-farm entrepreneurship and formality choices. Thus, the Chapter revealed the conflicting influences of different types of contextual factors which has been unexplored in the broader management literature and highlighted the multi-directional nature of the choices the youths made towards the studied entrepreneurial activities.

Hence, the dynamic nature of decisions the youths made as response to the factors associated with the constituents of context, revealed how these individuals might have been stimulated by human agency to operate non-farm businesses and participate in formality (or informality). Although some of the youths were constrained, in terms of lacking economic resources that were specific to their circumstances or their locations, their engagement with actors, conditions and structures located within and across the domains of context might have influenced them to exploit non-economic resources (which included the use of their cognitive scripts) to operate non-farm businesses and participate in formality. Hence, the dynamic choices they made towards the studied phenomenon were outcomes of complex interactions that occurred between agency and context of which they were embedded and navigated.

To this end, the study has revealed the dynamic influences of the identified salient factors and agency on the decisions the youths made to participate in non-farm entrepreneurship and formality. It extends the analysis from economic and formal institutional-centric contextual considerations to the exploration of structures, conditions and actors situated within and across other constituents of context, which also has micro, meso and macro segments (Basco, 2017; Welter, 2011).

4.6 Complementary analysis

This section reports on the additional estimations carried out to check for the robustness of the results analysed in the chapter. As a first complementary analysis, I run separate bivariate probit regressions on individuals in the entire labour force who participated in non-farm entrepreneurship and formality and compared that with the youth sub-population. The results, as reported in Table 4-6 in Appendix A.1.1, are consistent with the original models

reported in Table 4.2 among the youths. However, while the directions and magnitude of relationships are similar, results among the youth population in some of the variables (e.g., *never married* marital status, *consensual union* marital status, *trust politicians*, *size of farmland*) have less predictive power due to the smaller sample size. Secondly, I carried out a further analysis by introducing variables, such as '*main source of capital*', '*difficult to find work in community*' and '*public transport pass community*' and re-estimated the bivariate models. However, the low response rate in these introduced variables led to inconsistent coefficients and hence their exclusion from the selected variables used for the analysis.

Also, I replaced several variables, such as: '*position within the household*', '*ethnic group affiliation*', '*religious group affiliation*', with variables such as: '*trust family members*', '*trust ethnic group affiliated*' and '*trust religious group affiliated*' respectively, and once again re-estimated the bivariate models with the replaced variables. These results were then compared with the results of the original models reported in this study (see: Table 4-7 in Appendix A.1.1). While *trust in family* revealed significant association on the choice made by rural youths to participate in non-farm entrepreneurship, *trust in religious group affiliated* revealed similar results among urban and rural youths, with no strong associations recorded on the choice made to comply with state taxes. Also, it showed that the replaced models recorded an improvement in the magnitude and degrees of significance of the estimated coefficients for variables, such as: *never-been married* marital status, *family size*, *Upper East Region* and *Upper West Region*. So, I went further to re-estimate another set of models with variables in the original models and introduced the *trust in family*, *ethnicity* and *religious group* variables (see: Table 4-8 in Appendix A.1.1). By and large, the direction and relationships of the co-efficient estimates across the array of specifications remained stable and revealed magnitudes and degrees of significance of the estimated coefficients which are similar to the original models used for analysis. This shows that it is unlikely that the results used for the analysis were driven by omitted variable bias (Altonji *et al.*, 2005). Thus, the set of findings mitigate the concerns I had on the consistency of the results due to alternative model specification and omitted variable bias.

Furthermore, the results in Table 4.2 as used for the analysis confirmed that a bivariate probit specification is a better fit with the data, as the correlation coefficients ρ between the error terms in the models are significantly different from zero in the specification. This means

that the two equations on the choice to participate in non-farm entrepreneurship or be tax compliant depend on each other and that I made the right decision by modelling them as jointly determined. The negative sign of rho (ρ) in the estimated models entails that the unobserved factors that increased the probability that the youths chose to participate in non-farm entrepreneurship decreased their likelihood to comply with state taxes. This means that controlling for unobservables, the choice made to comply with tax regulations in Ghana according to the estimated results affect adversely the decisions youths made to operate non-farm businesses.

There are several possible explanations for this pattern of selection in the unobservable of youth entrepreneurs. One is the possibility that non-farm entrepreneurship provides the youths less access to incomes generated above minimum thresholds of taxable incomes for them to pay taxes on such incomes to the state. Also, the youths might have been selected among individuals with lower rates of participation in non-farm entrepreneurship and tax compliance that could be a key factor to explain the dynamics of the tax compliance behaviour among them. Furthermore, it is likely that the youths who operate self-employed non-farm businesses have lower chances to pay taxes due to formal and informal regulatory constraints which may hinder business operators from paying taxes on their incomes. Finally, the level of collinearity among the estimated parameters was examined with the help of correlation matrices and was concluded that no multicollinearity was present in estimates (Wooldridge, 2010). Appendix A.1.2 provides a table of the correlation matrix.

4.7 Summary

This chapter presents the quantitative findings of the study. It has used data from GLSS6 to examine the factors which influenced the probability that the youths in Ghana choose to participate in non-farm entrepreneurship and formality (or informality). The first part of the chapter presented some digestible statistics that reflect the demographic characteristics of the surveyed respondents used for the analysis. This was then followed by the empirical results and analysis on the joint decisions the youths made towards participating in non-farm entrepreneurship and formality. The analysis, carried out within the lens of the 'embeddedness in context' perspective (Welter, 2011), have shown that contextual factors situated in domains of the multi-faceted context in which the youths are embedded play important role in shaping their decisions, in complex ways, to participate in non-farm entrepreneurship and formality (or informality). Hence, by revealing the salient contextual factors, the chapter produced four specific findings, which are:

- (i) The salient factors situated in domains of context which trigger urban and rural youths to choose to participate in non-farm entrepreneurship may or may not be the same factors that influenced them to participate in formality (or informality).
- (ii) There were observations made among the youths in the general population (Model 1) on the probability to choose to participate in non-farm entrepreneurship and formality (or informality), which was completely different when the youths were disaggregated into urban youths (Model 2) and rural youths (Model 3) respectively. Such a finding highlight the heterogeneous character of urban and rural youths studied and the decisions they made towards non-faem entrepreneurship and formality (or informality).
- (iii) The choices affluent, those in the middle class and less affluent youths made to participate in non-farm entrepreneurship and formality were driven not only by economic and formal institutional factors situated in the broader contextual environment but also non-economic and non-formal institutional factors, which include: informal institutions, social structures and relationships, location-specific structures, conditions, actors and resources as well as intergenerational or historical factors, that facilitated and/or constrained the decisions they made to

participate in non-farm entrepreneurship and formality.

- (iv) The multi-directional nature of the choices the youths made towards the studied phenomenon also highlighted how they were stimulated by human agency. Hence, the dynamic choices these individuals made towards non-farm entrepreneurship and formality were outcomes of complex interactions that occurred between agency and context of which they were embedded and navigated.

It must be noted, however, that the analysis carried out within the 'embeddedness in context' perspective does not provide the specific transmission mechanism through which the factors examined influence the youths to choose to participate in non-farm entrepreneurship and formality (or informality). The chapter that follows (Chapter 5) examines how the factors (structures, conditions and actors) situated in the domains of context influence rural youths in the Northern Region and the Ashanti Region of Ghana to participate in non-farm entrepreneurship, formality and/or informality.

Chapter 5: Rural Youth Entrepreneurs (in)formal entrepreneurial activities in the domains of context

5.1 Introduction

The previous chapter used quantitative tools to reveal the salient factors situated in the domains of context which influence the likely decisions youths in Ghana made towards participate in non-farm entrepreneurship and formality, in terms of being compliant to pay taxes to the state. The findings highlighted notable similarities and differences in the probability of choice made by urban and rural youths to participate in the phenomenon which provided a broader picture of the complexity of decisions taken by these entrepreneurial groups in such an emerging economy. This chapter presents the qualitative results of the second phase of the transformative sequential mixed method research outlined in Figure 3-1. As stated in Chapter 1 (see: Section 1.5), the primary objective of the qualitative study is to understand the nature of the multi-faceted context in which RYEs operate their non-farm businesses and the transmission mechanisms through which factors located in the domains of context influence their actions to participate in (in)formality. Thus, the following research questions drove the second stage of the study: (3) *What is the nature of the multi-faceted context in which RYEs in Ghana are embedded and navigate to operate their non-farm (in)formal businesses?* (4) *How do the structures, conditions and actors situated in the domains of context influence the venture activities of rural youths and their practices toward formality and informality?*

The data presented in this chapter achieve the second objective of the thesis by providing insight into respondents understanding of the influences of the domains of context, and their response to such influences to participate in non-farm (in)formal entrepreneurship. This is important, because it generates knowledge on *when* rural youths start participating in this phenomenon, *why* they participate in it or change their entrepreneurial practices within the formality-informality continuum and *how* they foresee their future engagements with aspects of the continuum. The findings presented in this chapter was obtained from semi-structured interviews and observations carried out among 46 RYEs in the *Atwima Nwabiagya* District and the *Tolon/Kumbungu* Districts as well as 14 key informants in the respective

districts and their regional capitals of the Ashanti Region and Northern Region respectively. Chapter 3 provide a detailed discussion of the methodological approaches used to achieve the findings discussed in this chapter, with Figure 5-1 showing the first-order concepts, second-order codes, which were then combined into the aggregate themes. Also, the codebook in Appendix B.1.6 provide a sample of the more detailed coding framework used to arrive at the findings in the chapter.

The chapter begins with a description of the nature of the multi-faceted context exposed to the respondents and the associated mechanisms that trigger, facilitate and constrain their (in)formal entrepreneurial activities. The findings reveal different dimensions of context which are mutually supportive, with their interdependencies stabilising context and influencing the emergence of non-farm (in)formal entrepreneurship. Such revelation showcases key dimensions of context, across the social, economic, institutional, spatial and temporal-historical domains, with structures, conditions and actors located within and across the domains. These structures, conditions and actors shape how (in)formal entrepreneurial actions emerge and evolve among the RYEs. Having examined the nature of context, the next section of the chapter moves further to present the detailed findings of respondents' opinions on the key activities carried out in the domains that lead to venture creation within the continuum. While the views and experiences of the respondents on the emergence processes that lead to non-farm (in)formal entrepreneurship largely overlaps across domains of context, the findings presented explored how such processes occurred within the domains during such emergence processes. The chapter concludes with a summary that highlights the key findings analysed.

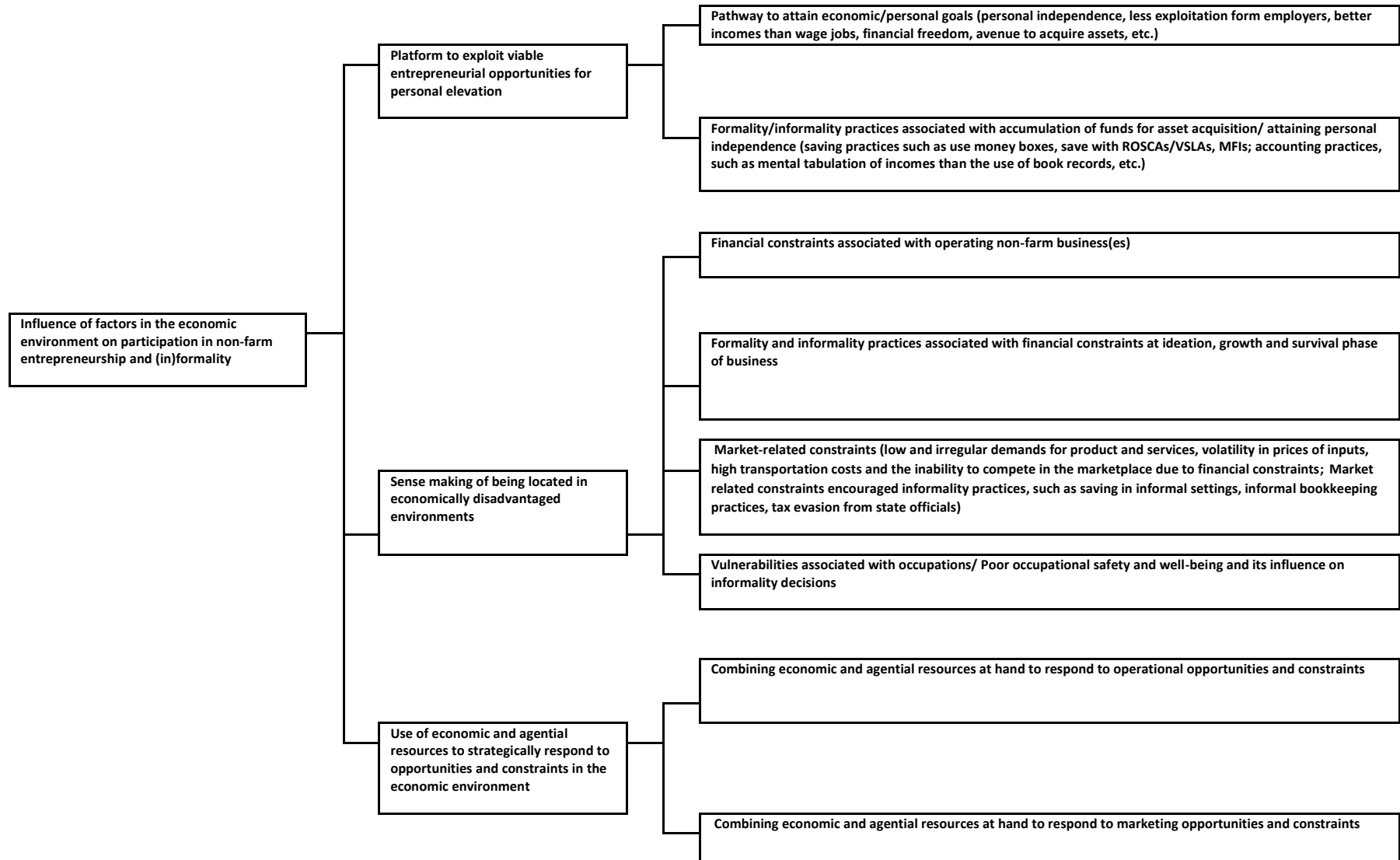
Figure 5-1: Data Structure

Aggregate themes

Second order codes

Examples of first order-concepts

(A)

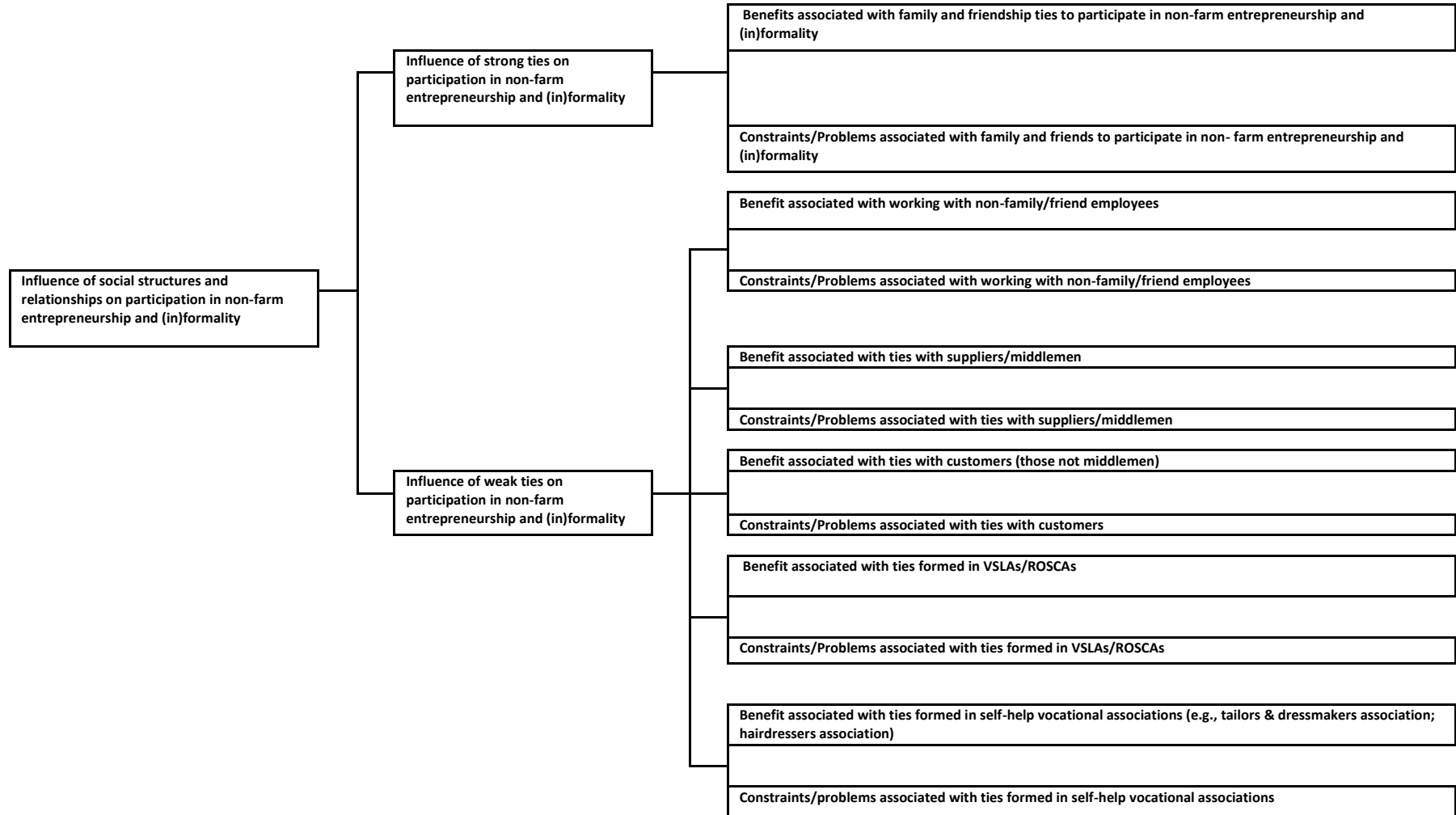


Aggregate themes

Second order codes

Examples of first order-concepts

(B)

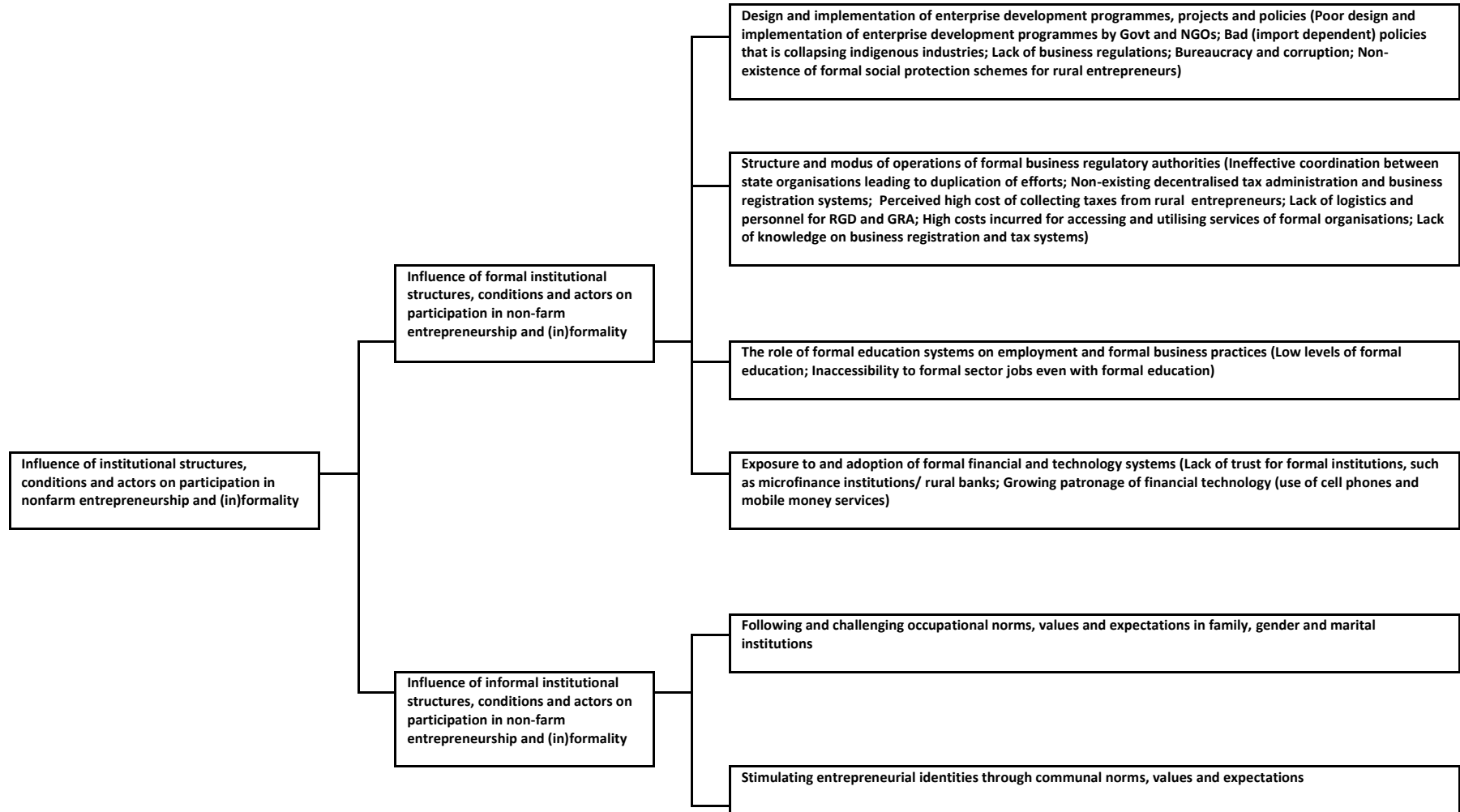


(c)

Aggregate themes

Second order codes

Examples of first order-concepts

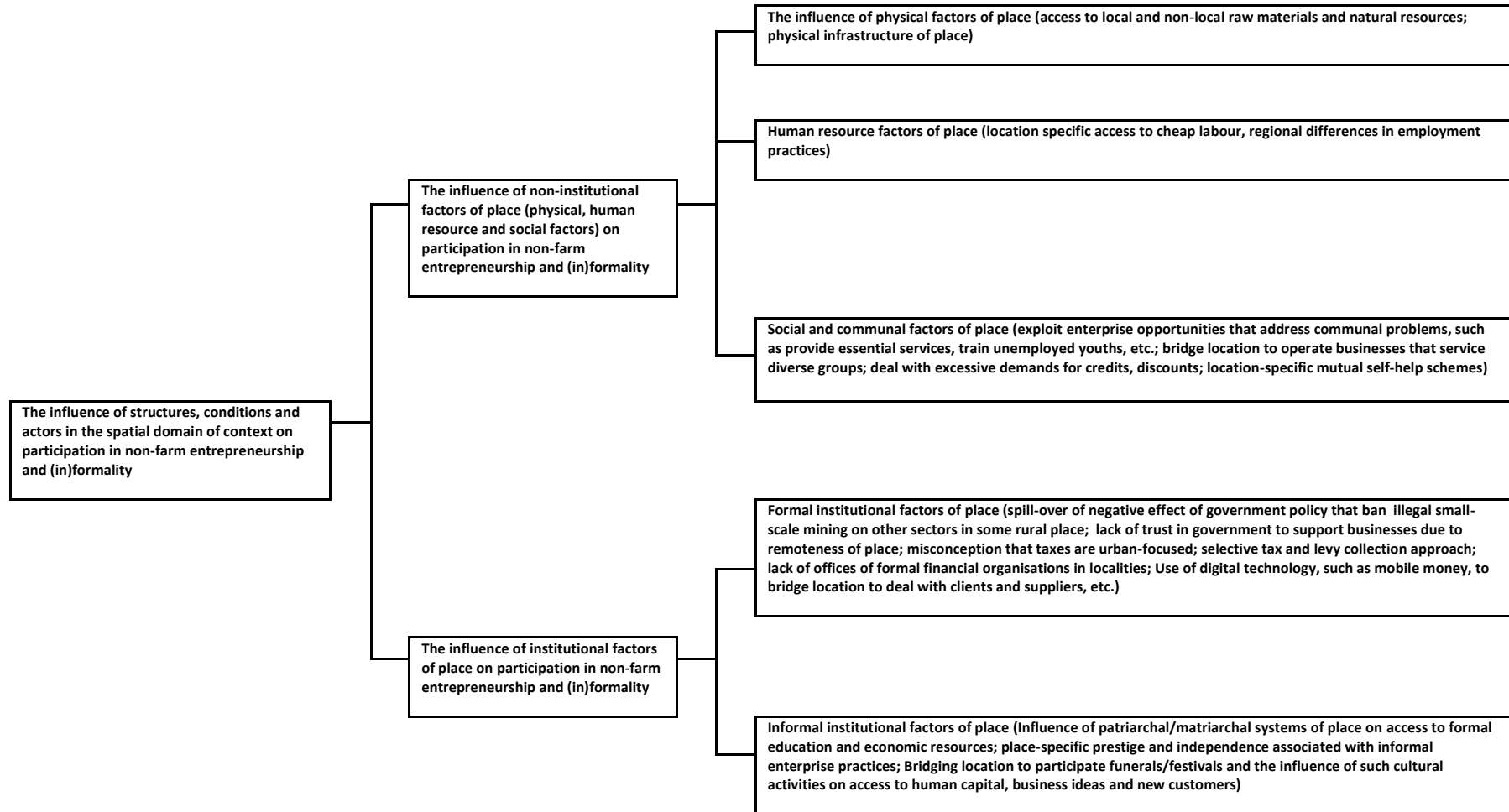


Aggregate themes

Second order codes

Examples of first order-concepts

(D)

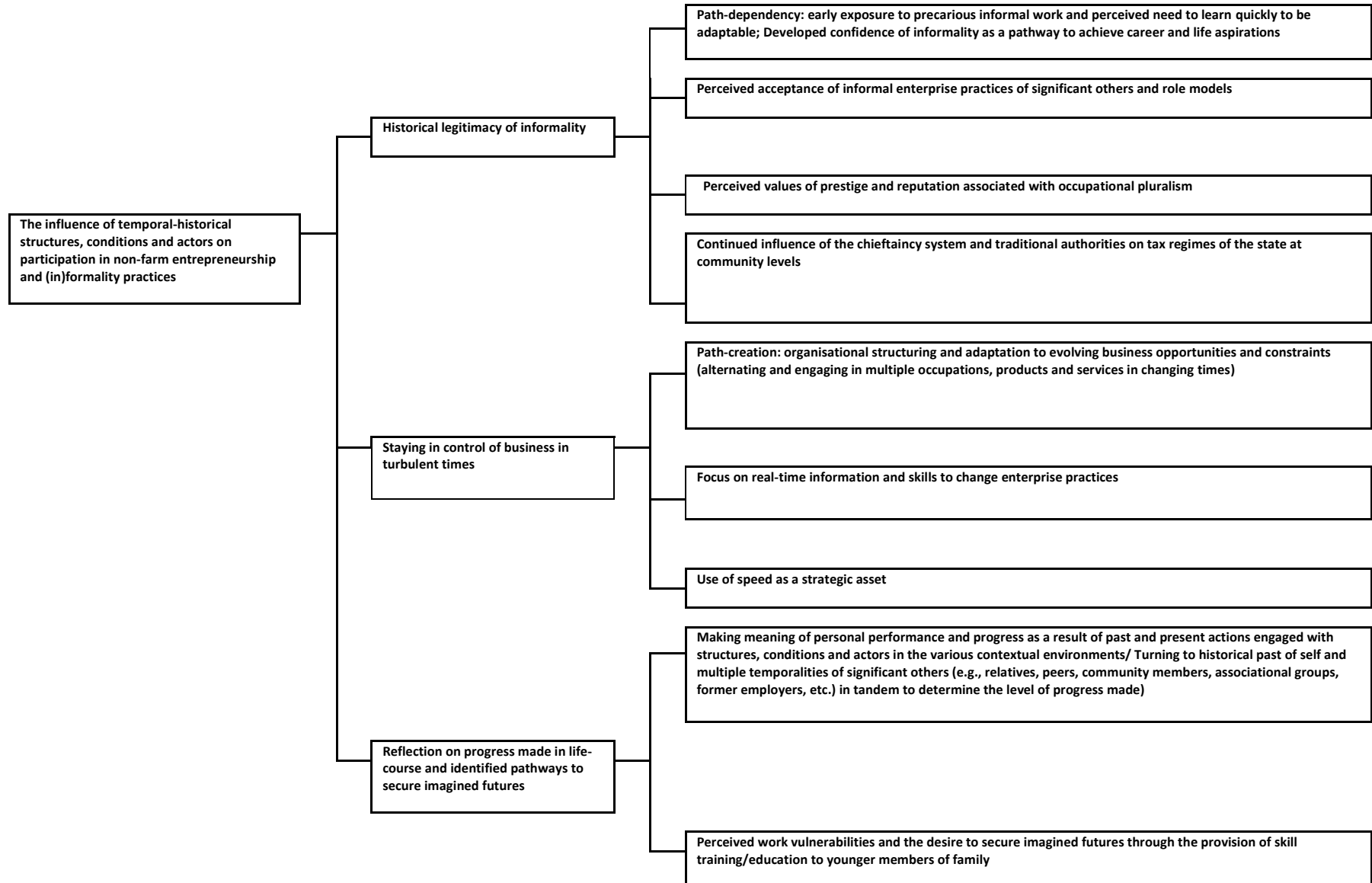


Aggregate themes

Second order codes

Examples of first order-concepts

(E)



5.2 The nature of the multi-faceted context navigated by rural youths' entrepreneurs

This section presents the collective account, which emerged from the interviews and personal observations undertaken with the respondents and key informants. The data revealed that the respondents were engaged in a number of non-farm business practices that occurred within the formality-informality continuum. Such a continuum was observed as a broad and dynamic construct characterised with decisions and actions made to: incorporate or not ventures; comply to pay taxes to the state; book-keeping and accounting practices of their enterprises; nature of contractual arrangements (particularly with employees, suppliers, clients, associational activities); management practices of the firm as a 'going concern' and; access and use of formal organisations and tools, such as: banking services (e.g., ownership and use of active savings accounts, access to credits, etc.), digital financial services (e.g., mobile money services), formal social security and welfare schemes (specifically, the Social Security and National Insurance Trust (SSNIT) Informal Pension Scheme as used in Ghana).

Initial observation of the venture activities carried out by the respondents presented a picture which suggest that many of the RYEs operate ventures located largely in the informal segment of the formality-informality continuum, especially when the rate at which they had registered their businesses were considered (only 7 out of the 46 respondents had incorporated their businesses). However, careful examination of the data material revealed that the RYEs actively participated in formality as much as they were engaged in informality, which occurred in a complex, non-linear and dynamic manner within the continuum. Formality-informality practices were found to influence and influenced by various structures, conditions and actors situated in highly resilient and dynamic domains of context which are interdependent and mutually supportive. These RYEs were influenced by norms, values, relationships, regulations, infrastructures, artefacts and understandings that were situated in the domains of context, through which their entrepreneurial efforts, including actions they carried out towards formality and informality, were guided, facilitated and constrained. The process model detailed in Figure 5.1 describes the nature of the complex multi-faceted context, with domains that shape non-farm (in)formal entrepreneurship processes of RYEs in the research sites.

The process model sets the individual realities of RYEs into the multi-faceted context in

the micro, meso and macro-level environments that are conditioned with economic and non-economic resources (e.g., economic capital, social capital, cultural capital, symbolic capital and cognitive interpretations, reasoning and mentalities) as important resources which allow them to exploit their aspirations, passion, ideas, expectations, wishes, hopes and emotions (Bourdieu, 1986, 1993; Çakmak *et al.*, 2018; Lippmann and Aldrich, 2016; Wadhvani and Jones, 2014) as well as other forms of agential resources, such as the use of the physical strength and abilities to reduce enterprise costs associated with formality and informality. These resources enhance the economic and non-economic gains that RYEs associated with their venture creation activities.

Within the economic, social, institutional and spatial domains, RYEs are faced with limited access to resources, such as: financial capital, knowledge and skills, information, technology and infrastructures (e.g., roads, transportation systems and communication networks), which could have supported the development of their ventures in the more formal segment of the continuum. Nonetheless, these entrepreneurs combined agency (mental capacities and alertness) with various other resources, such as social, cultural, symbolic, cognitive and physical resources at their disposal to generate the economic resources they need to operate their ventures. At the ideation and implementation phases of their ventures, sometimes RYEs lack not only economic capital but also other resources, such as social and symbolic capital. They thus depend heavily on their agency, physical abilities and strengths to operate their ventures within the continuum.

In institutional settings where formal institutions were found as weak and sometimes non-existent, RYEs embed their enterprise activities in informal institutions, which defined the 'rules of the game' (North, 1990) and determined enforceable norms, status, values, regulations and understandings that legitimised and normalised informality of their non-farm venture activities. However, under some conditions, the structures, conditions and actors situated in informal institutions constrained the venture activities of the RYEs. Experiences of such constraints made some of them to choose formality activities as tactical and strategic practices to 'dis-embed' aspects of their operations from those informal institutions. In other words, the RYEs engaged in various tactics to reduce what they considered as excessive demands from informal institutional actors, by moving some of their business operations towards the formality-end of the continuum (e.g., they hid funds in formal sources to reduce financial demands from extended family and communal actors).

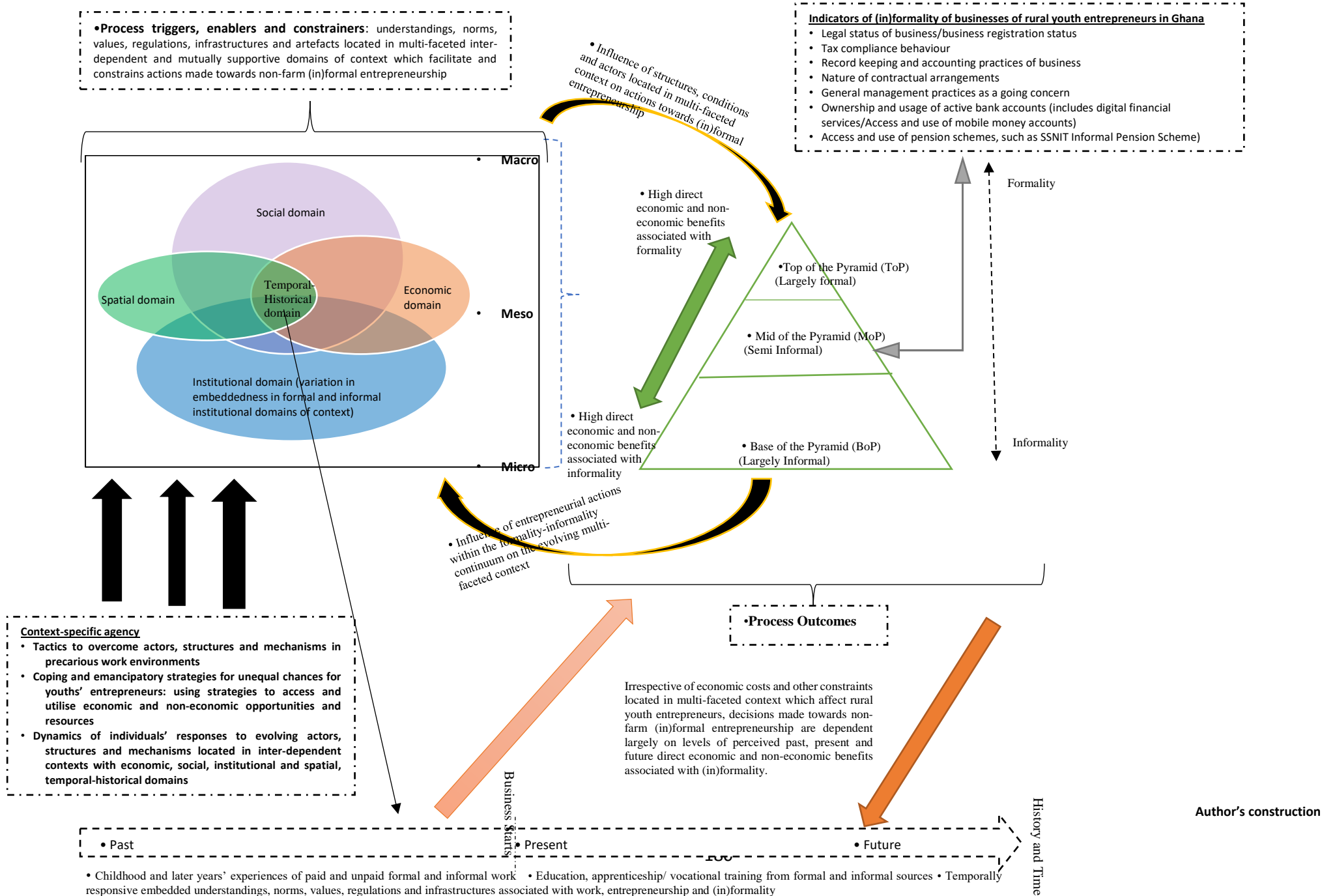
According to the interviews, history and time play important roles in constructing stable and evolving contextual processes that lead to the emergence of non-farm (in)formal entrepreneurship. Influencing and being influenced by the other domains, the interdependencies that occur between temporal structures and conditions situated in life-course of RYEs and key actors connected to them (e.g., parents, grandparents, peers, former employers, etc) and the other domains of context provided the RYEs the tools, artefacts, spaces, legitimacies, ingredients and powers they needed to participate in non-farm entrepreneurship which occurred in complex ways within the formality-informality continuum. Irrespective of economic costs and other constraints located in the various domains, history and time, acted as strategic assets, which provided the RYEs with the spaces they needed to evaluate the economic and non-economic benefits as well as the economic and non-economic resources at their disposal. They accessed and utilised these benefits and resources, which included all agential resources (mental capacities, physical abilities, strengths and temporal resources) in a self-reflective and emancipatory manner, to determine the present and future course of their ventures. They participated in formality and informality in the interest of the evaluated economic and non-economic benefits. Such benefits which usually were anticipated as of more value than the costs allowed some RYEs to compete actively with other enterprises not only in Base of the Pyramid (BoP) markets but also the Mid of the Pyramid (MoP) and in limited number of cases Top of the Pyramid (ToP) markets within the formality-informality continuum.

The influence of time and history on entrepreneurial actions carried out towards formality and informality with non-farm enterprises also shaped the domains of the multi-faceted context in a recursive manner, causing some of the norms, values, relationships, infrastructures, artefacts and understandings which guided, facilitated and constrained (in)formal entrepreneurial processes to evolve across space and time. Thus, by examining the emergence of non-farm (in)formal entrepreneurship among RYEs in such a contextual manner, the collective narratives of the respondents revealed the overall emancipatory and self-reflective processes that RYEs undergo to survive and overcome *gerontocratic* and patriarchal dominance, which are coterminous with traditional authoritarian societies in rural Ghana and manifest in inequalities associated with access and use of economic, social, institutional and spatial resources in work and enterprise spaces within the formal-informal continuum.

The sub-sections that follow present the findings within each of the domains of multi-

faceted context, and explores how the process triggers, enablers and constrainers situated within and across the domains influence the venture practices of the respondents towards formality and informality with their non-farm businesses.

Figure 5-2: Process model of the dynamic relationship between Context and (In)formal entrepreneurship in rural Ghana



5.2.1 Economic domain of Context

The findings revealed the critical importance of the economic domain of context, which relates to the economic opportunities, conditions and constraints that prevail in the micro, meso and macro environments that affected the enterprise practices and motives of the respondents, and the creative ways in which they reacted to such opportunities, conditions and constraints. Three meta constructs which display the influences of the economic domain and RYEs responses were identified: (1) Platform to exploit viable entrepreneurial opportunities for personal elevation (2) Sense-making of being located in economically disadvantaged context, and (3) Use of economic and agential resources at 'hand' to strategically respond to opportunities and constraints situated in economic domain.

5.2.1.1 Platform to exploit viable entrepreneurial opportunities for personal elevation

As expected in a rural setting of developing African country, the findings revealed a challenging economic environment in which the RYEs are situated. Nonetheless, it was within such a challenging economic environment that many of the respondents perceived avenues to exploit business opportunities that could lead to financial freedom, personal independence, asset acquisition and personal success. Such optimistic view of the economic environment for non-farm entrepreneurship was derived from many sources, which included perceived understanding of poverty, unemployment, under-employment and poor conditions of service associated with wage employment in the farm and non-farm sectors or from self-employment in farm occupations. The economic platform the RYEs were exposed to offered them with viable enterprise opportunities which provided avenues to generate economic and non-economic resources. These resources allowed them to exploit the identified opportunities at the ideation, implementation, survival and growth phases of their businesses. For many of the respondents, non-farm entrepreneurship and the associated formality and informality practices had become a pathway to engage in profitable income activities that allowed them to take control of their lives. A common perception held was that self-employment in the non-farm sector could be associated with relatively predictable incomes which could be relied upon to attain the improved economic positions the RYEs sought to achieve to be considered as 'successful' young adults in their societies. The following quotes are indicative:

"Farming is good because it provides food for the home, but if you operate your

own (non-farm) business, you can make some money, which is better...The hard work on the farm doesn't get you any money unless you go and work in someone's cocoa farm as a labourer for the person to pay you something little"(INT31)

"When I did not have this business, it was difficult to get money even to buy good clothes when my old ones got worn out; there was no money even to buy soap to wash the few ones I had. So, it was good I started my own work" (INT34)

"It is through this (dressmaking) business that I have been able to buy a plot of land, and now I am building my own house. Once, I finish I will leave the family house to my own place so that I can have my peace of mind from all these prying eyes (from family members) and their unnecessary gossips" (INT36)

"A lot of the boys have seen that the way out (of less rewarding enterprise and work practices) is to manage your own (non-farm) business and so many of them are here to learn the job as apprentices so that they can also become masters (skilled mechanics), because when you have your own (non-farm) business you are able to live a better life and become more responsible" (INT2)

Extant literature (e.g., Adom, 2014) suggest that entrepreneurs in Ghana, albeit the urban economy, may be influenced by their personal economic situations and conditions in their societies to participate in venture activities associated with informality, out of need or opportunity, which may lead to some identified benefits (e.g., personal independence, financial freedom and decent living, etc.). Consistent with existing literature, the findings in this study revealed among the respondents that perceptions of profitable business opportunities situated in the economic environment in which RYEs navigated drove the first steps and subsequent actions some of them took to identify, seize and take risks associated with establishing non-farm ventures.

Such perceptions of opportunities influenced the RYEs engagement in practices that were associated with informality and formality where they deemed such venture actions as necessary to achieve the economic benefits as listed. For instance, the respondents were found as engaged in formal and informal savings practices, in their homes, with VLSAs/ROSCAs and rural banks as they saved to attain the elevated economic positions with their ventures as anticipated:

“Those of us (kente weavers) who have some specific objectives that we are working towards keep records of our monies. For instance, if you plan to buy a TV (television set) for your room from this work (kente weaving venture) you have to make sure that every money you get you take a little for yourself and save the restI save that money in the Susu box (wooden or metal savings box) in my room....at the moment my target is to save to buy furniture to decorate my room and so every little money I make from the work go into my susu box...I calculate in my head (mental tabulation) every day, so I am able to know how much I have saved....I will open the box when I think I have saved enough to buy the furniture”(INT23)

“I make sure I save part of the little monies I make from this work (dressmaking business) with the (rural) bank every day, and it is part of that money that I used to buy cement and other building materials for the house I am building” (INT36)

Thus, the economic domain provided spaces for the respondents to exploit business opportunities, which led to the improved economic positions they had anticipated. Such a platform influenced them to make rational decisions that determined at what point of their non-farm ventures they should normalise formality or informality related to their savings and record keeping practices to attain the elevated positions.

5.2.1.2 Sense-making of being located in an economically disadvantaged environment

The second meta construct of the narratives of the respondents revealed that many of them made sense of three overarching constraints they faced at point of entry, during implementation, survival and growth phases of their non-farm ventures that prevail in the economic domain which influenced their decisions and practices towards formality and informality within the continuum: (a) financial constraints associated with starting and operating their ventures (b) constraints faced in the marketplace, in the form of low and irregular demands for their products and services, business competition and constraints associated with market volatility regarding prices of inputs and other raw materials which increased the cost of doing business, as well as (c) vulnerabilities associated with certain occupations in terms of poor occupational safety and well-being.

(a) *Financial constraints associated with establishing and operating ventures*

First, similar to evidence reported in urban Ghana (Hart, 1973), entry to the venture activities engaged by the RYEs were dependent on the type of industries and conditions that prevailed in the industries they chose to operate their ventures. However, the narratives of the respondents suggest that most RYEs are faced with notable entry costs in their enterprise activities, with their views relatively distant from arguments advanced in the literature on negligible entry barriers for participating such ventures (Eijdenberg and Borner, 2017; Khavul *et al.*, 2009; Otoo *et al.*, 2012). It was observed that although many of the youths had completed their apprenticeships which made them skilled enough to launch their ventures they could not do so as a result of limited access to economic resources and thus many rural youths continued to work for their masters (employers) at minimal pay. For instance, INT41 explained:

"I could not leave my master's shop when I completed the apprenticeship because I had no money to get a plot of land and tools to start my own business... I had to save for 12 years from the little monies he was giving me as a junior master before I could rent this place, which is not even a good location to do the work...I couldn't afford a better location to start the work".

The financial constraints faced by the RYEs were not limited to the ideation phase of the venture creation process but also during the implementation, survival and growth phases of such businesses. As INT2 argues:

"I have a problem with capital. I wish I could have enough money so that I can buy spare parts to help me operate my shop well, but I am unable to do that. If I could buy more spare parts, it will help me grow my business".

Similarly, INT39 explained:

"I have been trying to do new designs, and styles like leather shoes and bags and I am able to get customers to buy the products but money (capital) is still a challenge, and because of that I am not able to grow this (shoe manufacturing) work the way I want it".

With minimal amounts of economic capital, in the form of cash, financial assets, machines

and tools, many of the respondents operated their businesses on smaller scales which encouraged survival practices associated with informality, such as, using meagre and aleatory incomes generated from their businesses to meet basic needs instead of saving these earned incomes in more formalised settings, such as rural banks. Such inability of RYEs to save funds from their businesses was not limited to formalised settings but also informal sources, such as in VSLAs and ROSCAs:

“I was saving with the rural bank, but because I don’t get enough money from the work now, I am not able to save anymore” (INT41)

“I used to participate in a susu (ROSCA savings) group two years ago, but I stop because I am not able to make regular income to contribute my share to the group” (INT24)

Also, the marginal incomes that some of the RYEs earned from their ventures influenced them to choose to evade taxes. For instance, INT40 argued that:

, “The thing is if you are doing business and you are getting a lot of money, and you are told to pay taxes you won’t feel it when you pay it. But, in the businesses that we do we are not making enough money for us to be able to pay, so we feel it when they come to collect the tax from us, that is why some of the people choose not to pay”.

With few non-farm ventures visible in the business environment at some of the research sites, RYEs who operated such ventures believed that they were easily identified and taxed heavily by revenue officers and thus used every opportunity they got to avoid paying the perceived significant sums demanded from them as taxes. For these entrepreneurs, while they could not evade paying taxes, in the form of District Assembly levies, operating permits and market tolls, they engaged in practices that allowed them to under-report the amount they were expected to pay to the revenue collectors. As INT39 explained:

“I normally meet them (market toll collectors) when I go to sell my products in the market. They charge a market toll of 10GHS for a whole week... but if you make them know that business is good, they will always come to force you to pay. So, sometimes when you see them coming, you have to quickly put on a sad face and beg them that business is not good, and they collect any money you give them”

(INT39).

Thus, the RYEs understood that the economic environment they operated their ventures were conditioned with financial constraints, which affected their venture creation processes and practices associated with formality and informality.

b) Constraints faced in the marketplace

Second, the financial constraints the respondents faced were worsened by market-related constraints, which were associated with low and irregular demand for products and services, a situation that led to low profitability and incomes. However, there were a limited number of cases where the nature of enterprises engaged in by some of the respondents (e.g., INT5, INT10, INT13, INT19, INT34, INT35, INT37 and INT43) allowed them to enjoy appreciable high demands for their products and services. Although competition was recorded as industry-specific, with entry to most industries restricted by financial constraints, the analysis revealed that many of the RYEs were faced with limited competition in the market place, as only a handful of competitors in similar ventures were recorded and observed. Despite the lack of competition, the problem of low economic capital faced by these entrepreneurs made many of them not able to maximise market-related opportunities that prevailed in the business environment. For instance, INT22 explained:

“We have only two masters (skilled hairdressers) in this community, and each of us have our own customers, but I am not able to compete with the other lady because I don’t have money to buy things like hair creams and other hair products that my customers often ask, so I am losing the customers”.

