

**THE EFFECTS OF ‘SUSU SCHEME’ ON THE ECONOMIC  
EMPOWERMENT OF YOUTH ENTREPRENEURS WITHIN  
THE KUMASI METROPOLIS, GHANA**

By

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**DECLARATION**

I, Joan Ofoli-Tibboh, hereby declare that this submission is my own work towards the degree of Master of Science and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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## **ABSTRACT**

The study sought to assess the effect of 'susu scheme' on the economic empowerment of youth entrepreneurs with cross-sectional data randomly collected from sixty-five (65) youth entrepreneurs in the Kumasi metropolis using a questionnaire administered through personal interviews. The data obtained were analyzed using paired sample T-test and, multi-regression technique. Among the key findings of the study are that 'susu scheme' has had a significant impact on the economic empowerment of youth entrepreneurs; It however cleared that the number of years of being a 'susu' contributor and the amount contributed per day do not explain the variability in the economic empowerment level of a youth entrepreneur; The conclusion of the study is that the 'susu scheme' has made a significant impact on the economic empowerment of youth entrepreneur in the Kumasi metropolis. In addition, the study concludes that it is not advisable to predict the empowerment level of a 'susu'-contributing youth entrepreneur in the Kumasi metropolis by the number of years he/she has been contributing to 'susu scheme' and the amount he/she contributes daily. Among the recommendations made by the study are that institutions in Ghana that run the 'susu scheme' should scrap their 'no-loan policy' for initiatives that will seek to make credit available to clients on relatively long-term basis or Government should embark on a comprehensive programme of empowering rural banks, savings and loans institution, credit unions and other licensed and monitored microfinance financial institutions that practice microfinance; that Policy makers should also design more savings and loans sensitization programme aimed at encouraging the youth entrepreneurs, especially the financially challenged ones, to join the 'susu scheme'; and that future studies should be directed at focusing on getting samples from co-operative unions and other regions so that a comprehensive assessment of the 'susu scheme' on the economic empowerment of youth entrepreneur could be established.

## TABLE OF CONTENTS

CONTENT	PAGE
<b>DECLARATION.....</b>	<b>ii</b>
<b>ACKNOWLEDGEMENTS .....</b>	<b>iii</b>
<b>ABSTRACT.....</b>	<b>iv</b>
<b>TABLE OF CONTENTS .....</b>	<b>v</b>
<b>LIST OF TABLES .....</b>	<b>viii</b>
<b>LIST OF FIGURES .....</b>	<b>ix</b>
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Background of Study .....	1
1.2 Problem Statement .....	3
1.3 Research Objectives.....	4
1.4 Research Questions .....	4
1.5 Hypothesis of the Study .....	5
1.6 Significance of this study.....	5
1.7 Scope of the Study .....	6
1.8 Limitation and Delimitation of Study .....	7
1.9 Research Methodology .....	7
<b>CHAPTER TWO .....</b>	<b>9</b>
<b>LITERATURE REVIEW .....</b>	<b>9</b>
2.1 History of Microfinance Brief .....	9
2.2 Microfinance .....	11
2.3 Microfinance Institutions in Ghana .....	16
2.3.1 The ‘Susu’ Scheme .....	17
2.3.2 Key Characteristics of the Susu Scheme in Ghana.....	18
2.4 Definition of Youth and Ghana’s Youth Profile.....	20
2.4.1 Challenges Facing the Youth .....	21
2.4.2 Challenges that Frustrate the Efforts of Young Entrepreneurs in Ghana .....	21
2.5 Empowerment .....	27
2.5.1 Economic Empowerment.....	29

2.5.2 Increased well-being .....	30
2.5.3 Social and Political Empowerment .....	30
2.6 Youth Empowerment in Ghana .....	31
2.6.1 Rationale for Youth Empowerment in Ghana .....	31
2.7 Microfinance and Youth Economic Empowerment .....	33
2.7.1 Conceptual Framework of the Study .....	36
2.8 International Best Practices of Youth Economic Empowerment .....	37
2.8.1 Canada.....	38
2.8.2 Uganda .....	39
<b>CHAPTER THREE .....</b>	<b>41</b>
<b>METHODOLOGY AND THE STUDY AREA .....</b>	<b>41</b>
3.1 Methodology Outline .....	41
3.2 Plan of Research .....	41
3.3 Population of the Study.....	42
3.4 Sample Size and Sampling Techniques .....	42
3.5 Sources of Data .....	43
3.6 Data Collection Instrument .....	43
3.6.1 Questionnaire .....	44
3.6.2 Interviews .....	45
3.6.3 Interview .....	46
3.6.4 Data Collection Procedure .....	47
3.7 Method of Data Analysis .....	48
3.8 Data Validity and Reliability .....	49
3.9 Ethical Consideration.....	50
3.10 Study Area .....	50
<b>CHAPTER FOUR.....</b>	<b>52</b>
<b>PRESENTATION AND DISCUSSION OF RESULT .....</b>	<b>52</b>
4.1 Socio demographic characteristics of the respondents .....	52
4.2 Challenges Confronting Youth Entrepreneurs.....	54
4.3 Level of Youth Empowerment.....	59
4.3.1 Empowerment by ‘susu schemes’ .....	60
4.4.1 Effect of MFIs Susu Scheme on the empowerment of youth entrepreneurs .....	62