Also, for some of the respondents (e.g., INT18, INT28, INT38 and INT39), who were engaged in local industries, such as smock making, pottery, local soap making, sale of locally-grown rice and shoe manufacturing, among others, the competition they faced was rather



Photo 1: Example of locally manufactured products of respondents which faces competition from similar products made by big companies/foreign firms: Top: The Researcher and wage employees of a youth-owned enterprise standing at the production site of locally made grinding pots; Down-left: locally made soap in cake form; Down-right: locally-made sandals (photo: Benjamin Afreh/Francis Sarkodie).

from foreign firms and importers who supplied cheap products to the market²², such as cheap second-hand clothing, shoes and plastic products, etc. that hampered the growth, profitability and incomes of businesses of the respondents:

“We don’t get much market for the apotoyewaa (traditional grinding pots) we sell like we used to because there are now cheap plastic bowls on the market and operators of chop bars (local restaurants) prefer these bowls than serve their customers in the apotoyewaa that we make which is killing our businesses” (INT28)

“there are a lot of cheap sandals from China in the market, (and) the people

²² Competition from cheap imports is a continent-wide problem (e.g., Mlambo, 2017; Opoku and Sandberg, 2017; Sampath, 2014), with many local entrepreneurs, especially those who operate their businesses in the manufacturing sector, faced with tariff regimes that favours importation of substitute foreign goods at the expense of local manufacturers. This situation has led to tensions among policy makers in some of the African countries and their trading partners in the West: <https://www.bbc.co.uk/news/world-africa-44252655>

(customers) buy them which affect our business...previously, I could sell all these manufactured sandals in less than a week, but now it takes two weeks to get all sold" (INT39)

Also, stories were heard about how frequent fluctuation in prices of production inputs sporadically increased the cost of production. Many of the RYEs complained that rising prices of their inputs (e.g., leather products, yarn, vehicle and motor spare parts, hair products and creams, plywood, nails, glue, lacquer, etc.), most of which were imported and subjected to exchange rate fluctuations, reduced their profitability, incomes and stability of their ventures:

"Our businesses are collapsing because of the increasing prices of (imported) vehicle parts. If you go to Suame Magazine (industrial hub for imported vehicle parts) right now the prices of most of the spare parts we buy to service (repair) vehicles of our clients have gone up, and if you complain to the sellers, they will tell you it is not their fault but because of the high import duties at Tema Harbour (port)" (INT41)

"The threads (length of yarn) the importers bring from China is shorter than we used to buy, so now you need 100GHS instead of 50GHS as before to buy one thread to start the kente weaving... the threads are not enough and I don't know why the Chinese manufacturers are doing that to us" (INT23)

Also, high transportation costs associated with the acquisition of raw materials and sale of some manufactured products of the respondents affected adversely the profits and incomes they made from their businesses. For instance, INT30 states:

"Transportation is a problem (expensive) if you want to buy the materials in town, you can spend like 15GHS as transport fare, so you have to plan for all that which is not easy for us".

Hence, market-related constraints and situations, such as: low and irregular demands for product and services, volatility in prices of inputs, high transportation costs and the inability of the RYEs to compete in the marketplace as a result of financial problems, all worked to reinforce the practices the RYEs were engaged in towards their participation in informality, as they often chose to save in informal settings, kept informal bookkeeping records of incomes and avoided paying taxes to the state.

(c) Vulnerabilities associated with certain occupations in terms of poor occupational safety and well-being

As part of the findings which revealed the sense-making practices of the RYEs in the economically-disadvantaged environment they were located, the analysis showed that many of the respondents were in the know that the work environment they operated their businesses was characterised with precarious and vulnerable conditions. Key features of the vulnerable working conditions included the RYEs limited access to occupational safety and improved wellbeing, which reinforced their entrepreneurial practices towards informality. In particularly industries where the RYEs perceived that the amounts of income earned were based on the volume of their production or service provided (e.g., mechanic, blacksmith, kente weaving, etc.), many of the respondents reported to work for more than 12 hours a day over a six to seven days' week-period. These entrepreneurs explained that they were often stressed from their jobs., with some complaining to often experience severe headaches, waste and body pains as they worked daily to meet their production targets. With minimal and irregular incomes made from their ventures, the respondents could not access quality medical care. In their attempt to stay strong to achieve their set targets, many resorted to self-medication, using painkillers and other dangerous substances, such as marijuana, Tramadol and various local drugs (e.g., NBA, Kodwooto, marley marley, popaa popaa bosua)



Photo 2: Example of locally manufactured ointment used by some young kente weavers to stay strong on the job (photo: Benjamin Afreh).

some of which they knew as harmful to their health. The lack of occupational safety and improved well-being was also observed among the employees of the RYEs, who were mostly apprentices and family workers. Many of these workers were faced with vulnerable working conditions, as they learned their vocations under conditions of extreme poverty. Such difficult

economic circumstances under which the respondents worked to generate their incomes provided them with little incentives to declare their incomes for formal tax computations, as many of them considered formal regulatory authorities to play no direct or positive roles in their venture activities to warrant part of the proceeds from their businesses. This finding is consistent with the study of Ninsen (1991) who noted that in Ghana many of the operators of informal enterprises do not receive any insurance cover, nor unemployment or retirement benefits from the state and hence do not pay taxes. Thus, the vulnerable and precarious work situations in which many of the respondents were faced with influenced their actions to adopt coping mechanisms which reinforced their decisions to choose informality and operated their ventures at the base of the continuum.

5.2.1.3 Using resources at 'hand' to exploit entrepreneurial opportunities and overcome precarious economic and market constraints

As the RYEs become more aware of the opportunities and constraints in the economic environment, they adopted more open approaches to access resources to operate their ventures. They responded in creative and dynamic ways, by engaging in formality and informality venture practices that allowed them to mitigate the identified constraints and to access the opportunities by employing the economic and non-economic resources at their disposal (Baker and Nelson, 2005). While the respondents combined different forms of capital, such as economic capital, social capital, cultural capital, symbolic capital (Bourdieu, 1986, 1993) and cognitive interpretations (Çakmak *et al.*, 2018; Lippmann and Aldrich, 2016) as well as physical resources, which included the use of their physical abilities and strengths. The emphasis on capital and manual labour employed in this sub-section is focused on how the respondents combined the use of their physical abilities and agency (here referred to as mental capacities) to navigate the economic environment. The other forms of capital are examined as appropriate within the other domains of context throughout the chapter.

For youths in rural Ghana who had limited or no economic capital as well as considered themselves as located in socially and culturally disadvantaged positions where they could not readily access the other forms of capital, many utilised their immediate and easily accessible resources, which was their physical bodies (e.g., 'head', 'hands', 'mouth', etc.) and strength which was combined with their agency (mental abilities, alertness and quick thinking and acting) to access, convert and used the other forms of capital located in the economic, social,

institutional and spatial domains of context to establish their ventures, improve their operations or participate actively in the marketplace as well as in their societies. Combining these forms of resources at hand, the respondents demonstrated entrepreneurial traits in the form of: alertness, use of knowledge and information to seek venture opportunities and constraints, negotiation skills, hardworking behaviours, speed, perseverance and humility. These entrepreneurial traits and attributes worked together to support the RYEs drive for venture creation, growth of their established businesses as well as addressed issues of rising production costs, pricing, product quality and service delivery.

The sub-sections that follow reports the findings on the combined effect of agency, physical strengths and abilities as strategic resources used by the respondents in the economic domain to establish and grow their ventures and how the use of such resources affected their participation in formality and informality within the continuum. The analysis is focused on how the respondents used these resources to mitigate financial and market-related constraint as well as exploit identified opportunities.

(a) Focus on generating, Improving or sustaining the finances of businesses

The first strategy which is focused on improving or stabilising the finances of ventures of the respondents involved carrying out three specific activities, which are: (i) utilise bodily strength and agency (mental capacity) to generate financial resources and other forms of resources, (ii) explore multiple sources of economic capital to overcome difficult entry and growth constraints in certain industries, that is, engaging in pluralistic occupational practices (occupational plurality), and (iii) engage in product and service plurality.

First, the stories of the respondents showed that all of them actively utilised their physical abilities in combination with various forms of non-economic capital to generate the economic resources they needed to operate and grow their ventures. Of particular interest is the case of one respondent (INT35) who operate a venture that required a working capital of about 20,000GHS (\$4,261)²³, of which he started with a zero economic capital. Depending largely on his physical strength and agency, INT35 who worked as a disk jockey (DJ) at funerals and other traditional ceremonies, such as naming ceremonies, marriage and festivals, acquired skills by situating himself in a lowered position in the workplace as an apprentice. This allowed him to acquire the skills of a DJ and the organisational processes involved to

²³ At the time of the fieldwork, GHS1 = US\$0.213

operate such a venture. He explained that the lack of monetary compensation from his 'master' (employer) as he worked for him, moving about carrying canopies, plastic chairs and sound systems, etc. to and from event venues, led to a situation where he earned negative social capital among family and peers:

"everybody was saying I was wasting my life by following my master (trainer) around because he was not paying me.... sometime, I would come home and they (parents) don't even want to give me food because of the work I was doing for my master. But, when I decided to do my own work as a master DJ, I knew where to go to get the machines (sound systems) and how to do the work well "(INT35).

Having understood how his chosen venture operates, he was able to identify avenues in the business environment where he could access the tools (e.g., sound system) he needed to operate his venture and negotiated with three different owners of such equipment to use them for business, which later led to him gaining access to more resources (canopies, plastic chairs, etc.) from his business partners:

"I decided to use three different machines which belong to three different people. The first machine belongs to one man who lives in America who brought it down (imported it) and gave it to a family member to use it for business. But, the man was not able to use the machine well to generate enough money, so I went to the caretaker and told him that if he wants, I could use his machine and share the proceeds with him after every work I do, and that is how it started. Later on, I met the owners of the other two machines and made the same arrangements with them, and that was how things began to move. Now, they don't just give me the machines (sound systems); they also give me canopies and plastic chairs to go and work" (INT35).

The findings revealed how INT35 and his business partners normalised informality, in terms of entering into verbal negotiations and agreements which were built on mutual trust without any written contract. Over time, he earned a reputation for being a highly skilled and hardworking DJ and at the time of the interview, he had recruited two apprentices he was working with to support his venture. Thus, the story of this respondent and many of the other RYEs showed high dependence on physical strength and agency related to alertness, hard work, demonstration of strong negotiation skills, speed, perseverance and humility as primary assets to create non-farm ventures and engage in associated informality.



Photo 3: Left: INT35 standing beside some of the equipment (sound systems) he uses for his DJ business. He also demonstrates to the Researcher how strong he is and used his physical strength to carry heavy sound systems to operate his venture; Right: INT35 standing for a photo with the Researcher after the interview (photo: Benjamin Afreh/Francis Sarkodie).

Second, as part of the efforts of RYEs to generate financial resources to establish or sustain venture activities, the data material revealed that the respondents engaged in diversification strategies which allowed them to utilise the resources at their disposal to highest capacity as they operated their ventures. None of the respondents reported to have raised their economic capital from formal sources, such as bank loans, to establish and/or sustain their ventures. They engaged in multiple streams of occupations, which is referred to as *occupational pluralism* (Palmer, 2004), as an important financial strategy to grow their enterprises. Such a strategy allowed them to draw on a pool of minimal financial resources from different sources, from particularly less preferred occupations to their primary ventures. Usually, their most preferred vocations were aligned to those occupations they are highly skilled in with relatively higher profitability and incomes.

By engaging in multiple occupations, the respondents studied the market penetration rate of their different ventures and gained some sense of profitability in their selected sectors, which allowed them to shift their focus to industries or sectors that were relatively more profitable. Once in full operation, they improved their working capital by shuffling between their most preferred vocations and the least preferred occupations, navigating emerging opportunities, risks and constraints in the business environment in a dynamic 'zig-zag' manner (Jeffrey and Dyson, 2013). For instance, INT41 states:

"Sometimes, I work as a commercial driver with long journey buses...I stop the mechanic job temporarily and do the driving job to make some money to invest in buying some of the tools I use for my mechanic work, and then later I come back to manage it".

Such a diversification strategy which is an established practice in many African societies (Palmer, 2004) and found to be engaged in by youth entrepreneurs elsewhere on the

continent (e.g., Langevang *et al.*, 2012, 2016; Birch-Thomsen, 2016; Kyejjusa *et al.*, 2016) also allowed the RYEs to spread their thinly accumulated economic resources with their agential resources (physical abilities combined with mental capacity) to participate in different ventures. This action allowed the RYEs to minimise risks associated with business failure and responded to market opportunities which grew their enterprises. They depended on the multiple skills and experiences they had acquired over time to also engage in casual wage, other self-employed jobs and partnerships (as the case of INT35 showed) that involved engaging in multiple non-written agreements entered with various private individuals and public organisations, which normalised informality:

“I sometimes stop this work (kente weaver) to go to work for the Forestry Commission (state agency in charge of enforcing forest regulations) ...anytime they arrest illegal timber operators they will call us to go to the forest to carry the fallen timber and bring it to their offices, and they pay us immediately we finish the work (use of physical strength to earn envelope income)” (INT32)

Also, many of the respondents were engaged in product and service plurality which involved dealing in multiple products and services with their businesses to overcome problems associated with low and irregular demands as well as market uncertainties that confronted the survival of their primary businesses. Such a financial strategy provided different streams of incomes to the respondents to improve their earnings, grow their ventures as well as to meet their livelihood needs. For instance, INT21 explained:

“apart from the hairdressing business I also sell gari and beans (local meals) on the table in front of my shop...it is not everyday girls come to do their hair in this saloon. But, I can't sit idle without making any money that is why I sell the food on the side of my (hairdressing) business”.

The engagement of product and service plurality were usually carried out within the vicinity of the primary ventures, which were usually around acquired shops (in the form of a metal or wooden kiosks).

Where the RYEs had limited or no economic capital to acquire these shops as business premises, they were found to often operate their ventures in their family homes. Operating home-based enterprises allowed many of the respondents (examples of such respondents included: INT8, INT12, INT13, INT17, INT19, INT27 and INT32) to reduce operating costs associated with rent. Operating home-based multiple ventures, products and services also allowed these respondents to earn appreciable incomes from different sources, much of

which were ploughed back into their primary businesses to grow the working capital of such businesses.



Photo 4: Top Left: The Researcher interviewing a female youth entrepreneur engage in home-based sowing venture; Top Centre: Female youth entrepreneur demonstrating to the Researcher how she manufactures her local soap at home. Top Right: End product of cake soap produced by female youth entrepreneur for the market; Down Left and centre: Researcher examining the production process of shea-butter processing in a home-based production site; Down Right: The Researcher interacting with youth entrepreneur who manages shea-butter processing venture (photo: Benjamin Afreh/Francis Sarkodie/ Abdul Aziz Adam)

Also, as part of engaging in occupational, product and service plurality, the respondents depended on an interesting but important resource which they generated and converted into economic capital: the recruitment fees, and use of labour of apprentices. For many of the RYEs, employing more apprentices means generating additional income to improve their working capital, as many of their non-family related employees who worked as apprentices paid ‘apprenticeship fees’ to them before they could be trained. For the 46 respondents, a total of 238 employees were recorded with about 80% of these workers identified as non-family-related apprentices, many of whom had paid monetary sums as fees to enrol on to the apprenticeship. Aside these incomes, the use of such apprentices by the respondents was found as beneficial not only in terms of reduction in production costs and time, as majority of these workers provided their services without any recourse to wage payments and other employment benefits, but also supported the drive of the RYEs to engage in occupational,

product and service plurality. These apprentices, as part of their training requirements, were asked to supply some tools to learn their vocations, of which many of the respondents as employers, considered as an important part of the pool of physical assets at their disposal to support their production and service activities.

The respondents perceived and rationalised that their engagement in occupational, product and service plurality would lead to increased economic costs if they were to formalise their ventures. Hence, they participated in informality as an important strategy to survive and grow their ventures. For instance, INT10 who was engaged in the retail of petroleum products and operated a cement and building materials business a few meters away from his petrol shop, explained that paying taxes on his multiple products would hamper the stability of his businesses as he was already faced with price volatility in his primary (fuel) business which



Photo 5: Left: A RYE serving a customer who is purchasing fuel at his shop; Right: Photo showing the primary business premise of RYE (photo: Benjamin Afreh).

affected his profitability and incomes, and he thus demonstrated practices that normalised informality. Such practices allowed him to save extra incomes from the other businesses to mitigate the increasing cost of doing his fuel business as and when they go up. He argued:

“nobody comes to tell me that take this money to support your work when I lose a lot of money from this petrol business (due to price fluctuations) and so why should I pay tax? If I decide to pay tax right now I have to pay on the cement and building materials (business) too then I can’t continue to do this work anymore” (INT10).

Similarly, INT5 argued that declaring all his incomes from the three different carpentry shops he operated to officials of the Ghana Revenue Authority (GRA) would amount to him paying higher taxes that would make him end up *“going home with nothing at the end of the day”* (INT5). Also, for respondents, such as INT19, INT25, INT26, INT34 and INT43, the multiplicity of occupations, products and services they were engaged in made it practically impossible for

them to keep formal accounting records if they were to work efficiently with speed to meet the demands of their clients. For these RYEs, engaging in complementary and unrelated ventures, products and services often over-stretch their physical abilities and managerial capacities to the extent that they had to adopt simple organisational practices that make use of different aspects of formality and informality activities, what is termed *selective formality and informality* in this thesis, as part of their strategic operations to support their venture creation processes. Such practices push and pull them towards many directions of their ventures, with few trusted employees often used as part of their strategies to deal with the management challenges they are faced with. Thus, contrary to evidence found among some entrepreneurs in urban Ghana that entrepreneurs engage in informality by not keeping records of their business transactions, and arguments made that youth entrepreneurs do not review or analyse such records because they “had not noticed the usefulness of analysing transaction records”(Mano *et al.*, 2012, p.13, p.21), the findings of this study revealed that RYEs engage in non-conventional record keeping and saving practices which allows them to determine the profitability, incomes and growth of the multiple enterprises, products and services they are engaged in. For those who operated bank accounts with rural banks or microfinance companies, they separated the sales and incomes made from the day’s businesses, products and services and saved such amounts in different passbooks or bank accounts. Such practices allowed them to track and determine the profitability of their different ventures, products and services they are engaged in and to estimate how their working capitals were growing or depreciating, so as to make strategic decisions on how to salvage the situations in less performing ventures as well as increase their efforts to accumulate economic resources in the more profitable businesses:

“For this (food joint) business, you have to know how to separate the monies you make from the different food items and drinks that you sell, so that you can know which money you have to give to your suppliers after they have supplied you with maize, groundnut and other food items on credit. When you save with the (rural) bank, you have to use different passbooks (operate multiple bank accounts) for different food items and drinks, and make sure you separate the sales you have made for the day according to the items that customers have bought and saved them in your passbooks. That will make you know which money you have to use to pay the maize and groundnut seller (supplier) and the tomato seller (supplier) when they come to collect their monies and the profits that you are making on

each of the foods that you cook. Otherwise, you will not know how much you have made from some of the food stocks that are running out and how much you should give to the seller (supplier) to bring you another stock. Sometimes too, some of the food items, like tomatoes, yam and cassava, go bad, so if you don't separate the monies into different passbooks you will be losing your (working) capital without you even knowing...it also helps you to know which foods that customers like so that you buy more foodstuffs to cook those foods..." (INT26).

In sum, the evidence revealed that the respondents adopted financial strategies which involved, occupational, product and service plurality as well as the use of economic and physical resources at 'hand' to build the financial resources they needed to establish and grow their non-farm businesses. Such strategies normalised informality in terms of non-compliance to state taxes and use of non-written contracts with multiple actors. However, enterprise practices that involve savings incomes of the businesses of respondents move some of the respondents closer to formality where they dealt with banks by operating multiple savings accounts and used passbooks from such accounts to determine the profitability, incomes and performances of their businesses.

(b) *Responding to market constraints and opportunities*

The analysis showed that the use of high-quality inputs for production by many of the respondents improved the competitiveness of their products and services in the immediate and distant market place, as the quality of their products attracted customers from diverse sources to their businesses. For instance, in spite of the high production costs incurred by INT39 due to the quality of raw materials he used (that is, quality leather which he explained to had been imported from Italy and Ethiopia), he was able to leverage on the quality of the products he made and his aggressive marketing strategies to sell all his manufactured products within two weeks, although he was faced with stiff competition from cheap imports of similar products in the market. He explained:

"I make sure the shoes and sandals I make are done with quality leather and I tell my customers that they will save money if they buy my sandals because mine are cheap but quality, the sandals I make are not like the ones in the market which people import from China, they are also cheap but do not last long for the customers." (INT39).



Photo 6: Top Left: The Researcher interviewing INT39 at his rural locality where he makes his products (sandals/shoes) to later sell in the city; Top Right: Examples of the imported quality leather he buys to produce his sandals. Down Left: The Researcher displaying an unfinished product in the production process; Down Right: Example of finish products (sandals) manufactured by INT39 ready for sale in the market (photo: Benjamin Afreh/Francis Sarkodie).

Apart from the use of quality inputs, the products manufactured were usually based on customer demands, with respondents engaged in enterprises, such as kente weaving (e.g., INTS22, INT23, INT29, INT30, INT32) recorded to benefit from diffusion of innovation due to the clustered nature of their enterprises. These respondents were able to work together with other entrepreneurs to produce complicated hand-woven designs that met orders of their clients. Thus, making their non-farm businesses stayed competitive even though they were faced with stiff competition in an industry, such as the clothing industry.





Photo 7: Top Left: Cluster of young kente weavers busily weaving their products and sharing innovation in terms of cloth designs in a research site; Top Right: The Researcher trying his hands on the loom to learn how to weave kente cloth; Down Left: Example of finish kente designs created by youth entrepreneurs in research sites; Down Right: The Researcher having a feel of some of the finished kente designs (photo: Benjamin Afreh/Francis Sarkodie)

Another marketing strategy adopted was related to the use of moderate and discounted pricing, which made the products and services of the respondents competitive and improved the penetration of those who were new to the market. For some of the respondents (e.g., INT13, INT18) strategies that involved bulk purchases of raw materials allowed them to charge moderate prices for their manufactured products. However, the analysis revealed that for respondents, such as INT2, INT11, INT16, INT41, INT45, who were engaged in the provision of services to clients, the frequent fluctuation of input prices (e.g., spare parts used for vehicle and motor repairs) necessitated that they engaged in intuitive forms of pricing for their services. Such venture practices encouraged the RYEs to participate in informality, in terms of keeping no business records through the use of passbooks and being tax non-compliant:

“When you fix their car the customers will tell you that the spare parts they bought for you to use to service their vehicles were too expensive and so they beg you to take any amount they give you, and so I can’t pay taxes on that money when this problem has been there for so many years, and the government don’t do anything to help our businesses” (INT2)

“The thing is you will do a lot of work on their machines (cars/tricycle/motors) but they won’t pay you well because of the spare parts issue (expensive prices of spare parts), that is why I can’t record it...it is not enough so you can’t even save some in your Susu book (savings passbook) so that you know how much you have made in the month” (INT11)

Hence, economic situations, such as price fluctuations, which reinforced practices associated with intuitive pricing led to the keeping of financial records in “head” than in books among some of the RYEs. However, such practices were not uniform across all respondents whose businesses were primarily focused on the provision of services. Others engaged in businesses,

such as hairdressing (e.g., INT26), mobile money service (e.g., INT34, INT42) and DJing (INT35) were associated with the charging of fixed prices for the provision of services to clients. For these respondents, fixed pricing practices influenced record keeping and savings of income of their businesses in more formal settings, such as rural banks or mobile money wallets.

In sum, the findings revealed that the economic domain of context affected the RYEs in dynamic ways, which include how it provided spaces for them to exploit opportunities, generate different forms of resources and allowed them to structure their ventures, using formality and informality as part of their operational and marketing strategies to make the most of the exploited opportunities they identified as well as minimise the constraints they faced in such a domain of context.

5.2.2 Social domain of Context

In an economic environment where most RYEs could not easily access financial resources from more formalised sources and the business environment is characterised with shocks and market uncertainties, all the respondents recognised the importance of the social domain of context which provided them access to production and transaction resources. These RYEs attributed reaching their current entrepreneurial positions to the complex intersection of familial and social relations they were connected to, which provided to them foundational enterprise opportunities and constraints that determined their access to economic and non-economic resources (such as social capital), skills and mentorship of which they used to establish and grow their non-farm (in)formal businesses. In line with literature (Berrou and Combarous, 2012; Granovetter, 1973), the respondents referenced two primary ways through which they engage, influence and were influenced by relationships and actors located in the social domain which affected their venture practices associated with non-farm entrepreneurship and (in)formality: (i) through strong networks made up of family and friendship ties, (ii) through weak networks, made up of employer-employee relations, supplier-customer relations, business partnerships, vocational associations, VSLAs, ROSCAs and other community groups, such as churches, mosques and ethnic groups. Through the depth of their positioning in such strong and weak networks, the RYEs were able to access and utilise patronage support as well as respond in strategic ways to demands associated with ties which reinforced and constrained their venture activities aimed at formality and informality.

5.2.2.1 *The Influence of strong ties*

The respondents were able to get minimal support from their engagements with family and friendship networks, which improved their access to information on various enterprise activities, skills, production inputs, workforce, accommodation, encouragement and to some extent the financial resources they needed to establish and grow their businesses. Such findings are consistent with the growing body of literature on youth entrepreneurs in the African continent (e.g., Birch-Thomsen, 2016; Chigunta and Mwanza, 2016; Chigunta *et al.*, 2016; Kala, 2016; Kyejjusa *et al.*, 2016; Langevang *et al.*, 2012, 2016; Mumba, 2016). While diversification of income-generating activities in households is nothing new across the African continent (Webb *et al.*, 2015), it was interesting to find how some of the respondents (e.g., INT5 and INT26) revealed that their decisions to choose certain vocations were influenced by familial assertions which challenged members within the household to choose occupations that diversify their venture activities. With some understanding of uncertainties associated with the business environment, many RYEs were encouraged to engage in diversification activities as a coping mechanism to spread risks associated with business failure. For instance, INT5 states:

“When I wanted to pursue a career my elder brothers and I agreed that because they were operating mechanic shops it was better I learn carpentry work so that no matter the situation (in the business environment), we will still have money in the family”.

The social domain provided spaces for some of the respondents (e.g., INT26, INT37, INT45) to weather down the impact of the precarious economic environment by pulling financial resources together from spouses, siblings and friends to establish partnership ventures. In contrast to claims that many husbands in Africa refuse that their wives operate businesses (Amine and Staub, 2009), there were various cases (e.g., INT3, INT14) where the capital raised for venture activities were provided by husbands of female entrepreneurs. This finding is consistent with evidence recorded elsewhere in Uganda where female youths who are single were reported to draw financial resources for their venture activities from their parents while their counterparts who are married obtain such finances from their husbands (Kyejjusa *et al.*, 2016). Many partnerships were recorded (e.g., INT10, INT13, INT15, INT18, INT19, INT26, INT38) in the form of husband-wife, parent-child, sibling-sibling, and friend-friend

partnerships, which allowed some of the RYEs to pull financial resources and skills together to engage in occupational, product and service plurality. The support the RYEs received from familial and friendship networks manifested externally in the form of self-confidence they demonstrated which they considered as an important non-economic resource (social capital) to participate in non-farm entrepreneurship and (in)formality.

While the literature (e.g., Gough and Langevang, 2016) provide evidence of positive influences of strong ties on venture activities of youths in the continent and talk in passing about the youth participating in informality, the data material in rural Ghana revealed that such influence of strong ties affected both formality and informality practices carried out by the RYEs. For instance, a number of the respondents (INT5, INT19, INT45) who had incorporated their businesses explained that their decisions to register such ventures with formal regulatory authorities were outcomes of advice they received from close family members and friends who encouraged them to take steps towards formality. For respondents, such as INT5 and INT45, the timely information they received to incorporate their businesses offered them opportunities to get the documentation they needed to bid and win job contracts which would otherwise not have been possible if they had not received such information. Having incorporated their businesses, they were able to take advantage of the benefits associated with formality that exist in the business environment, such that, INT5 won a contract to construct wooden compost boxes for a local university's Faculty of Agriculture. Similarly, INT45 won contracts from larger formal organisations, such as mining



Photo 8: The Researcher interviewing a youth entrepreneur who was influenced by the information he received from his friend on the usefulness of a business certificate in terms of being used to bid for government contracts to incorporate his venture. Boxes leaned on by the researcher and respondent are a few of the compost boxes constructed by the respondent. Also, in the picture are apprentices working (photo: Abdul Aziz Adam)

firms, secondary schools and a District Assembly to repair vehicles of such organisations. In the case of INT19 through close family sources, she got to know that she needed to register with tax authorities to pay taxes to avoid any disruptions in the business operations of the family business she managed. Through such relatives, she also got to know the marketing benefits of having a registered business certificate placed at a visible location of the premises of the traditional herbal medicine business she managed. For this particular respondent, who did not keep any formal accounting records, she had the added benefit of using her incorporated business certificate to buy airtime from a regional radio station to advertise the herbal medicinal products she and her mother were engaged in, which increased the sales they made from their family business. Interestingly, she was paying taxes, which were far less than the proportion of profits she made in a month. When I asked her to know why she chooses to pay fewer taxes she stated that:

“we begged them (tax officers) and told them that we have a big family we use the business to support and so they reduced the tax to 500GHS” (INT19).

The response of INT19 resonates the views of many of the respondents who explained that the support they received from family members and friends during their venture creation processes were accompanied by financial obligations which adversely affected their businesses. For many of the RYEs, their participation in informality business practices were direct outcomes of such commitments and obligations. Informality was normalised through the diversion of incomes from their businesses to cater to the needs of their families, and so many of the respondents had no funds to use as a financial buffer for their businesses neither did they have extra incomes to use as taxes:

“I can't use the money I make from the undertaker work to pay taxes when life is hard for all of us. My mother has 13 children, and some of them also have children, and apart from my elder brother who works with me as funeral decorator I have another brother who is also a Mason, and one too is a trader, and the rest are all farmers, and so it is not easy for us that is why I use the money I make from the work to support them” (INT37)

“how can I pay taxes when it is even difficult for me to save money to buy some of the new tools I need for my work? I spend the little money I make from the business on my family, and so I am not able to save to re-invest the money that comes into

the business” (INT41).

The analysis also revealed that actions made towards formality and informality were not only outcomes of influences of strong ties but also strategic responses to deal with constraints associated with such relationships. For instance, marital and gender commitments and obligations led many of the RYEs to adopt different savings practices which influenced how they participated in formality and informality. Majority of the married male respondents reported keeping their funds in places where they could easily access such monies to fulfil daily family responsibilities and to meet contingencies of their businesses. These entrepreneurs reported to adopt savings practices that involved the use of small wooden or metal saving boxes in their rooms or mobile money wallets on their phones to save their funds electronically. For the unmarried male youths, there were many accounts of them choosing to save with rural banks or microfinance companies than kept their funds at home due to financial pressures from relatives and friends. One of such respondents explained that:

“They (family and friends) ask for help, but because of my plans (for his business) I choose to save with the bank. I have a lot of things in mind that I am planning for my future, so all my savings go into achieving such plans” (INT35).



Photo 9: An example of saving activity of an un-married youth entrepreneur engaging in a savings practice that resist claims of relatives and friends by saving with a worker (mobile banker) of a rural bank who move from house to house to collect daily deposits (susu) of individuals for safekeeping (photo: Benjamin Afreh).

On the part of the married female respondents, a common narrative was that they largely preferred mutual self-help community groups, such as ROSCAs and VSLAs, with a limited number of cases using rural banks and microfinance companies to save their funds. For many of these female respondents, the choice to save with a VSLAs/ROSCAs or keep their bank passbooks away from their homes, such as in their shops, were aimed at limiting the

influences of the husbands on the use of funds of their businesses, as the knowledge of such monies by their husbands could lead to conflicts in the home or make them shirk their financial responsibilities towards the home or the family:

“Sometimes, there is an issue with the savings, some of the women don’t want their husbands to know how much they save, so even if you save with a bank, you have to keep your passbook at your shop and not take it home. Otherwise, when your husband sees the amount of money you have saved in the passbook, he will not even understand that some of the money in there is to be used to pay your supplier of maize or groundnut. He will stop supporting you and your child because he thinks you have money. So, that is the problem you have to keep your records in your head to save yourself all these troubles” (INT26)

“Although your husband knows that you are working you don’t have to let him know all the money that you make from the work that is why I save with the women group... the money I save with the women group is for emergency purposes and he knows it” (INT3)

Adopting tactics to reduce negative externalities associated with familial embeddedness, some of these female respondents were observed to use unconventional recording keeping practices that allowed them to hide the financial state of their businesses from family members as they attempted to reduce excessive demands from such close ties. Their record-keeping practices often involved using chalk, charcoal or pens to make marking on walls at their shops to signify how much they had made from their businesses as well as records of customers who owed them and how much they owe to their suppliers of which only they understood the meaning of the markings. Thus, while the literature suggest that there are negative externalities associated with strong ties which affect the venture creation efforts of youths (Langevang *et al.*, 2016) with some of the youths reported to receive minimal or no support from such relationships (Chigunta *et al.*, 2016; Langevang *et al.*, 2016; Mumba, 2016; Yankson and Owusu, 2016), the findings of this study revealed further that the support and obligations associated with strong ties have direct consequences on the decisions and practices RYEs carry out in the management of their ventures by varying their participation in formality and informality with such ventures. Such influences, which also have gender and marital dimensions, influence the youths to respond in dynamic ways with formality and

informality used as tools to reduce the adverse effects of their embeddedness in strong ties.

5.2.2.2 The influence of weak ties

The respondents recognised the importance of moving beyond familial and friendship networks to access support from weak ties (Granovetter, 1973). This include the support they received from employees, suppliers, customers, business partners, vocational associations and trade unions, VSLAs and ROSCAs and other community groups to access economic and non-economic resources, information and skills for their venture activities which could not be easily accessed from their strong tie networks. Thus, the RYEs engagement with these other actors also influenced the way they operated their non-farm enterprises as well as participated in formality and informality with the enterprises.

With many of the respondents only able to draw minimal support from their strong networks, majority of them depended on the social relationships they formed with their employees, many of whom worked as apprentices in their businesses. The use of these workers formed part of the many strategic approaches the respondents used to survive the unfriendly economic environment they were located. The engagement of services of such workers allowed the respondents to cut down production costs, speed up enterprise processes to meet the demands of clients, generate new business ideas from such workers and ensured continuity of their businesses in times when they were away from their businesses. For instance, INT4 states:

“There are a lot of benefits working with apprentices because it helps to make the work moves faster by sharing the work with them. They also bring in ideas which help you to provide the best service to your customers”.

For many of the respondents, working with apprentices who were not related to them allowed them to take control of their businesses by ensuring consistency in work ethics, such as hard work, seriousness and quality of work done by these apprentices which enhanced speed and productivity at their ventures. The RYEs delegated responsibility to their most competent and trusted workers to support the management and technical processes of their businesses, as they moved away from their primary businesses to exploit other business opportunities, that diversified their operations and increased their incomes. The findings showed that majority of their employees were employed through verbal contracts that orally

stipulated the terms of their employment, which according to some of the respondents offered them the opportunity and flexibility to use the services of their apprentices to work in many areas of their endeavours, giving them options to sack at will less committed workers. For instance, INT5 states:

"I can write for them (apprentices) all the rules on the work (written contract of employment) but the problem is this work (carpentry job) we do is not one thing, so it is better you don't write it so that tomorrow the apprentice will come and tell you that you are making him do something you have not written in the agreement. So, it is better you tell them by word of mouth so that you can use them to do many things on the work".

Thus, the terms of employment normalised informality, which also included paying no taxes on the casual wages, the RYEs paid to their workers. These entrepreneurs also failed to institute safety work procedures that improved the well-being of their employees as mandated by labour regulations in Ghana.

Also, the analysis revealed that working with apprentices necessitated that RYEs keep records of certain aspects of their businesses, such as the quantity of production inputs and stocks left in the care of these employees to reduce undesirable behaviours, such as pilferage, side-selling activities and wastage of their production resources:

"I make sure I measure the quantity of creams and hair products that I leave in the care of my apprentices anytime I go out. Because if you don't keep those records in your book by the time you come back from where you went, they would have used them to do customers hairs and not account for it. They will keep some of the money to themselves. So, I measure everything before I go out" (INT33)

Interestingly, many of these respondents (e.g., INT3, INT5, INT14, INT33 and INT36) who kept such business records explained that they deliberately kept all expenditure and incomes of their businesses in their minds but not in recorded books so that they would prevent some of their workers from prying to know the financial state of their businesses. For these RYEs, such knowledge of how their businesses were faring could similarly lead to pilferage and side-selling activities engaged in by some of their employees. They noted that many of their employees were faced with economic hardship, and it was usual for them to expect that their

workers would use some of the resources of the businesses for survival. Also, those respondents who previously saved in formal sources, such as banks, reported changing their savings practices when they suspected that their workers were monitoring their finances. This is often the case where the workers get access to the employers' passbooks, which are usually at the business premises as mobile bankers come to collect their daily savings. For instance, INT14 explained:

"I stopped saving with the rural bank because I noticed that some of my apprentices were monitoring the Susu book (bank passbook) and because of that they thought I was using them and did not work hard as before. So, I decided to save with the women group (ROSCAs) than the bank. As for the group savings, we don't use any book, so you can't monitor to see how I am doing in the business. Only I know how things are going".

While some (e.g., INT14) choose to save in informal savings groups, such as ROSCAs, of which no physical records of their savings are often kept, there were a few cases (e.g., INT5; INT11) who changed their savings practices from savings with banks to a more advanced technological form, through the use of mobile money wallet (electronic savings on their phones) with pin codes only accessible by them. Also, the collective narrative showed that although some of the respondents provided support to their employees, such as wages for food and free accommodation, none of the respondents paid taxes or social security contributions for these workers. Thus, despite the evidence that many of the respondents operated their businesses in social and economic domains where they got minimal support from their strong ties, these respondents were able to depend on the support they received from their employees to establish and grow their non-farm businesses, with both the support gained and negative behaviours of such workers influencing them to participate in formality and informality business activities in diverse ways.

Beyond the influence of ties formed with employees, a lot of support with reciprocal obligations were also derived from external business partners, such as suppliers and customers. For instance, the relationships some of the respondents formed with their suppliers led to access to short-term credit and information on new products in the market. It was found that while access to credit purchases offered to the respondents was industry-specific, a handful of the respondents who were engaged in inputs with shorter life span or

more perishable raw materials (e.g., INT26 and INT43) received trade credit from their suppliers. But, the vast majority of the respondents who depended on non-perishable inputs had limited or no access to trade credit from their suppliers. For the respondents who had access to credit purchases, they reported that such terms of purchases were mainly entered in the form of verbal agreements, which were also based on mutual trust and reciprocal relationships formed with the suppliers. It was found that the lack of written agreements with their suppliers created avenues for the respondents to sometimes go back to them to re-negotiate payment terms or adjust the dates of payment for stocks already purchased in a more flexible manner. Such re-negotiations which were usually entered when the inputs went bad as a result of poor sales or due to their perishable nature allowed the respondents in a way to share their losses with their suppliers, who often discount the prices earlier charged for the supplied stocks. Thus, the respondents found their relationships with the suppliers and the associated normalisation of informality, in terms of non-written or verbal credit terms as important strategies to survive the hostile business environment where demand for their products was often low or less predictable.

Similarly, the findings showed that just as the respondents (INT26 and INT43) had received access to credit for their inputs they also entered into verbal agreements with their customers. For these respondents, such decisions allowed them to sell off leftover food which could not be kept over prolonged periods and thus reduced their post-production losses and increased the demand for their commodities as well as made them maintain their working capital. Interestingly, the analysis revealed that for some of the respondents (e.g., INT7, INT22, INT23, INT29, INT30, INT32) who were engaged in traditional crafts, such as weaving *kente* cloths, although they did not receive any form of credit from their suppliers who often sold to them the ‘threads’(yarn) they used for production, such suppliers also doubled as ‘reseller’ (middlemen/customers). Once production was completed, the respondents entered into credit sales agreements with the middlemen²⁴ for such business partners to use their marketing channels to sell their woven *kente* clothes for them. These middlemen, who usually made part-payment for the clothes they buy at fixed prices from the respondents, go to sell in the city at twice or more the prices paid to the respondents before returning to pay the difference of the amount owed the RYEs. Many of the young weavers explained that although

²⁴ The use of the term ‘middlemen’ refers to both male and female individuals who specialise in marketing activities involved in the purchase and sale of goods which are often moved from producers to consumers (in the case of finished products, or from manufacturer to manufacturer (for production inputs).

such business dealings allowed them to continue to be in business, especially in times when demand for their products were low, as the middlemen were noted to have good marketing channels to sell their products, the unwritten credit terms of receiving part payments and the often-associated delays in payment of outstanding balances affected their working capitals which run down their businesses and crippled their venture activities.

Similarly, for customers who were generally non-middlemen, the findings revealed that many of the respondents offered credit sales and discounted pricing to them as well as formed closer relationship with them, even when they could not access trade credit from their suppliers. Here, the positive influences of these clients were recorded in the form of feedback they provided on the quality of products and services of the RYEs as well as their role in bringing more customers to the ventures through word-of-mouth marketing activities as well as their loyalty to the products of the respondents. For some of the respondents having loyal customers of which they off-load their unsold products to in times of low and irregular demand was crucial if they would be able to sustain their working capital:

“I give credit to my regular customers.... I have to sell to them on credit because if they don't buy the food at the end of the day all will go bad and I will still lose my capital and profits. So, it is better I give it to them, and I know they owe me. As for those customers, they will pay even if it takes a long time. It is better that way than letting the food go bad else I will lose in both ways (the customer and the working capital)” (INT26)

Many of the respondents, especially those who had low formal education, kept informal records in the form of markings in their shops of such customers, with their credit arrangements largely carried out in verbal forms, which was often less enforceable and led to delays and sometimes non-payments. Such dealings with customers were not only limited to credit sales, but also many of the customers considered these entrepreneurs as safety nets for particularly emergency loans which adversely affected the survival and growth of the ventures of the RYEs. Thus, making some of the respondents operate their businesses in perpetual survival mode. This finding of extending credit and financial assistance to customers by youth entrepreneurs with the associated detrimental effect on their ventures is consistent with evidence reported in rural Ghana (Shantz *et al.*, 2018) and other countries, such as Zambia and Uganda (Chigunta *et al.*, 2016; Langevang *et al.*, 2016; Mumba, 2016).

Nevertheless, this study revealed that some of the respondents are able to engage in selective assistance, which makes them dis-embed themselves from client relationships they considered could lead to bad debts:

“A lot of the people (customers) come to me to ask for loans because they see that the business has grown.... but, sometimes I look at the calibre of person who asks me for a loan before I decide to give him or not.... I make sure I assess their behaviours when they come here or are in the community before giving them the money. I only give it to those who I know will pay me back....” (INT34)

Also, the issue of default from customers was gendered with default rate recorded as higher among female respondents than their male counterpart. Furthermore, with word-of-mouth referrals highly practised among the customers, the RYEs understood the damaging implications of providing to customers’ defective products and services on the survival and growth of their business. And, almost all of the respondents ensured that they kept some form of written records when it comes to meeting customers’ requirements and demands for certain products or services even when they had low or no formal education. Such record-keeping practices were highly engaged in, to the extent that some of the RYEs could be seen using books and manuals they had bought, which provided to them simple guidance on how to keep such business records:

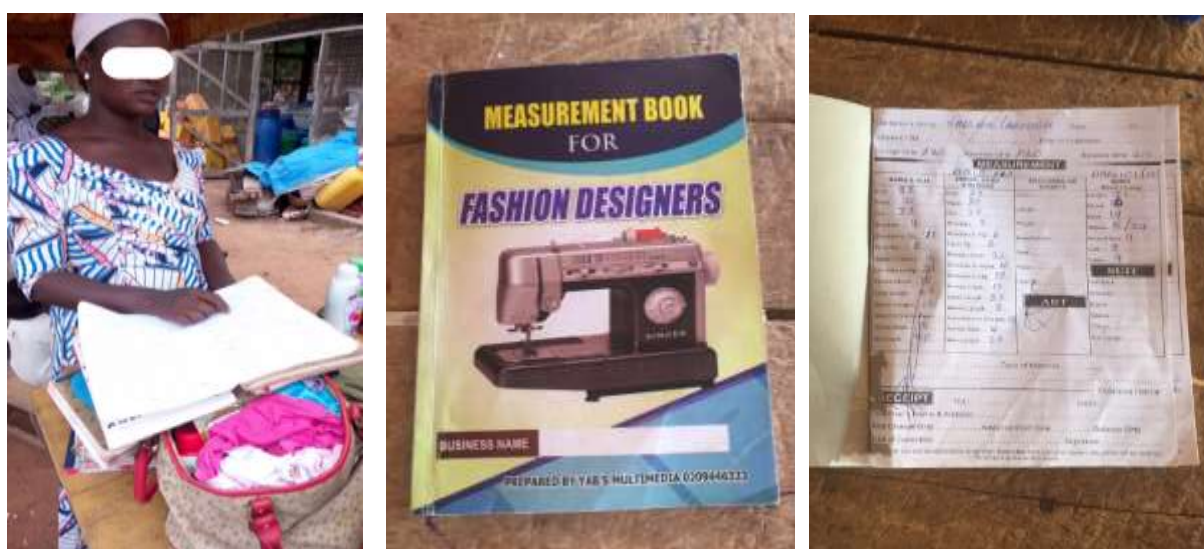


Photo 10: Left: A respondent showing the researcher how she keeps records of her inventory and customers’ requirements; Middle: A measurement book found to be used by some of the respondents who were dressmakers; Right: Records of a customer’s measurement to ensure dress sewed meet the demands of the customer (photo: Benjamin Afreh).

Thus, the findings on selective assistance to customers and selective record keeping practices to meet customers’ needs buttress the point made throughout this chapter that RYEs weigh

the economic and non-economic costs as well as associated benefits on both formality and informality and selectively chooses which form of formality and informality to engage in to make the most out of their venture activities.

Furthermore, the findings revealed how relationships formed in other weak ties, such as vocational associations, VSLAs and ROSCAs as well as community groups, such as churches, mosques and ethnic groups, supported the venture creation processes of the respondents as well as exposed these entrepreneurs to the 'dark side' of such tie networks (Grimm *et al.*, 2013; Portes and Sensenbrenner, 1993), all which culminated in influencing their venture practices and decisions towards formality and informality. For instance, I recorded lots of learning done by the respondents which related to both formal and informal venture practices from various informal self-help and vocational associations, including dressmakers and tailors' associations, that led to diffusion of innovation among RYEs who were members, as well as their timely access to information on the evolving economic climate.



Photo 11: Top Left, middle and right: A respondent showing the Researcher some of the designs she has learned from the dressmakers and tailors' association meetings she has been attending; Down left and right: The researcher observing training and information sharing activities at a self-help young women group in one of the research sites. The members of this youth association were trained on how to manage their ventures as well as a demonstration on bead making. The photo also shows how rural youths use modern equipment's such laptops to do their training activities (photo: Benjamin Afreh).

In sum, the evidence shown is consistent with literature (Granovetter, 1973) and the

findings have revealed that both strong and weak ties play important roles in the formal and informal venture activities of RYEs in Ghana. However, much on the influences of such ties depend largely on how the RYEs situated, positioned or embedded their ventures in such ties to access patronage support or limited constraints associated with the relationships formed in the course of their venture creation activities.

5.2.3 Institutional Domain of Context

The data material revealed that the institutional domain of context, which is framed in formal and informal regulatory structures, conditions, actors and processes (North, 1990), that influenced the venture activities of RYEs and underpinned their stories as well as accounts of key informants, created and restricted opportunity fields for RYEs participation in non-farm venture activities and (in)formality. The sub-sections that follow examine the various structures, conditions, actors and processes through which formal and informal institutional domains affected the venture practices of the respondents.

5.2.3.1 Formal institutional domain of context

Four meta constructs that display the structure, workings and deficiencies of the formal institutional context which influenced the venture practices the respondents engaged in were identified: (a) the design and implementation of enterprise development programmes, projects and policies (b) structure and modus of operations of formal business regulatory authorities (c) the roles of formal education systems on employment access and business practices (d) exposure to and adoption of formal financial and technological systems.

(a) The design and implementation of enterprise development programmes, projects and policies

The analysis recorded few enterprise developments programmes and projects in the researched districts, which were being implemented by government and NGOs. The projects identified included: the Rural Enterprise Programme (REP), Women and Youth Economic Empowerment (WoYEPP) project, *Camfed Alumni Association (CAMA)* youth enterprise project and USAID-funded Resiliency in Northern Ghana (RING) project. Although the RING project is a development intervention that is not specifically aimed at enterprise development, there were livelihood and VSLA components which supported the farm and

non-farm enterprises of beneficiaries in the research sites. Collective narratives of key informants and respondents who participated in these projects and how they influenced non-farm entrepreneurship and (in)formality business practices are discussed in the paragraphs that follow.

The analysis revealed that, instead of designing bottom-up approaches that reflected the changing livelihood and enterprise needs of the beneficiaries, the design of the large-scale enterprise development projects of government and international NGOs adopted top-down approaches of which many of the implementers at the district level complained to have played marginal roles in the designs. These key informants expressed that the top-down approaches adopted were not easily transferrable to the communities and provided little room for linkages and synergies to be created with relevant farm and non-farm sectors as well as streamlined with the operations of existing informal institutional arrangements that many RYEs depended on to manage their businesses or move such businesses towards formality-end of the continuum. For instance, NPUBOFFICER01, who is a programme officer stated:

, “our participation is limited to that of providing information. So that is a key problem, because we (the project implementers) do not have a hand in the design of the projects” (NPUBOFFICER01)

In an interesting discussion, a key informant, NPUBOFFICER04, who have implemented enterprise projects for many years laid the blame of failed efforts aimed at improving book-keeping and accounting practices among local entrepreneurs on the inability of project implementers to adapt western-style designs on book-keeping to indigenous accounting practices of local entrepreneurs. Many of these entrepreneurs who participated in enterprise initiatives of government and NGOs were unable to access funding schemes structured as part of such initiatives. This was due to their inability to present formal financial statements and budgets which met the requirements of the schemes. Hence, they were discouraged from continued participation in the initiatives. The key informant explained:

“We tried to introduce the literacy and numeracy kind of learning/training to help them improve their recording keeping practices but I think that is also part of the problem, I mean the formal (western) way of keeping records. We are yet to come out with our own ways of keeping records that suit the level of our entrepreneurs

and how they do their businesses which is acceptable by all stakeholders so that nobody sees it as a process that is cumbersome. But, as it is now we have creditors book, cashbook, bankbook, suppliers register, stock register, stock control (inventory) book, you understand but if you ask the entrepreneur who sells brooms that how many bags of your items do you have in stock she can easily tell you. But, we want everything prepared in a western way which is part of the problem and the people are not able to get financial support from the programme (state enterprise initiative) because of that mind-set that they should supply all this information in a particular way” (NPUBOFFICER04)

On the part of the respondents, many expressed that they could not access enterprise development projects in the research districts. Also, for the few of them (e.g., INT1, INT25, INT26, INT34, INT43) who had participated in such training activities, the training activities were not designed to encourage them to register their businesses or pay taxes to the state. However, these enterprise initiatives improved other areas of their businesses, such as: group formation, decision making, marketing, customer service and time management. INT43 explained:

“none of them (project implementers) told us that we need to register our businesses. They only tell us that we should come together to form savings groups, and sometimes too they tell us about how we can manage our businesses, such as price and package our products or deal with our customers”.

It was only INT1 who explained that she had attended a workshop organised by an international NGO, which supplied to participants who had registered their businesses tools to operate such businesses. For this respondent, her decision to incorporate her business was influenced by the incentive offered to those had registered their businesses by the NGO. Other problems identified with the designs and implementation of the enterprise development projects that were implemented in the research sites, included: wrong timing, short-life span of such projects, poor targeting of especially out-of-school beneficiaries, limited financial incentives to the project implementers, poor focus of funding schemes on the projects and problems of conditional clauses embedded in such schemes which prevented accessibility. These problems were identified with particularly, collaborated multi-regional projects that were funded by the Ghana government and development partners. On the poor

focus of funding schemes of the projects aimed at rural entrepreneurs, NPUBOFFICER04 explained with respect to the government's Rural Enterprise programme:

"... Even for those who can prepare business plans and financial statements, it is not every one of them that get the matching grant and loans. I think the issue has to do with the programme focus, for some of us who have been on the programme for a long time I have issues with it.... After the person go through all the skill training activities and need a capital to start or improve his business and you fill the form for him to be assessed for funding, then the participating banks on the programme who are supposed to treat these programme participants as special rather treat them as commercial loan applicants. We have participating banks that are on the programme, but they have been allowed to do business as usual. How can you go to pick a loan from African Development Bank to come to alleviate poverty among the rural poor and then you introduce to these poor people many conditional clauses and allow the banks to charge their own high interests on the funds they are supposed to disburse to these poor people? Unfortunately, the banks are rather profiting from these rural people. Meanwhile, the banks are not the focus of the programme. Yet, they make twice from the loans the poor beneficiaries go to take. So, the focus of that programme is the issue."
(NPUBOFFICER04)

Also, bureaucracies and corruption associated with access to funding schemes and other resources on the enterprise development projects discouraged many of the respondents from active participation, which could have improved their non-farm businesses and move them towards formality. Nonetheless, some of the key informants expressed that these enterprise projects were working to move the beneficiaries engaged in traditional group savings practices, such as the VSLAs, towards formality, as community development officers at the District Assemblies in collaboration with some international non-governmental organisations conducted frequent monitoring activities of VSLAs meetings and ensured that beneficiaries were keeping records of their saved funds in formal ways. Also, these officers



Photo 12: Top Left: Members of a Village Saving and Loans Association meeting to conduct their saving activities which are often monitored by the District Assemblies Community development office with support from development partners. Looking on is research assistant and a male secretary of the group; Top right: Secretary of the group keeping records of savings of members; Down-Left: Savings box of the group in green with a logo showing the various organisations that support their activities. The background are members who are mostly older women; Down middle: A sample of the cover of passbook which allows members to know their share contribution to the group; Downright: Sample of recorded savings of a member of a VSLA (photo: Benjamin Afreh)

assisted members of the VLSAs to design, print and use passbooks for their individual record-keeping practices and linked such groups to rural banks. Some of the beneficiaries (e.g., INT1, INT26, INT43) explained to me that the support services their groups had received from the community development officers had improved the way they operate their businesses. Thus, the designs and implementation activities of the enterprise development projects in research sites affected the decisions and practices some of the respondents' made to participate in formality as well as informality with their ventures.

(b) Structure and modus of operations of formal business regulatory authorities

Through the observations and interviews, it was found that the different state regulators (such as: the Registrar General Department (RGD), Ghana Revenue Authority (GRA), the Social Security and National Insurance Trust (SSNIT) Informal Sector Scheme, under the National Pension Regulatory Authority and, District Assemblies (DAs) revenue collection office), which are in charge of regulating businesses towards formality operated highly centralised systems

with limited vertical and horizontal collaborations, coordination and synchronisation of activities among partner regulatory institutions. These weaknesses contravened developed inter and intra-departmental implementation frameworks on the need for the regulators to work closely together to facilitate processes that lead businesses towards formality.

Much of the processes towards formalisation of businesses were observed as rather cumbersome, expensive and less accessible. The structured systems were fraught with duplication of efforts and bureaucracies, which encouraged bribery and corruption within such regulatory institutions. Also, key informants, NPUBOFFICER06 and NPUBOFFICER08, expressed that working within such centralised systems with limited personnel and logistics constrained efforts aimed at enforcing of regulations on formalisation, even in the urban areas where they were aware that a lot of the entrepreneurs evaded taxes or operated unregistered businesses despite making good incomes. Similar explanations of personnel and logistical constraints were given by NPUBOFFICER09 on the inability of the SSNIT Informal sector scheme to extend their operations to rural areas for enterprise operators to access and contribute toward such a formal pension scheme designed for business operators who operate their ventures largely at the informality-end of the continuum. There were also administrative constraints of which some the key informants complained about on internet connectivity problems that affected processing times and challenges of capturing accurate data of registrants. The challenge of data capture of registrants was because many of the applicants did not have proper addressing system. This problem made it difficult to even trace them to renew their registration and pay taxes to the state. A key informant state:

“You see, Ghana’s problem is not in one sector; one sector problem affects the other sector. The person is prepared to give you the information all right, but they don’t have a street name, the houses are not numbered, so what do you do, but yet you must register that person. So, you see, at the end of the day, you deny the person the service not because of his own problem but because of the (dysfunctional) system. If the address system was okay, would we have a problem? There are so many houses here that have no house numbers; the street names are not there even in urban areas. So, what do you do?” (NPUBOFFICER08)

This challenge of addressing system reported by NPUBOFFICER08 which was recorded to drive

away some business operators from incorporating their firms contradicted the government position and rhetoric reported on its website on the introduction of a National Digital Property Addressing System which according to the government:

“is robust and works irrespective of changes in borders and environment, seeks to formalised the Ghanaian economy and transform and improve the operations of business activities in the country”²⁵.



Photo 13: The building in which the whiteboard is fixed is the Registrar General Department office in Tamale, Northern Region, Ghana. This is the only business registration office that serves entrepreneurs in the three northern regions of Ghana. But the signpost which is to make the office easily identifiable as seen in the photo is faded to the extent that one cannot identify any writings on it to show that is the regional business registration office (photo: Benjamin Afreh).

Since the late 1980s, the governance system of the country has been designed towards the implementation of decentralisation policies and programme activities. However, it was recorded on the field that the whole country had only four business registration centres with none of the research districts recorded to have any of the recorded centres. All respondents who had registered their businesses in the research districts explained to had travelled for about 24 kilometres from Kumbungu, 28 kilometres from Tolon and 25 kilometres from Atwima Nwabiagya before they could access the regional offices of the RGD to do such registrations, which came at high transportation costs. More so, none of the research districts was found to have GRA offices to ensure compliance to income taxes, although from the interviews it was recorded that the DAs had revenue collectors who periodically go to the communities to collect levies, business operating permits and market tolls from the entrepreneurs. Here, compliance rate for the permits were recorded as relatively high in the rural communities. Such high compliance rate was observed as a result of the various enforcement strategies employed by the revenue collectors which included disruption of

²⁵ Information taken from the Ghana government official website:
<http://www.ghana.gov.gh/index.php/news/4085-national-digital-property-addressing-system-launched>
(accessed on 28 December,2018)

business operations of entrepreneurs who refused to pay by locking up their business premises and sanctioning them to report to their offices to pay penalties.

Furthermore, while the National Board for Small Scale Industries (NBSSI) offices at the districts were mandated to facilitate business registration processes of local entrepreneurs, the poor collaboration between the RGD and NBSSI had led to a situation where the NBSSI staff complained to lack the needed resources to work effectively as required. Aside from the delays in processing registration forms submitted by the NBSSI to the RGD, all the programme officers in charge of the NBSSI offices who were interviewed informed me that they had to transport filled business registration forms of applicants to the RGD offices at their own financial costs. This meant that such completed registration forms could only be sent to the RGD offices for processing when the programme officers had enough personal funds to do so. I sought to find out at the district level why they think the RGD has not been able to use existing structures at such local levels, to decentralise the entire registration processes. The general argument from the key informants at the district levels was that, although the entire business registration process could be decentralised which would encourage many entrepreneurs to formalise their businesses at minimal costs, some national and regional stakeholders seek to maintain the centralised business registration system to achieve their parochial interests which often lead to bureaucracy and corruption at those levels. Hence, such a centralised system was said to have driven away genuine rural entrepreneurs who wanted to incorporate their businesses. This finding is consistent with the views of Adom (2017) who reported that some formal regulators in Ghana institutionalise bureaucracies as they benefit from such formal institutional deficiencies.

Within the operations of the centralised business registration system, I sought to find out key informants' views on what they thought influenced the decisions business operators made to choose to incorporate or not their ventures. A common view was that although the RGD hold quarterly outreach in the communities to sensitise the public on the need to register their businesses as well as engage the public through the media, such as participating in television and radio discussions, many of the entrepreneurs seemed unaware that it is required by law that they incorporate their businesses. NPUBOFFICER04 states:

, "most of the entrepreneurs are yet to come to terms about the existence of institutions such as the Registrar General Department. They don't even know that

such institutions exist”.

The general narrative was that the mode of engagement adopted by the RGD to encourage local businesses to register seemed to be ineffective as:

“many of them (the entrepreneurs) do not (even) know we are here...Meanwhile, this office has been operating since 2010” (NPUBOFFICER08).

The observations and interviews revealed that local actors, such as traditional leaders (chiefs/community elders), leaders of vocational associations, churches and mosques, played crucial roles in the economic and social lives of entrepreneurs. Although these stakeholders could be engaged to support enterprise development initiatives of government, especially those activities that bordered on sensitising the public on the need to incorporate their businesses or pay taxes to government, the structure and operations of the state regulatory framework had completely side-lined these very important actors.

Also, there were arguments that the fear many of the entrepreneurs have of being traced for tax purposes was what drove their motives not to incorporate their businesses. Interestingly, while the literature suggest that high cost of business registration is a major factor that deter many youth entrepreneurs in Africa to incorporate their businesses, with evidence recorded in countries, such as Angola and Congo, showing that such costs could be as high as 105% and 284% of per capita income respectively (Filmer and Fox, 2014), the narrative held by many of the respondents, which were confirmed by the key informants, suggest that youth entrepreneurs decisions to register or not their ventures were not necessarily driven by high costs of registration but by the anticipated benefits, the quantum of such benefits or opportunities associated with owning a registered business certificate that influenced their decisions to choose to incorporate or not their ventures. As NPUBOFFICER04 explained:

“Sometimes, you have an influx of people (business operators) coming forward to register when they foresee an opportunity, and the opportunity demands that they should have a certificate of registration...so, I believe even my mother in the village who sells oranges on the table if you are able to speak to her and get her conscience on the benefits associated with registration she will register, why not? They don’t register because they see benefits of having such a certificate”.

Such narratives imply that many entrepreneurs who incorporate their businesses often consider opportunities associated with such a venture practice as a tool to improve their businesses and do not do so just to abide by the business laws of Ghana. While many of the key informants explained that identified opportunities associated with formality were improving the attitude and mind-set of the entrepreneurs to register their businesses, they were quick to add that such registration activities did not necessarily translate into tax compliance. In other words, the entrepreneurs decisions to register their businesses did not necessarily led to improved tax compliance on the incomes made from their businesses. Thus, the evidence showed that the centralised structure and modus of operations of the state enterprise regulatory offices affected the entrepreneurial actions of business operators in diverse ways towards informality and formality, which were based on the identified opportunities and constraints that were inherent in such formal institutions.

(c) The roles of formal education systems on employment access and formal business practices

As expected, the data revealed that limited exposure to formal education systems influenced many of the respondents to normalise informality, a finding which was confirmed by the opinions of the key informants. As NPUBOFFICER06 argued on non-compliance to state taxes:

“much boils down to the illiteracy rate because the illiteracy rate is very high and people (entrepreneurs) don’t understand the reasons why the government has not given them money to establish their businesses and yet they are asked to pay taxes”.

Expressing how her low level of formal education has affected the ways she kept her business records, which involved the use of markings in a specific area on the walls of her shop, INT22 explained:

“part of the problem is my (low level of formal) education. If I had gone to secondary school, I am sure I would be able to write in a nice way any time customers come to plait their hair and pays me”.

The findings on the influences of exposure to formal education systems on RYEs decisions to keep written records in a more formal way is consistent with studies in urban Ghana (Fafchamps *et al.*, 2011; Mano *et al.*, 2012) which reports that enterprise owners with higher

levels of formal education are likely to keep their business records in formal ways compared to those with less formal education.

The data further revealed that the influence of limited exposure to formal education has also led to a situation where many of the RYEs, especially the cluster of *kente* weavers, could not document in written form the innovative designs and business procedures they adopted for future use. While the competencies associated with higher levels of education may be questioned due to reported gaps in skill-set and relevance of formal education to industry (Owusu *et al.*, 2016), the findings revealed that even among those with higher levels of education, such as those with senior high school (SHS) education who reported to know the importance of keeping formal accounting records, many conformed to group behaviour on off-the-books practices. These entrepreneurs were usually influenced by the majority of business operators in their industries who had lower levels of formal education.

Nevertheless, it was evident that some of the more formally educated RYEs utilised their acquired knowledge to participate in formality related to business registration, especially where they considered such actions as crucial to exploit some identified business opportunities while continuing to engage in informality in other areas that reduced the costs associated with formality. For instance, the interviews revealed that INT5, who was educated to the tertiary level, and had incorporated his business made use of his business certificate to bid and win contracts from larger formal organisations. At the same time, this respondent engaged in off-the-book practices that hid the about 3000GHS (\$639) monthly income he earned from his carpentry business from tax authorities of the state. Hence, his entrepreneurial actions to keep records of business transaction in ways only understood by him, was a strategy to cut costs not only from undesirable behaviour of his employees (as reported elsewhere in this chapter) but from formal regulators. The non-taxable amount he earned is twice or more the monthly salaries of some civil servants in the public sector in the country.

On the influence of exposure to formal education systems on access to formal sector jobs, many of the respondents who had higher levels of formal education shared their stories of the challenges they experienced in their attempts to secure jobs in the formal public sector, a finding which is consistent with established literature in the country (Adom and William, 2014; Owusu *et al.*, 2016). Also, a common view was that while jobs in the formal private

sector were more accessible, such jobs were usually low-paying. For instance, INT27 states:

“Everybody wants to do something that will make them move forward in life and so if I had gone to SHS or university and I could get a government job that would have been better than this work because at the end of the day (end of service) you will go home with pension money. But, as it is now if you come and tell me that I should come and work at say your sawmill and you will pay me, I will first come and see where you are doing the business to see for myself how the business is going and be sure that you can truly pay me well before I decide to work for you because most of these people (private formal employers) they will use you and not pay you well” (INT27)

Thus, many of the respondents were aware of the enterprise and employment opportunities as well as constraints that their levels of formal education presented to them, which influenced them to make the most out of their situations, by employing strategies and tactics associated with formality and informality to sustain and grow their enterprises.

© Exposure to and adoption of formal financial and technological systems

The interviews also revealed that the actions the respondents took towards non-farm entrepreneurship and (in)formality manifested strongly through the financial products and services they accessed and utilised from formal organisations and tools, such as banks, microfinance companies and electronic saving services (mobile money service), which was provided by the telecom companies in the country in collaboration with the local banks. The collective narratives of respondents and key informants revealed a general lack of trust among the respondents for formal financial institutions. Many of the respondents expressed that the frequent collapse of banks in the country has made them apprehensive to save with formal financial institutions. For instance, INT41 states:

“I was saving with a microfinance company that was sending their mobile bankers to come to my shop to take the deposits, but they run away with our monies. So, now when I have money, it is either in my pocket or in my room”.

Others also complained of the high costs and bureaucratic practices associated with such financial institutions. For instance, one key informant explained:

“Most of them (community members) don’t want to hear the name ‘bank’; they believe it wastes time. The banking system is scaring the rural women away. It is not the beauty of the banking offices that is scaring them away but the behaviour of the (formally) educated workers in the banks to these uneducated people. And, it is a message they also carry to their communities which make others too choose not to save with them. We keep telling them to save their money with the banks, but they also have concerns on the petty bank charges that these financial institutions take from their savings anytime they go to withdraw their funds. Some of the banks, even if you want to check your balance, you have to pay some charges and even SMS text messages they send to you attract charges. These actions discourage many people even (formally) educated ones like us from saving with them. But, with the box system (VSLA model), if a member comes to borrow from the group savings, it attracts an interest of 10% for the group, which is shared among the members at the end of the savings cycle. So, they prefer the box system”
(NPUBOFFICER01)

Consistent with literature which suggest that women generally access financial products of formal financial institutions, such as microfinance companies and rural banks (e.g., Asiedu *et al.*, 2013; Hansen and Rand, 2014), as these institutions often consider them as more creditworthy (Aggarwal *et al.*, 2015; Kabeer, 2001), with financial resources argued as better utilised than when given to men (Evans and Winston, 2008), it emerged from the data material that more of the female respondents participated in financial training activities of formal financial institutions than men in anticipation of being offered financial assistance. In contrast, however, many of the male counterparts preferred to use their personal efforts (physical strengths and abilities) to accumulate financial resources for their ventures. Thus, such gender differences to accumulate or access financial resources were recorded to have affected the male and female respondents differently towards their participation in formality and informality, with respect to saving in more formal and informal sources.

Furthermore, a rather interesting finding that emerged from the data was the growing uptake and use of mobile money services²⁶ which involved saving funds electronically on

²⁶ History of mobile money: “In March 2007, Safaricom, Kenya’s leading mobile operator, revolutionised the way Kenyans manage money by introducing M-Pesa. Money transfer via SMS texting was the first service offered. Using a basic mobile phone, users could electronically send and withdraw funds. The actual exchange of money--the deposit and withdrawal--occurs through a network of agents that essentially act as ATMs”

respondents' mobile phones. Such an emerging electronic-based financial practice was used by some of the respondents to make payment to their suppliers for credit purchases. The introduction of a *mobile money interoperability* by the government of Ghana as a financial inclusion strategy, which was aimed at bringing all telecommunication companies and formal financial institutions, such as banks, together to use one platform to make it possible for individuals in the country to save and transfer funds across different mobile networks, was observed to have led to many unbanked populations to save electronically even when they did not have formal savings accounts with banks or had minimal formal education. A few of the more formally educated respondents (e.g., INTN9, INTN5, INTN19 and INTS23) reported to use other electronic systems, such as Facebook and WhatsApp groups to market their products. The growing use of technology and the new forms of financial systems were recorded to affect the non-farm entrepreneurship and (in)formality practices of the respondents in diverse ways, as such financial technologies created spaces for the respondents to normalise aspects of their businesses towards formality and informality.

5.2.3.2 Informal Institutional Domain of Context

In response to the weaknesses and inefficiencies identified with some formal institutions, many respondents were found to vary their dependence on such institutions by situating aspects of their ventures in a more rooted manner within some informal institutions. Consistent with literature (Ismail, 2016; Fox and Sohnesen, 2012; Fox *et al.*, 2016), these RYEs were found as immediately exposed to informal institutions which were set within family, gender and marital institutions that were characterised with norms, values and expectations on work and enterprise management. These normative institutions influenced the RYEs actions towards non-farm entrepreneurship and (in)formality. Beyond the proximate informal institutions, the influence of other institutional actors situated in community groups, such as religious and ethnic groups as well as informal self-help groups (VSLAs/ROSCAs) was recorded and observed. Two meta constructs that display the role of these institutions in the venture creation process have been identified: (a) Navigating fatalistic-vis-a-vis-indeterministic occupational paths: following and challenging occupational norms, values and expectations in family, gender and marital institutions; (b) Stimulating entrepreneurial identities through communal norms, values and expectations. The sub-sections that follow

<https://www.worldbank.org/en/news/feature/2018/10/03/what-kenya-s-mobile-money-success-could-mean-for-the-arab-world> (Accessed: 31st December,2018)

examine the findings within the identified constructs.

(a) Navigating fatalistic-vis-a-vis-indeterministic occupational paths: following and challenging occupational norms, values and expectations in family, gender and marital institutions

Within the workings of family, gender and marital institutions, the data material suggested RYEs navigation of fatalistic-vis-a-vis-indeterministic occupational paths. Here, such a path is defined as RYEs following as well as challenging often taken for granted or ignored beliefs that predetermine the dynamics of power, domination, inequality and agency among different economic and social classes which shape the outcomes of economic and social practices in society. There appeared transfer of skills and business-oriented mind-sets which were set within traditional occupations of families, such as: farming, traditional herbal medicine preparations, blacksmithing, kente weaving and smock making, which had been passed on from previous generations to the RYEs and in some cases (e.g., INT13, INT19) the respondents had completely taken over such enterprises in their families. For, RYEs who chose to follow such inherited occupational paths, the vocations they engaged in had become important



Photo 14: Top left to right and down left: Young blacksmiths using their acquired skills in the family traditional vocations in addition

with their physical strength and simple tools to participate in non-farm venture activities; Down-right: Ladle manufactured by the young blacksmiths (photo: Benjamin Afreh)

avenues to build prestige and reputation among relatives and community members. For instance, INT15 states:

“Those of us (the male youths in the family) who are doing this work (smock sewing) are seen by our elders as promoting our culture and with the way people patronise the products the elders say that we are doing well and they respect us a lot”.

The prestige gained by respondents (such as INT13, INT15 and INT19), extended to older members of their families who are usually considered by their communities to have ‘train well’ the younger generation. For these RYEs, such prestige and elevation to acknowledged social positions also placed on them obligations to become trainers and role models to the younger members in the family passing on the family secrets in relations to such ventures to such younger generation. Although some of the RYEs explained that they made little monetary



Photo 15: Left: Children being trained by a respondent at his shop on how to weave traditional smock with thread. Also, in the photo is the researcher observing how the children are weaving; Centre and Right: Child kente weavers busily weaving after having been trained within the family structure with skills to engage in such a traditional vocation (photo: Benjamin Afreh)

returns from engaging in some of these traditional vocations, they still chose them over more profitable ventures they were equally skilled in. For instance, INT32 who was skilled in kente weaving expressed that his choice of subsistence farming over the kente weaving business was based on his love for farming which he had acquired from his parents even though such agricultural ventures did not provide to him any monetary income. He explained that:

“Some of the boys (youth) say farming is hard, but I don’t see it that way because

every work is hard depending on how you see it. I like farming and only do this (kente weaving) work when I need money to buy something. Other than that, you wouldn't have come to see me here. I would have been on my farm by now" (INTS32).

Such a narrative was commonly heard from some of the respondents who did not re-invest profits made in their less preferred non-farm ventures to sustain the ventures. Rather, they chose to use the earned funds to acquire assets or meet some particular needs which required monetary resources after which they shifted back their focus to the traditional enterprises. For respondent INT32, although he largely engage in informality with his farming activities, by keeping no book-keeping records or saved no funds earned from the occasional sales of produce from his farm, he engaged in *periodic formality*²⁷ whenever he shifted his attention from subsistence farming to his non-farm venture (kente weaving business), keeping records of saved funds with a rural bank to meet his particular objective (e.g., acquire assets) and discontinued such savings until a future period when he had to go back to his non-farm venture to save for another purpose. This finding of INT32 preference for subsistence farming over his non-farm venture is interesting considering the fact that the literature is dominated with claims that young people in Africa are moving away from agriculture due to lack of interest (Gough and Birch-Thomsen, 2016; Gough and Langevang, 2016), with policies being introduced to get them back into farming (Okali and Sumberg, 2012).

For many RYEs (with exceptions to INT13 and INT19) whose ventures primarily followed inherited occupational paths, such venture activities were recorded as largely located in the informality segment of the formality-informality continuum. For those respondents, business practices transmitted within the family structures often normalised informality, in the form of preference for envelope or cash payment to family workers and business norms that prioritised the needs of influential immediate actors, such as relatives, friends and community members, over demands of distal state regulatory actors aimed at tax compliance and business incorporation. One respondent explained:

"as for this (traditional herbal medicine) work, when you are doing it no one (in the

²⁷ *Periodic formality* practices as used in this thesis refers to RYEs engaging in periodic book-keeping and savings practices in formal ways with their enterprises to achieve a particular objective, such as acquire assets for lifestyle improvements after which RYEs discontinue such formal business practices until another lifestyle goal arises.

family) care whether you pay taxes or register with the government. All they (extended family members) know is how you are able to fulfil your responsibilities to the family and promote our tradition with the work (INT19).

Also, while some of the RYEs engaged the services of family workers through informal contracts and verbal agreements, of which they offered little or no monetary compensations for services offered by the workers, those who engaged in such employment practices did not consider their actions as 'exploitative'. Rather, they viewed their behaviours as legitimate pre-conditions for exchanging developed skills and knowledge with their employees that would allow such younger relatives to be able to manage the family occupations into the future, to survive the hostile formal regulatory and business environments, they operated in. This shows how established practices towards employment were situated in some informal institutions in rural societies where formal institutions were perceived as weak and less supportive of local businesses.

In a more interesting finding, the data revealed that for some of the respondents, having questioned why they should follow prescribed occupational paths and not occupations of personal interests, they adopt strategies that allowed them to navigate or circumvent such informal institutional norms by engaging in occupational plurality. Here, the purpose of occupational plurality was aimed at pursuing occupations of choice as well as manage alongside inherited traditional family enterprises, so that they are not viewed to have neglected family traditional occupations. Thus, occupational plurality allowed the respondents to challenge views on inherited occupations as well as relatively follow such paths to meet the expectations of their families. For many of these youths who engage in multiple occupations, they often appropriate values and work ethics derived from their traditional occupations, such as hard work, risk-taking, patience, tenacity and resourcefulness to operate their ventures. Although some of the RYEs explained that they were initially considered in negative light to have neglected their prescribed occupational paths (earned *negative social capital*), their ability to successfully combine their other ventures with the traditional occupations led to prestige and improved social positioning within the family structures:

"my uncle was very angry when I told him I would do this work (petrol and building materials retailer). He said that I was lazy; that is why I was running away from

farming because farming is for men. But, now that my (non-farm) business is doing well and I also do farm on the side to take care of my family, he respects me a lot
"(INT10)

For many of these respondents, the prestige they built were informed by their abilities to have achieved beyond what their parents, guardian or older generation of family members had been able to achieve in their occupational lives. INT2 states:

"I am very respected in my family, and it is all because my father worked as a farmer all his life, but I have been able to establish this (mechanic) shop to help the people (in the community) and still continue to farm to support my family".

Similar, INT11 argues:

"When you manage your own (non-farm) business in addition to farming your family (in reference to extended family) will respect you a lot and they will make sure that any time they have a meeting on some important matters you are invited because they expect you to help solve some of the family problems".

The finding on the prestige associated with occupational plurality is consistent with evidence found in Uganda among youth entrepreneurs (Langevang *et al.*, 2012).

Furthermore, within the family institution, the practice of following and challenging prescribed occupational paths was recorded to have gender and marital dimensions. This was revealed from the gender and marital norms they participated in which affected the RYEs entry into labour markets how they engage in formality and informality with their ventures. Gender norms determined how some of the female respondents (e.g., INT3, INT14, INT20, INT26, INT44) accessed important economic and educational opportunities which affected their informality business practices. In many cases, their inability to keep formal accounting records were due to their lack of formal education, which was the result of gender-based norms that prioritised education for male-child than female-child. As INT14 explained:

"I keep records this way (use of markings) because I could not go to school... my family said girls would go and marry someone and become part of the man's family, so the little funds were spent on the boys' schooling".

Similar stories were heard based on gender-based norms, which made female respondents

have limited access to agricultural lands and thus influenced their decisions to establish non-farm enterprises. Also, many of the female respondents were found to be pursuing entrepreneurial careers that allowed them some space to balance their occupational goals



Photo 16: Left and centre: The researcher interviewing a female kente weaver who is taking some time off her work to nurse her newborn baby while her son plays around; Right: The researcher interviewing a hairdresser who is taking some time off her work activities to cater for her son (photo: Benjamin Afreh/Francis Sarkodie)

with family responsibilities, especially responsibilities that were related to care for children and aged parents or other relatives. Their enterprises had been developed along such normative structures, which required them to engage in multi-tasks to meet the demands of their families and businesses. In most cases, these demands affected how they used their working hours and incomes generated from their businesses, in terms of the ways they divert their incomes to meet the needs of their dependent family members than choose to pay tax. In some cases, they were unable to grow their businesses to levels that would attract revenue collectors. For instance, one divorced female respondent who operated a home-based dressmaking business explained:

“I have not been able to buy a container (metal kiosk) to do the work that is why the tax people don’t come to me to demand that I pay tax. It’s just that I use all the little money I make to cater to the needs of my children, that is why I am not able to save to get the container” (INT24).

The data further revealed that marital norms affected the enterprises of some of the female respondents as their husbands had some form of oversight on their businesses, which affected how they used the finances of their enterprises. In such cases, most of the respondents engaged in selective formality and informality business practices as tools to

challenge such marital norms. They demonstrated tactics that reduced the influences of their husbands in their businesses, by engaging in record-keeping practices that allowed them to hide their incomes and saved their funds in informal sources, such as ROSCAs and VSLAs. They used their saved funds to support household expenses during periods of family emergencies which transformed their relationship with their spouses and other family members. Hence, the transformed relationships made them able to participate actively in decision-making processes in such families as well as improve their social positions within the family. As INT14 states:

“Since I started this business, I have been supporting my husband with some of the household expenses, and because of that, he respects me more than before ... [-] ...he even asks my opinion whenever he wants to make important decisions for the family”. Similarly, INT17 explained, *“before I became a master (skilled dressmaker) I was considered as a nobody by my family because I could not contribute money to solve family problems, but now they even involve me in decisions they make although I am a woman”*.

Thus, the selective formality and informality business practices engaged in by many of the female respondents allowed them to emancipate themselves, as such venture activities provided to them spaces to improve their social positions with their families and offered them new meanings on the benefits of operating non-farm ventures as well as participating in formality and informality business practices.

(b) Stimulating entrepreneurial identities through communal norms, values and expectations

Beyond the family, gender and marital institutions, the entrepreneurial practices and identities formed by the RYEs were influenced by norms, values and expectation related to work, employment of apprentices and use of finances which were situated in communal groups, such as ethnic groups, religious groups and self-help mutual support groups. Within the ethnic groups, communal expectations led to the normalisation of informality, associated with intuitive and discounted pricing as well as credit sales, as the respondents were required to produce essential goods and services at affordable prices. Here, norms that drove the venture activities of RYEs were aimed at influencing these entrepreneurs to seek the improvement of the collective, which in this case was the community and not just their

individual interests or those of their families. The RYEs were expected to balance their interests in exploiting entrepreneurial opportunities that generate wealth with the interests and expectation of their communities by creating social value which transformed their identities to what can be best described as “social entrepreneurs” with their ventures (Mair and Marti, 2006). Such expectations influenced them to use their business hours to attend communal events, donate funds from their businesses during social events, and they were mandated to give gifts and loans to community members. These practices gave the respondents confident to operate their businesses without incorporating such businesses or paying taxes to government on profits they made.

Also, the normalisation of informality was built on communal understanding on the engagement of under-aged children and other younger persons in venture activities, which ensured that RYEs used the services of the apprentices without any demands from such apprentices for monetary compensations as wages and salaries. Instead, the respondents were rather rewarded for preparing the younger generations for the labour market through their informal employment practices. These rewards came in the form of prestige and titles that was given to them, such as ‘*master*’ and ‘*madam*’ from community members and parents of their apprentices. Also, the most successful ones, in terms of those who employed more children or younger youths, were often elevated to statuses that allows them to sit in council of elders’ meetings or dedicated seats provided for them as important guests during social events. A few of the male respondents (INT2, INT11 and INT18) who had multiple wives reported to had been offered the women in hand in marriage by elders in their communities due to their enterprising business practices. Therefore, it could be seen how the RYEs were influenced by communal norms to participate in informal entrepreneurship as they capitalised on such practices to attain acknowledged positions and improved their identities.

Another influence of communal norms on formality and informality enterprise activities were revealed in religious practices engaged in by the respondents. Religious norms affected how the respondents operated their businesses, used funds of the businesses and responded to enterprise regulatory institutions of the state that bordered on formalising their operations. For many of the respondents, their religious practices gave them confidence to participate in risky business ventures, some of which were against the written laws of the country. For instance, one respondent who worked as a mechanic cum commercial driver explained:

“Anytime I am on the road because I don’t have a driver’s license, I pray to God to protect me from getting into problems with the traffic police, and He answers me. I have been driving for 5 years without any problem” (INT41).

This respondent who gave up on his effort to secure a genuine driving license after being duped with fake ones by middlemen at the Driver and Vehicle Licensing Authority (DVLA) offices resorted to his faith in a higher power to engage in his illegal driving activities. Also, some RYEs who could not predict with certainty how their businesses would perform, considering the irregularity of demand for products and services characterised with the economic environment, also built their hope in a higher power to bring in customers to their businesses and survive periods of price fluctuations. Such faith in a supreme being made them attribute the talents they exhibited in their venture creation processes and attained personal successes with their ventures to divine sources, which also affected how they were willing to spend their time and finances of their businesses.

While I observed that the religious practices engaged in by many of the respondents adversely affected the productivity and performance of their businesses, especially in periods, such as Ramadan fast, weekly prayer meetings and Easter conventions, as many spent less time with their businesses, the respondents believed otherwise considering their perceived benefits derived from participating in these religious activities. There were a lot of paying of informal taxes during the religious activities from the generated funds of their ventures, which were usually paid in the form of offertory, tithes and dues:

“Normally, I go to church in 3 days in a week, and on days I have money I spend like GHS10–20 on offertory, but when business is slow, I normally give GHS5 as offering... I have to pay offertory and dues at church because it is God who has blessed me to get the customers and so I need to let him know that I am thankful for what he has done for me in each week.... so, we can’t do without God, sometimes you wake up, and you don’t even know where the next customer will come from, but God brings them so that we can survive.... (also) with the way a lot of young people are dying these days over here if not for His mercies and protection where would my family and I be. So, it’s nothing if I give to the church” (INT36)

Also, such religious practices were recorded to influence some of the business operators to stay away from state interventions that encouraged formalisation of their ventures, as some

of the respondents showed limited or no interest in the interventions and schemes. An example was the SSNIT Informal sector scheme which encourages business operators in the informal economy to contribute towards their pension with the government. One key informant explained:

“I think the reason why some of them are not enrolling on the SSNIT Informal sector scheme has to do with their cultures and religion. This is especially the case among Muslim women. You go and educate some of them, and they tell you they have to consult their husbands for permission before they register with the scheme. Some of them too think as a Muslim, because you are doing it for the future and the Islam religion says only Allah can determine the future, they frown upon such things that will bring them benefits in future that is why they don’t want to register with the scheme.”
(NPUBOFFICER09)

Nevertheless, there were few respondents (e.g., INTS25, INTS26, INTS38) who reported to have benefited from training activities of their religious organisations that improved their record keeping practices. These respondents also benefited from information sessions of their religious organisations that informed them about processes required to open bank accounts and enrol in pension schemes, such as the SSNIT Informal sector scheme.

Also, the findings revealed the influences of communal norms situated in mutual self-help groups, such as VSLAs, ROSCAs and vocational and traders’ unions, which shaped the venture practices of the RYEs aimed at formality and informality and enhanced their identities and well-being. In an institutional setting where formal social security schemes were inaccessible to many RYEs, majority of the respondents depended on reciprocal norms of support and care situated in these self-help groups to overcome difficult personal and business circumstances. These groups had gerontocratic structures which limited access and use of economic and non-economic resources situated therein by youths. And, to access such groups and the situated resources or support, many of the respondents were mandated to demonstrate certain behaviours, such as humility, hard work, respect for the elderly, patience and responsibility, in their businesses and communal lives before they could be referred or endorsed by existing group members. The governance systems of such self-help groups functioned effectively in many cases to support members except in a few cases where there

were stories that some of the leaders had mismanaged funds of the group. Despite the entry barriers to such groups to young members, some of the respondents (e.g., INT30; INT36, INT44) explained that they were also very selective of which self-help groups or religious societies they participated in, as they considered the benefits and costs associated with norms and expectations situated within such groups before joining. Where they anticipated the benefits on their ventures and life aspirations as of lesser value than the costs, they abstain from such group activities. Such a finding is consistent with arguments advanced in literature (e.g., Webb and Ireland, 2015; Webb *et al.*, 2019) that some deficient informal institutions lead to damaging outcomes on venture creation activities.

Another important informal institution which was recorded as highly organised with stipulated regulations that affected the venture activities of the RYEs is the vocational associations some of the respondents were members of. Particular cases of reference that were found to be very active during the fieldwork were the Tailors and Dress Makers Association and the Hairdressers and Beauticians Association which has schemes that allow graduated apprentices of master-craftsperson to take non-written competency-based skills exams that give certificates to such apprentices who pass the exams. Respondents who were



Photo 17: Left: The researcher and his assistant in a group photo with members of a village tailors and dressmakers' association after observing their meeting activities; Right: A respondent displaying her awarded certificate as a master craftsperson (photo: Benjamin Afreh/ Abdul Aziz Adam)

members explained that certificates earned from such informal associations were recognised in their communities, as displaying such certificates at visible locations in their business premises were generally considered as competent master-crafts persons, which often drew potential customers and apprentices to their businesses, with associated prestige earned

from community members. Thus, these certificates had become symbolic capital for their ventures.

Also, the associations were observed to bring members together to determine uniform pricing for their products and services which improved their ventures, with members who flouted regulations sanctioned in the form of suspension of membership. Such suspensions were recorded to have dire consequences on the ability of those affected as they would not be able to enrol their graduated apprentices to sit for the exams for certification, which could drive away current and potential apprentices from their ventures. Despite their high level of organisation and skill development activities, the governance activities of such an informal institution were not aligned to formal vocational schemes of the state that support skill development of local industries, such as the National Vocational Training Institute (NVTI). Thus, industrial regulations on labour recruitment were less enforced by members of the informal vocational associations. For instance, many of the members of the vocational associations were found to recruit children and other younger persons in their ventures as apprentices, with their informality practices associated with such employment legitimised by the associations, as young graduated apprentices irrespective of their ages were issued with certificates once they pass their apprenticeship exams.

In sum, the actions of the respondents were influenced by their understanding of economic and non-economic benefits as well as costs located in formal and informal institutions which affected how they made decisions towards formality and informality with their businesses. With some formal and informal institutions recorded as weak or less efficient in supporting the venture activities of RYEs, many of the respondents adopted practices that allowed them to vary how they were positioned within the formal and informal institutions to make the most of their ventures as well as the associated benefits on their life aspirations.

5.2.4 Spatial Domain of Context

The analysis revealed how location and place were viewed as determining factors that enabled and constrained venture activities of RYEs and influenced their actions towards formality and informality with their non-farm businesses. Many of the respondents understood that the opportunities and constraints they faced were horizontally and vertically situated in the spatial domain of context and responded in ways which allowed them to

maximise the benefits of such place-based identified opportunities while minimising associated constraints. Four distinct themes that determined how the spatial domain affected the venture creation processes of RYEs were identified: (a) physical factors of place (b) human resources factors of place (c) social and communal factors of place, and (d) institutional factors of place. Within these identified embedded structures, the RYEs adopted various strategic and non-strategic actions to bridge nearby and distant spatial locations to maximise the benefits of identified opportunities and reduce the associated constraints. Here, I compared findings of the identified place-specific factors which influence non-farm (in)formal enterprise activities in the northern and southern research sites and reports where appropriate the diversity of the place-specific factors in both research sites and how such differences affected the enterprise activities of the RYEs. The identified themes are examined in the sub-sections that follow.

5.2.4.1 The influences of physical factors of place

The analysis captures two main constructs which depict how physical factors in local and non-local spatial locations affected the venture activities of the RYEs and their practices towards (in)formality: (a) access to local and non-local raw materials and natural resources (b) physical infrastructure of place.

(a) access to local and non-local raw materials and natural resources

In many of the cases, the physical environment within which the RYEs operated their businesses provided them access to raw materials and natural resources, which facilitated their non-farm venture activities. For example, some of the respondents (e.g., INT13, INT19, INT28, INT30) easily accessed raw materials, such as: shea nuts, clay, wood, palm fruits and traditional medicinal plants, for productions of goods which included shea butter, earthenware, loom for weaving, palm oil and soap production. Others engaged in occupations, such as: blacksmithing and welding, which were observed to use locally recycled products (for example: old vehicles parts and other machinery), to engage in highly creative ventures that manufactured farm tools and other equipment. These products included: hoe, cutlass, grinding machines and locally-manufactured guns for hunting purposes. Resource accessibility and convertibility in the local environment led to lower production costs as well

as improved the working capital of the RYEs. For instance, some of the respondents (e.g., INT10, INT22, INT31) took advantage of their access to farmlands to engage in farming to build



Photo 18: Left: The researcher interviewing an RYE who collects used plastic bottles from her community and uses such bottles as containers for the liquid soap she manufactures and sells. Listening in to the conversation is the mother of the entrepreneur and her child; Right: The researcher in a photo with an RYE who uses old vehicle parts to manufacture new tools. RYE is also engaged in mechanic works (photo: Francis Sarkodie/Abdul Aziz Adam).

economic resources to establish their non-farm business, with others continuing to engage in agro-based enterprises alongside their non-farm ventures. For those respondents, taking advantage of the availability of farmland in the local place to engage in occupational, product and service plurality was an important strategy to improve the working capital of their non-farm businesses, as they spent fewer funds from their businesses for subsistence purposes. This finding was observed particularly among the RYEs who operated their businesses in the northern research site. However, some of the RYEs who had migrated from northern Ghana and interviewed at the southern research site had been influenced by low fertility rates of farmlands in their home communities to move down south of the country where the agricultural lands are known as more fertile for commercial production and had access to year-round rainfall. For these migrant youths, although the lands they worked on in the Ashanti Region were usually rented or they engaged in wage jobs in cocoa farms, such jobs provided them easy access to economic capital to re-finance their primary ventures. Speaking on how the use of land-based resources in his source community affected his migration and non-farm enterprise decisions, one migrant respondent explained,

“It would have been harder for me to raise additional money to support this business if I was operating it in the north. Over there, the land is not so good, so we only farm to feed our families. But, here even if you go to work in people cocoa

farms you can get some money to improve your capital for the business" (INT45)

Also, some of the male respondents in the research site in the Ashanti Region took advantage of the local resources in the physical environment, such as gold and timber, to engage in illegal small-scale mining and logging activities alongside their primary businesses. This was found to be the case, especially when the entrepreneurs perceived that their working capital had depreciated and needed to re-capitalise their ventures. Other RYEs, engaged in enterprises, such as hairdressing, dressmaking, shoe manufacturing, and fuel retailing, gave limited priority to raw materials situated in the local place and carried out their venture activities with non-local raw materials. Those respondents engaged in resource acquisition practices that allowed them to bridge distant and near spatial locations, with many of them moving to urban centres to buy their inputs or re-saleable products.



Photo 19: The researcher in a photo with a RYE who deals in agrochemicals of which she buys from the city and sells on a retail basis to local farmers. Lying in the shop behind the researcher are bags of fertilisers for sale (photo: Abdul Aziz Adam).

Interestingly, it was found that the RYEs who engaged in venture activities with non-local raw materials often sold their products and services at local markets to customers in the same or nearby communities, while their counterparts who use local raw materials in many cases accessed market channels that allowed them to sell their products to regional customers. There was even a case (INT13) where products (processed shea butter) of a respondent were exported and sold at international markets. Thus, despite the enterprise activities of some of the RYEs being embedded in local physical resources, the commodities they produced bridged spatial locations which allowed them to improve their businesses.



Photo 20: The researcher is observing the packaging stages of processed shea butter of a respondent (INT13) venture for export in a research site (photo: Benjamin Afreh/Abdul Aziz Adam).

The difference in source of raw materials used for production were observed to affect enterprise decisions made towards formality and informality, with many of those who used raw materials acquired from local sources found as those who often engage in off-the-book practices, such as: keeping no written records of the stocks used for production, engaging in less rationalised pricing strategies that involved intuitive and discounted pricing of finished goods, and used verbal agreements for credit sales as well as saved funds of their businesses in informal sources (money boxes, ROSCAs, VSLAs). In contrast, many of the respondents who used non-local inputs for production were found to usually operate bank accounts or used mobile money savings accounts, had fixed prices for products sold and kept some form of book-keeping entries. For some of these RYEs (e.g., INT20; INT39; INT44), the use of bank accounts or mobile money accounts allowed them to reduce the risk of theft associated with travelling long distances to cities or different regions (bridging spatial locations) with physical cash for their non-local inputs.

For those respondents whose businesses were less situated in local physical resources, their engagement in formality practices with their non-farm ventures was an important strategy which allowed them to keep track of the performances and profitability of their businesses. In many cases, they adopted *selective formality and informality* practices to manage such non-local raw materials or re-saleable products. For instance, one respondent who operated an unincorporated hairdressing business explained,

“As for the styling products, shampoo and conditioners I measure and write everything down in my notebook so that my apprentices don’t use them to do customers hairs and pocket the monies. These products are very expensive, so I monitor them... [-] ...” (INT40)

For this respondent, bridging spatial locations to access her rather expensive raw materials made her believe that she pays indirect taxes on her inputs. She, therefore, considered demands for state taxes by local revenue collectors as extortionist actions of which she refused to pay. Anytime she heard that revenue collectors were in her community, she would immediately stop her operations, lock up her shop and go home until she gets information that the revenue officers had left the community. She argued:

I don’t pay tax because anytime I go to town to buy my hair products the prices have gone up; I think they add taxes to them (hair products) that is why they are always expensive. That is why I decided not to pay another tax when I come to do my work over here” (INT40).