4.4.2 Correlation between the Youth involvement in ‘Susu Scheme’ and personal development .....	64
4.5 Mode of ‘susu scheme’ operation to exert significant impacts on youth entrepreneurs .....	69
4.6 Result of the Interview with the Branch Managers of Sampled SLCs .....	72
<b>CHAPTER FIVE .....</b>	<b>74</b>
<b>SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION.....</b>	<b>74</b>
5.1 Summary of findings.....	74
5.1.1 Challenges confronting youth entrepreneurs in the Kumasi metropolis.....	74
5.1.2 Level of youth empowerment by the ‘susu scheme’ .....	75
5.1.3 Effect of the Susu Scheme on the economic empowerment of youth entrepreneurs .....	75
5.1.4 Mode of ‘susu scheme’ operation to exert significant impacts on youth entrepreneurs .....	75
5.2 Conclusion .....	76
5.3 Recommendations.....	77
5.4 Limitations and suggested areas for further studies.....	79
<b>REFERENCE.....</b>	<b>81</b>
<b>APPENDICES.....</b>	<b>89</b>
APPENDIX 1: QUESTIONNAIRE FOR YOUTH ENTREPRENEURS .....	89
APPENDIX B: INTERVIEW GUIDE FOR BRANCH MANAGERS .....	94

## LIST OF TABLES

<b>TABLES</b>	<b>PAGE</b>
Table 4.1: Socio demographic information of the respondent.....	53
Table 4.2:Challenges confronting youth entrepreneurs .....	56
Table 4.3: Empowerment by ‘susu schemes’ .....	62
Table 4.4: Effects of the ‘Susu Scheme’ .....	63
Table 4.5: Correlation between the Youth involvement in ‘Susu Scheme’ and personal development .....	68
Table 4.6: ‘Susu Scheme’ Operation to exert significant impacts on youth entrepreneurs .....	71

## **LIST OF FIGURES**

<b>FIGURE</b>	<b>PAGE</b>
Figure 2.1: Conceptual Framework of the Study.....	36
Figure 4.1: Ever attempted engagement in any form of business.....	55
Figure 4.2: Ever engaged in any form of ‘susu scheme’ .....	59

# CHAPTER ONE

## INTRODUCTION

### **1.1 Background of Study**

Life of every Youth is a fascinating and essential ingredient of the expansion of each medium. Youth is the driving force of productive human cycle, the moral of today and the guarantee for the future. Besides composing the piece part, they are also the most active and productive part of the population of Ghana. Interestingly, adulthood is one overwhelmed by a set of challenges that are not exempt from the youth of Ghana. Questions, problems and focus on young people have become a global concern in 1965, when the General Assembly (UN) United Nations adopted the Declaration on the promotion of youth, the right to peace, mutual respect and coordination between people; important role hammering young people in today's world, especially its development costs (UNDPI 1995). Later, young people and their problems have amassed considerable attention from all sectors of the national economy, despite a mantra with little or no understanding of their true ability to national development. It is on this basis that empower young entrepreneurs in Ghana is considered essential for the country's economic progress. Empowering young people would be how to maximize the opportunity for young people to contribute to economic, social and cultural progress of their families and their countries and gain self-realization.

Young people, even if a significant portion of the company's contribution in making decisions through their participation in economic productivity is enormous. One way to mitigate the significant shortage among young entrepreneurs is making development accessible and beneficial. Over the years, traditional financial houses are indifferent to extend lines of credit to individuals, including youth, because of the risk

of law and trapped in business performance that requires little capital, they are also unable to provide the necessary guarantees. Susu microfinance programs therefore performs an important role in improving decision through participation in economic decision youth activities. Microfinance, advancing microcredit and other financial needs of the working poor economy, generally considered the key over the past decades of creation (2.50) two and a half in terms of how to expand to poor and vulnerable populations (Montgomery Weis, 2006) including young entrepreneur in Ghana. Microfinance savings in terms of progress and has the power to convince young entrepreneurs in improving low developed nations (Vonderlack and Schreiner, 2001). It is in this line that the "susu scheme" has been developed for improving credit facilities to young entrepreneurs who have no means universal savings banks to take advantage of credit facilities.

The United Nations General Assembly in 1998, announced in 2005 the International Year of Microcredit in advanced reconnaissance role of microcredit in the fight against poverty, its quota for Social Development and the positive impact on people's lives in poverty around the world, including the young. The main measures identified by the UN as an effective way to eradicate extreme poverty and hunger is to expand access to financial services and micro-credit for the poor, especially the young (Dowuona, 2005) to empower them. The empowerment of youth entrepreneur is one of the important issues in developing countries. Give young entrepreneurs has several dimensions. Part of its dimension is to educate, and the other is to provide active atmosphere to engage in productive enterprises for social and individual development; thus minimizing or eradicating poverty, especially young general business climate. In addition, the employer is considered the engine of technological change as

Schumpeter (1934). However, the study of the impact of the activities of these agents, particularly young entrepreneur is relatively recent. It is therefore, this study attempts to investigate the effect of "regimes susu" microfinance institutions have on the economic empowerment of young entrepreneurs in Ghana.

## **1.2 Problem Statement**

The youth of Ghana constitute the true wealth and fate of the nation. In this manner, tending to their goals and aspirations must be an indispensable piece of our socio-economic development endeavors.