Her response suggests that some of the RYEs who depend on non-local raw materials perceive that the high costs of their inputs and other expenses associated with bridging spatial locations to acquire such inputs, influences them to choose to be non-compliant to state taxes, especially at the local spatial environment where they operated their ventures. However, the same cannot be said for respondents who use local raw materials for their production. Usually, their finished products that bridge spatial locations, such as being sold in regional markets are managed by middlemen/middle women who buy the products from these entrepreneurs at lower prices and sell at rather higher prices in such markets, factoring all other costs, such as transportation and taxes paid along the marketing channel. Nevertheless, it was observed and recorded that, for INT13 and INT19, although these RYEs engaged largely in informality in the acquisition of their raw materials (shea nuts, dawadawa

seeds, traditional medicinal plants, etc.) in their local place, once production was completed they engaged in selective formality, in the form of standardising their products which they sell in MoP and ToP markets, to meet requirements of regional, national and international clients. These entrepreneurs kept records of transactions with middlemen (distributors), such as credit sales, as well as used receipt books and paid taxes to state officials along distribution channels they managed with their enterprises. Thus, physical factors in the form of local and non-local raw materials and the processes involved in acquiring such inputs as well as where the finished products were sold created enabling and constraining effects on non-farm venture activities of the RYEs and their associated formality and informality business practices. These findings are consistent with observations made by Holt and Littlewood (2014) in rural Kenya, where the authors found that entrepreneurial activities engage in such a BoP African setting are characterised with hybrid supply chains practices associated with formality and informality, which also has upward and downward linkages across spatial locations (e.g., rural-urban, urban-rural, local-international, etc.).

(b) Physical infrastructures of place

Like local and non-local raw materials, the physical infrastructure at spatial locations, such as transportation, communication, water and electric systems of which the respondents accessed, played important roles in their venture activities and affected decisions they made





Photo 21: Top left to right: Building types and level of physical infrastructure (including access to electricity and water) in some of the rural communities in the northern research site; Down left to right: The researcher standing in front of some of the building types in the southern research site. Also, showing is access to electricity and use of feeder road (photo: Benjamin Afreh)

towards formality and informality with their non-farm businesses. Regional differences in terms of access to good roads allowed many of the respondents in the southern research site, especially those engaged in local manufacturing to move to urban centres at relatively lower transport costs to market their products, compared to their counterparts in remote communities in the northern research site who largely depended on middlemen as result of high transportation costs to sell their products in regional markets.

Also, communication technology was observed as more developed in the southern research site compared to many communities in the northern research site, which made the practice of using mobile money services to support venture activities recorded as more prevalent among the RYEs in the southern research site where network connectivity was found as relatively good. There was one case (INT23) where a respondent reported to had recently used his mobile phone and easy access to the internet to market his woven *kente* cloth on social media (Facebook) and reported to have sold his products to a customer located in a different region (Accra). The practice of this respondent allowed him to use online tools to bridge spatial locations to access clients in other regions of Ghana. INT23 reported that some of his trusted clients paid him through his mobile money wallet to order for some of his woven cloths. For those orders, he made use of the well-developed transportation system, by using commercial transport drivers to courier his sold products to the destination of his clients. Also, technological development in spatial locations which allowed easy access to mobile phone and mobile money services improved the business activities of many of the respondents, as these RYEs were able to communicate to business partners, such as suppliers, for timely information on prices and new products in the market. However, two respondents

(INT34, INT42) who operated businesses as mobile money merchants complained that internet connectivity problems in their rural localities affected the profitability and incomes of their businesses.

While the literature is dominated with studies that suggest that many youths from northern Ghana are moving to urban locations, such as Accra and Kumasi, which has contributed to the high levels of informality in the urban space (Alhassan, 2017; Awumbila and Ardayfio-Schandorf, 2008; Awumbila *et al.*, 2014; Yeboah, 2017), it was interesting to see how many of the respondents interviewed from the northern research sites were actually return migrants who had chosen to go back to settle in their source communities to operate their ventures despite the relatively slower pace of business activities in the rural economy when compared to the urban localities they had migrated to.

The observations and interviews revealed that some of the return migrants (e.g., INT1, INT7, INT11) adopted aggressive-like mentality and efforts to manage their ventures in a similar manner as they claimed to have worked in the rather precarious urban spaces where they navigated during their migration journeys. These respondents held the belief that their home localities offered them more decent livelihoods than the work they were previously engaged in the cities. Hence, their return to operate their ventures in such localities. For instance, one respondent explained:

“I don’t joke with the work at all because it is not easy to get to this stage. I had to work hard as a 'kayaye' (head potter) in that filthy environment at Agbogbloshie (a slum in Accra) before I could raise the money for the apprenticeship.” (INT1).

Thus, the influence of infrastructure of place was a clear factor that affected the RYEs not only their enterprise practices but also their migration decisions.

Furthermore, many of the respondents held the view that their decisions to participate in informality, in terms of being non-compliant to state taxes, were due to the poor physical infrastructure in their local spatial environment. These RYEs refused to pay taxes because of the lack of direct benefits they received in terms of infrastructure development. As INT10 states:

“There is no development here so I don’t see why I should pay tax because we don’t have electricity in the community”.

Similarly, INT16 explained:

"Did you see the (feeder) road you travelled on to this community? They (District Assembly) won't come to fix that but will be talking about Assembly levies (business operating permits). Why should someone in this community pay those levies when everything shows we are not part of Ghana. Look at this place what show we are part of Ghana? There is nothing we can boast of. So, I don't see why I should pay levies to the Assembly..."

These accounts of the respondents, which are in line with established literature (e.g., Cowell and Gordon, 1988; McMillian, 2002; Moore, 2004) and consistent with findings in Ghana (Armah-Attoh and Awal, 2013) and elsewhere in Africa (Nkundabanyanga *et al.*, 2017) shows that citizens are more compliant to tax regulations of the state when they perceive that their taxes are used efficiently for the provision of public goods and services that are beneficial to them. The findings, therefore, demonstrate that the respondents' practices towards informality were a direct protest for lack of accountability and provision of physical infrastructures that could improve their quality of lives and their ventures, as improved roads and electricity can enhance their production processes and access to more developed markets.

5.2.4.2 Human resources factors of place

In addition to the influences of physical factors of place, the venture activities of the RYEs were affected by human resources factors which were situated in their local settings. Location-specific access to cheap labour was observed in both research sites where the RYEs recruited locally. However, regional differences showed that employment practices of RYEs in the northern research site were somehow different from those in the southern research site. Most of the RYEs in the northern site were found to employ the services of apprentices who were mostly under-age children and younger persons, with some combining school and apprenticeship, meaning they only worked after school hours. The non-written employment terms entered with parents of these workers were observed as more flexible which allowed them to take time off the businesses of the respondents to also assist their parents in farms activities during major farming seasons. Such a flexible employment practice affected adversely the businesses of the respondents which necessitated that they engaged the services of many apprentices to ensure that at every point in time there were workers to

support their ventures.

In contrast, it was found in many cases that the RYEs in the southern research site often engaged the services of apprentices who were much older and worked on a full-time basis supporting their businesses. Such regional differences in employment practices influenced how the RYEs managed their workers in terms of offering delegatory roles to such employees, with those in the southern research site found to offer more delegatory responsibilities to skilled apprentices, as the respondents exploit other business opportunities not aligned to their primary ventures. With know-how and expertise, some of the employees were reported to engage in side-selling activities which adversely affected the resources and businesses of the respondents. One respondent explained:

“Anytime I am not around, they will knock down a wardrobe and create something out of it to sell without my notice, they pocket the money and so I also don’t pay them. It is only once in a while that I give them something small because I know what they do when I am not here” (INT5).

Thus, the employment practices, characterised with flexible verbal agreements, non-payment of wages to workers and workers’ engagement in side-selling activities demonstrate how the human resource factors of spatial locations normalise informality in the non-farm businesses of the RYEs.

5.2.4.3 Social and communal factors of place

The data shows that RYEs are also affected by variations in social and communal structures of place which determined the opportunity fields and constraints that shaped their venture creation activities. Social structures of place affected the motives of some of the respondents which influenced the decisions they made to operate their non-farm ventures in their chosen rural localities than choose to operate such businesses in urban areas. The motives were influenced by RYEs understanding of the needs of their communities and what they could do to meet those needs. For instance, INT3 states:

“I decided to do this business here because I wanted to help develop this village. I saw that there were no dressmakers around this place and decided to learn the vocation so that I could help train more girls in the community”.

Similarly, INT2 explained:

“When I decided to establish my business I initially thought about operating it in town but then I realised that a lot of the people in this village use motorcycles but nobody was skilled to fix their motors, they had to go to the District capital to repair them. So, I decided to help them by undergoing the apprenticeship to operate my own here”.

These respondents through their venture activities altered the structure of their local economies, in terms of the diversification of economic activities engaged by the people as they train new workers to also provide similar essential products and services in the non-farm sector. While their actions of training new workers could lead to increase in competition in the local spatial environment, many of the respondents were confident of maintaining their customer-base due to their established reputation for providing quality products or services. Besides, with entry to some of the industries restricted due to financial constraints, some of these entrepreneurs seemed less fearful of possible competition from former employees.

Also, respondents who had moved to other rural locations, especially migrant youths from the north of Ghana interviewed in the southern research site, were found as influenced by the diversity of community groups in destination locations which affected their venture activities. One such migrant explained her decision to operate her business in her destination place:

“I decided to do this business here (southern research site) because over here we have a lot of our people (ethnic group) and the villages are also closer to one another. So, I can go around from one community to another without any difficulties. But, in the north, our communities are not close so it will be difficult for me to do this work over there” (INT38)

For this respondent, her choice to operate her business in the destination locality offered her the space to interact with people from her migrant community who were of sizeable population, while also drawing on the concentration of non-ethnic community members as potential customers to grow her non-farm business. Such interactions with both ethnic and non-ethnic communities allowed INT38 to reach customers from diverse backgrounds to patronise her products, which from her account would not have been possible if she operated

her business at the more homogenous community she migrated from. However, the downside of influences of ethnic and non-ethnic communities which constrained venture activities of migrant RYEs manifested in excessive demand for favours, credits and discounted pricing from locals and migrant communities which led to low profitability and marginal incomes. Such influences of local communities affected male and female respondents differently, as female respondents were recorded as more stable in their communities and thus were those largely affected by the communal demands than their male counterpart, many of whom frequently moved across local and non-local spatial spaces. The respondents, therefore, felt less responsive to the excessive demands of ethnic and non-ethnic communal groups.

Also, the findings revealed regional diversity in terms of how self-help community savings groups supported the respondents to access savings and loans services, with respondents in the northern research site engaged in a more modernised form of VSLA which usually had a membership of 30 individuals that allowed them to contribute their shares (savings) on a weekly basis toward a pool of funds. The funds allowed the members to access short-term loans at an interest rate of 10%, with the loans often provided according to the needs of borrowers. Thus, the VSLAs system offered the members some form of insurance against unexpected emergencies. The accumulated savings and interests were then shared out amongst the members once a year, in proportion to their individual saving rates. In all cases observed the VSLAs had a governance scheme that involved communal responsibility to ensure that the funds were kept safe and members were given passbooks which allowed them to keep some form of book-keeping records of their individual contributions. This practice, therefore, moved the members towards formality. In contrast, it was observed amongst the respondents in the southern research site that those engaged in self-help saving group activities usually operated within the traditional ROSCA system which allowed members of 20-30 individuals to contribute a specific amount of money per a week, with the mobilised funds given to one member in rotation the following week. Thus, the funds which attracted no interests could benefit one member at a time regardless of the needs of other members. In all cases, there was no use of passbooks, and members kept their individual savings through mental tallying. The funds were held by the leader of the group, who usually kept such monies in her room until it was disbursed to a member whose turn was due.

The ROSCA system was found to normalise informality except in one case where a leader of a ROSCA explained that she saved all mobilised funds from the group on her mobile money

account before disbursement to a member. This rather interestingly finding shows that technological advancement through electronic savings is gradually changing how the ROSCA system operates in the southern research site. Nonetheless, both systems of self-help savings groups were gendered and largely made up of women. This finding is consistent with literature which suggests that in many African societies, there are different forms of mutual self-help support schemes (Zoogah *et al.*, 2015).

The social and communal factors embedded in spatial locations, therefore, affected the businesses of RYEs, with these influences determined by the social motives of the RYEs, homogeneity or heterogeneity of community groups and related savings practices, as well as the stability of RYEs in local spatial environments which were found as gendered in nature.

5.2.4.4 Institutional factors of place

While the influence of institutional factors on RYEs decisions and practices towards non-farm entrepreneurship and (in)formality have been discussed in sub-section 5.2.3, the analysis in this section reveals further how formal and informal institutions work with specific factors in places in a mutually-dependent manner to affect the venture practices of RYEs. The sub-sections that follows examines the findings within two constructs: (a) the formal institutional factors of place, and (b) informal institutional factors of place.

(a) Formal Institutional factors of place

First, many of the respondents in the southern research site recognised the government policy which banned illegal small-scale mining in early 2017 as a knee jerk policy which has failed to make provision for those affected in term of providing such workers with alternative livelihoods. The ban has had a chain reaction in various other businesses (e.g., food joints, mechanics and drinking spots) in the rural economy which depended on patronage from local miners with many of the RYEs in such a research site affected as they recorded low sales and profits. The government district industrialisation programme which seeks to create factories in all the administrative districts of Ghana was yet to be operationalised in the research sites and many of the respondents held the view that the state could have delayed the ban on illegal mining until the proposed factories have been established to employ the teaming rural youths. As INT26 states:

“now that the government has banned the galamsey activities (illegal small-scale mining), business is very bad. The government should have started their one-district one-factory programme to employ the boys in this community before banning the galamsey work... [-]. They need to lift the ban until they establish their one-district factory companies. Otherwise, all our businesses will collapse”.

Similarly, INT45 also explained:

“If not now that there is a ban on galamsey (small scale illegal mining) you can even go and do some galamsey work to make some money to support your (working) capital when you think it has reduced”.

In such a spatial location where many of the respondents believed their livelihoods had been taken away from them by the state, these RYEs had little trust for state institutions to support their enterprises. Also, the remoteness of some of their communities made the RYEs hold the view that there was little chance they could be supported by the state. Hence, the less need to incorporate their ventures or pay taxes to the government. One respondent explained,

“Recently, some government officers came here that they were writing names of businesses in the District and that they were going to support our businesses with loans. But, I didn’t waste my time to go and register with them because I believe that government money can never reach those of us in the village. By the time they start sharing the monies from the Jubilee House (seat of the president in Accra) all the way to this place the money in the government coffers would have finished, so I don’t need to waste my time to go and follow something I know would not lead to fruitful results” (INT26)

Second, some of the respondents also seemed unaware that businesses in rural locations were obligated to register or pay state taxes. One respondent explained:

“I don’t pay tax because we are in the village and I do not know that those of us who do our businesses in the village are supposed to pay tax” (INT2).

Similarly, INT11 argued that:

“I have not registered because we don’t need to register this type of business. I have never heard from anywhere that mechanics who do their work in the village

have to register”.

This finding on business non-registration is inconsistent with the study of Boapeah (1996) also in a rural district where he reported that about half of the businesses in his sample were formally registered. Interestingly, the findings also revealed that some of the respondents were very much aware that rural entrepreneurs were required to pay state taxes but found their spatial locations as a perfect hiding place to evade such taxes. One respondent, whose monthly income was about three times the average salaries of some civil servants, explained:

“over here, you can do your business, and no one would come to disturb you with taxes as they do in the city, and I have retailers who come from all over the place, even other regions, they come to buy the smock because of their quality and the price I sell them”(INT15).

Others who reported as prepared to comply with tax regulations of the state to pay taxes on their incomes were confronted with challenges of expensive transportation costs and lack of knowledge on where tax offices were situated in their district or regional capitals. As INT1 states:

“I don’t pay taxes on the incomes I make because over here there is no tax office in the community. If I want to pay my tax, I have to travel all the way to Tolon town or Tamale to pay. Even when I go there, I am not sure where exactly I have to go to pay the tax”.

Another interesting finding was that many of the respondents, in particular, the southern research site, who reported to comply with District Assembly regulations on levies and operating permits charged against their businesses did so because they were aware other entrepreneurs in their communities were complying to such regulations. Also, fear of sanctions which could disrupt their operations was another factor that influenced these RYEs to comply with tax regulations of the state.

Third, it was interesting to know how the selective tax and levy collection approach adopted by revenue officers in the districts normalises informality among the business operators. In both northern and southern research sites, it was found that revenue mobilisation drive was usually focused on businesses in market square during market days and businesses operated in metal or wooden kiosks at vantage locations in the communities,

such as along the main road which leads to the community. However, some of the respondents were found to operate viable home-based enterprises, but the focus of revenue officers on selected businesses and shops at only visible locations made many of the RYEs to conceive that levies from the District Assemblies were meant for certain types of businesses and not the kind of ventures they operated. For instance, ventures such as: kente weaving, smock making, pottery production, D.J at funerals, undertaker at funerals, were generally considered as non-taxable by the District Assemblies. Because of this practice by the revenue officers some of the respondents who operated home-based businesses, such dressmaking and hairdressing enterprises (e.g., INT25, INT27, INT33) argued that they were prepared to pay taxes to the state only when they have been able to construct metal kiosks and start to operate their ventures in more visible locations in the rural place. This finding on selective tax and levy system adopted by revenue officers is consistent with the findings of Palmer (2004) who made a similar observation of home-based ventures usually as being untaxed by revenue officers in rural Ghana. Thus, within the rural place enterprise activities that led to formality and informality were affected by how the formal institutional actors and structures operated, which created some shared understanding of who was expected to pay taxes and who was not as well as at which location within the rural place.

Another interesting finding had to do with how entrepreneurs were assessed by revenue officers on the amount of taxes they were expected to pay. With many enterprises not keeping formal accounting records, revenue officers adopted crude assessment practices to determine how much the entrepreneurs had to pay as levies and taxes to the DAs, which made many of the entrepreneurs who made relatively high profits under-pay their taxes. One tax official explained,

“We know the record-keeping issue is a problem. But, normally we consider the nature of the business and the size...We interview them first, and from the interview, we determine the category we should place them for the tax. Sometimes we can ask the person, how many people actually come here in a day and based on the number we are provided we do the calculation with the prices of their items and determine their total sales. It is difficult to know whether they are giving you the right information to do the assessment, but we do our best under these difficult circumstances” (NPUBOFFICER06)

Such crude ways of tax assessment did not consider other factors, such as seasonality of the businesses of the entrepreneurs and the fluctuating nature of their incomes. Thus, many of the RYEs who reported to pay state taxes were discouraged with tax collection practices of the revenue officers and mainly complied with such regulations to avoid disruption of their business operations by the officials.

Finally, the results revealed, in the southern research site, that the lack of formal financial institutions in the localities where some of the RYEs operated their businesses influenced their decisions to opt for mobile money accounts to save their funds. Thus, moving the RYEs towards this new form of savings through which the RYEs hid their funds, monitored their working capital and bridge spatial locations, using mobile phones to deal with suppliers and customers in other spatial locations. Interestingly, the findings also revealed that respondents who were migrants and return migrants were those who largely preferred to save with banks or microfinance companies. Despite the wide knowledge that a lot of the banks in the country often face liquidity challenges and collapse in a few years of operation with customers losing their deposits, these respondents were recorded as more willing to take the risk to save with the financial institutions than save their monies at home compared to respondents who reported to had never migrated. Thus, respondents who had bridge spatial locations through migration were found to rather diversify their savings using multiple formal and informal sources, which affected their practices towards formality and informality with their ventures.

(b) Informal Institutional factors of place

The data revealed that some of the RYEs were affected by informal institutional factors of local and non-local place. The first of these factors is how cultural views on formal education affected largely rural youths in the northern research site to access to formal education. Despite the existence of free compulsory basic education and a national apprenticeship programme in Ghana which aims to train the youths to undertake more formalised jobs (Palmer, 2009), the strong cultural mindset in rural communities in northern Ghana that devalues formal education (Lambert *et al.*, 2012) affected the career decisions many of the respondents made and the informal enterprise activities they engaged in. Those who followed inherited occupational paths were recorded as more prevalent in the northern research site than the southern research site. For instance, one respondent explained:

“I think it is because I was born and raised in this community that is why I was not sent to school...my uncle, who raised me expected that I would take after him as a farmer. So, he did not send me to school” (INT10).

In such a spatial location, male children are often handed with farmlands to manage, and for this respondent, such a cultural mindset influenced his guardian not to introduce him to formal education systems which thus made him engage in informal business practices. Interestingly, the findings revealed in the southern research site that, although less educated youths who engaged in non-farm ventures, which normalised informality, were usually accorded with prestige for their enterprising practices and held in high esteem for the roles they played to contribute to their communities (in terms of providing essential products and services and employing children and younger youths) similar actions by those with secondary or tertiary education were usually considered as undesirable behaviours by community members, especially the elders. These youths were generally expected to engage in more formalised wage jobs in the public or private sector. One of such respondents argued:

“I almost stopped doing this (kente weaving) work when I started because some of the elders and people in this community say that I should not be doing this kind of work after completing senior high school. But, formal wage jobs for people with my level of education are hard to come by. At the moment, I am just persevering and enduring all the insults and gossip about me, but I am looking for a better job” (INT23).

Hence, the communal pressure and expectations on the more formally educated youths influenced some of them to perceive their venture activities as temporary occupations while they search for more permanent jobs in the public sector.

Also, the findings revealed that in both northern and southern research sites, there are communal norms which are in support or against venture creation in certain non-farm sectors. Enterprises in industries, such as *kente* weaving, smock making and pottery manufacturing, which were considered as occupations that promoted community identities to non-local customers were encouraged among the RYEs many of whom were accorded with prestige by their communities. There were, however, two cases (INT1 and INT22) where female respondents were faced with communal opposition for their venture creation efforts in occupations, such as hairdressing and *kente* weaving respectively. But, in the face of such

opposition, both respondents demonstrated courage, strong mentality and emancipatory tactics that made them circumvent the cultural norms that prohibited females from engaging in such ventures, and improved their businesses. In the case of INT1, who operated her hairdressing business in a Muslim dominated community, she was faced with constant criticism for her kind of profession which affected her profitability and income. She explained,

“the majority of the people are Muslims so sometime they will call you names, such as prostitute because you dress other women neatly which make them to attract men...but I am not concerned about them. I just continue to do my work, and some of the women come to do their hair. Even during traditional marriage ceremonies, they invite me to go and fix their hair for them and so the business is growing, but it is not like you doing it the city” (INT1)

In the case of INT22, who was the first female kente weaver in her community, a vocation that is traditionally operated by males. Her story show how she had to secretly learn the vocation from her elder brothers without their notice because it was culturally considered as a ‘taboo’ for females to engage in such a vocation. Interestingly, her involvement in such a venture creation activity has changed the community perception of female participating in such enterprises. She explained,

“When I was growing and wanted to learn the Kente weaving work, the elders in this village said it is a tradition that women are not supposed to weave and that if a woman even walks over the loom or try to learn how to weave she would become barren and not be able to give birth in future but I didn’t believe them. Sometimes, I would go and stand where my elder brothers were weaving and would converse with them while observing closely how they used the loom and threads without them even knowing that I was learning their work. And, anytime they were not around I would quickly sit on their loom and try my hands on the weaving until I mastered the art of kente weaving on my own...now, many people don't believe what the elder's said because I have three children and still continue to weave.” (INT22)

This respondent explained further how such a bold decision to venture in the male-dominated kente weaving vocation has made her earn respect from the same community elders who once discouraged females from participating in her chosen venture. Thus, the narratives

revealed how belief systems specific to certain places affected RYEs decisions towards certain business activities and industries, and the emancipatory strategies that some female RYEs adopt to free themselves from norms that restrict participation, as they challenge such norms and change communal perceptions on their chosen types of businesses.

The findings also revealed regional diversity in social systems, such as patriarchal and matriarchal systems, which affected resource acquisition and defined values associated with work and enterprise management among the different genders in the northern and southern research sites. Respondents from communities in the northern research sites were observed to practice patriarchal system while their counterpart in southern research site also practised matriarchal systems. In the patrilineal societies, most of the female respondents were recorded to have sourced their financial resources for venture creation from their husbands or parents if they were not married, except in cases where the respondents were returned migrants and had raised their economic capital during their migration journeys. This made husband's or parents in such patrilineal societies had significant oversight on their ventures, that affected how they operated their non-farm businesses. There was one case (INT14) where a respondent explained that even though she was part of a VSLA group which allowed her to reduce the influence of her husband in the finances of her businesses, her husband occasionally forced her to take short-term loans from her savings group for him to use to support his enterprise activities, although he was not a member of the group. This finding is consistent with the study of Ganle *et al.* (2015) who found in a similar patrilineal setting (the Upper West Region) how men (mostly husbands) control funds of ventures of women (wives), including loans accessed from micro-finance institutions (including VSLAs). However, return migrants, whether males or females, were found to demonstrate tactics which reduced the influences of dominant male relatives in the households in their finances even in such patrilineal societies, hiding their incomes from their relatives through their formal and informal savings and record-keeping practices.

In contrast to the northern research site, among local and migrant RYEs in the southern research site, where matriarchal system is practised, many of the female respondents were found to have acquired their own financial resources through various self-initiated means. These included: farming to sell produce, doing wage jobs in construction sites, head portering, among others. Interestingly, the finding showed a trend where many migrant female RYEs from the northern regions chose to stay permanently in the southern research site because

of the social systems in such destination place which encourage females to be more industrious in their farm and non-farm ventures and some had acquired properties with their businesses. One female migrant respondent explained:

“over here, no one will tell you that don’t do this or that (don’t acquire a landed property) because you are a woman. So, a lot of the girls from the north prefer to stay here to do their businesses” (INT26).

However, the influence of matriarchal cultural systems on the proactive attitudes demonstrated by the female RYEs towards their enterprises has led to a situation where many of them were observed as overburdened with financial responsibilities from their families which dwindled their working capital. For most of these female respondents, they received minimal financial support from their husbands compared to their counterpart in the north, whose husbands supported their ventures with additional funds from time to time. Thus, many of the female respondents in the Ashanti Region were influenced by their matrilineal cultures to support household expenditures with their ventures which made them engage in business practices that normalised informality compared to their counterpart in the Northern Region.

In addition to regional diversity in social systems, the influence of cultural events and artefacts of place on the venture activities of RYEs were recorded and observed. Cultural celebrations, such as festivals, funerals and traditional marriage ceremonies are central to communal life in rural Ghana, through which creativity and various art forms are demonstrated. These events are sources of business for local entrepreneurs who are engaged in enterprises, such as kente weaving, smock making, carpentry skilled in coffin making, cultural dancing and drumming, disk-jockeying at the events, corpse decoration by undertakers, dressmaking, hairdressing, commercial driving, drinking spot and food-joint businesses, among others. The enterprises of respondents directly benefited from such lucrative cultural events and their participation in informality with their non-farm businesses were manifested during such celebrations. It was observed in the two research sites that, while respondents in both regions participated in annual festivals in their localities, funeral events were recorded as heavily commercialised in the southern research site, with many local entrepreneurs cashing in from such celebrations which occur almost every other week or month of the year. In contrast, entrepreneurs in communities in the northern research site

were affected by Islamic practices which prohibit profligate spending on the dead. For the local entrepreneurs in the southern research sites who benefited hugely from such cultural celebrations in terms of increased earnings, there were no communal obligations that mandated them to pay state taxes on their earnings from such events, even when the events involved participation by state officials.

Apart from the incomes made from the cultural celebrations in spatial locations, which were usually non-taxable by the state, these events affect the venture activities of the respondents in two other ways. First, there were reports of transmission of ideas and creativity on new ways of doing business among entrepreneurs who attend the communal events, especially those that involve the return of migrants from other parts of the country. For instance, one respondent explained,

“During our festivities, you get to meet some of the masters (skilled artisans) who are also dressmakers from this community but live in other parts of the country, and we learn a lot from them, especially some of the new trends (dress styles) we have in our business.... The kind of dress people wear to these festivities give you a lot of ideas on new styles in town. You also see those who are doing well in their businesses, and you are motivated to work harder so that the following year you can show that you have also made some progress...We get a lot of advice from our elders in the community, and all these inspire us to do our best because it put a lot of expectations on us” (INT14)

For migrants who had returned to their homelands for the occasion, it is during these events that they recruit new employees from among their family members and communities and travel with such individuals to work in their businesses as apprentices in the destination place. Thus, changing the labour force dynamics in both their source communities and destination localities.

Second, the data material revealed that it is during these celebrations that the entrepreneurs demonstrate their success in business and compete for prestige and respect through the donation of funds earned from their businesses. I observed during visits to three funeral events at the southern research site that donations given by attendants of such events were often recorded accurately in notebooks with receipts issued to sympathisers who had made the payments. Such donated amounts were then announced on a public addressing

system to the hearing of those gathered at the event as a sign of appreciation to the sympathisers. This finding informed me that within the local spatial environment in the southern research site there is communal recognition of the importance of formal record-keeping during these cultural events and a shared understanding had been developed among the people of when to keep book-keeping records and when not to. Such a communal practice which was complex and hard for outsiders to grasp and yet insiders seemed to know what was appropriate affected local entrepreneurs on when to participate in *periodic formality* as a communal endeavour.

Also, public display of wealth, through donations during cultural celebrations encouraged and emboldened some of the RYEs to continue to divert funds of their ventures meant for state taxes to pay such informal taxes, which legitimised their operations, brought them more businesses and improved their social positions, as they were rather considered as role models and mentors to other youths, than tax evaders of the state. Interestingly, the elaborate spending by some RYEs in cultural events contrasted sharply with their daily struggles to operate their ventures in the rural place. Nevertheless, many of the respondents who participated in the cultural events considered their participation as important to improve their image, which is also important immaterial resources for their ventures. Here also, various tactics were employed by RYEs who had limited financial resources but understood that the behaviours they demonstrate in terms of participating in the 'voluntary yet obligatory' donations would be reciprocated at the death of close relatives in the short or long term. These respondents engaged in formality, in terms of saving their limited business funds in formal sources (banks, mobile money accounts), and re-negotiated informally with key stakeholders how they could pay such informal regulatory taxes. A crucial tactic was to dedicate their time and physical energies away from their businesses to support planning and organisational activities involved in such cultural events. Thus, formality, in terms of saving in formal ways, was used as a crucial tool to circumvent paying excessive informal taxes demanded in the form of donations by the informal regulators. The findings on the crucial role of funeral celebrations to generating businesses for entrepreneurs in the southern research site and the associated practices of informality (e.g., cash payments for services rendered, donations, etc.) and formality (e.g. keeping of records of donations at funeral venues) as discussed, is consistent with the study of De Witte (2003) who made similar observations in such a spatial location (the Ashanti Region). Thus, many of the RYEs were influenced by legitimacies they gained from key stakeholders in their spatial locations during their cultural

celebrations to continue to engage in informality with their ventures, as well as where considered culturally-appropriate adopted selective aspects of the formality-continuum.

In sum, through the interviews and observations, it was found that regional diversity and various factors in the local and non-local spatial environment affected the decisions and enterprise practices engaged in by the RYEs towards formality and informality in dynamic ways. Some of the factors were recorded as physical, social and institutional in forms.

5.2.5 Temporal-Historical Domain of Context

The temporal-historical domain of context embodies respondents' different notions and experiences of time, timing and temporality that were implicated in their stories. Three meta constructs were identified in the data material which displays how the respondents were influenced by time and temporality and associated opportunities, risks and constraints to participate in non-farm entrepreneurship and (in)formality: (1) Historical Legitimacy of informality (2) Being in control of business in turbulent times (3) Reflection on progress made in life-course and identified pathways to secure imagined futures. These constructs are examined in the sub-sections that follow.

5.2.5.1 Historical Legitimacy of informality

First, the data revealed that the decisions and work practices of the respondents towards non-farm venture activities and associated informality practices were influenced by the economic and work activities they were exposed to in the early years of their lives within their households, during apprenticeship training and at wage employment prior to establishing their ventures. In many cases, the respondents recounted their early experiences of being affected by harsh economic conditions faced by their families. They explained how they engaged in farming occupations of their parents and other relatives which provided little or no monetary returns, with precarious household conditions associated with subsistence farming activities influencing the decisions they made towards acquiring skills in non-farm vocations, so as to establish their ventures. One respondent explained:

“When I was growing, my father encouraged me to work with him on the farm, and we cultivated crops such as maize, cowpea and groundnut and I liked farming. But, I decided to learn a different occupation because you don’t get any money in

farming ... [-] I just wanted to do something else that would make us make some money” (INT15).

Similarly, INT2 states:

“I looked at my family background and the hardship we were going through and decided that farming alone might not solve our problems... [-] ... So, I learnt the mechanic apprenticeship. I knew that with that vocation I could always make some money”.

Such difficult financial situations of households were recorded to have led to marital problems of parents of some RYEs, such as divorce or separation, which pushed some of the respondents, at very young ages, to engage in self-employed and wage work activities to earn incomes to support themselves and their single parents, usually their mothers. Aside from the paid work, all the respondents recounted being engaged in unpaid work responsibilities within their households, which made them understand the values associated with engaging in multiple tasks at the same time. For instance, apart from engaging in unpaid care work in her home, INT22 as a young girl worked in cocoa farms for daily wages and sold wild fruits at market centres to support her nursing mother who had been abandoned by her father as a result of financial problems.

In relations to apprenticeship experience, many of the RYEs recounted acquiring their vocational skills under difficult economic circumstances which involved poor access to accommodation and lack of food, that influenced them to engage in informal wage work alongside their apprenticeship to overcome the personal circumstances they were faced with in those formative years of their careers. For instance, respondents, such as INT5, INT11, INT21 and INT45, recounted engaging in side-selling activities during their apprenticeship, whereby they sold products and services of their employers and kept earned incomes of which they depended on to survive. Many of these respondents recounted how speed was used as an essential resource if they would be able to engage in their side-selling work practices. One respondent explained:

“when my master was not around, I would quickly use some of his metal plates to make a cooking pot or stove and go to sell to the food operators in the community before he comes back” (INT45).

Also, the respondents recounted how the use of speed had become an important strategy to cut down costs associated with their apprenticeship training, as they employed behaviours which allowed them to learn their vocations over shorter periods. For instance, INT22 states:

"The financial situation is not easy when you are going through apprenticeship, so I made sure I worked hard and learned the job very fast which made me become perfect in no time. This made my master happy with what I was doing, and she gave me a lot of work to do although there were other apprentices...and so I used only 1 and half years to finish my apprenticeship which normally takes many apprentices 3 years to complete".

Thus, the precarious economic environments the respondents were exposed to prior to entrepreneurship made them develop some understanding of the importance of speed and informality as survival strategies and cost-saving practice of which they employed later on in their ventures.

For those who had previously been engaged in wage employment (e.g., INT2, INT16 and INT29), the low wages and envelope payment practices they experienced made them prefer such faster means of payment for services rendered, as well as choose to save their funds in easy to access sources such as use of money boxes in their rooms. For instance, INT16 explained:

"As for the galamsey work (small-scale mining), they (employers) were paying us cash-and-carry (cash payments). At the end of the day you know you will get something small to go home and there was nothing like going to the bank to take your small money".

Thus, the precarious economic and work practices that RYEs experienced in the early years of their lives within their households, during apprenticeship and at wage employment made many of them to understand the economic and non-economic benefits as well as costs associated with occupational, product and service plurality, and other entrepreneurial practices, such as use of hard work and speed to survive their economic environments. For these entrepreneurs, the general understanding of undesirable practices (e.g., pilfering and side-selling activities) engaged in by their employees reflected the work practices they had participated in to become entrepreneurs, which informed them to also normalise informality

in terms of providing their employees irregular and casual wages and sometimes offering these workers the space to use their businesses to *“do a few things on their own”* (INT5).

Second, the data revealed that there was the reproduction of enterprise pathways of previous entrepreneurial generation, such as engaging in practices learned from former employers during wage employment or apprenticeship and relatives in family-related ventures. These practices influenced many of the respondents to normalise informality in their non-farm businesses. The RYEs applied business practices, skills and work philosophies they had learned from these important actors (families, former employers) which affected every aspect of their ventures, from recruitment of family workers and apprentices to marketing, pricing, purchasing of inputs, dealing with suppliers, customers and formal and informal regulators. These pathways influenced RYEs to participate in venture activities that involved when to formalise aspects of their businesses and which aspect of formality to choose to benefit their businesses, such as practices related to book-keeping, saving of funds, certification and incorporation of their ventures to legitimise their operations.

In their stories, the actions some RYEs took to follow inherited occupational paths of influential entrepreneurial actors were dependent on how they perceived the experienced economic and non-economic benefits earned from such venture activities by these actors, which made them followed their footsteps, actions that often normalised informality, such as choosing to be tax compliant to informal regulators than to formal regulators and using mental tabulation in place of written documentation. Here, time allowed them to evaluate the occupational paths of these influential actors and the benefits that accrued to them before they chose to follow or challenge such occupational paths. Thus, where the evaluations informed them that the benefits of participating in informality were significantly higher than the costs, they maintained the business ‘traditions’ they had acquired from the influential entrepreneurial actors and normalised informality as an appropriate business strategy.

. In many cases, the ‘master-apprentice’ relationship continued even after the apprenticeship period was over and many RYEs engaged with the former ‘masters’ and apprentices rather as business partners to ensure that the learning process was thoroughly passed on or to deal with specific business problems that may arise in the course of their venture activities. As INT3, states:

“I consult my master from time to time on new products (dress styles) and prices,

and through that I am able to sew new dresses for my customers. I also contact my old apprentices who are now masters (skilled dressmakers) from nearby communities when festivities are approaching, and there is heavy workload on me so that I offload some of the work to them”.

Similarly, INT45 explained:

“the thing is until you are successful in your work your master cannot boast that he has successfully trained you. That is why after apprenticeship there are times you go to him and he has to come in to help you deal with some situations you are not familiar with that relate to the work”.

Being embedded in enterprise practices of these older entrepreneurial generations made the RYEs develop an implicit understanding of the economic, social and cultural values associated with non-farm venture activities and the associated informality which shaped their motives and enterprise practices.

Third, a rather more interesting finding which emerged from the data was the views of some key informants which shed light on their experience in particularly the northern research site where they explained that perceived low interest and participation of some inhabitants in state-organised developmental activities, which include their compliance to state taxes, were attributed to historical factors on traditional and state governance:

“as for our people, they always behave like this...they are one way...they only obey and listen to their traditional leaders than we the government workers because they don't trust us; they consider the politicians as corrupt. For instance, if you come here and you tell them that you want to bring development to their community, like say give them electricity and you do not get their traditional leaders involved they will not follow (support) you. The leaders will just give you the go-ahead to do your project because it is the government that has sent you, but they would not support you, same as their people until they see that their leaders are in support of it...they will only support your project when they are very sure you are truly here to serve their interest” (NPUBOFFICER04)

“I have worked with these people (entrepreneurs) for a long time, and if you know their history, you will understand why they always don't want to pay (the state

taxes)" (NPUBOFFICER06).

The view of these key informants, which I found contradictory to the available evidence I had earlier analysed from the GLSS dataset prior to the fieldwork on the likely decisions' youths in such a region of the country, albeit urban youths, make towards tax compliance (see: chapter 4), influenced me to do further research on the history of governance and tax administration in the region.

Interestingly, various studies (e.g., Kunkel, 2018; Maasole, 2017) in such a region of the country, as part of the northern territories of Ghana, then Gold Coast, suggest that policies of colonial era in relation to taxation, labour regulations and indirect rule through local chiefs led to the abolishing of direct taxation in place of forced labour for road construction, which was aimed at encouraging local communal development, have generally influenced the inhabitants' to hold allegiance to their traditional leaders than to the state. Hence, remnants of the abolition of direct taxation and associated communal activities influenced mentality of many households. Thus, the participation in informality, in terms of evasion of state taxes by some respondents was observed as attempts by them to follow the footsteps of influential actors in their lives, such as their parents, other relatives and forefathers, who as a result of the abolition of direct taxation and practice of indirect rule held allegiance to the demands and expectations of their local leaders and institutions than to the state.

This finding is also consistent with various studies across the country (Atuguba, 2006; Agyemang, 2011; Prichard and Van den Boogaard, 2017; Rathbone, 2000), which show the historical roles played by the chieftaincy system to shaping the legitimacy of local taxation and their continued informal influence over compliance to state taxes. Thus, the authority of local chiefs has been evidenced to undermine tax collection and legitimacy of government, especially where the local chiefs considered the pattern of tax collection as regressive to the inhabitants. Hence, the practice of many RYEs to divert incomes of their businesses to support communal endeavours and respond favourably to the demands of their local leaders than to the state were direct consequences of past policies of the state on tax systems and important roles played by traditional leaders in shaping such tax systems at the micro and meso levels, which preceded the very existence of the RYEs, and have imprinted in them attitudes and behaviours that influence their participation in informality. Thus, the data material and supportive literature suggest the historical legitimization of informality across a whole range of

actors which had become normalised among the RYEs.

5.2.5.2 Staying in control of the business in turbulent times

Despite the evidence that many of the RYEs followed business practices of previous entrepreneurial generation, such as employers and relatives in family-related ventures, which normalised informality, the analysis also revealed that there were lots of learning over time on how to deal with or adapt to evolving business opportunities, constraints and risks. Such learning and adaption process made the RYEs to stay in control of their businesses and influenced the ways they employed formality and informality to structure or organise the businesses. The adaptation process involved the demonstration of strategies in three specific ways: (i) alternating and engaging in multiple occupations, products and services in changing times, shelving some venture activities during off-season as well as engaging in one-off venture activities; (ii) focusing on real-time information and skills that changed enterprise practices, and; (iii) using speed as a strategic business asset. The business practices of the RYEs are discussed in the paragraphs that follow.

First, the practice of occupational, product and service plurality as discussed in the other domains of context in this chapter was also recorded to have a temporal dimension. Changing seasons in the business year affected how the respondents engaged in their diversification activities. For many of the respondents, to ensure that their working capitals were not used for consumption purposes during seasons, such as raining, drying seasons or non-festive seasons, when the profitability and incomes of their businesses dipped, depending on the industries they operated in, they participated in enterprise and work practices that diversified their operations to safeguard their working capital for the bumper seasons. For instance, one respondent explained:

“During the raining season we are not able to work in the open which make things (life) hard for us. If you are not careful, you will use all your (working) capital to take care of yourself, and you will not have money to do the business when the rains stop. So, we look for different work to do so that we can keep the little (capital) that we have” (INT23).

Similarly, another respondent states:

“demand for the diesel is seasonal. So, I look at the time each of the product is

needed more by the community. For instance, during the farming season (May to August) some of the commercial farmers buy a lot of the diesel to fuel their farming equipment. So, I order more of that. As for petrol, drivers who pass by this road buy it all the time. So, I am able to know when to invest more in the petrol or the diesel or push most of the money to the cement (building materials) business” (INT10).

Thus, the RYEs understanding of the changing seasons in the life-course of their ventures, and the opportunities, risks and constraints that were associated with the seasons allowed them to alternate, shelve or engage in multiple occupations, products and services at the same time in their attempt to stay in control of their businesses. Hence, the changing seasons was recorded to reinforce venture practices characterised with the base of the formality-informality continuum.

Second, the data material revealed that to stay in control of their businesses many of the respondents, including those who managed inherited family ventures, was open to new information and skills through which they learned in real-time how to manage their businesses which also affected their decisions towards (in)formality. A case in point is INT19 who manages a family business that manufactures, sells and treat patients with traditional herbal medicine. In a rural setting where hospitals were largely inaccessible, or access was considered rather expensive, she was able to transform the small venture that she took over from her aged mother into an herbal centre which at the time of interviews had about 50 retail outlets across the country. Despite having an only senior high school education, INT19 improved her skills by attending herbalist training and workshops organised by the Food and Drugs Board (FDB) and the Traditional Herbalist Council on how to operate such a venture in the more formal-end of the formality-informality continuum. Such timely information has equipped her to be able to diagnosis patients, symptoms of their diseases and prescribe some of the manufactured medicine to her clients. She explained:

“they trained us on how to examine a patient as an herbalist, what you are supposed to do to know the diseases of the person before you prescribe drugs for the person and if the person takes your medicine for one week you have to let the person come for review after using the drugs” (INT19).

For this respondent, although she engaged in selective record-keeping, she had incorporated the family venture with all the formal regulatory institutions which made it possible for her

to attend organised workshops for herbalist at FDB at an average fee of 700GHS (\$149). Through the training activities, she has been able to adopt marketing strategies that involved packaging some of her products to be more attractive to compete effectively with foreign drugs in the open market, as she explained that license chemical sellers and pharmacy shops ordered her products for resale. She had also been able to increase the stream of products she manufactures, by packaging her bottled medicines as well as creams and ointments to make them more appealing to her clients including those at MoP and ToP markets.



Photo 22: Examples of herbal products manufactured and sold by INT19 across the country for BoP, MoP and ToP clients (photo: Benjamin Afreh)

For INT19 and other RYEs, access to timely information on input prices, product and services demanded by customers was crucial to determining the profitability and incomes of their ventures. As INT14 states:

“As for this work (dressmaking business) if you want to make more profit you have to abreast yourself with new clothing styles that come out from time to time by going to town to buy fashion Calendar and then try to sew some of the styles for yourself and through that the women in the community will see these new styles and come to ask you to make some for them”.

Also, real-time information which was accessed from diverse sources affected the formality and informality practices of ventures of the respondents, in terms of how they sourced their finances and skills from formal and informal sources, such as rural banks, NGOs and vocational associations. For instance, INT36, argued:

“the dressmaking business (industry) is changing and it is through the meetings we (members of dressmakers and tailors’ association) attend every two weeks that we learn new ways of improving our businesses...” (INT36).

Such real-time learning of skills was also acquired from peers, as the changing times brought along with new technologies and tools which required the adoption of open and flexible approaches to learning new skills, so that they could manage emerging business problems associated with such technologies, and meet the evolving demands of their clients. For instance, INT2 states:

“Some of the machines (motors) we work with are new in town, and we are not familiar with them, so we learn from our friends who are more experienced in how these machines work”.

Hence, the timely uptake of skills and information, which were often learned from peers in similar industries, led to changing business practices among the RYEs, as many were observed to apply emerging skills and knowledge to their businesses, that included their use of mobile money services to save electronically and making timely payments to their suppliers for inputs. Thus, the temporal domain of context provided the RYEs avenues to do lots of learning, information gathering and sharing which impacted their entrepreneurial practices. This included how they understood the benefits and costs associated with both formality and informality.





Photo 2: Photo 23: Top: A respondent(second person from left) making use of his acquired real-time knowledge via phone call from a peer in a different location to service tricycles of clients; Down left to right: The researcher interviewing a dressmaker(left) and a hairdresser (right) who use recent calendars with new dress and hairstyles respectively to meet the evolving demands of their clients (photo: Benjamin Afreh /Francis Sarkodie)

Third, having learned the benefits associated with speed in the formative years of their careers, RYEs employed ‘speed’ as a strategic asset which affected their venture activities and their practices associated with (in)formality. In economic environments where many entrepreneurs were faced with lower levels of profitability and incomes, working with speed to improve production processes and sales were considered as an important business practice which allowed entrepreneurs to take control of their businesses. The respondents navigated the hostile business environment at a measurable pace, which allowed them to improve their stock levels, reduce production time, serve more clients and exploit multiple enterprise opportunities at the same time. For instance, in his attempt to maintain his working capital INT34 reduced the adverse effects of using part of the business funds to meet his personal needs by re-stocking the recharge cards he was selling two to three times in a week. Other RYEs in their attempt to improve the profitability of their businesses also maximised their use of time by drawing support from peers who were engaged in similar ventures. As INT30 explained:

“I usually wake up at 3 am to work with a torchlight ...a lot of the boys here do it so you will not be the only one working around that time of the night. At least with that, I am able to weave like two or three pieces of kente cloths to sell by the end of the week”.

For many of these RYEs, working with speed to improve profitability and incomes required engaging in selective formality and informality venture practices. For instance, one respondent explained,

“For this work, if someone brings a cloth for you to sew and you decide to charge the person say 30GHS, you have to quickly calculate in your head the things you have to buy to sew the cloth and make some profit on it (mental computation of production costs and profitability). I only write the measurement of the customers in my small notebook to make sure the cloth I sew fit them perfectly.... At the end of the day, I take part of the money for my family expenses and then save the rest with the mobile bankers (deposit collection officers of rural banks). If I want to know how much I have saved from the work, I just have to take my susu book (bank passbook), and I will know everything” (INT24)

For this respondent, her practice of engaging in selective informality and formality was observed in how she engaged in intuitive/mental computation of production costs, pricing and profitability and used part of the generated funds for subsistence purposes while saving the remaining extra in a more formalised setting, which allowed her to monitor part of the finances of her business respectively. In many cases, the speed at which the respondents used to do their businesses made them considered the adoption of selective formality and informality venture practices as crucial strategies to stay in control of their businesses. As INT26 argues:

“the business is such that you don’t have the time to write everything you are selling. For instance, if there are a lot of customers here in the morning to buy food I have to serve them quickly, otherwise they will go to another place to buy their food.... even if I want to keep the records, the customers will be angry that I am wasting their time... That is why we use the savings we do with the rural bank to determine how well we are doing in the business” (INT26).

From the stories of the respondents (including INT26), it could be seen that customer retention in some industries was dependent on speed of work, which also ensure the generation of income and profitability and made it difficult for some respondents to keep formal book-keeping records with their ventures. These entrepreneurs evaluated various aspects of their venture processes and subscribed to formality and informality practices that brought to their businesses quantifiable benefits which they considered as of higher values than their anticipated costs. Thus, in their attempt to stay in control of their businesses in the economically unfriendly environment, where there also prevailed some deficient formal and

informal institutions which adversely affect their ventures, many of the RYEs engaged in business practices that made them to use speed as an important temporal resource to normalise aspects of formality and informality in their ventures.

5.2.5.3 Reflection on progress made in life-course and identified pathways to secure imagined futures

Personal reflections on the economic and non-economic benefits attained that has led to elevated economic and social positions during the venture activities made many of the RYEs to consider the formality and informality venture practices they engaged in as crucial pathways to secure their ventures as well as imagined futures, in terms of how they would attain career and life goals. The sense of achievement made from their ventures influenced many of the respondents to consider favourably operating their ventures for the foreseeable future. Employing temporal focus (Bluedorn, 2002; Shipp *et al.*, 2009), they measured progress made in their working lives by comparing their present work circumstances to occupations they engaged in the past, such as wage employment, apprenticeship and unpaid work in family enterprises. Also, they measured progress made with their businesses by comparing their careers with those of their peers and significant others, such as relatives and former employers, which influenced their decisions on the specific actions they should undertake with their ventures for the future. For instance, INT14 argues:

“I sometimes compare myself to some of my mates who do not have their own businesses. Some of them continue to rely on their husbands to provide all their needs, and because of that, their husbands treat them anyhow. But, I can cater for myself and even support my husband, so he treats me differently, and so I keep working hard to improve what I am doing”.

Such personal reflection or ‘stock-taking’ gave many of the respondents renewed confidence in their entrepreneurial endeavours, as they anticipated foreseeable futures where they would continue to depend on the prevailing and emerging structures and actors in the other domains of context to make decisions towards formality and informality with their non-farm businesses.

Nonetheless, some of the more educated respondents (e.g., INT9, INT23, INT38, INT42) considered their present venture activities and associated informality practices as temporary

measures or 'stepping stones' as they envisioned more secured permanent wage jobs in the formal labour market through which they would participate minimally in informality. For instance, INT23 explained:

"As for this job it is a temporary work. I have plans to further my education to the university. I want to become an accountant in future".

Interestingly, the findings revealed that in institutional settings where there were no functioning formal social security schemes which could be accessed during incapacitation or at old age, many of the respondents anticipated that the best way to secure their imagined futures was to invest their finances, entrepreneurial efforts and time in younger relatives, such as children, nieces and nephews, as they anticipated that the informal institutional environment they were located obligate these significant others to return in a reciprocal manner their investments to ease the likely difficult circumstances they would face during old age. However, such investments have gender dimension, with many of the female respondents preferred to invest their enterprise resources in the education of their children so that they could pursue wage jobs in rather the formal labour market. However, for their male counterparts these entrepreneurs diversified their investments to their children as well as non-nuclear family members, supporting these individuals with finances or by training them as apprentices or family workers in similar vocations they were engaged in. For instance, one female respondent, argued:

"I know I cannot do this work all my life and sometimes I get worried about falling ill and not being to cater for my children. I don't want to see them in any bad lifestyle in the future that is why I am doing this work. I want my eldest child to become a doctor so that he can save lives. At least, if I don't die early he can take care of me when I am old" (INT22).

On the part of the male respondents, INT23 states:

"Sometimes, I buy footwear and other things for my niece and nephews and try to support them in any way I can.... I think some of these children are sharp to remember things so when you help them now, and they grow up, they would help you when they are in a good financial position, by then you would be an old man".

Similarly, INT45 explained:

“I am showing them (nephews) every aspect of the job so that they can also become their own masters and support other family members when I become an old man and even if my children don’t take care of me, some of these boys may cater for me”.

Thus, by exploiting their cognitive and temporal resources in the form of their expectations, wishes and hopes (Çakmak *et al.*, 2018; Lippmann and Aldrich, 2016), the actions of the male and female respondents to invest their business resources in the careers of next generation of workers, as they issue contracts of reciprocity to such a generation (Twum-Danso, 2009), created a dynamic picture of how new crops of non-farm entrepreneurs would emerge and show how formality and informality work practices would be reproduced as well as evolve in the rural economy.

In sum, the temporal-historical domain of context within which the respondents were embedded provided them spaces to evoke different memories of past and present experiences that shaped how they navigated the other domains of context to engage in non-farm venture activities and (in)formality to exploit emerging opportunities, manage existing resources, constraints and risks and achieve their imagined futures. For the RYEs interviewed their actions to participate in non-farm entrepreneurship and (in)formality were contingent on their exposure, experiences and understanding of economic and non-economic benefits and values derived from their ventures. These entrepreneurial individuals’ participation in the studied phenomenon were also contingent on the depth of their rootedness in the domains of the multi-faceted context, which dictated how they should vary their participation in such domains and normalise formality and informality within the continuum.

5.3 Summary

This chapter has reported qualitative findings. In line with literature (Basco, 2017; Welter, 2011; Welter and Gartner, 2016), the study set out to understand the nature of the domains of the multi-faceted context in BoP settings in rural Ghana which RYEs are embedded and navigate and how structures, conditions and actors situated in the domains influence their actions to operate non-farm businesses and participate in (in)formality. The findings have revealed not only those who participate in (in)formal entrepreneurship among the RYEs, but also the nature of the phenomenon, where and why RYEs participate in such a phenomenon as well as how and when they engage in such venture activities. The evidence shows that RYEs understanding of how they are situated in the domains of context and affected by such domains influence them to adopt strategies and tactics that allow them to access economic and non-economic resources to participate in venture activities. Navigating the different domains of context, they make the most of their embeddedness by accessing opportunities that can improve their economic and social positions while also taking actions that dis-embed them from constraints, risks and costs associated with their embeddedness.

It reveals (in)formal entrepreneurship as a path-dependent and path-creation activity, which is shaped by how RYEs engage in 'zig-zag' movements in the domains to operate their businesses. Thus, while these entrepreneurs did not dis-embed themselves from context, there was some complexity of how they were navigating and responding to the structures, conditions and actors situated in the domains of context to operate their businesses. Such actions determine how they structured their businesses, engaged in multiple ventures, product and services, employed more workers, engaged in associational activities, chose to follow or challenge inherited occupational paths, circumvented some formal and informal regulatory institutions, which included how they emancipated themselves from patriarchal and gerontocratic norms, exploited local and non-local venture opportunities, used local and non-local resources as well as responded adequately to emerging opportunities and constraints that were associated with the changing times. The study adds new insight into how entrepreneurs in such an emerging African society generate various forms of capital, convert and combine these resources to undertake their venture activities. Hence, it revealed, how some entrepreneurs in BoP settings adopt strategies that allow them to participate in MoP and ToP settings within the formality-informality continuum.

To this end, the findings in this chapter has provided detailed insight into the possible actions rural youths in the general population in Ghana make towards non-farm ventures and (in)formality as examined in Chapter 4. The next chapter discusses the findings in Chapter 4 and this chapter in relations to the broader literature on (in)formal entrepreneurship.

Chapter 6: Toward strategic and tactical movements within the formality-informality continuum

6.1 Introduction

The analysis and results presented in Chapter 4 and 5 of this study provide a more multi-dimensional understanding of how RYEs in Ghana navigate within enabling and constraining structures, conditions and actors in the micro, meso and macro environments to operate their non-farm (in)formal firms. In this chapter, I bring together the main themes emerged from the study and relate them in tandem with core arguments advanced in literature within the two broad overlapping views, that is: the ‘marginality’ and the ‘cost and benefit’ views (see: chapter 2; sub-sections 2.2.1 and 2.2.2). The chapter highlight varied meanings and importance RYEs give to the phenomenon, as they respond in strategic and tactical ways to complex incentives, constraints, resources and abilities, varying in dynamic ‘zig-zag’ ways their participation in formality and informality in the interest of their ventures, those of influential actors and their aspirations for the future.

6.2 Is informal entrepreneurship an endeavour for ‘marginalised’ populations?

This section discusses the findings of the study in line with the ‘marginality’ view by extending our theoretical knowledge on (in)formal entrepreneurship. The section aligns the evidence reported in Chapter 4 and 5 to the debates on limited economic resources, opportunities and poor state interventions with welfare regimes to deal with economic and welfare crises.

6.2.1 Limited economic resources argument

One strand of research that underly the ‘marginality’ view on (in)formal entrepreneurship argues that entrepreneurs in developing societies who participate in informality lack economic resources and that as market-based systems develop and the economic environment functions properly, such individuals will be able to access economic resources that influence them to change their behaviours to participate in more productive ventures associated with formality. Hence, informality activities were viewed as a transient

phenomenon that will eventually disappear (Debrah, 2007)²⁸. The findings of this study revealed that, while many of the RYEs who participated in informality lacked economic resources and operated their businesses in extremely volatile economic environments (e.g., see: Chapter 5, p.183-190), the endeavours of these entrepreneurs cannot be described as a transient phenomenon engaged by 'marginalised' groups. Rather, they are recorded as resourceful and ingenious individuals who are engaged in venture activities that allow them to use their formality and informality practices to identify and utilise opportunities and resources (e.g., see: Chapter 5, p. 190-201; p.201-213; p.223; p.244-245). Thus, they emancipate themselves from constraints in the economic environment which limit their participation in venture creation.

These entrepreneurs, rather than passively experiencing the economic environment are recorded to actively enact and construct the various domains of context to access economic and non-economic resources which allow them to operate their businesses in BoP, MoP and sometimes ToP market places. They refuse to let their limited economic resources hinder them from exploiting business opportunities by engaging in resource seeking behaviours that allow them to ease the economic constraints they are faced with (e.g., see: Chapter 5, p.190-198). They adopt hard work and creativity by embedding themselves in the domains to utilise the rich non-economic forms of capital located in such domains (e.g., see: Chapter 5, p.200-203; 236-239) to establish and grow their ventures (Pret *et al.*, 2016; Baker and Nelson, 2005; Power and Baker, 2014). For instance, they exploit their physical strengths and cognitive abilities to access physical and cultural resources associated with festivals, funerals, traditional marriage ceremonies and artefacts in their localities, to engage in multiple ventures, product and service offerings (e.g., see: Chapter 5, p.190-192; p.261-263), which make them optimise their use of resources at their disposal (Baker and Nelson, 2005). They engage in unpaid jobs which allow them to acquire skills and knowledge of the workings of the economic environment before launching their firms, drawing on key stakeholders, such as business partners, suppliers, apprentices, family members, ethnicities, among others, to build resources to operate their businesses (e.g., see: Chapter 5, p.191-192; p.202-205; p.210; p.264-265).

While their path-dependent and path-created trajectories towards resources

²⁸ This view is held by dualists (see: Chapter 2: section 2.2).

acquisition, combination and utilisation are often dominated by activities that involve meandering uncertain paths, which sometimes involves engaging in 'try and error' kind of practices or combining different inputs, as they try out new solutions, use and re-use existing resources for different purposes (e.g., see: Chapter 5, p.191-196; p.241-242; p.272-273), these efforts sometimes lead to innovation in the form of products and services they provide to meet the needs of their clients or address pertinent problems in their societies (e.g., see: Chapter 5, p.241-243;p.250; p.271). Thus, RYEs understanding of context influence how they construct their material inputs which make them re-define what constitute 'resources' and practices involved in the acquisition, conversion and combination of such resources for venture creation. These entrepreneurs deploy marginality as a resource (Dodd *et al.*, 2016) which allows them to use formality and informality activities as tools to improve the stock of their resources and assets (e.g., see: Chapter 5, p.206-207), away from mainstream dominant structures, conditions and actors which often constrain their access to such resources. Thus, the study revealed the resilience and resourcefulness of RYEs as they exploit resources in the different domains of context, a finding which is consistent with theoretical arguments advanced in the literature (e.g., Baker and Nelson, 2005; Baker and Powell, 2016).

6.2.2 Fewer economic opportunities argument

Studies which follow the marginality view also argue that marginalised individuals who participate in informality are influenced by mix of necessity and opportunity motives which shape their entrepreneurial actions in complex ways to participate in informality (Adom, 2014; Adom and Williams, 2012; Franck, 2012; Williams, 2007a, b, 2008, 2009; Williams and Round, 2009). These studies emphasis, however, that the motives of the marginalised entrepreneurs are largely shaped by than opportunity considerations. The notion of co-presence of necessity-opportunity motives, is further argued that marginalised entrepreneurs (especially those who are females), shift their necessity-driven motives to opportunity spaces (with their male entrepreneurs considered as more driven by opportunities than necessities). Despite the availability of economic resources, such as finance, in many developing countries, marginalised entrepreneurs, as argued, are constrained by enduring practices which restrict their access to finances, information and ownership of properties, which can be used as collateral to access capital for venture creation (Amine and Staub, 2009; De Vita *et al.*, 2014; Hampel-Milagrosa, 2011; Kyejjusa *et al.*, 2016; Mair *et al.*, 2012; Williams and Gurtoo, 2011). Thus, these entrepreneurs are often trapped in entrepreneurial endeavours in low-threshold

sectors, which involve their participation in informality with limited skills, knowledge, information and assets that make them unable to respond adequately to economic opportunities and uncertainties that prevail in the business environment associated with formality (Kantor, 2002; Langevang *et al.*, 2015; Xheneti *et al.*, 2019b).

Consistent with extant literature, this study revealed that 'marginalised' individuals (in this case, poorer individuals in both sexes, including female RYEs) are affected by economic and social inequalities which restrict their access to opportunities (e.g., formal education) and resources to participate actively in the formal labour market or formal economy (e.g., see: Chapter 5, p.233-234). However, the study revealed further that the prolonged adversities faced by such entrepreneurial groups make them respond by enacting such adversities as opportunities (Baker and Powell, 2016) and engage selectively in formality and informality practices as feasible activities to exploit such opportunities (e.g., see: Chapter 5, p.197-201; p.223-225; p.234-235). Here, the study reveals that the choices of RYEs to participate in informality, in terms of keeping records of their business transactions in ways only understood by them, choosing to operate home-based businesses and saving funds in ROSCAs instead of formal banks, are all products of their understanding of demands of the stakeholders who often contribute to the adversities and marginalisation they are faced with (e.g., see: Chapter 5, p.209; p.224-225; p.234-235). Thus, linking cognition and interpretations of domains of context (Branback and Carsrud, 2016; Chlosta and Welter, 2017; Elfving *et al.*, 2017), the findings shows how RYEs cognitive interpretation of what constitute opportunities, constraints and risks affect their entrepreneurial behaviours (e.g., see: Chapter 5, p.244-245;256-257). This is especially the case for their venture activities that aims to exploit opportunities associated with informality and sometimes their selective participation in formality (e.g., see: Chapter 5, p.261-263). For instance, the study revealed how RYEs understanding of context allows them to identify problems, such as unemployment of other rural youths, as an opportunity and employ many of such youths in their firms at minimal wage costs (e.g., see: Chapter 5, p.195; p.208; p.235). These entrepreneurs utilise the adversity of unemployment in their economic and spatial domains of context as a resource to build their businesses, with surplus manpower used to support the diversification activities they are engaged in or to counter or accommodate threats of social actors, such as family workers and business partners (e.g., husbands) who may want to interfere in their ventures.

The relational learning engaged in by the RYEs in the temporal domain of context allow

them to reflect on how they are affected by structures, conditions and actors in the other domains and influence their behaviours on how and when to turn their powerlessness into tools of resistance and empowerment, using their informality and selective formality practices to resist dominant forces that impede their entrepreneurial efforts (e.g., see: Chapter 5, p.205-207;p.224-225; p.261-263). Thus, these entrepreneurs draw on their understanding of the working of domains of context to re-define what constitute opportunities, resources (this include: knowledge, skills, experience, etc.), constraints and threats in their firms and life-course. This understanding shape how they use their firms to engage with stakeholders in the past, present and future (Powell and Baker, 2014), and to safeguard or improve business practices they consider as desirable and feasible. Thus, the findings revealed how and when the often-called 'marginalised' entrepreneurs navigate the formality-informality continuum to change structural disadvantages that limit their access to economic resources and opportunities or reproduce such structures among other youths as they attempt to achieve the goals of their firms and life aspirations.

6.2.3 Poor state welfare regime argument

Another core argument advanced in literature that underly the marginality view is that the participation of impoverished populations in informality as outcomes of capitalist development and limited state intervention in the provision of welfare regimes to vulnerable workers.²⁹ Poor entrepreneurs are argued to lack state-sponsored welfare regimes that provide social safety nets and thus use their participation in informality as important welfare provisioning (Morris and Polese, 2016; Polese *et al.*, 2014, 2015). Thus, arguments have been advanced that policies and interventions of the state that ensure fairer employment conditions and improved social welfare among impoverished populations will influence these poor entrepreneurs to move their operation to the formality-end of the continuum (ILO, 2002, 2008; Kuddo and Rutkowski, 2011; Xaba *et al.*, 2002).

Aligning the evidence of the study to this side of the debate, the findings show how some RYEs are affected by activities associated with capitalist development, such as how competition from cheap substitute products of foreign companies and high import duties on inputs affect their production costs, profitability and incomes (see: Chapter 5, p.187-188; p.198). For these entrepreneurs, such developed understanding of the workings of capitalist

²⁹ This view is held by structuralists (see: Chapter 2: section 2.2).

regimes shape their practices towards business actors, such as suppliers/middlemen (or women) and customers, as they engage in purchases and sales negotiations with the aim to secure their production inputs, working capitals, profitability and incomes (e.g., see: Chapter 5, p.210-212; p.245). The study further highlights how most of the RYEs operate their ventures in an economic environment characterised with precarious working conditions, where they lack access to occupational safety and improved well-being (e.g., see: Chapter 5, p.189-190). While it was recorded that formal institutional regulators implement some enterprise development initiatives to improve the business environment and conditions of work, skills and productivity of vulnerable entrepreneurs (e.g., see: Chapter 5, p.218-219), much of the schemes (e.g., the SSNIT Pension Scheme) that ensured welfare provisioning were skewed towards urban dwellers (e.g., see: Chapter 5, p.219). Thus, the RYEs entrepreneurs engage in practices that allow them to reject these formal regulators as the primary provider of welfare by engaging in various practices associated with informality, some of which are dangerous to their health (e.g., use of illicit drugs to stay active) (e.g., see: Chapter 5, p.189-190).

The study in chapter 4 and 5 reveals findings which challenges the argument put forward in literature that once formal institutional regulators institute policies and schemes that ensure fairer conditions of employment and improved well-being vulnerable entrepreneurs will move their operations to the formal economy, by highlighting the complex crucial roles played by informal institutional regulators among these entrepreneurs that shape their entry and participation in the formal and informal economies as well as access to informal welfare systems (e.g., see: Chapter 5, p.228-240; p.263; p.276-277). Consistent with literature (e.g., Uzo and Mair, 2014), it reveals how informal institutional structures and actors in the micro and meso environments often act as countervailing forces to limit these entrepreneurial populations from moving organically towards formality with their ventures (see: Chapter 5, p.231; p.236-238; p.239-240). These structures and actors, which are more enduring and resistant to change over time (Eesley *et al.*, 2018; Winiecki, 2001, 2004), have powerful influences on RYEs who usually are more rooted in informal institutions than formal institutions (Ismail, 2016). For instance, the findings revealed that while there exist a free compulsory basic education and a national apprenticeship programme developed by the state to support the youths to acquire skills that can allow them to establish and operate businesses in more formalised settings with secured incomes and improved well-being, many of the RYEs, especially those who are females, continue to be influenced by cultural practices that devalue formal education and thus participate in informality with their ventures (Chapter 5,

p.233;p.257). Another example also revealed is how management practices and work philosophies acquired from informal institutional actors normalises informality in the form of prioritising the needs of influential immediate actors, such as relatives, friends and community members, over demands of distal state regulators, such as compliance to taxes and business incorporation, with the management practices of RYEs reproduced from one generation to another (e.g., see: Chapter 5, p.228-234; p.266-268). Thus, RYEs entrepreneurs divert business funds which can be used to honour tax obligations and pension schemes of the state to fulfil informal tax and welfare obligations of the institutional actors they mainly depend on in times of economic and welfare crises.

In sum, the study revealed that instead of viewing the venture activities of individuals who participate in informality in derogatory ways as characterised with arguments aligned to the marginalist view, the exploration of the dynamic relationship between context and (in)formal entrepreneurship revealed how RYEs evaluation and understanding of the workings of the domains offer them new meanings of what constitute 'resources', 'opportunities' and 'constraints' that are embedded in such domains. This developed understanding shapes their ventures in ways that allow them to engage in formality and informality practices to overcome identified constraints as well as contribute to how the domains of context evolve over time (Welter, 2011). It allows us to see how everyday business practices associated with (in)formality are used as tools for empowerment and emancipation (Rindova *et al.*, 2009; Welter *et al.*, 2015). Hence, it reveals how structural inequalities and social stratification that prevail in developing societies and power differences between the haves and have nots influences less privileged entrepreneurial groups to challenge existing economic, social, institutional and temporal structures, conditions and actors to achieve what they consider as possibilities for their ventures and personal upward social mobilities.

Also, the study offers new insights into the path-dependent and path-created entrepreneurial actions engaged in by vulnerable entrepreneurs towards informality as they respond to welfare crises that are manifestation of the historical embedded norms and codes of conducts which make them play by the 'rules of the game' of informal institutional regulators as against formal regulators to deal with welfare issues. The evidence on RYEs selective participation in formality as tools for empowerment and emancipation is consistent with the findings of Thapa Karki and Xheneti (2018), who reports from Nepal that whilst

informality practices improve confidence and life aspirations of female entrepreneurs, such entrepreneurs have limited potential of using their ventures to lift themselves out of poverty or significantly challenge gender relations in their society. Hence, they use their participation in formality as tools of empowerment which allow them, especially those who are younger or more educated, to emancipate themselves from household and community structures that often constrain their venture activities.

The contribution on resource utilisation and re-enactment of necessities as opportunities also lies in how the study challenges arguments advanced in literature that uses only economic indicators to characterise informality of place, such as 'impoverished' or 'less endowed' populations/localities and 'affluent' populations associated with formality (e.g., London *et al.*, 2014; Williams, 2010, 2011; Williams, Horodnic and Windebank, 2016; Williams and Nadin, 2010). It does so by revealing that the tacit use of economic concepts (such as: wealth/ monetary resources, formal knowledge, skills, etc.) to characterise societies, usually by western scholars, obscure the realities or understandings that those considered impoverished view as wealth, knowledge and skills and associate their business activities with. It shows that while economic constraints associated with rurality of place impedes the entrepreneurial efforts of RYEs, such constraints do not deter these entrepreneurs from exploiting the constraints and problems they are faced with as opportunities and resources, using aspects of both formality and informality in their opportunity exploitation processes.

It highlights the complex ways in which RYEs utilise their agency to navigate the domains of context as they draw on non-economic resources, convert and combine such resources with those of economic form to exploit business opportunities associated with aspects of formality and informality in BoP, MoP and sometimes Top market places. It highlights how RYEs navigate local and non-local resources to operate and grow their ventures, bridging near and distant opportunity spaces in that regard, which all affect their participation in (in)formality within the continuum (e.g., see: Chapter 5, p.241-247). Also, it questions the rationale behind scholarship focused on informality of place that often tags and explores the extremes of 'affluent' and 'impoverished' societies when location and place-based factors in in-between localities also influences the endeavours of entrepreneurs in dynamic ways to participate in (in)formal entrepreneurship. In effect, this study revealed how existing studies have marginalised the agency of those assumed impoverished entrepreneurs to navigate complex domains of context, aside the economic domain, to accumulate resources and

employ identified resources in dynamic ways to exploit entrepreneurial opportunities associated with both formal and informal entrepreneurship.

6.3 Is (in)formal entrepreneurship a strategic outcome of cost-benefit considerations?

This sub-section discusses the findings in line with the cost-benefit view, which argues that entrepreneurs participate in (in)formal entrepreneurship as strategic outcome of their cost and benefit considerations (Autio and Fu, 2015; Cross, 2000; De Castro *et al.*, 2014; de Mel *et al.*, 2013; Godfrey and Dyer, 2015; Packard, 2007; Perry *et al.*, 2007). Such cost and benefit considerations are divided into those of monetary and non-monetary forms.

6.3.1 The monetary incentive-costs view

As one strand of prior research argues, entrepreneurs participate in informality with their businesses mainly because they seek to reduce economic costs, bureaucracies and time associated with formal regulatory institutions that often make it more expensive for them to formalise their operations (de Soto, 2000; Webb *et al.*, 2013).³⁰ In their rational decision-making, entrepreneurs identify formality with minimal benefits and thus choose to participate in informality with their businesses (Maloney, 2004). By implication, if economic costs and bureaucracies associated with formality (e.g., costs such as: business registration and tax compliance costs, interests charged on savings in formal sources, etc.), are lowered entrepreneurs would move their businesses to the formal economy (de Soto, 1989, 2000).

Aligning the findings of this thesis to scholarship which follow this side of the debate, the study highlights that RYEs irrespective of their economic statuses take rational decisions to participate in formality and informality based on their economic cost-benefit considerations. However, contrary to the binary argument that underlie the monetary incentive-costs argument that entrepreneurs are influenced by the economic costs and benefits calculations they make to move to either end of the formality-informality continuum, the findings revealed that RYEs rather choose to participate in aspects of both formality and informality at the same time based on such cost-benefit considerations. RYEs understand the resource-constraint, market failures and volatility that characterise their economic

³⁰ This view is shared by neo-liberalists (see: Chapter 2: section 2.2)

environments (Kiggundu and Pal, 2018; Rivera-Santos *et al.*, 2015). They also understand the working of some deficient or inefficient formal institutions (Mbaku, 2004) and informal institutions (Webb and Ireland, 2015; Webb *et al.*, 2019) which increases their operational costs. Hence, they strategically choose to respond in ways that allow them to select portfolio of formality and informality practices to ensure the survival, growth and profitability of their businesses (see: Chapter 5, p.197-198; p.223-225; p.234-225; p.254-256; p.263).

These entrepreneurs, therefore, employ hybrid organisational forms that allow them to selectively participate in aspects of formality and informality to maximum their identified economic benefits and minimise their economic costs. They realise that the dysfunctionality of some formal institutions sometimes works to make certain informality practices they are engaged in more expensive, in economic terms, than if they choose to engage in formality. Hence, in such situations, they move part of their operations towards the formality-end of the continuum to reduce the economic costs associated with identified informality activities. For instance, the findings revealed that RYEs are influenced by additional unapproved payment to tax officials to choose to be tax compliant (e.g., see: Chapter 4, p.146). This finding is consistent with the evidence in Ghana (e.g., Norman *et al.*, 2017), which show that bribe activities of traffic police against commercial drivers who work with no driving licenses and stamp duties make their participation in informality rather expensive. Thus, some of the commercial drivers are influenced by their cost-benefit calculations to choose to navigate the costs and bureaucratic systems of the Department of Vehicles Licensing Authority to acquire genuine driving licenses or up to date roadworthy certificates to reduce in relative terms the bribes they pay to the traffic police. Entrepreneurs in such an emerging economy, therefore, find aspects of formality as cost-saving and strategically engage in those formality practices that respond or 'dis-embed' their operations from identified deficient formal and informal institutional actors and conditions which sometimes make their participation in informality costlier.

Another example of RYEs behaviour towards selective formality and informality can be seen in how these entrepreneurs engage in informality practices that make them employ the services of employees with no written contracts which gives them the flexibility to choose how to use such workers to participate in wide range of venture activities as well as choose when and how much to pay them without recourse to paying income taxes to the state (e.g., see: Chapter 5, p.208; p.210). The benefits accrued from engaging the services of these

employees are recorded in how they support the businesses by paying apprentice fees, supplying production tools and generating new business ideas which boost the economic resources, physical assets and operations of the firm (e.g., see: Chapter 5, p.195-196; p.207-208). Such benefits are also recorded in how the workers are allocated delegatory responsibilities that offer the entrepreneurs spaces to exploit other business opportunities away from their primary ventures (e.g., see: Chapter 5, p. 208; p.249). Despite these economic benefits associated with informality, RYEs understanding of related economic costs of working with apprentices (e.g., pilfering, side-selling activities and wastage of raw materials) influence them to engage in selective record keeping and banking activities associated with the formal and informal economies to minimise such costs (e.g., see: Chapter 5, p.208-209; p.249; p.265-266).

Similarly, RYEs embeddedness in context shape their understanding of when to certify aspect of their operations to improve their performance, profitability and incomes (e.g., see: Chapter 5, p.204; p.223-225; p.239-240). As revealed, even though many of these entrepreneurs do not have business certificates, they know the economic value of having vocational certificates and the importance of visibly situating such certificates in their business premises to attract new customers and apprentices (e.g., see: Chapter 5, p.239-240). These certificates allow them to gain legitimacy from local stakeholders, as competent to operate their ventures. Also, these entrepreneurs know when to adopt various pricing strategies, such as intuitive, discounted and fixed pricing, to manage the expectations of their customers (e.g., see: Chapter 5, p.200-201; p.211; p.235; p.244) and improve or maintain their working capitals and performances. Thus, the hybrid organisational forms RYEs adopt associated with selective formality and informality allow them to manage material resources, workers' behaviours, demands and expectations of customers, suppliers, etc. in ways that make them able to track and determine the performance and profitability of their businesses, as they respond to monetary incentives and costs located in the economic, institutional, social and spatial environments they are embedded.

The findings on RYEs practices to operate their businesses within the formality-informality continuum is consistent with the evidence of De Castro *et al.* (2014) in the Dominican Republic. These scholars report that the strategic choices entrepreneurs engage in to participate in formality unfold overtime, with their participation in formality not hindered by economic costs or complexities associated with business formalisation. They

argue that the strategies entrepreneurs engage in towards the weaving together formality and informality practices within the continuum create an exchange system which legitimises the persistence of informality. Although the boundaries between formality and informality are easily crossed, the authors found that Dominican entrepreneurs are not in urgency to move their operations towards the formality-end of the continuum. With formality not making economic sense, they choose largely to remain in the informality-end of the continuum. Such navigation in the continuum is argued to come about by entrepreneurs rooted embeddedness in micro and meso informal institutions as against their shallowed embeddedness in macro formal institutions. Extending the argument by De Castro *et al.* (2014) further, this thesis maps multiple dimensions of context along which RYEs choose to comply or not regulations in the micro, meso and macro environments and reveal the extent at which they navigate the formality-informality continuum.

The evidence among the RYEs revealed that their strategic practices towards formality and informality are balancing acts which occur in the present moment and continue to evolve across space and time. Such balancing acts involve RYEs constantly embedding, dis-embedding and re-embedding themselves within different structures, conditions and actors situated in the domains of context, as they make heterogeneous choices related to formality and informality to respond to economic opportunities, resources, constraints and costs which affect the survival, profitability and growth of their ventures. In the case of De Castro *et al.* (2014), Dominican entrepreneurs were found to engage in direct businesses with large corporations of which the lack of formalisation did not have significant barriers to such engagements. However, among the RYEs in Ghana, it was revealed that their engagement with these kinds of more formalised entities (e.g., public universities, mining firms, secondary schools, etc.) often require some level of formality, in terms of incorporating their businesses at the business registrar and/ or the tax office (e.g., see: Chapter 5, p.203-204; 223-225). It was found that some RYEs awareness of the weaknesses in the workings of formal institutional regulators, in terms of ineffective vertical and horizontal linkages among partner regulatory institutions, poor addressing systems, lack of logistics to track registered entrepreneurs, etc., make them to take advantage of such dysfunctional formal institutions to acquire the certifications they need to bid for contracts without honouring their obligations to pay taxes to the state on the awarded contracts (e.g., see: Chapter 5, p.219-223). This finding is consistent with argument advanced in literature (e.g., Godfrey and Dyer, 2015, p. 144-145) that entrepreneurs in developing countries, such as Ghana, take advantage of

“bureaucratic separability” characterised with some formal institutions who operate in “their own silos”. This, the workings of these formal institutions create avenues for some entrepreneurs to meet their regulatory requirements while they violate those of others.

Also, unlike the case among Dominican entrepreneurs where De Castro *et al.* (2014) revealed that the growth in businesses make entrepreneurs more visible to tax authorities, as the increase in their savings in formal financial institutions increases their risk of detection, among the more successful RYEs many continue to manage their businesses in a zig-zag manner across the formality-informality boundaries of financial institutions as they attempt to deal with challenges associated with institutional pluralism. For instance, these entrepreneurs sometimes attempt to evade informal taxation of informal institutional regulators by saving their funds in formal and informal financial systems that reduce the risk and costs of detection by these regulators (e.g., see: Chapter 5, p.205-207; p.234-235; p.260; p.263). Hence, while their participation in formality in terms of their actions to choose to operate formal bank accounts do not help them to access loans from banks (e.g., see: Chapter 5, p.193), there was the benefit of being able to use this savings form to evade excessive demands of the informal regulators. Also, the benefit associated with formality was recorded in how the RYEs use their multiple passbooks to track and determine inventory turnover, to know when to replenish their stocks or discontinue particular lines of businesses, products or services (e.g., see: Chapter 5, p.197-198). Hence, these benefits encouraged them to formalise aspects of their operations (that is, save business funds in formal sources) while they continue to draw on the support they get from informal financial institutions, such as ROSCAs/VSLAs, albeit particularly the female gender, to access interest-free funds to grow their ventures or emergency loans to mitigate livelihood shocks (e.g., see: Chapter 5, p. 251-252). The challenge RYEs are faced, therefore, is to continually re-negotiate the non-economic forms they choose to honour their tax obligations to identified informal institutional regulators so that they can continue to enjoy the legitimacies they draw from these regulators to operate their businesses (e.g., see: Chapter 5, p. 262-263).

The balancing act of cost-benefit considerations which make the RYEs attune to the constraining forces embedded in the domains of context, also involved they stretching their thinly accumulated economic resources in combination with other non-economic resources to exploit complementary and unrelated ventures across industries (e.g., see: Chapter 5, p.193-198). They carry such activities in ways which sometimes involve alternating, shelving

and exploiting 'on-the-now' as well as one-off business activities associated with changing seasons of the business year (see: Chapter 5, p.269-270). Here, the RYEs draw on timely accessed information, skills and support from business partners, peers and relatives, in the industrial environment which sometimes make them conform to group behaviour on informality, despite the awareness gained by some of the benefits associated with formality (e.g., keeping formal accounting records) (e.g., see: Chapter 5, p.224). This is especially the case among the more educated RYEs who operate in industries concentrated by low skilled entrepreneurs. Once these entrepreneurs evaluate the economic benefits that they draw from participating in the group-based industrial activities as of more value than the benefits they can derive from formalising their businesses, they choose to operate at the informality-end of the continuum. Hence, while earlier evidence suggests that industry-specific factors influence the youths in Ghana to participate in formality, in terms of being tax compliant (e.g., see: Chapter 4, p.140), the evidence in the later study revealed the dynamic ways in which industry structures, conditions and actors influence RYEs to participate in informality, associated with non-written contracts (e.g., see: Chapter 5, p.210) and their keeping of off-the-books records (e.g., see: Chapter 5, p.224). Thus, the evaluation activities carried out by these entrepreneurs to choose to participate in informality shifts from the 'cost-vs-benefit' calculations argued in literature to 'benefit-vs-benefit' or 'cost-vs-cost' considerations.

The finding on RYEs behaviours towards informality shaped by their industries of operations is consistent with Siqueira *et al.* (2016) who found that entrepreneurs take into consideration the conditions in the industries they operate their businesses during their 'cost-vs-benefit' considerations. However, Siqueira *et al.* (2016) presents findings which showed that industrial conditions influenced decisions of entrepreneurs to participate in formality. The authors reported that entrepreneurs in industries that are concentrated by formal firms are deterred by such firms to engage in informality, with the prevailing firms utilising enforcement mechanisms of which new entrants must follow if they can continue to do business in such industries.

Also, the balancing act requires that RYEs utilise speed as a strategic resource to improve their operations and business performance. Here, they selectively participate in aspects of formality and informality to stay in control of their businesses. Their diversification activities engaged in this regard often involves delegating responsibilities to capable employees (e.g., see: Chapter 5, p.208; p.249; p.289), engaging the services of many workers

to ensure that production levels are achieved on a timely basis without being affected by skill shortfalls often associated with absenteeism of some workers. Also, the use of modern technology (e.g., mobile phones, mobile money service, etc.) and improved levels of socio-economic development in the local place aid the speed process as it allows RYEs to bridge places to serve their clients, as well as navigate homogenous and heterogeneous spatial environments to access and utilise local and non-local resources to grow their businesses (e.g., see: Chapter 5, p.227; p.247; p.272-273). However, the remoteness of businesses operated by some RYEs make them put minimal value on benefits associated with enterprise development initiatives of the state (e.g., see: Chapter 5, p.254). Hence, they weigh in on the costs of paying taxes (e.g., enterprise levies, operating permits and market tolls), against such benefits which often influence them to choose to evade state taxes, as their anticipated benefits are considered lower than the costs.

Besides, with the implementation of the enterprise development initiatives found as fraught with problems, such as: poor design with little focus on business formalisation, lack of synergies or adaptation of modern management practices to indigenous businesses activities, poor focus of funding schemes, among others, many RYEs are discouraged from participating in such enterprise development schemes (e.g., see: Chapter 5, p.215-218). Moreover, RYEs consideration of how some place-specific policies of the state (e.g., the ban on illegal mining) adversely affect their operations, in terms of low sales and incomes attributed to such policies, and experiences of rising costs of production inputs and transportation as they bridge locations to access such inputs affect how they respond to the tax demands of formal regulators in the local place as many become less compliant to such demands.

Furthermore, the balancing act was recorded in how some migrant RYEs choose to employ other migrants from their homelands in their firms than use locals in their destination place, which encouraged selective formality and informality practices (e.g., verbal agreements and non-payment of wages; participating in selective record keeping and savings in attempt to hide the true financial position of their ventures to curb undesirable practices of migrant apprentices, etc.) (e.g., see: Chapter 5, p.208-209; p.225; p.249-250; p.262).. Similarly, other return migrants, in the cost-benefit considerations chose to acquire financial resources and skills in popular urban localities but use their acquired resources and skills to operate businesses in the rural place where they could replicate formality and informality

practices developed from the urban localities (e.g., see: Chapter 5, p.247-248; p.256-257). Thus, contrary to the argument advanced by Siqueira *et al.* (2016) that entrepreneurs' participation in informality reduces when they operate businesses in geographically concentrated areas, the findings of this study has revealed that RYEs in the emerging economy of Ghana consider many contextual factors that go beyond how their localities are geographically concentrated which shape their monetary incentive-cost calculations on (in)formality.

Thus, this study revealed that the monetary incentive-cost considerations RYEs engage in with their businesses are consequential on their understanding of how the structures, conditions and actors situated in the domains of context work to impede or support their operations, which influence them to respond in dynamic ways to use their participation in formality and informality to navigate the enabling and constraining forces of such structures, conditions and actors.

6.3.2 The non-monetary incentive-costs view

The second set of findings of this study examined within the cost-benefit view are focused on the non-monetary cost and benefit³¹ considerations that shape RYEs venture activities to participate in (in)formal entrepreneurship. Extant research posits that entrepreneurs are influenced by two primary non-monetary cost-benefit considerations to participate in informal entrepreneurship, which are the goals to: (i) ensure a more equal society by using business activities to redistribute economic resources, and (ii) foster improved relationships, identities and lifestyles among social actors, such as family, friends and communal members.

6.3.2.1 The redistribution argument

Scholars who follow the redistribution side of the debate argues that entrepreneurs participate in informal entrepreneurship to redistribute economic resources in their societies (Persson and Malmer, 2006; Sallah and Williams, 2016; Williams, 2004), as they use their informality activities to respond to exploitative practices associated with the state and capitalist economic systems in the formal labour market (Biles, 2009; Kudva, 2009, Whitson, 2007). Here, the argument is made that entrepreneurs cost-benefit considerations make them find inefficient practices of formal regulatory institutions, such as bribery and

³¹ This view is shared by scholars who follow the post-structuralist, post-development and post-capitalist discourses (see: Chapter 2: section 2.2)

corruption, at odd with their religious and personal beliefs which influences them to participate in informality so that they can re-distribute their economic resources to stakeholders they consider to deserve such resources (Adom and Williams, 2014; Sallah and Williams, 2016).

Contributing to this side of the debate, the study highlights the complexity of enterprise activities RYEs engage in as they respond to the enabling and constraining forces of structures, conditions and actors situated in the domains of context which shape their cost-benefit calculations for redistribution purposes. These entrepreneurs attempt to use their material and non-material resources to serve the interests of competing stakeholders in the micro and meso environment. Understanding the exploitation and exclusion of vulnerable populations in an era of capitalist development, some RYEs respond to such exploitation by adopting business models that allow them to utilise cheap resources in the local place to produce essential and quality products and services (e.g., medicinal products, manufactured farming tools, etc.) to serve the needs of vulnerable populations in BoP markets (e.g., see: Chapter 5, p.241-245). These entrepreneurs engage in less rationalised pricing strategies which often involve intuitive and discounted pricing as well as the use of verbal agreements for credit sales which offers more flexibility in payment terms to clients in such markets (e.g., see: Chapter 5, p.192; p.200; p.211-212; p.235). Thus, they offer community support through the provision of valuable goods and services which under normal circumstances clients in BoP markets cannot afford (Cross, 2000). Such adopted business models influence some RYEs to operate their ventures in the rural place where they can avoid formal institutional regulators and their associated practices of bribery and corruption, while employing strategies (e.g., improved packaging of manufactured products; formed partnerships with middlemen/women; differentiated pricing of same or similar products to the poor and to the rich) that allow them to attract clients from MoP and ToP markets in non-local communities to the local place to purchase their products at relatively higher prices (e.g., see: Chapter 5, p.211; p.254).

Contrary to the argument advanced among scholars on the redistribution considerations that influence entrepreneurs to participate in informality, the findings of this study highlight that the cost-benefit calculations of RYEs involve engaging in selective formality and informality practices for redistribution purposes. Here, among communal and social actors, RYEs are selective of those they redistribute their economic resources and time to. Their selective redistribution practices are recorded in how they choose community

members to sell their products and services to on discounts, those they offer short-term credits/loans and those they employ as apprentices in their businesses (e.g., see: Chapter 5, p.195-196; p.208; p.211-212; p.235; p.251). The study revealed that, while RYEs use their businesses to employ and develop the skills of other unemployed youths, so that they too can participate actively in the labour market in the local place, their cost-benefit considerations for redistribution purposes also influence them to use informality to exploit the services of such workers (e.g., in the form of payments of low and irregular wages) (e.g., see: Chapter 5, p.208;p.250-251; p.266). Thus, while RYEs practices on casualisation of wage employment in the informal labour market perpetuate exploitative practices among their employees, their cost-benefit considerations which influence them to employ non-family workers in place of family workers reduce redistributive pressures from familial actors, while offering skills to their non-family workers (e.g., see: Chapter 5, p.195-196; p.208-210; p.249). Thus, by engaging in selective redistribution activities, RYEs attempt to balance the benefits of the economic and non-economic goals of their firms with the economic and non-economic costs associated with formal and informal institutional regulators, business, communal and familial actors.

RYEs, therefore, demonstrate complex responses in their cost-benefit consideration for redistribution purposes, with their embedding, dis-embedding and re-embedding behaviours in the domains of context offering them leverage on how to balance the conflicting demands, expectations and actions of different stakeholders. Thus, these entrepreneurs respond to exploitative practices of not only formal institutional regulators but also informal institutional regulators in dynamic ways which affect how they selectively participate in formality and informality to achieve their identified redistribution goals. In effect, the selective redistribution activities RYEs participate in, in some ways also contribute to exploitative practices of capitalist regimes in the informal labour market.

6.3.2.2 The improved relationship argument

Scholars who have focused on how the non-monetary cost-benefit considerations of entrepreneurs influence their participation in informality are also of the view that such individuals engage in informal business practices to improve their relationships among business and social actors (Williams, 2004, 2006). Consistent with studies which follow this side of the debate (e.g., Cross and Morales, 2007; Stillerman and Sundt, 2007; Williams and Nadin, 2011), the findings revealed that the relationships RYEs form with these actors affect

their venture activities, which are often characterised by reciprocity and community solidarity (e.g, see: Chapter 5, p.210; p.238; p.263; p.277). Such relationships are built on mutual trust that influences how these entrepreneurs engage in business transactions without recourse to legal contracts (e.g., see: Chapter 5, p.192; p.210-211; p.277). It highlights the dynamic influences of relationships formed with various stakeholders on RYEs participation in (in)formality. RYEs considerations of benefits received from the stakeholders, such as: ideas, information, emotional support, knowledge, skills, finance, production inputs and cheap labour, influence them to respond reciprocally as they are recorded to divert their business funds to meet the needs of these stakeholders to foster improved relationships (e.g., see: Chapter 5, p.204-205; p.234; p.262-263; p.269).

However, contrary to arguments advanced in the literature on how cost-benefit consideration aimed to improve relationships influence entrepreneurs to participate in informality, this study revealed that in the emerging rural economy of Ghana such relationships also influence RYEs to participate in selective formality practices. For instance, the study revealed that timely accessed information from relatives and friends on profitable business opportunities associated with formality (for example, bid for contracts which require having business registration and tax certificates) influence RYEs to incorporate aspects of their businesses (e.g., see: Chapter 5, p.203-204; p.224-225; p.239-240). Also, these entrepreneurs are aware of the risk of over-embeddedness in the relationships they form (Uzzi, 1996) and the associated constraints related to forced solidarity (Grimm *et al.*, 2013; Khayesi *et al.*, 2014). Hence, they engage in selective formality and informality practices to foster social cohesion in their established relationships. For instance, some married female RYEs engage in selective formality and informality practices, such as saving business funds in banks, ROSCAs/VSLAs as well as engage in record keeping practices that allow them to hide business incomes and performances from their husbands and relatives, so that there would be continued harmony within the household, as these relatives continue to fulfil their monetary obligations (e.g., see: Chapter 5, p.205-207;p.234-235;p.260). Similar findings were recorded among some RYEs on how their relationships and engagement with some community structures, such as VSLAs and ethnic group activities (e.g., Ga and Ewe ethnicities), influenced them to participate in formality, in terms of compliance to state taxes (e.g., see: Chapter 4, p.148; p.162). The findings, therefore, raise questions as to why scholars are only focused on how the cost-benefit considerations undertaken by entrepreneurs to improve relationships influence their participation in informality, with little attention given to how the

considerations also affect entrepreneurs to selectively participate in formality with their ventures. Thus, the RYEs are found to engage in balancing acts that allow them to use their navigation of the formality-informality continuum to make most of their established heterogeneous relationships.

6.3.2.3 Identities and lifestyle considerations argument

In the literature, the identities and lifestyles individuals have or forms in their families, industries and communities are described as important non-monetary incentive-cost considerations which influence their actions to participate in informal entrepreneurship (Cross, 2000; Gerxhani, 2004; Snyder, 2004; Williams and Youssef, 2015). For instance, scholars argue that gender stereotypes identified with women, such as reproductive and home-based responsibilities constrain their participation in more productive sectors (e.g., Fox and Sohnesen, 2012; Filmer and Fox, 2014; Fox *et al.*, 2016). These sectors, which are associated with formality, are often identified with men and with those undergoing transitions (e.g., widows, single, divorced) (De Herdt and Marysse, 1999; Nzeadibe and Adama, 2015). By participating in informality, women entrepreneurs are argued to ensure the stability of their households, as they engage in venture activities that allow them to enact their gender roles to comply with social norms and positions as carers and mothers (Gough, 2010; Franck and Olsson, 2014). Hence, they devalue the ventures they engage in. Informality activities associated with home-based enterprises, therefore, offer them the flexibility to combine household responsibilities with their enterprise activities to meet family needs and deal with issues of vulnerability (Tipple, 2005). Hence, formality becomes a less attractive choice to this entrepreneurial group because of gender stereotypes which are culturally inscribed in them (Xheneti *et al.*, 2019b). Nonetheless, gender stereotypes present constraints to women entrepreneurs beyond the household, as their social positions limit them from exploiting business opportunities associated with formality (*ibid.*).