However, the wish of the youth to bring to bear their creativity in birth through entrepreneurship most times are faced with capital acquisition, mobilization and credit facility accessibilities to enhance their enterprises. Therefore there seem to be gap created between the youth entrepreneurs and the universal banks in the country as the latter seeks to focus more on venture capital than that of the micro to medium enterprises within the sector. It is therefore not surprising of the huge youth entrepreneurial failure and unemployment resulting to unbearable youth poverty.

It is on this basis that small and medium savers and borrowers including the youth entrepreneurs will have to bear in proposing to obtain loans within the traditional financial intermediaries, have had resort to the (MFIs) micro financial institutions system obtrusive with the 'susu scheme'. The microfinance 'susu scheme' invention has attracted itself to youth entrepreneurs and a bigger part of the citizens who have embraced it as a better option to the universal financing idea. To strategy advisors it forms part of efficiently eradicating paucity within the economy that renders financial

intermediary available and reasonable to the unprivileged within the entrepreneurial environment. It is on this basis that the current study seeks to review theory and empirical findings on the effects of empowerment on the entrepreneurial face of the economy.

### **1.3 Research Objectives**

The total intention of this reading is to appraise the effects of ‘susu scheme’ on economic empowerment of youth entrepreneurs within the Kumasi metropolis. However, the study specifically seeks to:

1. Discovers challenges confronting youth entrepreneurs in the Kumasi metropolis;
2. Examine the level of youth economic empowerment by the ‘susu scheme’ in the Kumasi metropolis; and
3. Investigate the effects of ‘susu scheme’ in the economic empowerment of youth entrepreneurs.

### **1.4 Research Questions**

Dependent on the trend and prominence of the enquiry, various significant queries are expected to be obtained. The crucial queries comprises:

1. What are the challenges confronting youth entrepreneurs in the Kumasi metropolis?
2. What is the level of youth economic empowerment by the ‘susu scheme’ in the Kumasi Metropolis?
3. What is the effect of ‘susu scheme’ in the economic empowerment of youth entrepreneurs?

### **1.5 Hypothesis of the Study**

The study hypothesizes positive effect of ‘susu scheme’ in the youth entrepreneurial skills. It also hypothesizes positive effect of ‘susu scheme’ in the investment/saving capacity of the youth entrepreneur.

### **1.6 Significance of this study**

The affirmation of the fact that ‘susu scheme’ has been an immense tool of empowerment is a pivotal role to the development of the economy. Beside the availability of grounds to the micro, small and medium enterprises, it allows the entrepreneurs more importantly the youth entrepreneurs to get involved in banking transactions which in effect builds up the economic growth of the citizenship. The social lives of this cluster of people are also enhanced as a result of the ‘susu scheme’ which enables them to save towards other livelihoods and or monetary demands.

The current study could be of significance to numerous stakeholders including policy makers, government, NGOs, micro-financial institutions, and youth entrepreneurs in Ghana. The result of this could serve as a guide to the operators of the ‘susu scheme’ in terms of streamlining operations to suit more customers through an appropriate shaping of their operations. This could also enhance the ability of the ‘susu scheme’ to undertake effective policies to ensure an appropriate economic empowerment of the youth entrepreneur in Ghana and hence contribute their quota to youth poverty alleviation.

Furthermore, there is the believe that the outcome of this study could yield great importance to the Ghanaian administration as well as non-governmental

organisations since it will enrich awareness of 'susu scheme' in the Kumasi metropolis of Ghana and its reflections on the financial empowerment of the entrepreneurial youth and hence poverty alleviation. Youth empowerment has many a time been a critical feature in most development policies for instance the National Youth Policy of Ghana and Youth Advocacy Programme Ghana. The national youth arrangement of Ghana of 2010 for instance was intended to give rules for every stakeholder associated with implementation of policies, projects and programmes for youth development. It is additionally expected to help the nation show its dedication to every international conventions and charters it has signed regarding the youth. The Youth Advocacy Program Ghana (YAP Ghana) is a non-governmental organization (NGO) that offers a mix of programmes and services for youngsters and children. It aims to improve the quality of life through an organized intervention and advocacy programme that offers doors of opportunity for the development of children and young people.

Truly, this is a principal anchor within Ghana's MDGs and it is expected that 'susu scheme' is one of the ways that can be used in accomplishing the desired end. The result of the study would also add to existing knowledge in the area of youth empowerment through micro-financial institutions in Ghana; and further serve as a source of empirical and theoretical information for academicians and students.

### **1.7 Scope of the Study**

Thematically, the current study is limited to identifying the challenges of the youth entrepreneurs in the Kumasi metropolis, assess the level of youth entrepreneurial empowerment through the 'susu scheme', and determine the effect of 'susu scheme'

on today's youth entrepreneur's economic empowerment. Furthermore, geographically the study was limited to youth entrepreneurs in the Kumasi metropolis.

### **1.8 Limitation and Delimitation of Study**

Regardless of these necessary outcomes of the enquiry, this insistent study bears numerous boundaries for affirmation. Premier findings of the enquiry will depend on openness of individuals queried. If recognized persons may consent to generally pleasing feedbacks while oppose further towards publicly adverse feedback relatively than completely and accurately articulate their emotions as well as ideas. Again, the restraint of the study is to facilitate that fact of this reading is composed throughout the enquiries, posing a soaring prospect of erroneous records. Further, the least example inhibits its consistency and overview potency in this research. Additionally, for the efficacy of this research, its focal point is consequently not on overview, except on specification that provides an exhaustively perceptive level of youth entrepreneurial empowerment through 'susu scheme'. The set back of the study attaches itself to investigating the level of youth entrepreneurial economic empowerment through 'susu scheme' in the Kumasi metropolis, and the effect of the 'susu scheme' on the economic empowerment of youth entrepreneurs.