The study contributes to this side of the debate by revealing how RYEs positions in households, as well as norms in families, gender and marital institutions, influence their cost-benefit considerations to participate in formality and informality activities to build or stimulate their entrepreneurial identities (e.g., see: Chapter 5, p.228-234; p.235-236). For instance, some RYEs follow traditional occupations (e.g., herbal medicine preparations, blacksmithing, kente weaving and smock weaving, smallholder farming, etc.) inherited from previous family generations which allow them to engage in informal venture activities to build

prestige and reputations among familial and communal actors (e.g., see: Chapter 5, p.228-229). Such non-economic incentives are considered as of more value than the higher monetary returns they can earn in other vocations they are equally skilled in (e.g., see: Chapter 5, p.229-230). Utilising these non-economic incentives, they participate actively in adult societies as role models and mentors, recruiting children and other younger persons with their ventures without following labour laws of the state (e.g, see: Chapter 5, p.229-230; p.235-236). These entrepreneurs attain legitimacies for their businesses by fulfilling their 'enterprise social responsibilities' through the payment of informal taxes to informal institutional actors. These taxes are often in the form of intuitive and discount pricing, emergency loans, paying of tithes, offertory, dues, and other forms of donations at social events (e.g., see: Chapter 5, p.237; p.262-263). These are practices which normalise informality among the RYEs. Hence, for RYEs whose venture activities primarily follow inherited occupational paths, such business operations are largely located in the informality segment of the formality-informality continuum (e.g., see: Chapter 5, p.228-231). This finding is consistent with evidence in literature (e.g., Cross, 2000) which shows that entrepreneurs are incentivised to participate in informality to ensure that family traditions related to work and enterprise management are maintained and promoted. Nonetheless, the study further revealed that sometimes some RYEs who operate traditional occupations participate in periodic formality practices (e.g., periodic book-keeping and savings practices in formal ways) to achieve specific goals, such as acquire assets to improve their quality of life, after which they discontinue such formal business activities and revert back to their traditional ways of doing business until another lifestyle goal arises (e.g, see: Chapter 5, p.229-231).

Also, the study revealed that the understanding some RYEs have of how intra-household, gender, marital norms that perpetuate and reproduce power relations and inequalities in families and societies influenced them to adopt different behaviours and unconventional ways to build their identities in ways they deem fit (e. g, see: Chapter 5, p.206-207; p.233-234; p.258-260; p.263). These entrepreneurs engage in venture activities that openly defy traditionally ascribed vocations, using their navigation within the formality-informality continuum to circumvent identified patriarchal and gerontological norms which constrain their venture activities (see: Chapter 5, p.206-207; p.233-234; p.238; p.258-260; p.263). Here, cost-benefit considerations that lead to improved identities among the RYEs require that they participate in selective formality and informality activities which allow them to respond in dynamic ways, to the constraining, domineering and manipulative norms they

identify with inherited traditional occupations (e.g., see: Chapter 5, p.233-234; p.258-260; p.263). Thus, RYEs selective participation in formality and informality provide them spaces to engage in re-negotiations with informal institutional actors to deal with conflicts and tensions associated with the expectations and demands of these actors before they confer prestige and favourable reputations to the RYEs. For instance, their cost-benefit considerations sometimes influence them to dedicate their efforts and time away from their businesses to participate in planning and organisational activities of social events (e.g., funerals), with their active participation sometimes used as payments in place of monetary contributions, demanded from them, to show their responsiveness and commitment to communal endeavours (e.g., see: Chapter 5, p.263).

Also, through RYEs participation in occupational, product and service plurality, they build prestige with their ventures as they use such business activities to challenge, often in a subtle manner, their inherited occupational paths by exceeding the career achievements of the influential actors in their lives of which they were mandated to follow their footsteps (e.g., parents, uncles, grandparents, etc.) (e.g., see: Chapter 5, p.232-233). Here, the occupational paths of RYEs are shaped by various practices, which include their migration experiences and exposure to work practices in industries different from where they acquired their traditional vocations in the family and community structures (e.g., see: Chapter 5, p.242;247-248; p.251; p.257; p.260). The findings on male and female RYEs norm-breaking behaviours with their businesses and re-negotiation practices are consistent with evidence in literature (e.g., Welter and Smallbone, 2010; Xheneti and Thapa Karki, 2018b; Xheneti *et al.*, 2019a), albeit these studies primarily focused on how the behaviours and practices of entrepreneurs shape their cost-benefit considerations towards participation in the informal-end of the continuum.

Furthermore, the identities RYEs construct as they follow and challenge occupational paths are shaped by group-based emancipatory activities (e.g., practices in VSLAs/ROSCAs, industrial clusters and mutual-help groups) of specific localities which create solutions to economic and social problems and enhance social promotion among members (e.g., improve women and youths' access to mutual funds to grow their businesses; reduce their unemployment and offer them prestige and voice in society) (e.g., see: Chapter 5, p.238; p.251-252). Also, place-specific norms and occupational practices as well as artefacts (e.g., festivals, funerals, traditional marriage ceremonies, kente weaving, smock making, etc.), offer RYEs prestige and reputation (e.g., see: Chapter 5, p.261-263). These cultural events, which

shape RYEs cost-benefit considerations, often legitimise and normalise informality as they occur in the gaze of eyes of key stakeholders in charge of enforcing formal regulation on business formalisation (e.g., see: Chapter 5, p.261).

Nevertheless, the evidence suggests that in some places (e.g., the Ashanti Region) there are communal acceptance and activities on individuals and groups periodic participation in formality, which is often associated with formal record-keeping practices in connection with the voluntary yet obligatory donations carried out during cultural and social events (e.g., see: Chapter 5, p.262-263). Thus, similar to evidence in literature (e.g., Thornton and Flynn, 2005), the study revealed how normative rules and shared meaning of place contribute to different behaviours of RYEs towards venture creation, including their practices within the formality-informality continuum. Such shared interpretations of place, therefore, contribute to the diversity of institutions between contrasting regions (e.g., Ashanti Region and Northern Region) at the macro level as the evidence has shown in Ghana. Also, the finding on RYEs practices to follow and challenge inherited occupational paths which sometimes change place identities (e.g., introduces non-farm business and commercial activities to the rural place to change the economic structure of place; recruitment activities of migrant entrepreneurs change the labour dynamics of homeland and destinations; return migrants venture practices of engaging in 'prohibited' vocations change communal attitude towards these vocations, etc.) is consistent with literature (e.g., McKeever *et al.*, 2015). Furthermore, the practices of RYEs are consistent with arguments advanced in the literature (Khavul *et al.*, 2013; Welter and Smallbone, 2015; Wijen and Ansari, 2007), by revealing how every day entrepreneurs can act as agents of institutional change, or work with other groups to drive such change as a collective undertaking.

Finally, the findings improve our understanding of how the RYEs cost-benefit considerations to improve their identities and lifestyle goals are shaped by their cognitive and temporal structures as well as processes (Lippmann and Aldrich, 2016; Wadhvani and Jones, 2014). These structures and processes allow them to engage in temporal focus (Bluedorn, 2002; Shipp *et al.*, 2009) to assess the performance of their ventures and compare the benefits of their present work and enterprise circumstances to those of previous jobs (e.g., see: Chapter 5, p.264-267). They further assess in tandem their performances with the career journeys of influential actors in their lives (e.g., parents, peers, former employers, etc.) and anticipate futures where their identities and lifestyles would continue to be affected by the

revolving enabling and constraining structures, conditions and actors that are embedded in the domains of context (e.g., see: Chapter 5, 275-277). Here, temporal evaluations influence RYEs to consider the foreseeable and unforeseeable economic and non-economic benefits as well as costs that can affect the freedoms, flexibility and controls they have gained over their lives with their established businesses. This, therefore, influence them to make investment decisions which involve continuing to selectively and periodically participate in formality and informality with their ventures. Such investment activities, which usually involve these entrepreneurs issuing unwritten contracts of reciprocity to benefactors (e.g., children, younger relatives), go a long way to reproduce as well as change the dynamic face of the formality-informality continuum in the rural place as the next generation of workers are prepared for the labour market (e.g., see: Chapter 5, 276-277).

6.4 So, what is the relevance of exploring the relationship between Context and (In)formal entrepreneurship as a continuum?

The relevance of this study is recorded in how it gives interesting insights into the ways rural youths embed themselves and navigate the domains of context to participate in (in)formal entrepreneurship. It improves our understanding of the variation in the emergence of the studied phenomenon that exists in the rural economy of a developing African country. This it does by highlighting the complexity of responses and the multi-directional nature of the trigger factors in the contextual environment which influenced the youths to choose to participate in non-farm entrepreneurship and formality (or informality) (e.g., see: Chapter 4, p.157). It shows how differences matter (Welter and Gartner, 2016), by revealing how the exploration of the phenomenon across multiple domains of context in a single study improves our understanding of the heterogeneity of (in)formal entrepreneurship. The study, therefore, reveals how the contextualisation of (in)formality as a venture practice has been characterised too narrowly in the majority of literature that has examined the phenomenon (Godfrey, 2011, 2015). It has argued for the adoption of reflective research approaches that improve understanding of the formality and informality activities entrepreneurs associate with venture creation to reflect the heterogeneity of (in)formal entrepreneurship, other than the often-narrow indicators, such as: business registration, compliance to state taxes and nature of accounting practices used to characterise the phenomenon (e.g., Williams and

Shahid, 2016).

Hence, in line with other studies which call for an expanded definition of (in)formal entrepreneurship (e.g., Godfrey and Dyer, 2015), the thesis explore the studied phenomenon using other indicators, such as: the nature of contractual arrangements adopted as aligned to business/labour laws of the state and access and use of formal and informal organisations and tools, such as: traditional and formal financial services, social security schemes, among others. In addition, the study for the first time introduced the perceived 'going concern' indicator. This indicator revealed the general perceptions and assumptions RYEs in the BoP setting studied hold on present and future resources, opportunities and risks associated with internal and external stakeholders of their firms. It highlighted the dynamic practices they demonstrate to navigate the formality-informality continuum to manage the operations of their businesses in anticipation of the identified resources, opportunities and risks into the foreseeable future. The study, therefore, showed how RYEs coordinate their operations in ways that allow them to manage their resources, personnel and other stakeholders, such as suppliers, customers, tax officials, etc., revealing in a temporal and historical manner, how these entrepreneurs use formality and informality practices as tools to manage internal and external resources, opportunities and risks which prevail in the economic, social, institutional and spatial environments. The study, therefore, enrich our theorising of the phenomenon beyond what is apparent in standard models which are developed to study the phenomenon largely at the informality-end of the continuum. It highlights the temporal-historical nature of this phenomenon. Hence, it reflects a more nuanced version of the complex phenomenon of (in)formality as a venture practice engaged by many entrepreneurs in BoP settings (Hart, 2006; Godfrey and Dyer, 2015).

The study highlights the salience of the domains of context at the micro, meso and macro levels, the effect of structures, conditions and actors situated in the domains and how RYEs organise their firms as well as adopt various strategies and tactics in 'zig-zag' ways within the continuum, to respond to the enabling and constraining forces embedded in the domains. Thus, the study broadens our understanding of the variety of organising and organisations engaged in by RYEs in the emerging economy chosen for this study. This diversity of organisational forms, revealed in how RYEs understand, navigate and construct the domains of context, allows for theoretical development. For instance, the study reveals the differences in male and female youths' activities towards savings in formal and informal sources and their

impact on resource acquisition for firm growth and goals attainment, in terms of personal freedoms, independence and assets acquisition (e.g., see: Chapter 5, p.205-207; p. 227). The study also reveals the differences in motivation in participating in certain industries, such as farming and non-farm ventures, and how such differences affect RYEs participation in formality and informality.

The study has also allowed me to provide answers to questions, such as: why are resources endowments utilised by RYEs more pronounced in some spatial locations and how such resource utilisations affect their actions towards participating in (in)formality? why do RYEs in some spatial locations or industries register their businesses or pay state taxes and others do not? Why do some RYEs open multiple bank accounts for their businesses while others choose to save in ROSCAs/VSLAs or participate in both formal and informal banking systems at the same time? Why some business operators choose to participate in selective recording keeping or keep records in ways only understood by them? Why and how heterogenous relationships fostered in families, ethnicities and community groups sometimes influence them to selectively and periodically participate in formality and informality? Thus, the study revealed the differences in the workings of the domains of context, which are often hidden from researchers (who study the phenomenon) or appear invisible or trivial to them, but are crucial to the heterogeneous practices engaged by entrepreneurs towards their participation in (in)formal entrepreneurship. The study questions the typical assumptions such scholars make about what causes differences in behaviour towards formality and informality and the outcomes of such actions on firm organisation and the various stakeholders often connected to the firm.

Also, the study does not only reveal differences in the workings of elements situated in the domains of context, which shape the emergence of (in)formal entrepreneurship, but also allow for the application and stretching of existing theories (Welter and Gartner, 2016) (e.g., behavioural economics, social network theory, institutional theory, economic geography and history) which broadens our understanding of the similarities and differences we often ignore or are blinded to on how entrepreneurs in emerging economies in Africa create ventures, access and utilise resources and grow their (in)formal firms. While some studies (e.g., Shantz *et al.*, 2018; Sumberg and Hunt, 2019), which implicitly or explicitly compare the venture practices of rural entrepreneurs on the continent to those of high-growth and high-tech firms in developed economies, often characterise the mundane enterprise activities of RYEs as less

innovation-driven, examining such venture activities within and across the domains of context revealed how these everyday enterprise activities of RYEs are driven by innovation and strategy associated with their navigation within the formality-informality continuum to meet the complex expectations and demands of various stakeholders. Here, innovation is revealed through the significant ways in which RYEs use their entrepreneurial practices to shape the contours of rural societies and support the livelihoods of large rural populations. It highlights how the governance and management of ventures of RYEs as an everyday practice are often built on innovative models and revealed much more about the diversity of (in)formal entrepreneurship as engaged in by these entrepreneurs in different rural societies. It revealed the roles played by context on how RYEs develop knowledge of innovative products and build the specific skills they use to operate their ventures as well as manage entrepreneurial teams, which also showed the hybrid forms of (in)formal firms they establish and manage.

The study revealed the diverse innovative practices carried out by RYEs, for example on how they engage in occupational, product and service plurality to meet the varying and complex demands of clients as well as survive the volatile economic environment (e.g., see: Chapter 5, p.193-198;p.242; p.270); how these entrepreneurs are able to identify potential defaulters and selectively offer credits to more creditworthy customers to reduce bad debts (e.g., see: Chapter 5, p.210-213); how they use multiple saving practices associated with formal and informal financial institutions to manage different aspect of their firm (e.g., see: Chapter 5, p.197-198;p.209); and how they adopt innovative processes specific to certain industries to produce quality goods and services firm (e.g., see: Chapter 5, p.198-201;p.250-251). It also revealed how RYEs are increasingly making use of information, communication tools and technology (e.g., mobile phones and mobile money service, etc.) to operate their businesses and as opportunities to bridge local and non-local place to meet the needs and demands of their clients and relatives as they play crucial roles in their families, industries and communities (e.g., see: Chapter 5,p.209; p. 227;p.244;p.247;p.252;p.256;p.273). Thus, it revealed the roles played by practices engaged in towards formality and informality in the everyday innovation associated with venture creation.

The study revealed further the dynamism of (in)formality as a venture practice, as it shows that (in)formality have stable and fluid elements that are changeable. For instance, it showcased how influential structures, actors and conditions that prevail in rural societies work to stabilise certain aspects of the phenomenon within the continuum, such as

informality activities associated with traditional vocations that are inherited and engaged in by the RYEs (e.g., see: Chapter 5, p.231; p.249-250;p.266-267), while facilitating other aspects of the phenomenon which evolves towards selective formality (e.g., see: Chapter 5, p.271-273). Hence, the study reveals why and how RYEs give formality more or less prominence at different times in the venture creation process. It also reveals how the working of structures, conditions and actors in the domains of context can overlap, be interdependent as well as contradictory when we consider the interactions of such elements across domains. For example, it reveals how the practice of occupational, product and service plurality can make RYEs to participate in informality as well as create avenues for them to exploit more profitable business opportunities associated with selective formality in certain industries (e.g., see: Chapter 5, p.193; p.197-198). Another example relates to the practice of traditional apprenticeship which was revealed to have economic and normative influences on entrepreneurial actions associated with informality and selective formality (e.g., see: Chapter 5, p.195; p.207-210; p.231; p.249-250; p.266). Also, while earlier evidence suggest that prolonged exposure to formal education systems influence the rural youths in Ghana to participate in formality, in terms of being tax compliant (e.g., see: Chapter 4, p.144;p.162), the evidence in the later study showed the dynamic ways in which some formally educated RYEs were influenced by communal pressures and expectations to seek for jobs in more formal settings, such as the public sector (e.g., see: Chapter 5, p.258).

The evidence of how RYEs are shaped by historical structures, conditions and actors to adopt dynamic approaches towards venture creations associated with (in)formality is also consistent with argument advanced in literature (e.g., Wadhwani, 2016; Wadhwani and Jones, 2014), which states that entrepreneurs turn to their historical past as they make meaning of their context and its influence on their entrepreneurial activity. Thus, the practices of the RYEs being influenced by historical conditions to modify how formal and informal institutions operate, revealed how these institutional elements change or evolve over time (Wadhwani, 2016) to affect (in)formal entrepreneurship. In effect, the study challenges researchers to move their conceptualisation and empirical investigations of the phenomenon as an act towards understanding it as a journey. Here, the temporal-historical domain of context offer important accounts of how such a journey is socially and cognitively constructed which influence human agency to respond to, shape and re-shape the structures, condition and actors situated in the other domains' entrepreneurs are embedded and navigates.

The study revealed the tensions that arise as RYEs attempt to meet the demands of some formal and informal institutional actors and bring to scholarship how some RYEs know when to distant themselves from these formal and informal institutional actors. These entrepreneurs, therefore, introduces new values in the business and institutional environment while others continue to depend and are heavily affected by normative institutional structures, condition and actors who give them the legitimacies they thrive on to operate their firms in the informal-end of the continuum. Thus, contrary to views advanced by institutional asymmetry theorists (e.g., Littlewood *et al.*, 2018a; Williams, Horodnic and Windebank, 2015; William and Vorley, 2015), on the working of formal and informal institutions towards entrepreneurs participation in informal entrepreneurship, the study shows that there is some level of complexity that surrounds the workings of these institutions, especially in the emerging economy studied, which influence RYEs in dynamic ways to selectively participate in formality and informality. The study argues, therefore, that the blanket use of concepts, such as ‘incongruence’ or ‘asymmetry’ by these institutional theorists to characterise the variation of entrepreneurs’ embeddedness in formal and informal institutions, which influence their practices towards informality, is likely to mask out the workings of some formal and informal institutions which influence business operators to participate in formality and informality with their ventures.

These institutional conceptualisation leads to questions, such as: to which of the formal and informal institutions are researchers referring to in their analysis? And, which of the institutions they leave out of during such analysis and how such omission affects our understanding of the phenomenon of (in)formal entrepreneurship as a continuum? And the implications for public policy? Thus, the findings on the working of some informal institutions on decisions made towards formality challenge institutional researchers focused on developing country settings, such as Ghana, to be mindful of some of the questions raised and deal with them appropriately. The arguments raised here are consistent with studies (e.g., Webb and Ireland, 2015; Webb *et al.*,2019), which argues that contrary to the popular argument that in settings where formal institutions are deficient informal institutions assume the role of safety net to support venture activities, sometimes the workings of informal institutions may be equally defective or imperfect and their interaction with weak formal institutions are likely deleterious for venture creation.

Thus, this thesis argues that where and when RYEs consider that the outcomes of both

formal and informal institutions lead to negative entrepreneurial outcomes, such entrepreneurial individuals vary their embeddedness in both institutions by participating in aspect of formality and informality in dynamic ways, which allow them to at least achieve an optimal level where the benefits accrued from their participation in (in)formality are equal to the costs posed by the deficiencies of the identified institutions. Hence, the strategic choices RYEs in emerging economy of Ghana make towards participating in (in)formal entrepreneurship are dynamic and complex processes that require balancing out activities involved in resource acquisition, re-evaluation of benefits, constraints and costs, and managing profitability accumulated to serve competing stakeholders across space, place and time (Neves and Du Toit, 2012; Shabbir and Di Gregorio, 1996; Xheneti *et al.*, 2019b).

To this end, the study yields core insight into why some practices of RYEs towards informality may persist while they adapt in more fluid manner aspects of their firms within and towards the formality-end of the continuum. It gives some sense of the crucial roles played by their developed understanding of the constituents of context and how such understanding shapes their participation in (in)formal entrepreneurship. While we cannot understand the boundaries and workings of all the dimensions of context because context is boundless (Baker and Welter, 2018), the adoption of sensible approaches, such as the 'embeddedness in context' perspective, to contextualise (in)formal entrepreneurship provide useful inter-disciplinary tools and concepts to "explore the variety, depths and richness of context" (Welter, 2011, p.177). It provides a more realistic account and new evidence of the diversity and mundane realities of the phenomenon as an everyday practice in the emerging economy studied. Such interdisciplinary approaches to contextualising (in)formal entrepreneurship have led to the unpacking of so many important structures, conditions and actors which shape the emergence of the phenomenon, but are often taken for granted in existing scholarship (Welter, 2011; Welter *et al.*, 2015). The study, therefore, bring to scholarship the complex incentives, constraints, motivations, strategies, resources and abilities, that shape the emergence of this phenomenon among the entrepreneurial population studied.

6.5 Summary

The discussion in this chapter was centred on contributing to the debates in the literature on the complex incentives, constraints, motivations, resources, strategies that shape the decisions and actions of individuals, such as RYEs, to participate in (in)formal entrepreneurship. The central argument is that RYEs in the emerging economy of Ghana make use of their embeddedness in the domains of context to assess the economic and non-economic benefits as well as costs associated with (in)formal entrepreneurship and participate in such venture activities to maximise the benefits while also aiming to minimise the costs. This argument confirms the popular notion that context matters (Welter, 2011).

However, the evidence discussed goes beyond this notion to show that RYEs understanding of what constitute opportunities, constraints, resources and abilities in the domains of context is crucial to influencing the dynamic ways they move within the formality-informality continuum with their businesses. Such understanding often makes them to use aspects of formality and informality practices as tools of emancipation which allow them to follow and challenge inherited occupational paths, circumvent some formal and informal institutions, improve or change relationships, navigate local and distal spatial locations to make the most of identified opportunities, resources and risks as well as developed identities while minimising costs and constraints. These entrepreneurial individuals are argued to also enact temporal-historical structures, resources and possibilities to fulfil their imagined futures.

Chapter 7: Conclusion

7.1 Introduction

The PhD thesis offers an exploration of the complexity of contextual factors and processes that shape the emergence of non-farm (in)formal entrepreneurship among RYEs in BoP settings. It provides a process-relational reading of the phenomenon, with its empirical findings grounded within the 'embeddedness in context' perspective (Basco, 2017; Welter, 2011; Welter and Gartner, 2016). This perspective, which provided a framework for the phenomenon to be explored across multiple perspectives, has improved understanding of the complex incentives, constraints, motivations, resources, strategies and abilities that influence RYEs to participate in non-farm entrepreneurship and (in)formality. The empirical chapters (see: Chapter 4 and 5) has revealed the structures, situations, conditions and actors situated in the domains of the multi-faceted context in rural Ghana, which influence the decisions and practices RYEs engage in towards participating in these venture activities. It discusses these findings with literature and make comparison and contrasts with existing theories on the phenomenon (see: Chapter 6). It has revealed the important roles played by the under-researched informal institutions, history and time as well as agency in the emergence of (in)formal entrepreneurship as a continuum. Here, the multi-dimensionality of processes that shape the phenomenon are highlighted and the crucial roles played by agency are discussed. Such a discussion was focused on how RYEs selectively and simultaneously engaged in some formality and informality practices to structure the operations of their businesses as well as to enhance their individuals' life-courses, in terms of improving their economic and social positions.

In line with studies that support the applications of multiple philosophical paradigms in a single study (Creswell, 2011; Creswell and Plano Clark, 2007, 2011), this thesis employed a novel philosophical approach that adopted critical realism (Bhaskar, 1975, 1979) and the transformative paradigm (Mertens, 2003, 2012) to different phases of the study. It followed both quantitative and qualitative research approaches using a sequential transformative design (Creswell and Plano Clark, 2011). The first stage of the empirical study, which employed bivariate probit models, drew on a national representative dataset (the GLSS6 dataset) accessed from the Ghana Statistical Service. The second stage of the study adopted

a flexible inductive study that involved the collection of data from multiple sources, such as field observation (including photographs, attending communal meetings, etc.) and in-depth face-to-face semi-structured interviews conducted with participants and key informants to explore their experiences and personal views on the studied phenomenon. The collected data was analysed using Gioia *et al.* (2013) analytical framework with trustworthy findings achieved as a result of careful considerations given to all particularities.

This chapter aims to summarise the research aims, findings, contributions and suggestions for future areas of research. First, the research aims and questions are revisited, with the discussion centred on how they are addressed and the key findings outlined. Next, the research contributions are summarised. Then, the implications of findings of the study are discussed concerning researchers, policymakers, educators and entrepreneurs. The limitations of the research are then acknowledged. Finally, areas for future research are provided.

7.2 Research objectives and questions revisited

The thesis addressed two overarching aims, with the first aim focused on identifying the salient structures, situations, conditions and actors (which was referred to as 'factors') that are situated in the domains (which are the economic, social, institutional, spatial and temporal-historical dimensions) of context which predicted the probability the youths in Ghana, including urban and rural youths, choose to participate in non-farm entrepreneurship and formality (or informality). Addressing this aim, Chapter 4 provided a big picture that revealed similarities and differences in the salient factors identified which predicted the probability that the youths in the general population, urban youths and rural youths made decisions to participate in the studied phenomenon. Here, the core finding of the study was that the choices the youths made to participate in formality or informality were shaped the nature and type of structures, conditions and/or actors situated in the domains of context of which they are embedded and navigate. Having identified these salient contextual factors, the youths consider the economic and non-economic benefits and costs associated with them, and then adopt complex and multi-directional responses to participate in non-farm entrepreneurship and formality (or informality). Also, the findings highlighted the heterogeneous character of urban and rural youths and how their participation in formality and informality were influenced in different ways by the identified structures, conditions and

actors. Thus, the chapter advances the literature on (in)formal entrepreneurship by revealing the heterogeneous nature of the contextual factors that influence the youth in Ghana to choose to operate non-farm businesses and participate in formality or informality.

Because the first aim of the thesis did not provide the transmission mechanism through which the identified contextual factors influence the actions the youths made towards operating non-farm ventures and participating in (in)formality, the second study was aimed at understanding the nature of the contextual environment in rural Ghana. The study confirmed theorisations in the literature (Basco, 2017; Welter, 2011; Welter and Gartner, 2016) by revealing the multi-faceted nature of context (see: Chapter 5, Figure 5.2). It revealed how the contextual environment in the selected research sites was in continuous recursive interaction with the formality-informality continuum associated with enterprises operated by the youths. Hence, it revealed the mechanism through which the structures, conditions and actors situated within and across the domains of context influenced and were influenced by entrepreneurial actions within the continuum.

The study investigated the path-dependent and path-created processes identified with the contextual factors which shape the emergence of non-farm (in)formal entrepreneurship among RYEs. It addressed the limited understanding in the literature of the complexity of management processes, and practices carried out by (in)formal entrepreneurs in BoP settings, particularly in Africa (Kiggundu and Pal, 2018; Mhando and Kiggundu, 2018). By situating the study in rural locations in contrasting regions, it revealed the dynamic venture practices engaged in by RYEs. Such practices showed how RYEs navigate the formality-informality continuum, by exploiting complex economic and non-economic opportunities, mitigating constraints and adopting strategies and tactics to generate, convert and combine various forms of resources. Hence, the study showed how this entrepreneurial group navigate the structures, conditions and actors situated within and across the domains of context to make the most out of their ventures. Here, the roles of non-farm enterprise activities and the associated practices towards formality and informality were revealed as tools for emancipation from constraints inherent in the structures, conditions and actors.

Navigating the domains, the findings revealed how RYEs make the most of their embeddedness by re-defining and accessing opportunities that improve their economic and social positions, while also taking actions to dis-embed their operations from constraints

associated with these constituents of context. Thus, the RYEs varied their positions within the domains by engaging in balancing acts that shaped how they selectively employed aspects of formality and informality simultaneously (what is referred in this thesis as selective formality and informality) to organise their venture creation activities. These balancing acts were also revealed to lead to identity construction for RYEs and the local place.

Finally, the study highlights how the associational activities (e.g., VSLAs/ROSCAs) RYEs participated in also revealed group efforts aimed at emancipation from constraints that exist in prevailing structures, conditions and actors in the domains of context, which marginalised their endeavours and collective agency. Thus, the second study adds new insight towards the theorisation of (in)formal entrepreneurship in rural Ghana as a dynamic phenomenon with varied meanings to different players affected by such a venture practice.

7.3 Thesis Contribution

This thesis provided multiple contributions. The sub-sections that follows discusses the key conceptual, empirical and methodological contributions that underpinned this thesis.

7.3.1 Conceptual and empirical contributions

This thesis makes multiple conceptual and empirical contributions. First, the study is in line with recent conceptual studies in the management field which propose multi-disciplinary approaches to assessing informality choices of entrepreneurs to understand why they engage in such a venture activity (e.g., Kiggundu and Pal, 2018; Ram *et al.*, 2017). These multi-disciplinary approaches also seek to explore how entrepreneurs employ strategies to deal with opportunities, constraints and resources associated with such a phenomenon (Webb *et al.*, 2013). For instance, Webb *et al.* (2013), argues that a better approach to understand informality as a venture practice is to adopt a complementary approach which explore the phenomenon within three primary theories: institutional theory, motivation-related theories from a sociological perspective, and resource allocation theory. Similarly, Ram *et al.* (2017) also conceptualise, using micro-firms in more developed settings (in this case Britain), that the application of workplace sociology and mixed embeddedness perspectives will improve our understanding of the origins of informality. These authors explained that the intersection between regulatory frameworks and workplace sociology provides a useful framework to

understand the mechanisms that reproduce, contests or semi-complies with informality within micro-firms. Focusing on the more developing setting of Africa, Kiggundu and Pal (2018), has conceptualised the phenomenon of (in)formal entrepreneurship as a continuum. These authors argue for the adoption of the 'octopus business model' to understand the emergent processes and practices of this heterogeneous phenomenon. Revealing the structures of the octopus business model, its strategic apex as well as tentacles, the authors theorised how formal and informal business activities occur along the firm's value chain. They used the 'octopus business model' to show how entrepreneurs manage business risks associated with market imperfections at the micro and meso levels of the contextual environment.

In line with these studies, the thesis introduced another approach within which management researchers can explore the phenomenon of (in)formal entrepreneurship in emerging economies in Africa. The study argues for and worked within the 'embeddedness in context' framework (Basco, 2017; Welter, 2011; Welter and Gartner, 2016) to explore the phenomenon of (in)formality as a venture practice. Adopting pluralistic complementary lenses within this framework (e.g., behavioural economics, social network theory, institutional theory, economic geography and history), the study revealed, for the first time, the trigger paths, roles of the process enablers and constrainers and unpacked how structures, conditions and actors situated in the domains of context influence the venture creation processes of RYEs.

The thesis highlighted the trigger factors (see: Chapter 4) which influence youth entrepreneurs to participate in non-farm entrepreneurship and formality (or informality). This finding contribute to the modest but growing empirical research that attempt to identify the specific factors which influence individuals to participate in formal and/or informal entrepreneurship (e.g., Autio and Fu, 2015; Berdiev and Saunoris, 2020; Coolidge and Ilic, 2009; Dau and Cuervo-Cazurra, 2014; Goel and Saunoris, 2016; Goel *et al.*, 2015; Jiménez *et al.*, 2015, 2017; Nguyen *et al.*, 2014; Saunoris and Sajny, 2017; Shahid *et al.*, 2020; Thai and Turkina, 2014; Williams and Shahid, 2016). It highlights the complexity of the contextual structures, conditions and actors in other domains of context, beyond the formal institutional and economic domains, as examined in prior empirical studies, which stimulate entrepreneurial individuals to choose to engage in these enterprise activities. This, include some informal institutions, social structures and relationships, location-specific factors and

life-course factors (such as years of work experience) attributed to the temporal-historical domain, which were recorded among youths in Ghana and argued to have differential influences on non-farm entrepreneurship and formality (or informality) choices. Thus, the study revealed the conflicting influences of different types of contextual factors which has been unexplored in the broader management literature and highlighted the multi-directional nature of the choices the youths made towards the studied entrepreneurial activities. Hence, it extends the analysis from economic and formal institutional-centric contextual considerations to the exploration of structures, conditions and actors situated within and across other constituents of context, which also has micro, meso and macro segments (Basco, 2017; Welter, 2011).

Also, the literature is dominated with burgeoning studies which link entrepreneurs choices to participate in formality and/or informality with the performance of their firms (e.g., Demenet *et al.*, 2016; La Porta and Shleifer, 2014; Williams and Kedir, 2017). Working within the 'embeddedness in context' framework, the thesis revealed how such firm-level performances are likely to be achieved. The application of this framework showed the variety of ways RYEs employ formality and informality practices as organisational tools to structure and manage the operations of their firms as well as to exploit opportunities, resources and overcome unfavourable conditions that prevail in the contextual environments they navigate (these include how they managed internal and external opportunities and risks associated with employees, suppliers, customers and formal and informal regulators).

As has been a cornerstone of contingency theory of organisation structuring for several decades (Thompson, 1967), entrepreneurs must structure their firms in ways that match the external environment to operate effectively. Such organisational structuring practices involve engaging in complexity of tasks which include adopting differentiated systems and sub-components that opens and closes part of the operations of the firm to environmental influences (*ibid.*). Hence, the thesis worked within the 'embeddedness in context' framework to contribute to the organisational literature, by revealing how RYEs adopt differentiated systems or business models which make them to navigate aspect of the formality-informality continuum in a fluid manner while closing other segments to respond to environmental influences. Thus, the usefulness of the 'embeddedness in context' framework was revealed in how it showed, in novel ways, the varied meanings RYEs give to formality and informality practices.

Also, the 'embeddedness in context' framework allowed the thesis to respond to the calls made in recent studies on the need to expand the definition of (in)formality to reflect the heterogeneity of the phenomenon as a continuum (e.g., Benjamin, Mbaye *et al.*, 2012; Godfrey and Dyer, 2015). The narrowed view of the phenomenon in extant literature, which usually characterise the phenomenon with indicators, such as: business registration status, compliance to state taxes and nature of accounting practices, is inherent with assumptions that consider that those who participate in informality as individuals who lack the ability to access and utilise formal tools, organisations and institutions to manage their firms (Godfrey and Dyer, 2015). However, the 'embeddedness in context' framework improves our understanding of the variation of this phenomenon. It allowed for the adoption of a critical process approach (Baker and Welter, 2018) to study the phenomenon, which involves exploring the phenomenon in variety of ways which allowed for the fracturing and assembling of piece parts of its emergence.

Hence, the 'embeddedness in context' framework provided avenues for the phenomenon to be examined within other indicators, such as: the nature of contractual arrangements adopted as aligned to business/labour laws of the state; and access and use of formal organisations (example for purposes of financial services, social security schemes, etc.). The adopted approach also led to the introduction of a new criterion: the 'perceived going concern' indicator, which revealed the overall management approach of operating (in)formal businesses as a 'going concern'. Thus, for the first time, the thesis revealed an indicator which showed the temporal-historical nature of the (in)formal entrepreneurship phenomenon. It showed the varying ways RYEs are influenced by the temporal-historical structures, conditions and processes to combine aspect of formality and informality to operate their businesses, revealing the hybrid nature of this venture activity. Thus, the study considers critical life-course events, such as childhood engagement with paid and unpaid work, apprenticeship and wage employment, marriage, divorce and death, and other important historical practices of influential actors, such as: parents, employers, among others, which shape the venture practices of RYEs towards selective formality and informality. With dearth of knowledge in the literature on how transgenerational work practices influence RYEs to navigate the formality-informality continuum, the study builds on conceptual developments (e.g., Lippmann and Aldrich, 2016; Wadhvani and Jones, 2014) to reveal

empirically how temporal-historical structures, conditions and processes affect the decisions and actions of these entrepreneurs towards (in)formal entrepreneurship.

In addition, researchers have explored in quite some detail the role that social networks play to influence entrepreneurs in BoP African settings to participate in informal entrepreneurship (e.g., Berrou and Combarous, 2012; Fafchamps, 1996, 2001; Grimm *et al.*, 2013; Fafchamps and Minten, 2002; Khavul *et al.*, 2009; Langevang *et al.*, 2016; Thorsen, 2013; Meagher, 2006; McDade and Spring, 2005; Mumba, 2016; Whitehouse, 2011). Working within the adopted 'embeddedness in context' framework, the study extends our knowledge on how social structures and relationships influence the formality and informality choices and practices of RYEs in such a setting. Revealing the complexities associated with strong and weak relationships (Granovetter, 1973), it showed how the nature and quality of relationships fostered by RYEs, in terms of: levels of trust, identification and mutual obligations, shape the dynamic ways they navigate segments of the formality-informality continuum. Unlike prior studies, it shows how social structures and relationships influence entrepreneurs in the studied BoP setting to participate in selective formality and informality as well as revealed the complex ways RYEs respond to the workings of social structures and relationships. The study further revealed the variety of ways RYEs employ formality and informality as tools to manage these relationships as they operate their businesses. For instance, the study revealed new insight into how social relationships with stakeholders, such as: family members, employees and clients, were managed and maintained in periods when the RYEs were away from their business premises and the types of behaviours they employed which facilitated or constrained operations of their firms within the continuum. Thus, it responds to calls in the broader literature for the examination of how social relationships influence firm performance in family and non-family firm settings (e.g., Zellweger *et al.*, 2019).

Furthermore, the study contributes to institutional theory (North, 1990) in a number of ways. In the first instance, its findings are aligned to views associated with the 'institutional work' framework (Lawrence and Suddaby, 2006; Lawrence *et al.*, 2009). This because it reveals the dynamic ways RYEs contribute to the building, sustaining and changing formal and informal institutions as well as how communal groups contribute to such institutional processes. The study highlights the subtle but incremental ways those often assumed as marginal actors navigate institutional environments to change such institutions, revealing the intended and unintended consequences of their actions on multiple constituencies of

institutional structures. Thus, the results of the study challenge the theorisations of institutional asymmetry scholars (e.g., Littlewood *et al.*, 2018a; Williams, 2017; Williams, Horodnic and Windebank, 2015; Williams and Vorley, 2015) by calling into question which of the formal and informal institutions they refer to in their analysis when they use concepts, such as institutional 'incongruence' or 'asymmetry'. It asks which of such institutions they leave out and how such omissions affect our understanding of the phenomenon of (in)formal entrepreneurship as a continuum and the implications of such omission for public policy.

The study also adds to the limited but growing empirical studies that explore how informal institutions replace formal institutions in rural settings, where formal institutions are non-existent, ineffective or inefficient, to influence entrepreneurship (e.g., Light and Dana, 2013; Mair *et al.*, 2012; Shantz *et al.*, 2018). It highlights the ineffectiveness and inefficiency of some informal institutions as substitute or complement institutions and how entrepreneurial youths vary their embeddedness in such institutions to achieve their enterprise goals.

Thus, the study argues that where and when RYEs consider that the outcomes of both formal and informal institutions lead to negative entrepreneurial outcomes, such entrepreneurial individuals vary their embeddedness in both institutions by participating in aspects of formality and informality within the continuum in dynamic ways. Such venture practices allow them to at least achieve an optimal level where the benefits accrued from their participation in (in)formality are equal to the costs they anticipate as posed by the deficiencies of their identified institutions. Hence, the strategic choices RYEs in emerging economy of Ghana make to participate in (in)formal entrepreneurship are dynamic and complex processes that require balancing out the competing demands and expectations of formal and informal institutional regulators across space, place and time.

Therefore, working within the 'embeddedness in context' framework, the study responds to calls by Wigren-Kristofersen *et al.* (2019) for more research that broadens the concept of embeddedness to other domains of context beyond the social, economic and formal institutional domains, revealing the dynamic, processual and multi-layered perspectives the influences of other domains, such as informal institutional, spatial and temporal-historical domains of context on the emergence of (in)formal entrepreneurship.

Also, the study contributes to the 'strategic resource in context' perspective (e.g., Baker and Nelson, 2005). It does so by, analysing how RYEs access economic and non-economic resources to participate in enterprise activities associated with formality and informality and the value they put on such enterprise practices. It improves our understanding of how RYEs, who are affected by structural inequalities and poverty, are able to emancipate themselves and use their entrepreneurial careers to overcome the challenges they are confronted with by making do with all the resources at their disposal (Baker and Nelson, 2005), to participate actively in BoP, Mid of the pyramid (MoP) marketplaces and in some cases Top of the pyramid (ToP) markets. Thus, the empirical findings support the 'emancipation' perspective in the broader entrepreneurship literature (e.g., Rindova et al., 2009), which argues that some entrepreneurs at BoP settings employ various resources and strategies, that include how they employ formality and informality practices as tools for personal and collective emancipation.

Finally, the study responds to the call by Welter *et al.* (2017) for entrepreneurship scholars to study the diversity in entrepreneurship as an everyday practice, especially in BoP settings where the world's largest population inhabits and their everyday life are affected by the enterprise activities, they are engaged in. One of such setting is emerging countries in Africa where knowledge on management practices of BoP entrepreneurs are still limited (Beugré, 2015; Barnard *et al.*, 2017; Kolk and Rivera-Santos, 2018; Nkomo *et al.*, 2015), with this study bridged the gap in the literature. It supports conceptual views and empirical studies that explore 'contextual embeddedness' of entrepreneurship (e.g., Yessoufou *et al.*, 2018; Yousafzai *et al.*, 2018; Yousafzi *et al.*, 2018). This it does by, revealing how venture creation processes of entrepreneurs in BoP settings unfold as well as create value and other diverse outcomes that sustain and transforms such settings. The study shows that despite the prevailing regulatory and operational challenges that influence many entrepreneurs in SSA to participate in informality, RYEs in Ghana, like other entrepreneurs across the Sub-region (e.g., see: Dana *et al.*, 2018), are taking advantage of the gradually evolving economic, political, technological and cultural environments to engage in dynamics venture activities, particularly associated with 'selective formality and informality' within the formality-informality continuum. Thus, the study adds to the limited empirical research that explores the venture activities of rural entrepreneurs in BoP African settings. It reveals the potential impact of their embeddedness in such a dynamic and evolving contextual environment and how their entrepreneurial outcomes are shaped by context and agency.

In sum, the conceptual and empirical contributions revealed through the application of the 'embeddedness in context' framework in this thesis calls into question the implicit assumption in capitalist and non-capitalist-centric perspectives (e.g., dualism, structuralism, neo-liberalism and post-structuralism) that are often used to explore the diversity of the studied phenomenon only at the informality-end of the formality-informality continuum. It argues that such an implicit assumption marginalises and neglects the agency and non-economic motives as well as resources utilised by some BoP entrepreneurs as they navigate domains of context which allow them to vary their movement within the continuum and especially participate in aspects of the formality-segment of the continuum.

7.3.2 Methodological contributions

Considering the complexity of the phenomenon of (in)formal entrepreneurship in the studied BoP setting, the thesis adopted a rather limited applied yet novel methodological approach, the transformative mixed method approach (Mertens, 2003, 2012, 2017). This methodological approach, although extremely challenging in its application, advances the course of 'underrepresented' or 'marginalised' populations in academic and policy circles who are engaged in venture activities by bringing to scholarship their voices on economic, social and institutional issues related to power differentials, discrimination and oppression that often affect them (Mertens, 2012) and revealed how such entrepreneurial individuals use their venture activities to emancipate themselves.

The approach challenge researchers to reflect on their positions as part of the elite group in society during the research process in BoP settings and how such positions influence their own bias towards those they investigate in such settings. Such acknowledgement of power relationships can lead to mutual respect and trust between those researched and the researcher (Mertens, 2012). It can lead to new ways of understanding the phenomenon under study and generate insights that reflect the true endeavours of those researched. Thus, the approach can lead to the revelation of the often ignored or taken for granted dynamics of power, domination, inequality and agency towards emancipation which occur during the venture creation process (Baker and Welter, 2018) among entrepreneurs in emerging economies who participate in the formal and informal aspects of the continuum.

Also, while the use of visual methods to understand everyday entrepreneurship is acknowledged in literature, its application in contextualised research has been limited

(Welter *et al.*, 2019). Thus, this study narrows the gap by using visual imageries (photos) as a research tool which was intertwined with verbal imageries to reveal RYEs active engagement with context as well as showed how they enact the domains of context with their entrepreneurial actions.

Furthermore, the methodological approach used for this thesis support other studies (e.g., Baker and Welter, 2018; Chloster, 2016, Steyaert, 2016) which call for the adoption of more context-sensitive methodologies. These studies argue that contingency approaches that are often used to study entrepreneurship with the aim to arrive at universal truths likely lead to inferences which simplify the phenomenon, as treating context as a control variable presents “a simplified picture of entrepreneurial reality” (Chloster, 2016, p.109). Finally, the thesis responds to calls (e.g., Kim *et al.*, 2016) for entrepreneurship scholarship to increase its focus not only on micro and macro-level structures but also meso-level structures which affect entrepreneurial efforts in BoP settings.

7.4 Implications for research, policy and practice

The findings of both empirical chapters have implications for researchers, entrepreneurs, educators and policymakers.

7.4.1 Implication for researchers

The study presented various implications for research, revealing the dynamics of the multi-faceted context in which youths in a BoP setting develop their business models and reveal the mundane and lively entrepreneurial practices they engage in. It showed how (in)formal entrepreneurship emerges not only in the interplay of agency and context but also as a response to complex incentives, opportunities, motivations, resources, constraints, uncertainties and risks situated in the domains of context. Therefore, researchers should continue to pursue this fascinating area of management research, exploring the diversity of such entrepreneurial practices and how they are grounded in everyday activities of entrepreneurs in BoP settings (Welter *et al.*, 2015, 2017).

Continual research on (in)formal entrepreneurship "is not just worthwhile but necessary... (considering its) ...entrepreneurial potential of an economy" (Welter *et al.*, 2015,

p.300). For researchers interested in responding to Nkomo's (2017) call to take actions that advance management theory and practice in Africa, it is time to "look in the mirror" and take actions to address the complex challenge of generating and advancing theory and practice in this area to reflect the true agency, motives and practices of the often tagged 'marginalised' entrepreneurs in such a BoP setting. It is time to move beyond "our comfort zone" where we continue to paint the entrepreneurial practices of individuals in such a setting as:

"black-or-white picture.... (to use our research to) ...disentangle the complexities and contextual embeddedness of empowerment in relationship with (in)formal entrepreneurship and to provide a more nuanced picture of what empowerment/emancipation means (to these individuals)" (Welter *et al.*, 2015, p.300-301).

Thus, we need to ask ourselves during our research activities how the everyday venture practices of (in)formal entrepreneurs affect their understanding of inequalities and social stratification and how such entrepreneurs use their ventures as tools for upward social mobility. Such research activities should also involve:

"practical advocacy on behalf of the voiceless millions who live, work, and toil and earn their living in the shadows of the continent's informal economy. This is our duty and responsibility. We need to understand the optimal conditions under which both formal and informal business activities co-exist not only for the benefits of the firm but also the business ecosystem and the society" (Kiggundu and Pal, 2018, p.380).

In sum, it is only when we adopt reflective research approaches to study the phenomenon within and across multiple domains of context would we understand the dynamics of power, domination, inequality and agency that influence entrepreneurs in such a BoP setting to participate in aspects of the formality-informality continuum.

7.4.2 Implication for (in)formal rural youth entrepreneurs

The findings of this thesis provide several implications for (in)formal RYEs in Ghana and other similar emerging country settings. First, RYEs are encouraged to continue to exploit entrepreneurial opportunities in growth-oriented sectors. They are also encouraged to continue to serve as a source of skill training to other younger youths. However, RYEs are urged to enter into formal employment arrangements with their employees and pay them adequate compensation that would curb undesirable actions (example: pilfering, side-selling activities, absenteeism, etc.) from such employees. Similarly, RYEs are urged to enter into

more enforceable contracts with stakeholders of their ventures, such as suppliers and customers, to ensure that the benefits that come out of their venture activities reflect win-win situations enjoyed by all parties involved. RYEs are also encouraged to continue to produce quality goods and services to serve the needs of people in their societies. They are further encouraged to continue engaging in innovative practices that involve access and use of technology and digital platforms, such as: Facebook, WhatsApp, etc. to exploit important opportunities that can make them reach wider markets, including going international with their ventures.

Also, RYEs are encouraged to engage actively with state regulatory institutions in charge of enterprise development and business formalisation to bring to their attention on how they can design and implement enterprise initiatives that meet the evolving need of their ventures as well as those of other stakeholders who directly and indirectly depend on such businesses. They must advocate against constraints associated with accessing enterprise development initiatives and formalising their ventures.

Furthermore, RYEs are encouraged to continue re-negotiating with informal regulatory institutions to ensure that actions they carry out with their ventures allow them to continue to emancipate themselves to serve the interest of their businesses. Such re-negotiation with informal regulators should also be done in ways that all sides benefit in inequitable terms. Finally, RYEs should continue to open up and engage with researchers through the demonstration of mutual respect and honesty by sharing their complex incentives, motivations, constraints, strategies and resources with them, so that researchers can present appropriately their extraordinary voice and actions towards their ventures and treat them as knowledgeable and strategic agents as they deserve.

7.4.3 Implication for policymakers

The findings of this thesis have multiple policy implications for managers and practitioners of entrepreneurship and formalisation policies. Firstly, the findings highlight that non-farm (in)formal entrepreneurship is a critical pathway for social promotion for rural youths, which include female rural youths, non-migrant youths, migrant youths and return migrants, and such social promotion affects their self-belief, identities and hopes for the future. The opportunity of utilising spaces in the formality-informality continuum in rural localities south and north of Ghana also presented challenges of meeting social and cultural obligations which

make it difficult for some of the youths to assume responsibilities expected of achieved young adults. These complex situations faced by the RYEs in the domains of context they navigate to operate their businesses call for careful consideration of policies that aim to push them to move their ventures towards the upper-end of the continuum. Such policies must first lift the transfer-burden suffered by many of the RYEs as they attempt to meet the responsibilities and expectations of their family and community members. Such transfer-burden constrain the ventures of some of the youths, making them to operate their businesses at the lower end of the continuum. Such a burden also encourages some of the RYEs to engage in selective formality and informality practices with their ventures. Thus, taking advantage of some formal institutions and organisations while shirking the responsibility required of them to pay taxes to the state. Here, observations I made in the field are in line with similar views of Dia (1996, p.191) who reported that:

"One often hears the mistaken assertion that individuals in Sub-Saharan Africa are too lightly taxed. Such a view ignores the transfer burden (faced by particularly entrepreneurs). In evaluating the total tax burden borne by Africans, one must add to government-imposed taxes the self-imposed taxes consisting of transfers to extended family and linkage members (include associations, religious organisations, etc.). Since these de facto taxes are high, the cumulative tax burden of government plus lineage taxes is very high. Raising government taxes could, therefore, have an unintended deleterious side effect: it could exert a downward pressure on lineage transfers, thereby reducing the safety net they provide and increasing income inequality and poverty".

Thus, policies developed to support enterprise formalisation in the rural economy, especially where youth entrepreneurs are sparsely located or concentrated, must consider the influences of the various constituents of context and the structures, conditions and actors situated in such constituents which affect households in general and entrepreneurial youths in particular as they engage in venture activities within the continuum. This calls for the move away from 'context-blind' programming that target different groups of youths' entrepreneurs in different contextual environments on the same level, to implement more context-specific interventions and localised sub-national frameworks that consider the economic and non-economic opportunities as well as constraints which exist within and across the various domains of context in such an emerging economy setting. Such programming should close loopholes associated with public and private sectors where much of the benefits of enterprises development initiatives often meant for RYEs are often diverted to.

Also, the localised interventions should be tailored towards the evolving economic,

social and cultural needs and resources of households and RYEs in particular, and provide business support that equip and streamline their operations and associational activities (e.g., ROSCAs/VSLAs, vocational associations). Such interventions must consider the diversity of their abilities, motivations, needs, priorities and preferences towards their occupations, with beneficiaries made to play crucial roles in the design and delivery of such interventions on work and entrepreneurship. For instance, the criteria for accessing funding schemes of the state and NGOs enterprise initiatives should be re-structured or new criteria entirely developed to allow RYEs, especially those out-of-school, to be able to submit business plans and financial statements that reflect their accounting and business practices. In other words, these entrepreneurs can be assisted to develop accounting practices that reflect their venture practices which are accepted by all. Also, such funding schemes should be tailored to support budding nascent youth entrepreneurs who have completed formal or informal skills training and need financial resources to establish their businesses.

More so, enterprise development interventions can adopt approaches that regulate the activities of youths engaged in artisanal and small-scale mining, with the interventions framed in ways that encourage those with limited knowledge and skills in such an industry with consequential environmental impacts to move to other sectors that offer equally reliable and profitable alternative livelihoods. It is only when these RYEs can assess the benefits of state and NGOs enterprise interventions and quantify such benefits as more valuable than the costs incurred would they be willing to move towards the upper-end of the formality-informality continuum as required of them.

In addition, the growing uptake of technology (such as: use of electronic or mobile savings-mobile money) by the youths, even among those with minimal formal educations to manage the finances of their ventures, should be encouraged. Here, formal regulators can further look into how the mobile money system is being used by entrepreneurs to operate their businesses with a fairer and equitable broad-based tax regime developed to capture all entrepreneurs, including youth entrepreneurs.

Secondly, because RYEs also navigate their own life-course with their understanding of the values of work and enterprise management associated with formality and informality practices continuing to evolve, policies that seek to move their ventures towards the formality-end of the continuum must factor the complex evolving life aspirations of such

youths and provide to them accessible safety nets that would ensure the survival and growth of their ventures as they move towards such higher levels within the continuum. Thus:

"public policy should start with the realities on the ground rather than with some desired utopian state of the economy" (Kiggundu and Pal, 2018, p.383).

Despite the efforts that may be required from policymakers to design and implement such complex policies, these actions of policy makers would be steps in the right direction as "business informality is by no less complicated and simple solutions may do more harm than good"(ibid., p.384). Here, the role of evidence-based research is indispensable, and policymakers should work hand-in-hand with researchers to design, implement and achieve the desired policy goals.

Finally, in line with Pasaribu (2007) and Yoshimura (2004) suggestion on the lessons learned from the success of 'one-district one-industry' initiatives in Thailand and Japan, the Ghana government's ability to implement a successful District Industrialisation Programme and the National Entrepreneurship and Innovation Plan, to support entrepreneurially-minded youths to operate growth-oriented businesses, would depend largely on its ability to support local entrepreneurs in the recommended policy areas as discussed in this section. Also, government may complement its policy initiatives by implementing bottom-up approaches that tap into the community capital of identified localities where the initiatives would be implemented. In other words, they should ensure that the local people (including their traditional leaders) participate fully in all aspect of the development process so as to ensure the successful implementation of the initiatives. Such efforts will lead to the growth of the local economy with its associated multiplier effects on job creation among the youths. Hence, their enterprise development activities of government must aim at building on current venture practices of the youths with advanced skills that can make them train and mentor other youths towards the upper-end of the formality-informality continuum. Thus, the support services provided need not only build upon the competences of the youths but also develop and utilise their cognitive skills to be able to withstand the competitive and sometimes not-competitive business environment they find themselves in the BoP settings they are located.

7.4.4 Implication for educators

The findings of the thesis also provide insight for business and management education as well

as training and development in both developed and developing economy settings. First, because BoP entrepreneurs constitute the larger share of the entrepreneurial populations across all continents, business schools need to structure their curriculums such that their students are made aware of the business models adopted by these entrepreneurs. Irrespective of the nature of firms' business students end up taking jobs in, there is a strong possibility that they or their organisations would affect or be affected by the venture activities of BoP entrepreneurs. Hence, the knowledge they gain on BoP entrepreneurs navigation of the formality-informality continuum can equip them to support the operations of these entrepreneurs should they end up as employees in their ventures. Thus, they will be able to build upon established communication, teamwork, technologies and innovation activities of these entrepreneurs to move their operations towards the formality-end of the continuum. Such a training can also equip business students to engage in mutually beneficial negotiations and competitions if they end up working for large corporations or multi-national organisations after completing their academic training.

Finally, with many youths in Ghana now accessing free senior high school education, the problem of graduate unemployment (Boateng and Ofori-Sarpong, 2002) is likely to be compounded in the foreseeable future. Hence, it is imperative for educators in the country to promote an entrepreneurial mindset among these youths, especially skills tailored towards operating self-employed businesses in the formality-end of the continuum. Irrespective of the field of training of the Ghanaian student, such entrepreneurial education must be incorporated in their curriculums, with the training designed such that they can easily transition from school-to-work in the formality-end of the continuum, whether in wage employment or self-employment. Thus, the designed entrepreneurship education programme should have graduation mechanisms, where senior high school leavers and university graduates are encouraged to collaborate with others in their venture creation endeavours. Such a programme should also encourage the youths to participate in mentorship schemes that matches their ventures to firms of the more established entrepreneurs who operate their businesses in the more formality-end of the continuum.

7.5 Limitations of the thesis

There are some limitations to this study which are discussed in the sub-sections that follows.

7.5.1 Limitations of Quantitative study

There were some limitations with the empirical analysis due to the data. First, the design of the GLSS6 was not aimed purposively to investigate enterprise activity among youths in Ghana. The fact that the research objectives of the GLSS6 are different from those of the study in Chapter 4 raises some concerns on the extent to which the findings in the chapter adequately answer the research questions. For instance, the dataset did not provide information on how family traditions towards work affect the occupational decisions youths in Ghana made and how self-employed parents influenced the decisions their children made towards non-farm entrepreneurship and formality (or informality). Another example also relates to how the data provided no information on the specific economic activity that the youths were engaged in before starting their enterprises. A third example relate to how the GLSS6 only provided sufficient data on the decisions the youths made towards tax compliance but not on other indicators of formality (such as: business registration status, nature of accounting practices, etc.). Hence, the evidence used to answer the research questions in the Chapter may be limited as a result of the use of a single indicator of formality (or informality) to determine the salient factors which shape its emergence. Nevertheless, with the study in Chapter 4 complemented with the qualitative study (Chapter 5), which used alternative techniques, such as: semi-structured interviews, photo-interviews, personal observations, to identify the other salient contextual factors as well as other indicators of (in)formality, the study may have minimised this limitation with validity achieved.

The second limitation concerns the control I lacked on the sampling and data collection process, which may have affected the quality of the GLSS6 data. Extant literature shows that the quality of survey data collected by African governments may be compromised to achieve specific interest of the state or certain groups (e.g., Sandefur and Glassman, 2014). Such data may also be designed to under-report the representation of certain groups of the population (e.g., Carr-Hill, 2013). Thus, with the data collected by the national statistical office in Ghana, it is possible that the sampling and data collection processes might have been biased by influences of powerful state and non-state actors who funded or participated in the implementation of the study.

The third limitation of the quantitative study relates to the heterogeneity that may be associated with the use of a broad age classification that range from 15 to 35 years to define those who were identified from the GLSS6 as 'youths' or 'young people'. Such a classification

is likely to conflate the response of the 'younger youth' (those aged from 15 to 24 years) and the 'older youth' (those aged 25 to 35 years) on their decisions to participate in non-farm entrepreneurship and formality, in terms of being tax compliant. Also, the decisions of older youths are likely to reflect those of adults in the entire working population. However, the age classification adopted is consistent with widely used and accepted definition of youths in SSA (Chigunta, 2017; OAU, 2006) and the Global Entrepreneurship Monitor (GEM) (Kew *et al.*, 2013). On that basis, I considered it as a useful classification to define the surveyed youths studied in Chapter 4. Also, I believe that complementing the quantitative study with the qualitative study, which went further to conceptualise 'youths' in a broader social and cultural lens, minimised the limitations associated with the age classification and its impacts on the findings of the entire thesis. Hence, the adoption of both quantitative and qualitative approaches ensured that validity of the findings was achieved.

Also, the study is limited by the use of dataset which is cross-sectional and only support analysis at a given point in time. The GLSS6 did not provide information on the changes that occurred over time as the youths operated their enterprises. Hence, a panel data would have provided a dynamic picture of the changes that occurred in the youths' decisions they youth made to operate non-farm businesses and participate in formality (or informality) overtime. Despite these identified limitations, I believe that the comprehensiveness and reliability of tools employed by the national statistical office in Ghana to conduct the GLSS6 survey and its wide acceptance among policymakers and academics provide enough basis to use such a data to gain a broader view of the complexity of the studied phenomenon.

7.5.2 Limitation of Qualitative study

There were some limitations to the qualitative study which are outlined in this section and flagged throughout the thesis. While fairly larger number of the respondents disclosed information on their financial activities and overall incomes, a few of the respondents felt less comfortable to give this information. Nevertheless, these respondents willingly shared their experiences on various aspects of (in)formality, such as their experiences with revenue collection officers' and business registration officials as well as their concerns on vulnerability of their work practices. This experience I had in some sense adds to the findings I recorded on the current arrangements in the business environment in rural Ghana which create a wider sense of secrecy or mistrust from the RYEs as they deal with various stakeholders in such an environment.

Also, the insights into the experiences of the respondents reported in Chapter 5 raises questions on generalisability, of the extent to which the findings apply to other rural settings or regions in Ghana. It is possible that specific characteristics of the research participants or the setting of the research sites that led to the findings may have created the nature, form or depth of embeddedness of the respondents in the domains of context they operated their businesses. Such characteristics might have influenced the actions they took to participate in non-farm entrepreneurship and (in)formality. Since the ultimate goal of this study was to identify the salient contextual factors situated in the domains and how they shape the emergence of non-farm entrepreneurship and (in)formality among RYEs, more research may be needed among other specific sub-populations, such as: youths in other rural locations, urban youths or similar youth groups in other developing country settings, in order to confirm whether similar findings would be reported, or youths with different characteristics are influenced differently in different BoP settings.

Finally, since this study was qualitative, it is possible that the subjective views I hold of the world might have influenced the interpretations I made of the dataset and its findings. However, I was able to minimise these subjective interpretations by carrying out several follow-ups and worked closely with my interpreters, who through intense discussions provided important feedback on the generated codes and their meanings. Thus, I have attempted to provide a detailed explanation of the entire research process in Chapter 3 with the aim to allow readers of this study to decide for themselves whether the process used to arrive at its findings and conclusions are congruent to their own understanding of how the phenomenon under-study should be investigated. I, therefore, did not seek to generalise the findings of the qualitative study, in terms of the general rural youth populations, but to contribute to theory on (in)formal entrepreneurship among such sub-population group from an emerging economy perspective.

7.6 Opportunities for future research

While various areas of future research are flagged throughout this chapter, I urge that the possibilities identified with the 'embeddedness in context' perspective should be explored further. Of particular interest to me is how the temporal-historical domain of context (Lippmann and Aldrich, 2016; Wadhvani and Jones, 2014) shape the emergence process of

(in)formal entrepreneurship and the nature of business models adopted by (in)formal entrepreneurs to respond to opportunities and constraints they are faced with.

Organisational theory that examines the influence of history and time on (in)formal ventures of entrepreneurs in emerging economies are rare. While Daniel Wadhvani and his colleagues continue to make calls for more theorisation and empirical studies that look at business history in enterprises much of the literature is focused on western countries, with less known in emerging regions, such as Africa. In this region where colonial legacies have continued to linger in many countries, and there have been extensive state intervention, institutional gaps and inefficiencies, countries have continued to experience extended period of turbulence with informality reported as commonplace (Austin *et al.*, 2017). Thus, while future studies may not focus on policies and business practices of the colonial era, much can be learned on the business history of (in)formal enterprises (with focus on employers, managers, employees, state-business relations and other stakeholders) from periods after colonialism, especially during the structural adjustment and post-adjustment era, exploring how entrepreneurs and the various actors connected to their ventures are responding to policies and the changing institutional forms.

7.7 Summary

This chapter of the thesis has provided a summary of the aims, methodology, findings, implications, contributions, limitations and highlighted areas for future research. Working within a sequential transformative research design, the research employed the 'embeddedness in context' perspective (Basco, 2017; Welter, 2011; Welter and Gartner, 2016) to produce two core empirical chapters (Chapter 4 and Chapter 5). The first empirical chapter contributed to literature by identifying the salient structures, conditions or actors that are situated in the domains of the multi-faceted context in Ghana which predicted the probability that the youth choose to operate non-farm businesses and participate in formality (or informality). It revealed a dynamic picture of the salient contextual factors that influence the choices the youths made to participate in formality (or informality) and highlighted the complex and multi-directional responses of the youths towards the studied phenomenon. The study further revealed the heterogeneous character of urban and rural youths and how their participation in formality or informality were influenced in different ways by the identified

structures, conditions and actors. The second empirical chapter revealed how the multi-faceted context influence the emergence process of the (in)formal entrepreneurial phenomenon among RYEs and showed the complex incentives, opportunities, motivations, constraints and resources that drive such a process. The findings provide multiple conceptual, empirical and methodological contributions. The multiple implications for researchers, entrepreneurs, policymakers and educators are highlighted as well as the limitations and areas for possible future research.

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RESEARCH METHODOLOGY APPENDIX

APPENDIX A.1: ADDITIONAL INFORMATION ON QUANTITATIVE METHODS

APPENDIX A.1.1: ADDITIONAL ANALYSIS

In the tables that follows, the main results of the bivariate probit model analysed in Chapter 4 (see: Table 4-2) are compared with the results of decisions made by entrepreneurs in the general population, with additional checked carried out with some replaced variables to see if the results and signs of the coefficient of the explanatory variables are identical. The analysis carried out is discussed in section 4.5 of Chapter 4.

Table 4-6: Bivariate Probit Estimates: entire labour force population

VARIABLES	Model 1		Model 2		Model 3	
	Individuals in the population		Urban individuals in the population		Rural individuals in the population	
	Non-farm entrepreneurship	Tax compliance decision	Non-farm entrepreneurship	Tax compliance decision	Non-farm entrepreneurship	Tax compliance decision
Individual characteristics:						
<i>Gender (female= 1)</i>	0.787*** (0.0439)	-0.305*** (0.0454)	0.811*** (0.0551)	-0.356*** (0.0583)	0.786*** (0.0766)	-0.176** (0.0730)
<i>Level of Formal education</i>						
No education						
Primary education	0.0423 (0.0488)	0.0433 (0.0493)	0.129* (0.0696)	-0.0354 (0.0792)	-0.0942 (0.0749)	0.126* (0.0645)
Lower secondary	-0.0883* (0.0493)	0.172*** (0.0476)	-0.197*** (0.0666)	0.238*** (0.0710)	0.0751 (0.0761)	0.125* (0.0663)
Upper secondary	-0.297*** (0.0669)	0.535*** (0.0612)	-0.303*** (0.0822)	0.583*** (0.0827)	-0.388*** (0.141)	0.445*** (0.106)
Post-secondary/technical	-0.930*** (0.0775)	0.723*** (0.0676)	-0.862*** (0.0959)	0.839*** (0.0906)	-1.202*** (0.149)	0.700*** (0.111)
University or higher education	-1.136*** (0.0834)	1.315*** (0.0719)	-1.093*** (0.0970)	1.284*** (0.0913)	-1.662*** (0.230)	1.509*** (0.174)
Adult education	-0.112 (0.0984)	0.304*** (0.0950)	-0.00944 (0.249)	0.116 (0.247)	-0.0994 (0.114)	0.309*** (0.108)
Household characteristics:						
<i>Position within the household</i>						
Household head						
Spouse	0.0225 (0.0393)	-0.0111 (0.0357)	0.0453 (0.0506)	-0.0211 (0.0499)	0.00541 (0.0642)	0.00216 (0.0527)
Child	-0.0106 (0.0393)	0.0157 (0.0377)	0.00622 (0.0512)	0.0490 (0.0518)	-0.0561 (0.0641)	-0.00524 (0.0573)
Extended family members	0.133 (0.0823)	-0.0127 (0.0827)	0.0776 (0.110)	-0.272** (0.129)	0.234* (0.120)	0.128 (0.108)
<i>Marital status</i>						
Married						
Never married	-0.102 (0.0671)	-0.106* (0.0625)	-0.0768 (0.0779)	-0.189** (0.0767)	-0.255* (0.140)	0.0599 (0.117)
Consensual union	0.200*** (0.0509)	-0.0979** (0.0491)	0.236*** (0.0702)	-0.207*** (0.0767)	0.202*** (0.0785)	-0.0299 (0.0647)
Divorced	0.0898 (0.0579)	-0.164*** (0.0599)	0.0596 (0.0719)	-0.182** (0.0755)	0.126 (0.103)	-0.132 (0.0983)

Widowed	0.0306 (0.0595)	-0.0248 (0.0656)	0.188** (0.0806)	-0.210** (0.0908)	-0.175* (0.105)	0.154 (0.0961)
<i>Family size</i>	0.00458 (0.00734)	-0.0134** (0.00634)	-0.0214** (0.0104)	-0.00527 (0.0101)	0.0364*** (0.0103)	-0.0298*** (0.00847)
Economic Characteristics:						
<i>Wealth quintile</i>						
First quintile						
Second quintile	0.0614 (0.0619)	0.297*** (0.0579)	-0.0362 (0.119)	0.120 (0.154)	0.140* (0.0781)	0.346*** (0.0673)
Third quintile	0.0513 (0.0611)	0.276*** (0.0587)	0.0277 (0.114)	0.280* (0.150)	0.138* (0.0818)	0.208*** (0.0712)
Fourth quintile	0.179*** (0.0637)	0.457*** (0.0610)	0.190* (0.116)	0.518*** (0.149)	0.262*** (0.0886)	0.281*** (0.0785)
Fifth quintile	0.316*** (0.0690)	0.520*** (0.0656)	0.329*** (0.119)	0.541*** (0.152)	0.280*** (0.107)	0.426*** (0.0930)
<i>Farmland size</i>	-0.0134 (0.120)	0.233*** (0.0792)	-0.00616 (0.206)	0.263* (0.144)	0.0660 (0.149)	0.326*** (0.0935)
<i>Ownership of house (yes=1)</i>	0.0936*** (0.0329)	0.0436 (0.0309)	0.175*** (0.0413)	-0.0481 (0.0417)	-0.0418 (0.0556)	0.174*** (0.0495)
<i>Social protection expenditure</i>						
Zero expenditure on social protection						
100GHS or less spent on social protection	0.0634* (0.0379)	-0.128*** (0.0361)	0.00650 (0.0483)	-0.0659 (0.0476)	0.166** (0.0652)	-0.208*** (0.0581)
101-1000GHS spent on social protection	0.0369 (0.0388)	-0.0385 (0.0363)	0.101** (0.0509)	-0.0985* (0.0516)	-0.0748 (0.0647)	0.0145 (0.0529)
Over 1000GHS spent on social protection	-0.151** (0.0735)	0.0853 (0.0678)	-0.142* (0.0825)	0.226*** (0.0799)	-0.0808 (0.168)	-0.315** (0.136)
Enterprise and industrial characteristics:						
<i>Years of work experience</i>						
	0.0486 (0.0420)	0.0578 (0.0403)	0.179*** (0.0503)	0.0798 (0.0494)	-0.143* (0.0774)	-0.0132 (0.0701)
<i>Traditional apprenticeship experience</i>						
	0.182*** (0.0358)	-0.126*** (0.0350)	0.192*** (0.0447)	-0.198*** (0.0458)	0.179*** (0.0639)	-0.0208 (0.0548)
<i>Primary work in non-farm industries</i>						
	1.642*** (0.0457)	0.441*** (0.0384)	1.490*** (0.0775)	0.708*** (0.0719)	1.825*** (0.0593)	0.344*** (0.0515)
Sociological characteristics (social systems						

& Normative institutions) :

Ethnicity

Akan

Ga-Dangme 0.0277 0.340*** -0.0401 0.257*** 0.237** 0.506***

(0.0566) (0.0528) (0.0678) (0.0672) (0.106) (0.0837)

Ewe

-0.0796 0.130*** -0.130** 0.0587 0.0596 0.231***

(0.0499) (0.0484) (0.0646) (0.0655) (0.0867) (0.0753)

Mole-Dagbani

0.0733 -0.119** -0.247*** -0.0804 0.422*** -0.168*

(0.0632) (0.0577) (0.0797) (0.0824) (0.102) (0.0859)

Other ethnic groups

0.0163 -0.0486 0.0681 -0.0588 0.123 -0.109

(0.0517) (0.0474) (0.0655) (0.0658) (0.0938) (0.0740)

Membership of religious group (yes=1)

-0.0140 -0.0214 0.0162 -0.0783 0.0323 -0.0723

(0.0679) (0.0576) (0.116) (0.108) (0.0855) (0.0712)

Participate in ROSCAs/VSLAs (yes=1)

0.0690** 0.0338 -0.0249 0.00716 0.164*** 0.0986**

(0.0335) (0.0312) (0.0447) (0.0447) (0.0513) (0.0444)

Reputation in society (yes=1)

-0.00540 -0.0318 -0.00139 -0.0413 -0.0155 -0.0286

(0.0343) (0.0329) (0.0446) (0.0450) (0.0572) (0.0494)

Perception of formal regulatory institutions:

Tax office competence (yes=1)

-0.116*** -0.124*** -0.170*** -0.139*** 0.00282 -0.116***

(0.0330) (0.0305) (0.0426) (0.0425) (0.0555) (0.0451)

Additional unapproved monies (bribes) to tax officials (Yes=1)

-0.135*** -0.0185 -0.173*** -0.0690 -0.0761 0.106

(0.0431) (0.0407) (0.0544) (0.0533) (0.0747) (0.0646)

Trust politicians

0.00832 0.0462* 0.0176 0.128*** -0.0379 -0.0440

(0.0300) (0.0280) (0.0385) (0.0384) (0.0497) (0.0423)

Locational Characteristics:

Locality type (rural =1)

-0.106*** 0.103***

(0.0369) (0.0349)

Administrative Region:

Western Region

Central Region

-0.0560 -0.393*** 0.0328 0.0672 -0.336*** -0.785***

(0.0664) (0.0624) (0.0890) (0.0871) (0.108) (0.0919)

Greater Accra Region

-0.242*** -0.138** -0.162** 0.187*** -0.490*** -0.521***

(0.0603) (0.0558) (0.0721) (0.0715) (0.159) (0.134)

Volta Region

0.246*** -0.0410 0.145 0.637*** 0.235* -0.519***

(0.0784) (0.0728) (0.112) (0.108) (0.122) (0.105)

Eastern Region

0.111* -0.314*** 0.147* 0.0463 0.0142 -0.621***

(0.0601) (0.0560) (0.0842) (0.0895) (0.0916) (0.0727)

Ashanti Region

0.0497 -0.201*** 0.0982 0.249*** -0.131 -0.755***

	(0.0575)	(0.0519)	(0.0725)	(0.0732)	(0.0974)	(0.0786)
Brong Ahafo Region	-0.0242	0.353***	-0.0635	0.565***	-0.113	0.227***
	(0.0698)	(0.0592)	(0.0930)	(0.0944)	(0.102)	(0.0754)
Northern Region	0.576***	0.0916	1.048***	0.350**	0.0605	0.0203
	(0.0915)	(0.0852)	(0.131)	(0.140)	(0.136)	(0.114)
Upper East Region	0.578***	0.0418	0.746***	0.391**	0.326**	-0.162
	(0.103)	(0.100)	(0.162)	(0.191)	(0.145)	(0.124)
Upper West Region	0.143	0.182*	-0.468***	0.939***	0.298*	-0.346**
	(0.113)	(0.0932)	(0.160)	(0.148)	(0.156)	(0.136)
Constant	-1.976***	-1.256***	-1.799***	-1.779***	-2.255***	-0.797***
	(0.128)	(0.117)	(0.198)	(0.222)	(0.184)	(0.151)
Observations	11,454	11,454	5,903	5,903	5,551	5,551

Rho(ρ)	-0.3792153		-0.4305498		-0.2736275	
Wald test of rho=0: chi2(1)	304		277.355		54.9305	
Prob > chi2	0.0000		0.0000		0.0000	

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 4-7: Bivariate Probit Estimates : models with replaced variables

Variables	Model 1		Model 2		Model 3	
	Youths in the Population		Urban youths in the population		Rural youths in the population	
	Non-farm entrepreneurship	Tax compliance decision	Non-farm entrepreneurship	Tax compliance decision	Non-farm entrepreneurship	Tax compliance decision
Gender (Female =1)	0.727*** (0.0521)	-0.265*** (0.0557)	0.744*** (0.0646)	-0.299*** (0.0704)	0.707*** (0.0892)	-0.151 (0.0924)
<i>Education level (RG:No education)</i>						
Primary education	0.0526 (0.0611)	0.0476 (0.0626)	0.0383 (0.0873)	0.0123 (0.103)	0.0179 (0.0922)	0.0943 (0.0807)
Lower secondary	-0.0724 (0.0602)	0.147** (0.0597)	-0.170** (0.0811)	0.215** (0.0906)	0.0448 (0.0956)	0.0819 (0.0825)
Upper secondary	-0.415*** (0.0793)	0.552*** (0.0743)	-0.417*** (0.0976)	0.606*** (0.102)	-0.503*** (0.168)	0.329** (0.130)
Post-secondary	-0.952*** (0.0932)	0.799*** (0.0835)	-0.868*** (0.114)	0.908*** (0.113)	-1.238*** (0.187)	0.757*** (0.141)
University	-1.230*** (0.102)	1.298*** (0.0875)	-1.179*** (0.118)	1.260*** (0.112)	-1.746*** (0.272)	1.415*** (0.204)
Adult education	-0.126 (0.128)	0.361*** (0.122)	0.0261 (0.356)	0.165 (0.356)	-0.0788 (0.152)	0.348*** (0.133)
<i>Marital status (RG: Married)</i>						
Never married	-0.159** (0.0697)	-0.112* (0.0654)	-0.193** (0.0819)	-0.198** (0.0818)	-0.221 (0.137)	0.0735 (0.119)
Consensual union	0.191*** (0.0601)	-0.000128 (0.0582)	0.205** (0.0821)	-0.0908 (0.0888)	0.199** (0.0921)	0.0697 (0.0779)
Divorced	0.149** (0.0737)	-0.174** (0.0778)	0.181** (0.0912)	-0.210** (0.0966)	0.0586 (0.130)	-0.0912 (0.134)
Widowed	0.0692 (0.0755)	-0.0794 (0.0860)	0.356*** (0.103)	-0.351*** (0.119)	-0.369*** (0.136)	0.180 (0.129)
Family size	0.00761 (0.00886)	-0.0118 (0.00778)	-0.0226* (0.0126)	-0.00914 (0.0124)	0.0380*** (0.0122)	-0.0217** (0.0103)
<i>Wealth quintile (RG: First quintile)</i>						
Second quintile	0.0535 (0.0775)	0.251*** (0.0742)	-0.0186 (0.150)	0.299 (0.228)	0.0877 (0.0966)	0.246*** (0.0855)
Third quintile	0.0689 (0.0766)	0.289*** (0.0743)	0.0754 (0.144)	0.482** (0.225)	0.123 (0.0998)	0.200** (0.0889)

Fourth quintile	0.174** (0.0800)	0.446*** (0.0775)	0.194 (0.146)	0.702*** (0.224)	0.253** (0.110)	0.231** (0.0992)
Fifth quintile	0.360*** (0.0866)	0.493*** (0.0831)	0.394*** (0.151)	0.684*** (0.227)	0.314** (0.136)	0.446*** (0.119)
Farmland size	-0.272 (0.178)	0.227** (0.111)	-0.319 (0.288)	0.548*** (0.176)	-0.222 (0.236)	0.300** (0.136)
Ownership of house	0.0934** (0.0414)	0.0882** (0.0396)	0.154*** (0.0525)	0.0316 (0.0538)	-0.0246 (0.0693)	0.174*** (0.0630)
<i>Social protection expenditure (RG: Zero expenditure on social protection)</i>						
100GHS or less spent on social protection	0.0466 (0.0465)	-0.124*** (0.0451)	0.0515 (0.0589)	-0.0910 (0.0596)	0.0188 (0.0806)	-0.166** (0.0736)
101-1000GHS spent on social protection	0.134*** (0.0483)	-0.0258 (0.0461)	0.198*** (0.0633)	-0.0780 (0.0644)	-0.0123 (0.0785)	0.0350 (0.0679)
Over 1000GHS spent on social protection	-0.187* (0.0976)	0.217** (0.0878)	-0.132 (0.110)	0.394*** (0.105)	-0.204 (0.218)	-0.286* (0.172)
Trust family members (yes=1)	-0.00572 (0.0415)	0.00842 (0.0392)	-0.0748 (0.0523)	-0.00236 (0.0527)	0.167** (0.0718)	-0.00968 (0.0609)
Trust ethnic group affiliated(yes=1)	0.0119 (0.0397)	-0.00722 (0.0388)	0.0240 (0.0505)	-0.0175 (0.0522)	0.0162 (0.0667)	-0.0193 (0.0596)
Trust religious group affiliated(yes=1)	0.0332 (0.0449)	-0.0233 (0.0435)	0.124** (0.0578)	-0.0505 (0.0587)	-0.160** (0.0743)	0.00351 (0.0662)
<i>Years of work experience</i>	0.0596 (0.0497)	0.0183 (0.0476)	0.132** (0.0595)	0.0567 (0.0592)	-0.0661 (0.0918)	-0.0845 (0.0809)
<i>Traditional apprenticeship experience (yes=1)</i>	0.154*** (0.0467)	-0.151*** (0.0471)	0.217*** (0.0588)	-0.296*** (0.0614)	0.0736 (0.0825)	0.00665 (0.0742)
<i>Primary work in non-farm industry</i>	1.552*** (0.0570)	0.404*** (0.0499)	1.424*** (0.0981)	0.816*** (0.103)	1.706*** (0.0741)	0.266*** (0.0663)
<i>Participate in ROSCA/VSLAs (Yes=1)</i>	0.113*** (0.0418)	0.0382 (0.0396)	-0.0113 (0.0565)	0.00665 (0.0562)	0.269*** (0.0635)	0.115** (0.0563)
<i>Reputation in society (yes=1)</i>	0.00237 (0.0427)	-0.0430 (0.0418)	-0.0205 (0.0556)	-0.0112 (0.0573)	0.0123 (0.0712)	-0.0814 (0.0627)
<i>Tax office competence (yes=1)</i>	-0.0913** (0.0418)	-0.0785** (0.0392)	-0.124** (0.0537)	-0.100* (0.0540)	0.0115 (0.0707)	-0.0700 (0.0591)
<i>Additional unapproved monies paid to tax officials (yes=1)</i>	-0.0964* (0.0543)	-0.00153 (0.0520)	-0.136** (0.0689)	-0.0409 (0.0683)	-0.0423 (0.0916)	0.107 (0.0834)
<i>Trust Politicians (yes=1)</i>	-0.0386 (0.0378)	0.0266 (0.0359)	-0.0319 (0.0487)	0.0954* (0.0489)	-0.0491 (0.0625)	-0.0300 (0.0546)
<i>Locality type (rural=1)</i>	-0.158***	0.104**				

	(0.0453)	(0.0440)				
<i>Administrative regions (RG: Western Region)</i>						
Central Region	-0.167** (0.0846)	-0.264*** (0.0802)	0.0259 (0.113)	0.133 (0.111)	-0.552*** (0.140)	-0.588*** (0.117)
Greater Accra Region	-0.303*** (0.0720)	-0.0296 (0.0676)	-0.241*** (0.0887)	0.296*** (0.0889)	-0.414** (0.178)	-0.428*** (0.166)
Volta Region	0.171* (0.0876)	0.141* (0.0810)	0.160 (0.131)	0.846*** (0.125)	0.135 (0.122)	-0.310*** (0.110)
Eastern Region	0.0512 (0.0758)	-0.194*** (0.0723)	0.0156 (0.106)	0.179 (0.113)	0.0435 (0.111)	-0.447*** (0.0927)
Ashanti Region	-0.0257 (0.0720)	-0.137** (0.0658)	0.0350 (0.0914)	0.321*** (0.0919)	-0.192 (0.122)	-0.698*** (0.102)
Brong Ahafo Region	0.0620 (0.0875)	0.415*** (0.0755)	0.0284 (0.117)	0.654*** (0.122)	0.0653 (0.124)	0.250*** (0.0937)
Northern Region	0.587*** (0.0969)	0.0395 (0.0964)	0.887*** (0.147)	0.344** (0.157)	0.283** (0.136)	-0.132 (0.125)
Upper East Region	0.604*** (0.111)	-0.156 (0.117)	0.682*** (0.190)	0.193 (0.253)	0.594*** (0.143)	-0.397*** (0.133)
Upper West Region	0.0706 (0.126)	0.254** (0.102)	-0.638*** (0.178)	1.072*** (0.161)	0.523*** (0.167)	-0.408*** (0.149)
Constant	-1.889*** (0.143)	-1.334*** (0.133)	-1.659*** (0.211)	-2.242*** (0.304)	-2.202*** (0.210)	-0.815*** (0.168)
Observations	7,034	7,034	3,771	3,771	3,263	3,263
Rho(ρ)	-0.3696123		-0.43479		-0.2338875	
Wald test of rho=0: chi2(1)	193.619		182.142		27.6099	
Prob > chi2	0.0000		0.0000		0.0000	
	Robust standard errors in parentheses					
	*** p<0.01, ** p<0.05, * p<0.1					

Table 4-8: Bivariate Probit Estimates: original models with trust variables included

Variables	Model 1		Model 2		Model 3	
	Youths in the population		Urban youths in the population		Rural youths in the population	
	Non-farm entrepreneurship	Tax compliance decision	Non-farm entrepreneurship	Tax compliance decision	Non-farm entrepreneurship	Tax compliance decision
Gender (female=1)	0.775*** (0.0584)	-0.299*** (0.0615)	0.771*** (0.0729)	-0.389*** (0.0787)	0.854*** (0.103)	-0.120 (0.103)
<i>Education level (RG: No education)</i>						
Primary education	0.0286 (0.0649)	0.0161 (0.0660)	-0.00193 (0.0924)	0.0248 (0.111)	0.0419 (0.0995)	0.0440 (0.0855)
Lower secondary	-0.0861 (0.0669)	0.102 (0.0653)	-0.265*** (0.0903)	0.249** (0.100)	0.151 (0.106)	-0.0191 (0.0917)
Upper secondary	-0.377*** (0.0881)	0.531*** (0.0817)	-0.462*** (0.109)	0.673*** (0.114)	-0.350* (0.182)	0.276* (0.143)
Post-secondary/technical education	-0.982*** (0.103)	0.749*** (0.0903)	-1.010*** (0.127)	0.984*** (0.126)	-1.080*** (0.197)	0.581*** (0.149)
University of higher education	-1.231*** (0.116)	1.245*** (0.0968)	-1.285*** (0.135)	1.278*** (0.127)	-1.478*** (0.286)	1.449*** (0.228)
Adult education	-0.0638 (0.130)	0.294** (0.127)	0.0972 (0.371)	0.158 (0.364)	-0.00220 (0.151)	0.250* (0.140)
<i>Position within household (RG: Household head)</i>						
Spouse	0.0541 (0.0603)	-0.0353 (0.0581)	0.0614 (0.0772)	-0.0230 (0.0810)	0.0523 (0.0987)	-0.0299 (0.0847)
Child	-0.0858 (0.0640)	0.0926 (0.0623)	-0.123 (0.0837)	0.260*** (0.0888)	-0.103 (0.105)	-0.0354 (0.0920)
Extended family members	-0.169 (0.128)	0.113 (0.133)	-0.176 (0.175)	-0.154 (0.212)	-0.0247 (0.203)	0.122 (0.178)
<i>Marital status (RG: Married)</i>						
Never married	-0.168** (0.0807)	-0.0962 (0.0773)	-0.154 (0.0969)	-0.0846 (0.0977)	-0.314* (0.164)	-0.0615 (0.142)
Consensual union	0.182*** (0.0644)	0.00128 (0.0619)	0.161* (0.0874)	-0.0379 (0.0948)	0.217** (0.0987)	0.0186 (0.0833)
Divorced	0.144* (0.0817)	-0.154* (0.0857)	0.218** (0.102)	-0.162 (0.107)	-0.0682 (0.151)	-0.147 (0.150)
Widowed	0.0949 (0.0839)	-0.119 (0.0942)	0.354*** (0.114)	-0.357*** (0.133)	-0.321** (0.150)	0.1000 (0.141)
Family size	0.00799	-0.0231**	-0.0155	-0.0252	0.0373**	-0.0299**

	(0.0105)	(0.00935)	(0.0155)	(0.0154)	(0.0146)	(0.0120)
<i>Wealth quintile (RG: First quintile)</i>						
Second quintile	0.0122 (0.0816)	0.245*** (0.0776)	0.0577 (0.163)	0.319 (0.235)	0.0266 (0.101)	0.255*** (0.0897)
Third quintile	0.0300 (0.0818)	0.277*** (0.0786)	0.176 (0.159)	0.491** (0.234)	0.0412 (0.108)	0.199** (0.0941)
Fourth quintile	0.159* (0.0850)	0.448*** (0.0815)	0.336** (0.160)	0.722*** (0.232)	0.186 (0.116)	0.243** (0.105)
Fifth quintile	0.333*** (0.0929)	0.486*** (0.0880)	0.532*** (0.166)	0.688*** (0.236)	0.231 (0.146)	0.447*** (0.128)
<i>Farmland size</i>						
Ownership of house (yes=1)	-0.0612 (0.182)	0.174 (0.118)	-0.0784 (0.301)	0.445** (0.201)	0.0274 (0.232)	0.273* (0.146)
	0.0810* (0.0450)	0.0808* (0.0429)	0.159*** (0.0576)	0.00412 (0.0592)	-0.00727 (0.0742)	0.172*** (0.0668)
<i>Social protection expenditure (RG: Zero expenditure on social protection)</i>						
100GHS or less spent on social protection	0.0385 (0.0499)	-0.123** (0.0479)	0.0414 (0.0631)	-0.0501 (0.0636)	0.0303 (0.0869)	-0.204*** (0.0789)
101-1000GHS spent on social protection	0.0850* (0.0513)	-0.0615 (0.0487)	0.169** (0.0673)	-0.0976 (0.0688)	-0.0976 (0.0853)	-0.0218 (0.0717)
Over 1000GHS spent on social protection	-0.188* (0.105)	0.136 (0.0958)	-0.171 (0.120)	0.316*** (0.115)	-0.131 (0.230)	-0.320* (0.188)
<i>Years of work experience</i>	0.125** (0.0523)	-0.0147 (0.0505)	0.213*** (0.0637)	0.00737 (0.0637)	-0.0293 (0.0960)	-0.0820 (0.0845)
Trust family members	-0.00898 (0.0438)	-0.00526 (0.0414)	-0.0805 (0.0555)	-0.0351 (0.0559)	0.148** (0.0750)	0.0105 (0.0640)
trust_ethnic group affiliated	0.0138 (0.0419)	-0.0166 (0.0409)	0.0396 (0.0533)	-0.0465 (0.0554)	-0.0151 (0.0709)	-0.0187 (0.0628)
Trust religion group affiliated	0.0320 (0.0477)	-0.0254 (0.0462)	0.135** (0.0614)	-0.0452 (0.0629)	-0.161** (0.0792)	-0.00820 (0.0699)
Traditional apprenticeship experience	0.146*** (0.0509)	-0.137*** (0.0511)	0.198*** (0.0642)	-0.266*** (0.0679)	0.101 (0.0894)	0.0130 (0.0791)
Primary work in non-farm industries	1.575*** (0.0614)	0.401*** (0.0526)	1.408*** (0.105)	0.784*** (0.108)	1.759*** (0.0813)	0.294*** (0.0702)
<i>Ethnicity (RG: Akan)</i>						
Ga-Dangme	0.00539 (0.0764)	0.362*** (0.0721)	-0.0510 (0.0925)	0.267*** (0.0929)	0.169 (0.150)	0.550*** (0.116)
Ewe	-0.0211 (0.0658)	0.0569 (0.0652)	-0.0671 (0.0849)	-0.0411 (0.0871)	0.132 (0.120)	0.199* (0.104)
Mole-Dagbani	0.0833	-0.208***	-0.294***	-0.133	0.525***	-0.294**

	(0.0806)	(0.0763)	(0.101)	(0.107)	(0.134)	(0.117)
Other ethnic groups	0.00371	-0.0484	0.00631	-0.0594	0.169	-0.0767
	(0.0668)	(0.0620)	(0.0849)	(0.0864)	(0.124)	(0.0992)
<i>Membership of religious group</i>	0.0701	-0.0400	0.218	-0.182	0.0223	-0.0477
	(0.0883)	(0.0769)	(0.149)	(0.135)	(0.110)	(0.0977)
<i>Participate in ROSCAs/VSLAs</i>	0.0903**	0.0481	-0.0377	0.0336	0.238***	0.114*
	(0.0444)	(0.0420)	(0.0599)	(0.0605)	(0.0681)	(0.0595)
<i>Reputation in society</i>	-0.00995	-0.0105	-0.00925	0.0170	-0.0229	-0.0568
	(0.0454)	(0.0444)	(0.0590)	(0.0609)	(0.0761)	(0.0666)
<i>Tax office competence (Yes=1)</i>	-0.107**	-0.114***	-0.136**	-0.152***	0.00130	-0.0707
	(0.0440)	(0.0412)	(0.0569)	(0.0575)	(0.0742)	(0.0619)
<i>Additional unapproved monies (bribes) to tax officials (yes=1)</i>	-0.0992*	-0.0136	-0.124*	-0.0598	-0.0382	0.143
	(0.0568)	(0.0544)	(0.0721)	(0.0716)	(0.0971)	(0.0872)
<i>Trust Politicians (yes=1)</i>	-0.0154	0.0368	-0.0152	0.111**	-0.0439	-0.0321
	(0.0400)	(0.0379)	(0.0519)	(0.0525)	(0.0652)	(0.0570)
<i>Locality type (Rural =1)</i>	-0.167***	0.112**				
	(0.0484)	(0.0466)				
Administrative Regions (RG: Western Region)						
Central Region	-0.139	-0.312***	0.0406	0.153	-0.509***	-0.673***
	(0.0884)	(0.0846)	(0.118)	(0.118)	(0.150)	(0.123)
Greater Accra Region	-0.311***	-0.112	-0.234**	0.262***	-0.470**	-0.629***
	(0.0801)	(0.0739)	(0.0977)	(0.0957)	(0.205)	(0.179)
Volta Region	0.168	0.102	0.139	0.859***	0.0646	-0.436***
	(0.105)	(0.0968)	(0.150)	(0.148)	(0.165)	(0.141)
Eastern Region	0.0820	-0.296***	0.0706	0.153	0.0313	-0.635***
	(0.0824)	(0.0770)	(0.115)	(0.122)	(0.125)	(0.102)
Ashanti Region	-0.0242	-0.156**	0.0381	0.330***	-0.174	-0.739***
	(0.0763)	(0.0688)	(0.0975)	(0.0975)	(0.125)	(0.106)
Brong Ahafo Region	-0.0274	0.403***	-0.0406	0.696***	-0.112	0.234**
	(0.0941)	(0.0809)	(0.126)	(0.129)	(0.136)	(0.104)
Northern Region	0.578***	0.215*	1.046***	0.490***	0.122	0.0791
	(0.118)	(0.111)	(0.173)	(0.187)	(0.169)	(0.147)
Upper East Region	0.489***	0.0449	0.778***	0.469*	0.146	-0.169
	(0.133)	(0.133)	(0.207)	(0.266)	(0.191)	(0.167)
Upper West Region	0.0859	0.270**	-0.413**	1.054***	0.218	-0.313*
	(0.149)	(0.124)	(0.206)	(0.192)	(0.208)	(0.186)
Constant	-1.946***	-1.167***	-1.938***	-2.056***	-2.304***	-0.618***
	(0.173)	(0.159)	(0.268)	(0.331)	(0.252)	(0.205)

Observations	6,350	6,350	3,346	3,346	3,004	3,004
Rho(ρ)	-0.3823747	-0.4442744	-0.2449969			
Wald test of rho=0: chi2(1)	178.858	167.304	25.4247			
Prob > chi2	0.0000	0.0000	0.0000			

Robust standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1

APPENDIX A.1.2: inter-correlation between variables understudy

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
(1) Youth_age	1.000																						
(2) GENDER	-0.109	1.000																					
(3) EDUC_LEVEL	0.088	-0.086	1.000																				
(4) RELATNHH	-0.520	0.152	-0.125	1.000																			
(5) Marital_status	-0.055	0.595	-0.069	0.093	1.000																		
(6) HHSIZE	-0.239	-0.180	-0.149	0.468	-0.213	1.000																	
(7) QUINTILE_N	0.085	0.089	0.398	-0.154	0.061	-0.371	1.000																
(8) Farmland_size	-0.064	-0.052	0.000	0.092	-0.061	0.167	-0.012	1.000															
(9) OWNHOUSE	-0.161	-0.068	-0.185	0.313	-0.064	0.368	-0.315	0.100	1.000														
(10) SOCPROT	-0.004	0.003	-0.045	-0.019	0.012	-0.037	-0.149	-0.012	0.041	1.000													
(11) Yearsworked	-0.098	-0.072	-0.127	0.313	-0.054	0.284	-0.186	0.056	0.207	-0.004	1.000												
(12) APPREN	0.260	-0.023	0.046	-0.315	0.017	-0.196	0.158	-0.043	-0.185	-0.018	-0.117	1.000											
(13) INDUST_experience	0.133	0.159	0.314	-0.213	0.096	-0.338	0.528	-0.107	-0.385	-0.055	-0.273	0.179	1.000										
(14) ETHNICGP	-0.018	-0.144	-0.232	0.000	-0.129	0.196	-0.350	-0.026	0.229	0.101	0.092	-0.129	-0.253	1.000									
(15) RELIGIOUSITY	-0.010	0.076	0.095	0.019	0.006	-0.042	0.110	-0.001	-0.043	-0.018	-0.016	0.006	0.102	-0.011	1.000								
(16) ROSCA/VSLA	0.035	-0.026	0.255	-0.001	-0.016	-0.001	0.374	0.016	-0.114	-0.071	-0.048	0.088	0.311	-0.148	0.078	1.000							
(17) REPUTN	-0.022	0.007	-0.013	0.005	0.012	-0.001	-0.016	0.015	0.003	0.012	0.005	-0.009	-0.004	0.002	0.001	-0.022	1.000						
(18) TAXOFFICE_COMPE-E	0.017	-0.011	0.018	-0.024	-0.012	0.006	-0.031	-0.025	0.010	0.020	0.031	-0.001	-0.003	0.033	-0.022	-0.005	0.143	1.000					
(19) TAX_BRIBE	-0.008	0.009	0.025	0.018	0.005	0.007	0.009	0.019	0.038	0.009	-0.001	0.003	0.001	0.016	0.023	-0.008	-0.178	-0.235	1.000				
(20) TRUST_POLITCIANS	-0.011	0.016	-0.037	0.023	0.000	0.039	-0.079	-0.018	0.062	0.015	0.009	-0.020	-0.041	0.086	0.005	-0.040	0.065	0.177	-0.108	1.000			
(21) URBRUR	-0.063	-0.115	-0.220	0.075	-0.041	0.219	-0.506	0.065	0.337	0.077	0.132	-0.101	-0.550	0.233	-0.120	-0.267	0.033	0.003	-0.022	0.035	1.000		
(22) REGION	-0.047	-0.067	-0.179	0.043	-0.100	0.185	-0.342	0.013	0.191	0.131	0.100	-0.114	-0.267	0.510	0.028	-0.092	0.049	0.056	-0.050	0.151	0.231	1.000	

Source: GLSS6

APPENDIX B.1: ADDITIONAL INFORMATION ON QUALITATIVE METHODS

APPENDIX B.1.1: Information Sheet and Consent Forms for Participants

Informal Entrepreneurship and Youth Development: Examining the rhetoric's and realities of youth entrepreneurship in Ghana

This study is concerned with how young people are actively involved in shaping, negotiating and challenging their economic and social worlds via entrepreneurship in the informal economy in rural Ghana. It focuses on three interrelated issues. First, it examines why rural youth choose to operate non-farm self-employed businesses. It draws on the concept of embeddedness to explore how the social, economic, institutional, spatial (geographical locations) and temporal (relates to time) influence rural youths to establish and manage self-employed businesses. The research explores how the relationships the rural youth entrepreneurs form with family member, friends ethnic and social networks affect their occupational goals and how they manage their businesses. It also explores the extent to which rural youth participate in enterprise workshops and seminars of the government and NGOs and why they choose to formalise or not their businesses(that register their businesses with government, pay taxes to revenue authorities and keep formal accounting records of their transactions) and the reasons behind the decisions the youth entrepreneurs make to formalise or not their businesses.