### **1.9 Research Methodology**

The present study has a mixed approach to study. The study uses two forms of qualitative and quantitative data to achieve their goals. The study data were compiled from two young entrepreneurs and two microfinance institutions in the metropolis of Kumasi. A well structured questionnaire was administered to 65 young entrepreneurs in the city of Kumasi. To achieve this goal, the metropolis of Kumasi has been

divided into business areas and up questioned the sample size of 150 young entrepreneurs was covered. An interview was also carried out with the credit departments of the two micro-finance about the sample in the city of Kumasi institutions. Data collected, gathering and provided by the Statistical Package for Social Sciences (SPSS) were prepared. The result was also presented and analysed using descriptive tools. Analytical tools that the index of relative importance (IIR), Kendall rank test, correlation and regression analysis.

### **1.10 Organization of the Study**

The thesis is segmented into five Chapters. Chapter one gives an introduction and background information about the area of study. This chapter also presents the research problem, aims and objectives, limitations and the importance of the study. Chapter two mainly explores various literatures related to micro-financial activities and youth entrepreneurial empowerment. In Chapter Three, the methodologies that were used are highlighted. The chapter also explains why specific methodologies were chosen for this research. Besides outlining some of the methodologies used in this research, the chapter also presents the research design and data capture methods used in this research. The Chapter Four of the study deal with data analysis, result presentation and interpretation from both a qualitative and a quantitative point of view. Finally, chapter five discusses the results, and provides a general review of the successes and failures made in the research. This chapter also outlines some conclusions and recommendations made during the research process.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter provides an overview of the relevant literature in the academic field of microfinance and youth development. Chapter begins with an overview of the concept of microfinance and microfinance institutions in Ghana, procedures, access to credit and microfinance sector problems. Chapter also defines youth and youth of Ghana profile problems for young people, youth development, youth in Ghana to justify training young people in Ghana, and micro-finance and economic rights and opportunities for young people. The revised chapter again some of the best practices for economic empowerment of young people in developed countries, and countries.

#### **2.1 History of Microfinance Brief**

Microcredit traveled far, and achieved universal roots. The effect of the progress made under the authority confirmed by categories of powers in the hands of productive labor inactive credit. Perhaps the world about 24 million people with small loans revolutionary victory or self-employment increases. Microfinance not only stops employers of young workers who made them there so that they can better care for their brothers and family. Microfinance was important if the program has two expressions: (i) to show that people addicted to preserve repay their loans, and (II) indicates that it is probably financial support to poor but economically active citizens and citizens who make it to make sure that marketing and business development, community funding is not enough.

In Ghana as a whole, unceremonious saving mobilization and credit facilities continue to control the financial market, in spite of the over thirty years of official banking in

the country. It is projected that about fifty-five percent of the entire money supply in Ghana is detained outside the tiers (Aryeetey and Gockel, 1991). Conferring to Asiamana and Osei (2007) the perception of microfinance is not fresh in Ghana. Traditionally, citizens have hoarded with and attained little advances from persons and cluster of people in the milieu of supports that institute trades or husbandry endeavors.

Agreeing with Alabi et al. (2007) the word *Susu* in Ghana is alleged by some aboriginal Ghanaians to be a Ga term, a Ghanaian linguistic, although some are of the interpretation that it may be Akan or an alternative Ghanaian linguistic. The structure is conveyed to have patented from Yoruba, Nigeria. In Ghana today, *Susu* can be categorized into three crucial categories. These are *Susu* Clubs and Associations, Mobile Collectors, and Cooperatives. The mobile collectors proposes a savings vehicle by amassing daily amounts willingly hoarded by their clients, which they return at the end of the month minus one day's amount as commission (*ibid*).

Microfinance has gone through four (4) distinct phases worldwide of which Ghana is no exception: (1) Phase one: the provision of promoted credit by governments starting in the 1950s when it was presumed that the lack of money was the definitive deterrent to the eradication of poverty; (2) Phase two: involved the provision of micro credit mainly through NGOs to the poor in the 1960s and 1970s. Through this period, sustainability and financial self-sufficiency were still not measured imperative; (3) Phase three: in the 1990s the reinforcement of microfinance institutions began; and (4) Phase four: since the mid-1990s the commercialization of microfinance institutions has gained significance with the mainstreaming of microfinance and its

institutions into the financial sector (Ministry of Finance and Economic Planning, 2009). An illustration is the programme for *Susub* by the Barclays Bank of Ghana. The hurling of the micro banking schemes in 2005 establishes a formal relation between modern finance and *Susu* collection in an eccentric mobile initiative across the country. The scheme is to outspread microfinance to some of the least wealthy in Ghana, like the minor traders at the market or the micro-entrepreneurs selling from the road-side stall (Asiama and Osei, 2007). *Susu* schemes offer elementary banking services to the penurious.

## **2.2 Microfinance**

"Powerful tool of microfinance in the fight against poverty. It allows people to increase their income to save and manage risk. The reduction of vulnerability and poor households to move each day of resistance prognosis for the future" (Paul Wolfowitz, World Bank President in November 2005, Dixon and 2007 took another) .. This comment summarizes the importance of microfinance. Fallavier 1998 and cited in Mwenda Muuka, 2004). Amenities include a credit in a winter garden (for the production, use and emergency), access to savings and provision of basic life and health insurance.