You are being invited to participate in this study by sharing with researcher your life and career history in the hope of getting insight into the issues outlined above. Your participation in this study will contribute towards developing a better understanding of the discourse of young people and entrepreneurship, especially their formal and informal business practices and the meanings they give to such practices. I assure you that there are no risks associated with granting this interview. Information you provide will only be used for academic purposes as a partial fulfilment for the attainment of a PhD degree. Nevertheless, findings from this study may be discussed and published with the wider research community through conferences, journal articles and books. There are no benefits attached to participating in this interview, however, you will be acknowledged in the final thesis.

Your participation is voluntary and you have the right to decline your participation in this study. If you agree to participate in this study, you are acknowledging that you understand the terms of participation and that you consent to those terms. Nevertheless, you are free to withdraw from this study at any time if you so desire without any prejudice. Also, you are free to choose not to questions any question researcher ask you on the chose topic if you do not wish to talk about them.

The information you provide will be strictly confidential and will not be disclosed or shared with third parties without your permission. Also, it will be stored by the requirements of the University of Sheffield, United Kindom. In any publication, results will be aggregated so that your name will not be able to be identified.

This research has been subject to ethical review, according to the procedures specified by the Management School at the University of Sheffield and has been given a favourable ethical opinion for conduct. In case you have further questions or need clarifications about researcher's identity or participant's confidentiality and rights, please feel free to contact the following at any time:

Dr. Abbi Mamo Kedir
Associate Professor in International Business
The University of Sheffield
Management School
Email: a.m.kedir@sheffield.ac.uk

Thank you for taking the time to read this information leaflet.

APPENDIX B.1.2: Consent Forms for Participants

CONSENT STATEMENT

You are deciding whether or not to participate in this study. Your signature indicates that having read the attached Information Sheet, you understand the purpose of the study, your responsibilities, agree to all arrangements in the Information Sheet and have received copies of the information sheet and this consent form. You have therefore decided to take part in this study and so tick the boxes and sign the form to confirm your consent to participate or withdraw from this study:

- (1) I have read and understood the information sheet and have had the opportunity to ask questions about the study

- (2) I agree to take part in this research project and agree for my data to be used for the purpose of this study

- (3) I agree that my participation is voluntary and I may withdraw at any time without any legal rights being affected

- (4) I am happy for the interview to be tape-recorded

- (5) I am happy for my photograph to be taken and consent its use in publications related to this research project

.....

Name of person taking consent

.....

Signature

.....

Signature of Researcher

.....

Date of signing consent

WITHDRAW OF CONSENT

I at this moment wish to withdraw my consent for participation in this study and understand that such withdrawal will be without detriment.

.....

Name

.....

Signature

.....

Signature of Researcher

.....

Date of withdrawing consent

ATWIMA NWABIAGYA MUNICIPAL ASSEMBLY

NKAWIE



REPUBLIC OF GHANA

In case of reply the number and
The date of this letter should be quoted

P.O. BOX 17
NKAWIE - TDASE - ASHANTI

GHANA - WEST AFRICA

TEL: NUMBERS

0352 290 104 - MCE

0352 290 105 - MCD

0352 290 106 - MFO

DIGITAL ADDRESS AH8002

Date: 21st MARCH, 2018

Our Ref: S/ANMA/3 TJ

Your Ref:

To whom it may Concern


INTRODUCTORY LETTER

This is to introduce to you Mr. Benjamin Afreh, who is a Ghanaian student currently pursuing PhD studies at the University of Sheffield, U.K. His PhD research is titled: *"Informal Entrepreneurship and Youth Development: Examining the rhetorics and realities in Rural Africa"*. He has reached a stage of data collection.

The purpose of this letter is to formally request you to allow him to access relevant information in your custody/organisation, including conducting interviews for his study.

Any assistance rendered to him will be highly appreciated.

Yours faithfully,


FOR: DISTRICT CHIEF EXECUTIVE
(DEPUTY DIRECTOR)
KALEEM ABDALLAH ADAM

APPENDIX B.1.4: INTERVIEW GUIDE

APPENDIX B.1.4.1: Interview guide for research participants

INTERVIEW SCHEDULES (SEMI-STRUCTURED)

A. Family Background and Educational level

1. Can you tell me more about yourself? For instance, your name, age, the community you come from? In which part of Ghana? Whether you attended school, the level you completed and your family (number of brother and sister, your position in the family eg. first born child, etc).

B. Early Work Exposure and Experience: Growing Up, During Movement/Transitions/Apprenticeship

2. Can you tell me more about the different work/activities (including odd jobs) you did throughout the time you were very young for your parents/family or guardians in your community, home town or village to the different locations you may have moved to and then here? For those jobs you did for non-family members how were you able to get them? What made you decide to do those jobs? (kindly talk about each job and the motivation that made you choose to do them)
3. For the apprenticeship training, did you pay any apprenticeship fee before you started the training? How much was it? Did your master or madam give you a written contract after you made such a payment which stated the specific roles you would play during the apprenticeship and her roles as well? If no, why do you think she didn't give you such a written agreement?
4. For the apprenticeship training, was there any management training you were provided by your master in addition to the hard-vocational skills you received on the training? What were they? What about skills related to keeping accounting records of business transactions, such as sales, purchases and incomes, how were you trained in those areas?
5. So when you were working with your master as an apprentice, had he registered his business with the government? What about taxes, was your master paying taxes to the government every month on the incomes he made from his business when you were doing the apprenticeship? What were some of the responsibilities given to you to do by your master? I want both those that were related to your training and those that were not related to your skill acquisition.
6. For the wage work you did what was the mode of payment with regards to the wages and salaries you earned? Why do you think your pay on that job was not sent to the bank for you to withdraw but rather you were paid in cash?
7. In what ways do you think you have benefited from these work and training activities you engaged in? In what ways do you think these work and training activities affected you negatively in your choice of career? Can you tell me more about the difficulties and challenges you faced in these different jobs and during your apprenticeship?

C. Current Living Conditions

8. Who do you live with now, spouse/parent/friends or other relatives? (how are you related to them)? Is the room you live rented or owned by you? Who owns it, your parents? What made you choose to stay here?

D. Entrepreneurship motivations and practices

9. At what point in your career did you decide to start your own business? What were some of the reasons you considered before deciding to start such a business? Was the business you planned to operate differently from this one that you currently manage? Can you tell me the different businesses you have managed since you decided to work for yourself? Why did you finally settle on this particular trade? Do you still do the other businesses? Why? How old were you when you started your first self-employed business?

E. Source of support received at the start of business

10. When you planned to start your business did anyone helped you? In what way did such person(s) support you? For instance, did you get any help such as information on where you can locate your business or advice about jobs you can operate, financial support or capital, customers etc from family, friends, banks? Why do you think these people decided to give you such support?

F. Choice of Rural Location and associated opportunities and constraints

11. Why did you decide to operate such a business in this community or location? Any other reasons? What are some of the challenges you encounter doing business in this location? Will you change such location if you were to decide all over? If yes, why? If no, why not?

G. Enterprise Practices: Employees type, means of employment and (in)formality associated with their employment

12. Do you work with anyone in your business as employees? How did you get to know your workers before employing them as apprentices'/wage workers/casual labour? Did you enter a written agreement or contract with them on how much you will pay them each day/week/month? Why not if you didn't enter into any written agreement?
13. What is each person's wage or salaries? Do you pay taxes on the wages or salaries? Why not if you don't pay taxes on their incomes?
14. What about SSNIT pension contribution, do you pay for your workers' social security? Why not if you don't pay SSNIT pension contribution on their incomes? How many are the workers?
15. What are some of the challenges you encounter working with your employees? Eg. How do they handle your finances, resources and work assigned to them when you are not around? Any other challenges you can think of?

H. Enterprise Practices: (in)formality of non-farm business(es)

16. Have you registered your business? How did you get to know the first time that you have to register your business? Where did you do the registration? How much did you pay in all to do the registration? How long did it take for you to register the business after you started your operations if you have registered? Why do you think some entrepreneurs in this community choose to register (or not) their businesses?
17. Do tax collectors come to this community to collect taxes? How often do they come here? How much do you pay as taxes from your business incomes? Why do you think some business operators choose not to pay taxes on their incomes in this community? How do you think the district assembly or regional revenue officers use the taxes they collect from entrepreneurs in this community? Do you think that your financial situation or obligations towards your family members or personal needs affect the way you plan to pay your taxes? In what way do such a situation or obligations affect your decisions towards paying taxes, kindly explain?
18. So, for all this while you have not registered your business or don't pay taxes on your business, has there been a time when you have received advice from the people close to you such as family and friends to register or pay taxes? What did they tell you do in this regard? (skip if respondent pay taxes or have registered his/her business)
19. Do you keep records of your business and financial activities? How did you get to know about the need to keep these records of your business(es)? Why do you keep (or not) financial records of your business activities? Why do you think some other business operators in this community choose (not) to keep financial records of their businesses? How do you keep your records and how are you able to know from such record keeping that your business is doing well (profitability and growth)?
20. In your experience of managing this (in)formal business, if you were to advise the government on how they can support businesses such as yours in this locality to formalise their businesses (such as, pay taxes, register their business and keep formal accounting records) what advise will you give to them?
21. Do you save with any of the rural banks/MFIs here? What influenced your decision to save (or not) with the bank? How long have you saved with them if you do? Have you saved in the past with any of these financial institutions? For how long did you save with that institution? Why did you stop saving with them? Why do you think some entrepreneurs in this community decide not to save with rural banks/MFIs? If you don't save with a rural bank/MFI how do you save your money? (the use of Mobile money service?)

I. Source of technical and other business support

22. Do you get any support from anyone or organisation in terms of training to improve your business? Who provides such training? How much do you pay to such persons or organisations to be trained? Apart from the training do such people provide you with any other assistance?

J. Supplier type and ways of engagement

23. Who are your suppliers? How did you get to know them? What arrangements do you have with them in terms of purchasing stock or goods on credit? What behaviours do you think you demonstrated that makes them give you stock on credit? What are some of the problems you've encountered working with your suppliers? How do you deal with such problems or situations?
24. How do you pay your suppliers, is it paid through the bank or its paid through cash? Why do think people here prefer customers to pay them with physical cash than say use bank services?

K. Clientele

25. Who are the people that often buys from you? How did they get to know you? What arrangement do you have with them in terms of selling to them on credit? What behaviours do you look out for in your customers before giving goods to them on credit? What are some of the problems you've encountered with your customers? How do you deal with such problems? (example those who buy on credit and refuse to pay) How do you deal with competition from other entrepreneurs who do similar businesses like your own?
26. How are you paid by your customers, is it paid through the bank or its paid through cash? Why do think people here prefer customers to pay them with physical cash than say use bank services or other payment methods such as mobile money service?

L. Sales, Purchases and Incomes/Profit

27. How much do you make in a typical day or week or month in terms of sales? How often do you purchase your materials? how much do you spend on purchases of your materials in a typical week or month?
28. How do you spend the profits you make from this business (and the other business)? How do you think the way you spend your profit affect your business in term of how it is growing or becoming productive? (e.g., how do you think the amount you give to your employees affect their commitment and performance on the job? How do you think your investment of such profits in new business activities or products affect the growth of the business?)
29. Do you think your participation in formality and/or informality activities affect how you are able to manage your sales and purchases activities to become profitable or grow your business? How?

M. Family and Community Commitment

30. What are some of your daily financial and non-financial responsibilities to your family? How do you manage such responsibilities and your business? How often do you attend social events, such as naming ceremonies, marriage, outdooring, funerals? Church? How much do you think you spend on these activities in a week or month? Why do you think it is necessary to spend such monies and time on these social activities?

N. Formal/ Informal Business Association Membership

31. Are you a member of any savings and loans group or trade association? Why did you join one if you are a member? How long have you been with the group or different groups? Who are the leaders of your group and how were they chosen to lead the group? How does the group operate when you meet? How often do you attend meetings? What benefits have you gotten from the group(s) or different groups since you joined? What are the challenges you have encountered with your group?

O. Marital factors

32. Are you married? If yes, what factors did you consider before deciding to marry? (eg. why did you think marriage is important to you as a young entrepreneur)?
33. How do you think people consider youth entrepreneurs in this community who are married in term of respect given to them? How do you think such respect affect their businesses? What about their marriages? How do you think their marital statuses affect the businesses they operate?
34. What about the decision's entrepreneurs make towards informality? Do you think their marital status influence them in any way in terms of keeping financial records or paying taxes or registering their businesses? How?
35. If you are married, which people show you that respect? What were some of the preparation you made financially before you got married? How much did it cost you in total? Who bared the costs involved in the ceremony? What role did your family members play in organising and preparing for the marriage? How much from your business did you use to support the marriage ceremony?

36. If you are married, how does your spouse see you and the way you manage your business? (eg. hardworking, supporting, resourceful spouse and what do you do that make him or her see you that way?)(eg. support family expenses, pay children school fees, etc)
37. If you are not married do you plan to marry soon? What sort of person do you plan to marry and why? (eg. hardworking, supporting, resourceful spouse and why you need such sort of person?) What plans are you making towards marriage and when do you plan to do so? Eg. in terms of buying items and savings? How much have you spent so far on your marriage preparations?

P. Social/Ethnic Event participation/ Socio-cultural and gendered expectations

38. Apart from a formal and informal business association do you participate in activities of other social groups? What specific roles do you play? How do such social gatherings affect your business(es)?
39. Are there certain things in your family, ethnic group or community that you were not allowed to do when you were unemployed/family worker/casual labour but is now allowed to do because you operate your own business? Tell me more about them?
40. In your culture or this community what are the expectations of the youths and adults? How do such expectations affect the way you manage your business?

Q. Perception of Business Success and Reputation in Community

41. Do you think people in the community respect you because of the business you are managing? What makes you think so? how and who do give you that respect? Do you think the respect the people give you affect how you do your business? In what ways?

R. Perception of youth and adults in the community with regards to work and enterprise management

42. What do you think are the expectations of youths and adults in this community with regards to engaging in work activities or enterprise management?

S. Current Business Challenges

43. Can you tell me more about some of the challenges that your business is currently faced with? What are you doing to address these challenges?

T. Plans and fears for the Future

44. How long do you plan to operate this business (and the other businesses)? What are your plans in terms of growth and plans to move towards formality (register the business, keep accounting records and pay taxes)? What do you think can make such plans delay or not come to pass?
45. Apart from this business what are your plans for the way you want to progress in life? What are your fears for the future?
46. If I want to understand your role in this business and the reasons why you have (not) formalise your business (es), what do you think I should have asked that I didn't?

NB: Photos of the interview session

PERSONAL OBSERVATIONS OF INTERVIEWEE AND HIS OR HER BUSINESS

APPENDIX B.1.4.2: Interview guide for officials of enterprise development organisation in the public and NGO sectors at the District

KEY INFORMANTS 1

1. Can you please tell me about your position in this organisation and your age?
2. What are the enterprise development programmes or interventions that your office currently run in the district?
3. Can you tell me more about the programme(s)/interventions/project in terms of its objectives and implementation processes, targeted beneficiaries, sources of funding, implementation period and partner organisations?
4. How are targeted beneficiaries selected onto the programme(s)/projects? What is the composition of targeted beneficiaries in terms of youths (those aged between 18-35)?
5. As the Country has attained a lower-middle-income status and key development actors are pulling out in terms of their provision of funding, what mechanisms is your organisation putting in place to sustain the programmes/projects?
6. It is generally said that most of the rural youth in Ghana who operate their own non-farm businesses do so in the informal economy, in terms of operating businesses that are not registered, pays no taxes, no social security contribution or keep proper accounting records. What has been your experience of dealing with such informal operators in terms of their participation in your enterprise development programmes? What specific aspects of your programmes are aimed at influencing them to move towards formality? What do you think make many of them continue to operate their businesses in the informal economy even when they participate in your programmes?
7. So, most of the youth entrepreneurs' I have interviewed don't keep formal complete accounting records. But, one of the requirements of the government funding scheme is they present business plans, budgets and accounting records before they benefit from government loans and grants. So, with many of the entrepreneurs not keeping such records and unable to develop business plans how are those often selected for these funding selected to benefit?
8. What are the challenges you face in the implementation of the programme/project? If you were in a position to advise policymakers what advice would you give to address these challenges?
9. What do you think are the most effective ways these informal operators can be supported to move towards formality?
10. Is there any other comment you want to make?

APPENDIX B.1.4.3: Interview guide for officials of Formal business regulatory offices at the District and Regional levels

KEY INFORMANT 2: TAX OFFICIAL

- (1) Can you please tell me about your position in this organisation and your age?
- (2) Why do you think people in this District or region not register their businesses with the GRA or to pay tax on their income?
- (3) Why do people don't want to pay tax?
- (4) Tell me about the registration processes and costs if someone wants to register his/her business? How long does it take to get the person registered?
- (5) How often do you go to collect taxes from small business operators in rural communities?
- (6) Do you have some specific tax for different enterprise groups like those in small businesses? How do you determine how much a particular informal business operator should pay?
- (7) Do you think there are cultural or religious reasons that are why some people do not want to pay taxes? If so, what are they?
- (8) How do you think the perception people have for politicians/public officer holders in terms of lack of trust affect their decisions to decide to pay taxes?
- (9) What are some of the measures that your office has put in place to ensure tax/levies compliance?
- (10) How are you able to track those small business operators who do multiple businesses to ensure that the taxes they pay reflect the incomes they are making?
- (11) How are you able to track those small business operators who have registered their businesses with the Registrar General Department but do not pay any taxes on the incomes they make?
- (12) What are some of the challenges you face in your work?

(13) If you are in a position of policy, what are the specific things you will do to address these challenges?

(14) Is there any other comment you want to make?

KEY INFORMANT 3: OFFICIAL AT REGISTRAR GENERAL DEPARTMENT AT THE REGIONAL LEVEL

- (1) Can you please tell me about your position in this organisation and your age?
- (2) Tell me about the registration processes and costs if someone wants to register his/her business? What are the requirements for the different registration types? With many communities lacking proper addressing system, how is the Department able to verify the addresses of the registrants? How long does it take to get a person registered?
- (3) From your opinion, why do you think some people in this region come to register their businesses but the large majority don't register their businesses with the Registrar General Department as required by law?
- (4) From your experience, what is roughly the gender composition of those who register their businesses in terms of percentage-wise? Why do you think this is the trend?
- (5) How often does your office hold outreach and sensitisation forums with small business operators in particularly rural communities to register their businesses? Which local or districts organisations do you collaborate with when holding such forums? Despite your outreach, it seems a lot of the people still don't register their business why do you think it is so?
- (6) Do you think there are cultural or religious reasons that are why some people choose not to register their businesses? If so, what are the reasons?
- (7) How do you think the perception people have for politicians/public office holders in terms of lack of trust affect their decisions to register their enterprises?
- (8) What are some of the measures that your office has put in place to ensure that business operators register their businesses?
- (9) What are some of the challenges you face in your work?
- (10) If you are in a position of policy, what are the specific things you will do to address these challenges?
- (11) Is there any other comment you want to make?

APPENDIX B.1.5: DIFFERENCES IN RESEARCH SITES

Table 5-1: Demographic characteristics and other regional disparities between selected administrative Regions and District for Field Study

Characteristics	Northern Region				Ashanti Region	
	Kumbungu District		Tolon District		Atwima Nwabiagya District	
District Population (N)	39,033		71,862		146,076	
Poverty (head-count) (%)	32.3		42.7		13.3	
Educational level	Male	Female	Male	Female	Male	Female
<i>No Education</i>	67.8	81.2	66.8	81.8	9.3	18.8
<i>Basic Education</i>	24.1	16.00	21.8	14.9	61.3	61.6
<i>Secondary education</i>	5.7	2.2	5.9	2.2	18.3	12.6
<i>Vocational education</i>	0.4	0.2	0.3	0.1	2.1	1.8
<i>Post-secondary</i>	1.3	0.3	1.9	0.3	5.1	3.9
<i>Tertiary</i>	0.8	-	3.3	0.7	3.8	1.4
Employment status						
<i>Total employed</i>	80.8	74.9	81.7	79.3	97.3	90.8
<i>Unemployed</i>	1.2	1.6	1.7	2.8	6.3	9.2
<i>Economically inactive</i>	18.1	23.5	18.3	20.7	29.4	33
Sector of Employment						
<i>Formal-Public (Government)</i>	1.3	0.4	2.8	0.7	9.1	6
<i>Formal-Private</i>	0.4	0.4	0.6	0.5	10.2	3.9
<i>Formal-NGOs</i>	0.6	0.7	0.3	0.5	1.1	0.3
<i>Private Informal</i>	97.8	98.5	97.2	98.2	79.6	89.8
Marital Status (12years and older)						
<i>Married</i>	55.5	68.00	54.1	66	37.9	39.1
<i>Never married</i>	42.4	22.8	43.2	24.3	50.1	37.6
<i>Consensual union</i>	0.3	0.4	0.4	0.5	8	9.3
<i>Separated/Divorced</i>	1.2	1.4	1.2	1.1	3	7.4
<i>Widowed</i>	0.7	7.4	1	7.6	0.9	6.5
Religion						
<i>No religion</i>	0.3	0.3	0.5	0.5	7.6	3.7
<i>Islam</i>	95.3	95.8	93.3	94.9	11.1	9.6
<i>Christian</i>	3	2.8	4.3	3.2	80.3	85.9

Other	1.4	1.1	1.9	1.5	1	0.8
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Source: Ghana Statistical Service, 2010 Population and Housing Census, GSS,2014c, 2014d,2014e

APPENDIX B.1.6: CODE-BOOKS

This appendix provides a sample of the codebook used for the analysis in Chapter 5 (Qualitative study). Further examples can be requested from the author.

QUALITATIVE DATA CODING FRAMEWORK

(A): EMERGENCE PROCESSES, CONDITIONS AND STRUCTURES WITHIN THE ECONOMIC DOMAIN OF CONTEXT ON NON-FARM (IN)FORMAL ENTREPRENEURSHIP

Aggregate Dimensions	2nd Order Themes	1st Order Concepts	Basic codes 1	Basic codes 2	Codebook	
A. Influence of economic environments on non-farm entrepreneurship and (in)formality decisions and practices	A.1 Platform to exploit viable entrepreneurial opportunities for personal elevation	A.1.1 Pathway to attain economic/personal goals	A.1.1.1 Personal independence		Theory-driven code	
			A.1.1.2 Less exploitation from employers		Theory-driven code	
			A.1.1.3. Better income than wage jobs		Theory-driven code	
			A.1.1.4 Financial freedom		Theory-driven code	
			A.1.1.5 More income opportunities than farm jobs		Theory-driven code	
			A.1.1.6 Flexible working time		Theory-driven code	
			A.1.1.7 Enable family tasks (female entrepreneurs)		Theory-driven code	
		A.1.2 formality/informality practices associated with the accumulation of funds for asset acquisition/ attaining personal independence	A.1.2.1 savings practice	A.1.2.1.1 Saving in money boxes in the room		Emerging code
				A.1.2.1.2 Saving in ROSCAs		Emerging code
				A.1.2.1.3 Saving in rural banks/MFIs		Emerging code
		A.1.2.2 Accounting practices	A.1.2.2.1 Mental tabulation of incomes and expenses than use book records		Emerging code	
	A.2 Sensemaking of being located in economically disadvantaged environments	A.2.1 Financial constraints associated with operating non-farm business(es)	A.2.1.1 Ideation phase: restricted entry into industry		Emerging code	
			A.2.1.2 Implementation, survival and growth phase: marginal incomes/ inconsistent incomes		Emerging code	
		A.2.2 Formality and informality practices associated with financial constraints at ideation, growth and survival phase of business	A.2.2.1 saving practices associated with financial constraints faced	A.2.2.1.1 Inability to save in formal or informal sources		Emerging code
				A.2.2.1.2 Inconsistent savings with rural banks due to low incomes/inactivity of bank accounts		Emerging code
				A.2.2.1.3 Quit membership of ROSCAs/VSLAs		Emerging code
			A.2.2.2 Tax compliance behaviour: low incomes influence decisions to evade taxes		Theory-driven code	
		A.2.3 Market-related constraints	A.2.3.1 Low demand for products and services affect pricing		Emerging code	
			A.2.3.2 Competition in the marketplace	A.2.3.2.1 Inability to compete effectively in local markets due to financial constraints		Emerging code
				A.2.3.2.2 Inability to compete in the local market due to cheap imports		Emerging code
			A.2.3.3 Volatility associated with prices of inputs and high transportation costs		Emerging code	
		A.2.3.4 High transportation costs		Emerging code		
		A.2.4. Vulnerabilities associated with occupations/ Poor occupational safety and well-being and its influence on informality decisions	A.2.4.1 Stress and tiredness related to long hours and days of work		Emerging code	
			A.2.4.2 High dependence on self-medication/ use of illicit drugs to stay on the job		Emerging code	
			A.2.4.3 Influence of work-related stress on tax non-compliance decisions		Emerging code	
		A.3 Using economic and agential resources (here emphasis is placed on the use of physical strength and mental abilities) to strategically respond to opportunities and constraints in economic environments	A.3.1 Combining economic and agential resources at hand to respond to operational opportunities and constraints	A.3.1.1 Access and use of agential resources at hand to generate economic resources	A.3.1.1.1 Demonstration of entrepreneurial traits, such as negotiation skills, positive attitude, alertness for opportunities, hard work and seriousness towards work	Emerging code

			A.3.1.2 Improving or stabilising financial situation through diversification/ engaging in occupational, product and service pluralism	A.3.1.2.1 Use of family home as business premises to engage in occupational, product and service pluralism	Emerging code
				A.3.1.2.2 Use of non-home (shops) primary business premises to engage in occupational, product and service pluralism	
				A.3.1.2.3 Apprenticeship fees paid and tools of employed apprentices adding up the pool of business resources	Emerging code
				A.3.1.2.4 Use of cheap labour (apprentices) to support diversification activities	Emerging code
			A.3.1.3 Using formality and informality business practices to deal with over-stretch managerial capacities associated with occupational, product and service pluralism	A.3.1.3.1 Verbal agreements in place of written contracts give entrepreneurs flexibility to use employees for wide range of venture activities /support diversification strategies	Emerging code
				A.3.1.3.2 Verbal agreements in place of written contracts give entrepreneurs avenues to choose when and how much to pay employees	Emerging code
				A.3.1.3.3 Cash payments with no mechanisms for tax compliance	Emerging code
				A.3.1.3.4 Selective formal and informal saving practices	Emerging code
				A.3.1.3.5 Selective formal and informal record-keeping practices	Emerging code
		A.3.2 Combining economic and agential resources at hand to respond to marketing opportunities and constraints	A.3.2.1 Focus on quality and uniqueness of products and services to meet customer demands	A.3.2.1.1 Providing quality products and services	Emerging code
				A.3.2.1.2 Use aggressive personalised selling strategies to stay competitive in the marketplace	Emerging code
				A.3.2.1.3 Quality of service as a strategic marketing tool to bring in new business(es)	Emerging code
				A.3.2.1.4 Use of quality inputs	Emerging code
				A.3.2.1.5 Diffusion of innovation in clustered industries (e.g., kente weaving)	Emerging code
			A.3.2.2 Focus on pricing	A.3.2.2.1 Bulk purchases of inputs to save on production costs and hence adopt moderate pricing	Emerging code
				A.3.2.2.2 Moderate pricing to penetrate the market	Emerging code
				A.3.2.2.3 Moderate pricing to stay competitive	Emerging code
				A.3.2.2.4 Price variation dependent on service demands	Emerging code
				A.3.2.2.5 Price variation dependent on taste and preference of clients	Emerging code
				A.3.2.2.6 Price variation associated with product pluralism to improve profitability and income	Emerging code
				A.3.2.2.7 Fix pricing of some product and services	Emerging code
				A.3.2.2.8 Attitude towards real-time access to market information on changing prices	Emerging code
				A.3.2.2.9 Role of suppliers to provide real-time market information on pricing	Emerging code
			A.3.2.3 Formality and informality practices associated with product pricing	A.3.2.3.1 Discounted and intuitive pricing of products and services which lead to an inability to keep records, pay taxes and save in banks	Emerging code

QUALITATIVE DATA CODING FRAMEWORK

(B): EMERGENCE PROCESSES, CONDITIONS AND STRUCTURES WITHIN THE SOCIAL DOMAIN OF CONTEXT ON NON-FARM (IN)FORMAL ENTREPRENEURSHIP

Aggregate Dimensions	2nd Order Themes	1st Order Concepts	Basic codes 1	Basic codes 2	Codebook
	B.1 Influence of strong ties on non-farm entrepreneurship and (in)formality	B.1.1 Benefits associated with family and friendship ties to participate in non-farm entrepreneurship	B.1.1.1 Advise, ideas and encouragement on occupational choice	B.1.1.1.1 Advice on choice of vocation to learn	Theory-driven code
				B.1.1.1.2 Encouragement received to leave paid wage jobs to pursue apprenticeship	Theory-driven code
				B.1.1.1.3 Encouragement (of females) to continue with apprenticeship during teenage pregnancy	Theory-driven code
				B.1.1.1.4 Emotional support received to overcome fear associated with certain occupation (e.g., funeral undertaker job)	Theory-driven code
				B.1.1.1.5 Advise received to do wage jobs to raise economic capital for venture creation after apprenticeship training	Theory-driven code
				B.1.1.1.6 Encouragement and ideas received from household members to diversify enterprises	Theory-driven code
			B.1.1.2 Access to economic resources	B.1.1.2.1 Financial support for apprenticeship	Theory-driven code
				B.1.1.2.2 Access to free accommodation	Theory-driven code
				B.1.1.2.3 Financial support as start-up capital	Theory-driven code
				B.1.1.2.4 Financial support for apprenticeship	Theory-driven code
				B.1.1.2.5 Financial support for recapitalisation (females after maternity period/post-childbirth)	Emerging code
				B.1.1.2.6 Access of cheap inputs	Theory-driven code
				B.1.1.2.7 Partnerships (husband-wife/parent-child/sibling-sibling/friend-friend) to pull financial resources to engage in occupational, product and service pluralism	Emerging code
			B.1.1.3 Access to non-economic operational resources and skills	B.1.1.3.1 Acquisition of skills on enterprise management	Theory-driven code
				B.1.1.3.2 Access to information on operations management	Theory-driven code
		B.1.1.3.3 Access to information on market channels/suppliers		Theory-driven code	
		B.1.1.3.4 Access to information on economic and non-economic benefits associated with operating unincorporated and incorporated ventures		Emerging code	
		B.1.2 Constraints/Problems associated with family and friends to participate in non-farm entrepreneurship and (in)formality	B.1.2.1 Family/friends interference in the business	B.1.2.1.1 Family/friends interference in business decision making	Theory-driven code
				B.1.2.1.2 Family/friends interference in operations of the business	Theory-driven code
				B.1.2.1.3 Family use of physical resources of the enterprise	Emerging code
				B.1.2.1.4 Conflicts associated with family/friend's interference	Emerging code
			B.1.2.2 Struggle to balance household and family duties with enterprise operations (females)	B.1.2.2.1 Time spent on child-care/ care for elderly relatives decreases speed and productivity of work	Emerging code
				B.1.2.2.2 Responsibility towards supporting farm work of spouse decreases productivity and time at enterprise premises	Emerging code
			B.1.2.3 Use of funds from business to support family and friends	B.1.2.3.1 Depletion of enterprise economic capital due to family/friends' financial demands	Theory-driven code
				B.1.2.3.2 Support to family/friends dependent on reciprocal support received for career/enterprise development	Emerging code
			B.1.2.4 Spousal problems in the home as a result of venture created (females)	B.1.2.4.1 Shirking of financial responsibilities by husbands due to wives engagement in productive ventures.	Emerging code
				B.1.2.4.2 Wives operate multiple businesses to cope due to neglect from husbands	Emerging code

B. Influence of strong and weak ties on non-farm entrepreneurship and (in)formality		B.1.2.5 Preference for employing non-family/friend apprentices than family/peer workers to reduce interference		Emerging code	
		B.1.2.6 Formality and informality practices associated with family constraints/problems	B.1.2.6.1 Male entrepreneurs (especially those married) savings practices: save in easy to access sources to fulfil family responsibilities and meet business contingencies (e.g., money boxes in the room; active users of mobile money service to hide business savings from family)	Emerging code	
			B.1.2.6.2 Female entrepreneurs (especially those married) savings practices: save away from home (e.g., VSLAs/ROSCAs/Rural banks to hide savings from family members)	Emerging code	
			B.1.2.6.3 Unconventional accounting practices to hide performance of businesses from family and friends (e.g., keeping business records through the use of markings understood only by the entrepreneur and a few trusted workers)	Emerging code	
			B.1.2.6.4 Preference to use additional incomes from business to meet financial obligations of family/ friend than pay taxes	Emerging code	
	B.2 Influence of weak ties on non-farm entrepreneurship and (in)formality	B.2.1 Benefit associated with working with non-family/friend employees	B.2.1.1 Financial benefits from employing many non-family/friend apprentices	B.2.1.1.1 Apprenticeship fees paid by employees to learn vocation as important source of additional finance to improve working capital of employer	Emerging code
				B.2.1.1.2 Mandatory equipment supplied by apprentices to learn vocations adds to the pool of production inputs of employers' ventures	Emerging code
			B.2.1.2 Use of competent trusted and skilled apprentices to ensure continuity of business when employer is away from business premises	B.2.1.2.1 Delegation to competent apprentices allow entrepreneurs to exploit other streams of businesses at the same time without loss of income and production time in primary venture	Emerging code
				B.2.1.2.2 Delegation to competent apprentices allow entrepreneurs to meet household duties without loss of production time and incomes (e.g., engage in child/elder care duties)	Emerging code
				B.2.1.2.3 Delegation to competent apprentices allow entrepreneurs to attend to social events without loss of production time and income (e.g., marriage events, funerals, VSLAs meetings, etc)	Emerging code
				B.2.1.2.4 Entrepreneurs who lack apprentices lose revenues and clients when attending to household duties/social events	Emerging code
		B.2.1.3 Non-financial benefits of working with non-family/friend apprentices	B.2.1.3.1 Preference for non-family apprentices fosters professional relationships that enhance hard work, seriousness, quality of work, speed and productivity	Emerging code	
			B.2.1.3.2 New idea generation from employees to improve products and services to customers of enterprise	Emerging code	
			B.2.1.3.3 Presence of employees put the entrepreneurs on their toes as such apprentices look up to them for inspiration to work	Emerging code	
			B.2.1.3.4 presence of employees reduce boredom and operational difficulties associated with some vocations (e.g., kente weaving)	Emerging code	
		B.2.1.4 Informality practices associated with employing non-family/friends apprentices: Preference for non-written employment agreements	B.2.1.4.1 Give entrepreneurs room to terminate the appointments of less dedicated employees at will without any legal consequences	Emerging code	
		B.2.2 Constraints/Problems associated with working with non-family/friend employees	B.2.2.1 Financial costs of working with non-family employees	B.2.2.1.1 Forfeiture of apprenticeship fees due to established relationship with parents of apprentices/loss of additional economic capital because of ties to apprentices family	Emerging code
				B.2.2.1.2 Provision of accommodation, food and wages to some apprentices	Emerging code
				B.2.2.1.3 Side-selling and pilferage activities by employees	Emerging code
				B.2.2.1.4 Employees misuse of economic resources of the enterprise for personal gains	Emerging code
	B.2.2.2 Formality and informality strategies to manage different behaviours of employees to safeguard the interest of the business		B.2.2.2.1 Selective record-keeping to check employees misuse of economic resources and production inputs of the businesses	Emerging code	
B.2.2.2.2 Selective record-keeping to hide the performance of business from employees due to adverse behaviour if they know how well the business is doing			Emerging code		
B.2.2.2.3 Changing savings practices to reduce employees knowledge of the financial performance of the businesses which could affect their dedication to the work			Emerging code		
B.2.2.3 Downside of employing apprentices with no written contracts	B.2.2.3.1 Some apprentices are more committed to their family duties than dedicate to the business of the entrepreneur (e.g., frequent absent from firm of entrepreneur during planting season as they choose to work in farms of parents)		Emerging code		
	B.2.2.3.2 Some apprentices combine school with apprenticeship which make them work only after school hours		Emerging code		

		B.2.2.3.3 Entrepreneurs employ many workers to deal with this problem of shortfall in workforce during operational periods	Emerging code	
B.2.3 Benefit associated with ties with suppliers/middlemen	B.2.3.1 Access to real-time market information	B.2.3.1.1 Access to real-time information on new inputs, products and services in the market place	Emerging code	
		B.2.3.1.2 Access to real-time information on changing prices in the market place	Emerging code	
	B.2.3.2 Provision of short-term credit sales	B.2.3.2.1 Credit sales dependent on the level of relationship established	Emerging code	
		B.2.3.2.2 Credit sales dependent on the nature of products dealt in (e.g., perishability of inputs and products)	Emerging code	
		B.2.3.2.3 Alternating strategic relationships with suppliers (middlemen) based on the level of demands for products in the marketplace, especially during lean and peak seasons	Emerging code	
		B.2.3.2.4 Use of marketing channels of middlemen to sell products of entrepreneurs during lean business seasons	Emerging code	
		B.2.3.2.5 Use of marketing channels of middlemen reduce marketing costs	Emerging code	
	B.2.3.3 Formality and informality practices associated with ties with suppliers/middlemen	B.2.3.3.1 Use of saved funds from electronic sources (mobile money transfer service) to pay suppliers for timely delivery of raw materials	Emerging code	
		B.2.3.3.2 Use of mobile phones to access real-time information on input prices	Emerging code	
		B.2.3.3.3 No written agreement on stipulated credit terms with suppliers for short term credit purchases	Emerging code	
		B.2.3.3.4 No written agreement with suppliers allow entrepreneurs to re-negotiate for perishable inputs during times of poor sales	Emerging code	
		B.2.3.3.5 No written agreement with supplier allows for flexibility in terms of payment time as suppliers often understand the plights of entrepreneurs on perishable inputs and offer them more time to pay outstanding debts	Emerging code	
	B.2.4 Constraints/Problems associated with ties with suppliers/middlemen	B.2.4.1 Effect of unfair supplier-buyer arrangement with middlemen on operations of entrepreneurs	B.2.4.1.1 Lack of credit sales arrangements from suppliers/middlemen who supply non-perishable inputs (e.g., middlemen in kente weaving business)	Emerging code
			B.2.4.1.2 Suppliers/middlemen purchase of finish products on credit from entrepreneurs	Emerging code
B.2.4.1.3 Purchase of finish products at low prices from entrepreneurs but sell in the market at higher prices			Emerging code	
B.2.4.1.4 Lock up working capital with middlemen due to delays in payment for products purchased on credit			Emerging code	
B.2.5 Benefit associated with ties with customers (those not middlemen)	B.2.5.1 Access to feedback on products and services	B.2.5.1.1 Feedback allows entrepreneurs to provide quality products and services to meet the needs of customers in the marketplace	Emerging code	
	B.2.5.2 Customer loyalty	B.2.5.2.1 Ensure continual demand for product and services of entrepreneurs in lean business seasons which sustain working capital of entrepreneurs	Emerging code	
		B.2.5.2.2 Loyal customers introduce other potential customers to the venture which improve customer base	Emerging code	
B.2.6 Constraints/Problems associated with ties with suppliers/middlemen	B.2.6.1 Financial costs associated with ties with customers	B.2.6.1.1 Reduced profits due to moderate and discounted pricing	Theory-driven code	
		B.2.6.1.2 Delayed payment for credit sales which cripple business/ reduce working capital	Emerging code	
		B.2.6.1.3 Excessive demand for financial assistance /entrepreneurs seen by customers as safety-net for financial help during personal emergencies	Emerging code	
		B.2.6.1.4 Failure to assist customers can lead to damaging reputation of entrepreneurs as self-seeking /loss of other customers	Emerging code	
	B.2.6.2 Strategic relationship with customers to reduce customers default	B.2.6.2.1 Fostering closer ties with only customers perceived creditworthy	Emerging code	
	B.2.6.3 Gendered nature of credit sales to customers and rate of default	B.2.6.3.1 Credit sales and default rate prevalent among female entrepreneurs than male entrepreneurs	Emerging code	
B.2.7 Benefit associated with ties formed in VSLAs/ROSCAs	B.2.7.1 Financial benefits	B.2.7.1.1 Provide an easily accessible avenue to save monies to improve cash flow/ to save to purchase equipment/tools for businesses/access loans	Theory-driven code	
		B.2.7.1.2 Access to interest on savings in the case of VSLAs	Emerging code	
		B.2.7.1.3 Access to emergency loans to meet personal and household contingencies in the case of VSLAs	Emerging code	
		B.2.7.1.4 Mutual financial contribution to support members during life events such as marriage, naming ceremonies or to reduce shocks associated with illness/death of relatives of members	Emerging code	
	B.2.7.2 Non-financial benefits	B.2.7.2.1 Expand client base as members patronise products/services of each other	Emerging code	
	B.2.7.3 Formality and informality practices associated with VSLAs/ROSCAs	B.2.7.3.1 No written agreement to proof members/ collective non-written (verbal) identification of membership	Emerging code	

		B.2.7.3.2 Provide space to entrepreneurs (particularly females) to hide save in avenues that hide incomes from strong ties (family, husband, etc) to reduce demands on the business	
		B.2.7.3.3 Use of passbooks in the case of VSLAs allow entrepreneurs to determine the performance of their ventures (e.g., monitor sales from different multiple products/services)	Emerging code
		B.2.7.3.4 No use of passbooks in the case of ROSCAs / Mental tabulation/record keeping of individual savings	Emerging code
		B.2.7.3.5 Use of electronic savings (mobile money service) to save funds raised from members of ROSCAs/ allow leaders of ROSCAs (who are mainly females) to save group funds away from family/husband	Emerging code
		B.2.7.3.6 Some VSLAs participate in training activities of the state/NGOs in the district to improve funds mobilisation and management	Emerging code
B.2.8 Constraints/Problems associated with ties formed in VSLAs/ROSCAs	B.2.8.1 Selective membership to VSLAs/ROSCAs: restricted entry to youth entrepreneurs/ entry for only those actively employed	B.2.8.1.1 Access VSLAs/ROSCAs require youth entrepreneurs to demonstrate strong bodily capital (e.g., acceptable behaviours in the community such as hardworking in enterprise, patience, respectfulness and kindness)	Emerging code
	B.2.8.2 Communal responsibility to ensure funds are kept safe in the case of VSLAs	B.2.8.2.1 Reports of theft of savings boxes of groups in a limited number of cases	Emerging code
	B.2.8.3 Leaders of some ROSCAs misused funds of the group/ can lead to conflict among members		Emerging code
	B.2.8.4 Leaders of some ROSCAs face with conflicts with husbands because of saving group funds at home		Emerging code
	B.2.8.5 Time spent away from the business for VSLAs meetings affect business performance and profitability where entrepreneurs have no employees		Emerging code
B.2.9 Benefit associated with ties formed in self-help vocational associations (e.g., tailors & dressmakers association; hairdressers association)	B.2.9.1 Real-time information on changing business practices, especially on product and service quality, pricing, etc		Emerging code
	B.2.9.2 Collective decisions on uniform pricing of some products and services		Emerging code
	B.2.9.3 Avenues for skills acquired from more experienced master artisans who are members of the group		Emerging code
	B.2.9.4 Mutual financial contribution to support members during life events such as marriage, naming ceremonies or to reduce shocks associated with illness/death of relatives of members		Emerging code
	B.2.9.5 Formality and informality practices associated with self-help vocational associations	B.2.9.5.1 Certification employers and their graduated apprentices	Emerging code
		B.2.9.5.2 Preference for vocational certificates over business registration certificates due to legitimacy it provides to entrepreneurs in the eyes of current and potential employees as well as community actors	Emerging code
		B.2.9.5.3 Symbolic capital: certification bring in new non-family/friend apprentices as it shows that entrepreneurs are well trained and can properly train others	Emerging code
		B.2.9.5.4 Entrepreneurs without vocational certificate only depend on other forms of agential capital (bodily capital) to recruit apprentices	Emerging code
		B.2.9.5.5 Symbolic capital: certification improve customer base as it shows the entrepreneur's competence on the job	Emerging code
		B.2.9.5.6 Entrepreneurs without vocational certificate only depend on other forms of agential capital (bodily capital) to expand customer base	Emerging code
		B.2.9.5.7 Entrepreneurs preference to make obligatory dues contribution to vocational associations than choose to be tax compliant; perceived tangible benefits received for such contributions and meetings than payment to the government	Emerging code
B.2.9A Constraints/problems associated with ties formed in self-help vocational associations	B.2.9A.1 Financial costs	B.2.9A.1.1 Obligatory dues contribution	Emerging code
		B.2.9A.1.2 Cost of transportation to place of meeting where such meetings are held in other communities	Emerging code
		B.2.9A.1.3 Time spent away from business for association meetings affect business performance and profitability where entrepreneurs have no employees	Emerging code