Microfinance less successful in providing, often based on \$ 150, and deprivation of private decisions of homemade recipes complete with original work intensification allow introduction or "enterprise". He added fewer births background of progress and added monetary stimulus for the disadvantaged. It is based on the principle of promoting pathetic loans allowed companies to allocate at least reward these advances on income and its operations to grow, potentially stimulating huge deficit figures.

Such statements are based, suggested that private is "authorized", then forward to contribute manage the troops fortified (Dix et al., 2007). Premchand (2003) argues that microfinance usually means a tax provision of services (such as savings, credit insurance) for the poor, who usually do not require good manufacturing requirements of financial institutions. Microfinance infinite capacity provided microfinance institutions (MFIs) dedicated to correspond to the "new world" of the microfinance initiative (Otero and Rhyne 1996; cited Copestake, 2007), but also many support groups and institutions of the State predominantly mailing capacity banks, which help many private customers (CGAP 2004b, quoted Copestake 2007) and then increased to a total of "organizations" downsizing of beneficiaries of the tax.

The microfinance institution (MFI) was developed in order to reduce poverty and support the anoutcome in the struggles of the defense agencies of self-employment and entrepreneurship characters (Hartarska, 2005). The vivid upsurge extensive curiosity for microfinance has been in the number of microfinance institutions in the emerging world. Agreement grasped prompted Microfinance Summit in 1997 to play with more than 100 million more prevalent backing disputably ecosphere's deprived ménages believes microfinance in poverty today than any to combat ecosphere added solitary tool. The (2004a CGAP Consultative Group to Assist the Poorest (CGAP) (universal benefactors apex microfinance funding association) MicroFinance called "a system of authority to combat poverty" that can aid the underprivileged to increase revenue, shape and properties to mitigate peripheral tremors ). The microfinance unit spent much acclaimed and supported an education scholars wide variety, major investment institutions such as the IMF and the expected improvement experts (and Wydick McIntosh, 2005).

Microfinance subsector should function as a poor man from his purpose, and believes in the productive role of providing financial assistance and Pompey, who have no access to formal financial intermediation and development of initiatives in the micro device smaller. In principle, these institutions must be established in the state of microfinance credit systems supported by the order, yet so organized openly. Internationally, microfinance platforms deliberating a means of influencing the poor who lost adequate financial structure. However, microfinance institutions simply offer financial institutions. In addition to providing financial services, MFIs tend to be correlated information available to primary education, health, sanitation, child immunization, and air inhibition of the disease.

Certainly, parts of microfinance in the fight against poverty can not refute, and supports and resources of household income admission. Microfinance continues to universal lengths without paying precarious jobs because of the number of private companies and the increased importance of including in combination: (1) funds are too small reserves of main entry fees prolific financial services, which may increase the power; (2) The recognition of certain men of merit to surround the value of private income and hosts the ability to liquidate Some believe that the claims can be used to create; (3) Government facilities for the care of the economic zone, or not at all to return to be delivered to one single minute, between developed and developing grabbing a request for support services, and destroyed (4) can be done in full respect of the recovery and the cost of microfinance is responsible for: (5) Following the results of this cutting energy can be one of the major microfinance young, cases can be the bane of the spread of sexually transmitted diseases and sexually transmitted

diseases and the preservation of social construction to be illuminated, and safety, housing (UN, 2000).

The expansion of the survey, it shows that it is cheaper and much of the blocks: (1) Aid for private and defense of their basic needs for specific homes to oppose health hazards; (2) On the contrary, what belongs to the extension of the tax benefit of the family circle; again, (3) youth participation and can also help a young man and now the financial support of gender equality man.

Produces funds for microfinance suggests that contact with the fertile seed of a letter obtained by conquest, when combined, through targeted social assistance during training and preparation, and the common money, I made over building a public company, which helps us to travel to different countries out of poverty. With the provision of quantifiable provide persons deprived cost luxury, self-esteem is enhanced and can support the person and the family of humanity to contribute (and Asiamasei, 2007).

Microfinance promised advances to debtors under relentless attack will not work without basic salary income (Colombet and Schreiner, 2001). Currently many styles MFIs depend on the construction and paper / glass. In most cases, the acceptance of the yoke of the relevant MFI clients (eg, youth, agriculture, micro), which in turn many to suffer death on the cross, and why, Instead, regulates access to, for example, credit unions, the element, and institutions rather than after the breakup of the business of direct credit experiences with credit (Gnonhossou 2001 and refers MuukaMwenda, 2004). A central goal of many MFIs, especially in rural microfinance

institutions (RMFIs) the ability to provide maintainable private microfinance help generate income and rarity of condensation (Baumann, 2001 cited in Mwenda and Muuka, 2004) and lack access to private money services, credit and savings services. In the absence of operational services in the monetary field alters areas of individuals in different ways, it is not limited to a lack of confidence in agricultural elongated expansion detachments of financing and price of services in metropolitan areas, and the risk involved in running High liquidity in these extended trips (Mwenda and Muuka, 2004). Microfinance ambition accepts Otero (1999) not only to provide capital for ousted the challenge of poverty in the singular level; also it has a role in formal terms. It seeks to generate a multitude of services for financial institutions, that passage, the official, who tirelessly pressing neglected division. Littlefield and Rosenberg (2004) discussed the private space largely failed to financial services in the economy that MFIs have begun to decline this arcade Apostolic Letter. The closure of this cavity in the market may become a senior official in the IMF financially sustainable financing routine, or if the notice of the country and therefore is able to access the markets with their loan capital, allowing them to emerge strongly specific number; for who can stretch (Otero, 1999).

And according Simanowitz Brody (2004) quoted in Asiama and Osei (2007) microcredits is a key element MDGs, and build financial systems in the world, which is to satisfy the wishes of those system resources. Therefore, we can say that there is a proper crisis difficult microcredit appearance effect in achieving the MDGs. There is an also improved benefit for citizens and transmitting largely continues forever. Some schools, however, remain cynical about the role of microcredit in the environment. For example, while the role of microcredit to help the moderately poor, war and

Mosley (1996) he decided to microcredit investigations "slower than most modern Integer can" (p.134 of).

The authors questioned that microcredit is a panacea for poverty reduction in some cases deprived of deplorable end (Depending on the nature of the realization of this means it could lend to the poorest who do not have access to the essential values of the perception of progress in the preface of rural banks in Ghana in 1976 to help rural populations to achieve financial services. The first rural banks in Ghana, which was established in 1976 and began Agona Nyakrom in the central region. There are 127 rural banks in Ghana (ARB News, 2008). The most important role of rural banks to transmit these to form the contours of the financial states of microfinance services in which they operate. To meet the agrarian economies, market women, artists, engineers and donations from members of various nations, and fishermen and other small Micro unsecured and most advanced. Also be the salt of the solution to a better structure of the economy of his unavailability rural Ghana. Existing reports that the Bank of Ghana shows that there has been an increase in the total mobilization of stabilization to customers of rural banks between 2002 and 2006, who had been assigned to the intensification of these banks covered rural microfinance.

### **2.3 Microfinance Institutions in Ghana**

There are various institutions working in Ghana contribution various microfinance products. These microfinance institutions could be grouped as formal, semi-formal, or nonformal. Formal microfinance institutions comprises Rural and Community Banks (RCBs), and savings and loans companies whiles Semi-formal consist of not for profit/non-governmental organizations (NGOs) presenting monetary services to the

deprived such as the credit union institutions that offer small loans to their members but do not take deposits from the broad-spectrum. The unofficial microfinance institutions take account of Susu collectors and private registered and unregistered money lenders. There are some legislative institutions as the Microfinance and Small Loans Scheme (MASLOC), Social Investment Fund (SIF), and the Community-Based Rural Development Program (CBRDP) that recommends microfinance services to the deprived. The realisation that the conventional banking method was incapable of lending to the underprivileged that do not have securities essential to access advances led to the prologue of the perception of rural banking in Ghana in 1976 to facilitate the countryside folks to attain financial services. The premiere rural bank in Ghana which was established in 1976 begun at AgonaNyakrom in the Central Region. Currently there are 127 rural banks in Ghana (The ARB News, 2008). The foremost role of these rural banks is to convey custom-made financial services in the outline of micro finance to the communities in which they function. They gather together minute savings from agrarians, market women, artisans, mechanics, fishermen and other minor traders and grant them micro mostly unguaranteed advances. The bucolic financing structure has turn into a solution medium for improvement of the economy of Ghana. Existing reports from the Bank of Ghana shows that there have been a stablerising growth in the total mobilisation and advances granted to the customers of rural banks between 2002 and 2006 which had been attributed to the intensification of micro financial activities of these rural banks.

### **2.3.1 The 'Susu' Scheme**

"Susu" As one of the microfinance schemes in Ghana is believed to have originated and spread from Nigeria to Ghana in the early twentieth century (and AsiamaOsei,

2007). The reasons for the financial part of Africa, he says, that he who began to Orbis in the study were struggling most in Africa, diamcursus. This is an informal financial documents they gather daily or weekly markets on the continent of Africa of the West. As soccer labeled as a form of money is the reason for calculating the quantity of merchandise which includes regular deposits are happening all the time and space needed for access or need anindicated borrowers in the fee system. Although "susu" based system does not require collateral security to reduce the risk associated with lending pure "(Alabi et al., 2007). Collectors savings deposits were frequently (weekly or daily) in time to the end of the derogation of a is determined by the client and returns (for the most part from a month old) the sum of the actual cost, and still less the deposit of one day as the commission of the. These mobile bankers to form a synergistic with the market traders, and the defense of his daily earnings of rival claims to replenish working capital and to ensure supplies at the end of the month. Sometimes it is extended equitably to customers before the end of the month were paid sporadically and non-clients, although loans to feel a lack of capital base but was hampered by collecting monthly (Orbis, 1997 Alabi cited et al., 2007).

### **2.3.2 Key Characteristics of the Susu Scheme in Ghana**

In a review in the Ghanaian practice in particular, the IMF found that the tax office was directed to the protection of their youth they are dominated by women, even though the 'susu scheme' orders: 'You are to pass through a range of social and economic Vasse or the profession of a group of agriculturists, of traders, artisans, and gave them provision for the process of the monthly wage. The use of force, and the town and country can be. For the most part, these assemblies of low income to be born again. In this gain, the reason for this is inherently around the world, to build up

the power of the device to which it extends to more things to draw off the microfinance overhaul (CHORD, 2000). Move around the site, and the writing of the requirements that the collectors of the reliability of the host ploy displacement customers (the market place, workplaces, houses, etc.) in order to ensure that the access to the most delicate kinds of iniquity. There is the most of these attributes for 'susu scheme, to improve the presentation of its disclosure. In addition, in all meetings of the days of the minute of the saving customers 'susu system', it makes flexible and appropriate to the generally accepted.

There are many issues of Susu colui in prosperity or adversity. Chords (2000), from the description of the best practices of microfinance on their sketch put on record Ghana's susu in Ghana the reason is: (1) allows total flexibility in the individual, he decides to throw up, do not participate in the private; (2), and the sign of a prince out of the house into the house of mobilization (to borrow a different tribe and families) provides the bounty to be found; (3) The structure of the conventional "susu" (operated by private collectors) has been associated with the informal banking system to market Ghana well. and (4) the simple alteration / flexibility of combat; for example, a group of doctors in a vision, or can bear the touch of the perception of character. We have learned that, although the essential feature remains unaffected. The main flaw is known CHORD (2000), drawing on deposits due to the risk of undermining susu collector output ".Metering mode favorable the opposing party, susu scheme, CHORD (2000), argues that it is obviously a good system can be adapted to different settings.

However, since the 'susu scheme' successful adjustment of energy signature must be fulfilled. All these (1) to place him in the vicinity of the war, the coming of the "houses" (2) to give the elasticity of as much as a man may desire; (3) This should be the address of security / defense mobilization purchasing; (4) lorem intermediaries / agents forced the service; (5) a series of smaller (3 months) met the criteria for the price; (6) reason for the insistent / creation (electronic publishing and all the means); (7) the accuracy of IMF anticipated the needs of the time to all the congregation of the donation; and (8) the administration and staff to efficiently build to avoid deceptive practices.

#### **2.4 Definition of Youth and Ghana's Youth Profile**

The young man is the key of the human and cultural, economic, political and technological forces act and his associate is a fountain of adespising elite. Their thoughts, suggested to him the vision of the industry, the continuous progress of society (National Policy Ghana Young man, 2010). Followed his instructions, and the improvement of the key determinants of the development and future perspectives prolific faculty societies. Reply to the age of and essential for the state to be able to non nunc. We must therefore consider our youth in at Samos, they that the greatest of the arts and of the development of efforts to learn the knowledge of the processes of decision making, which stand in the way of life, and obtain it, in order to protect them, in the general spirit (Ghana National Youth Policy, 2010).

In conformity with the common is scarcely any one of youth. There is no absolute age youth. Ghana The people of the Youth Policy (2010) defines "youth" as "people who are within the age of fifteen (15) and thirty-five (35.) » Definition of Ghana had been

said by the Secretariat of the United Nations and the State. According to the 2000 Ghana Population and housing Census, Ghana's population was 18.9 million with an annual growth of 2.7 percent.

#### **2.4.1 Challenges Facing the Youth**

The current generation of young man with many difficulties, which looked toward the way, as they developed into adulthood responsible. Inadequate public, especially in education, one of the key employees. Among the so many young people remain ignorant and inexperienced, a number of young people ready to enter the second time and experience in the institution of the labor market of labor. These, together with a high rate the authors of the extremely limited use of the opportunities for leisure and underemployment.

Contractor in such a case, where there was a challenge to the development of the faculties of construction important political participation of young people, especially those who have possessions not only family connections. Young people continue to lead the manipulation of participating in acts of violence. And in another place the pursuit of the power of young people to the religious by means of Ghana the many conflicts of the world, the political change of the land of the natural (USAID, 2005) belongs to it. Young people are exposed to the illicit trade, and the use of drugs and their equipment. The rest of the society of the most vulnerable young people is armed robbery, alcohol abuse, and sexual abuse among others.

#### **2.4.2 Challenges that Frustrate the Efforts of Young Entrepreneurs in Ghana**

Among the reasons, which is in the moment of the nations to be a young man of more social-quis lacus Ghana Sahara the lakes to the young man, the expenses and the

implementation of innovative approaches to financing the education of the lakes, and to do the administrative and the help of a great ill health (Dei-Tumi, 2011) of frame?

### **A. Socio/cultural Attitudes**

The risk of collapse, fear and shame that these two young minds interior disincentive early trading places in Ghana and nations under HAART policies. Global Entrepreneurship Monitor (GEM) 2010 features exhibits that Ghana has a 24.6% "trade land for peace novel" and 25.7% "business interruption". reputable companies suspended across the startups are ongoing. An auxiliary bishop for the sake of revealing the "fear of failure" of Ghana for new companies to stand at 10.4%. Again, local products flooding the market with foreign correspondent unfortunate development of Ghana and uncontrollable local demand for foreign products are militating against the growth of start-ups is a disincentive youth Ghana.

### **B. Entrepreneurship education**

Access to entrepreneurship by other companies in the development of young people access to education and training is the key factor Ghana. Entrepreneurship education involves the use of structured learning environments and tools and support systems to help people develop entrepreneurial skills and become entrepreneurs. Who tends to develop entrepreneurship programs to young people to become entrepreneurs in Ghana must focus on the development of attitudes and skills certified paper.

Dei-Tumi (2011) is to be considered in accordance with what has been said, the training ground for the socio / cultural area, preserving the property of a people and of persons. Further, habits are an integral part of all the young men and the development

of entrepreneurial skills can be focused public intervention is to be made. For the work among themselves the National Council of Energy Small business issues and latest National Youth Programme at the pre-education courses can be in accordance with the aerodynamic region.

Education and training is another exceptionally important component to youth undertaking development in Ghana. Entrepreneurship education includes the utilization of organized learning environments and support instruments and frameworks to help people create entrepreneurial skills and become entrepreneurs. Any entrepreneurship programme that targets the development of youth to become entrepreneurs in Ghana must of a need concentrate more on the improvement of attitudes and skills than paper certification.

Dei-Tumi (2011) in his speech was of the perspective that any such training ought to look into the socio/social dimensions as a people and the strange nature of the enterprises involve. Likewise, the development of entrepreneurial skills and attitudes can be made a necessary piece of all youth centered public interventions. For instance, a working relationship can be built up between the National Board for Small Scale Industries and the National Youth Employment Programme so that issues of entrepreneurship education focusing on the pre-start, on-going and the post programme can be very much streamlined.

### **C. Business assistance and support systems**

In the absence of support systems for youth development of such undertaking, so that the appropriate credit schemes accessible and flexible for starting; research of young

people; skills training for vocational training institutions and policy framework for enterprise development are the good things of good, and the challenges that it is necessary, he had power over.

Dei-Tumi (2011) was of the opinion that the loan rate in a speech today in Ghana is another factor that exacerbated already dire situation of high unavailability of credit lines for potential young entrepreneurs to start their own business with the passion they seek. Grooming young entrepreneurs in Ghana and in Africa south of the Sahara is a strategy for poverty alleviation and significant wealth by any government

#### **D. Poor savings Culture among the youth**

Humility savings culture among young people more uncomfortable serves as access to HAART in Ghana under the new credit businesses. According to Dei-Tumi (2011) that I may reveal it as I hoped and prayed that the young man to protect your allies' lakes In addition to commercial banks and credit is caused chiefly by the institutions of the price, the above equity. Nor are they the charities or the expense of the agencies. In order to meet the demonstrated financial aid to those parts of the bank holding companies in the region instead of waiting great expense. The Company E. lapses in the educational curriculum

According to Dei-Tumi (2011), inherent weaknesses in our educational institutions disincentive business development of young people. The current system of education, even though it does not in any way to promote the business development of young teaches uzņēmējdarbības, not at all. For this reason, the field of education the curriculum of the education of the business including the shut thyself up in all

branches of knowledge are not recognized there, if one reads or earthly things as the choir or sung, or archeology to learn how to make money with them.

### **E. Entrepreneurial Educational Lapses in Educational Curriculum**

As indicated by Dei-Tumi (2011), the inborn shortcomings in our educational institutions are disincentives to youth enterprise development. The current educational system, in spite of the fact that to some degree, teaches entrepreneurship, does not promote the development of youth entrepreneurship in any sense. Therefore, the educational curriculum ought to be reviewed to incorporate extensive entrepreneurial education in all disciplines so that if one reads zoology or archaeology or music or dance, he or she can learn how to make money from these.

#### **2.4.3 Financing Youth Entrepreneurs**

It is the policy maker's awareness of the seriousness of the threshold of economic growth and also the novices mounting the use of the lakes can be found in the earth. In developed countries like the United States, young people have 38 percent of small businesses, which employ 52 percent of the workforce in the private sector and generate 51 percent of the production of the private sector (Milken Institute, 2000). In some of the countries, that Brasilia, the young Republic of Ireland Spain, the United States to the new to the faster rate than men (OECD 2001).

In districts which are, however, many young people to meet the expenses and the increase of studies have shown that they are in serious difficulties to promote the access, especially start-ups, but to the growth of established research. Young dealing

with problems often associated with financial stress bias (Woo, 1994). Because I was constrained socio-cultural system of the people of their own accord for the abbreviation young people often, or less than the expenses of the others by their relatives and informal sources of financing diam. The young man explained that the lake faces special difficulties young people have pools and small businesses easier for small businesses to micro-sized, located in the retail and service. Small amounts are found to be the work of a fruitful manner, the youths, who will not be judged by the banks of the absence of safeguards, young man, who for the most part but it is less of a capital / staff is to start a business or to be used as security. This can be due to social and legal disadvantages, as I will return, or in the ends of the wear in the things of the Lord. Often required to bring young people from many countries of Poland and father (International Labor Organization, ILO, 1999).

Further, just as the company of the young men are wont to tangible assets, intangible and the most elite from the following passages in pledge, or for service sector (which is more difficult and costly to estimate the expense of the institutions); Lack of skills for youth entrepreneurs have lower skills and experience. In the case of the territory of the administration of the finance council, the arts, and no reason, this is the key of the better access to finance. Further, due to the social and educational factors, they fear complicated bank of the measure of confidence to effectively deal with the business loan institutions and convey their children, to be applied;Lack of awareness of young knowledge pool Inconsulto credit lines to financial instruments and net loan ratio of financial institutions; Lack of background information on past shows young lakes try to show business as a permanent business that often recently.

In addition to these particular difficulties, the testimonies of the young men sufficient data shows that the lack, however, that the necessity of the expense of the needs of the workings of the program tailored to their needs, shall explain the building up of the wholesale financing products.

## **2.5 Empowerment**

One of the attractions of the microfinance movement more fundamental possibility of "empowerment" that exceeds the increase in profitability. According Deshmukh-Ranadive and Murthy (2005: 48), so that the process can be an incentive for some changes in his life when he opens spaces. To be able to the increase of the spiritual, political, and economic conditions, social forces, families, communities and society. The Ombudsmen in the banking group-based mutual love are intrigued by the possibility of direct contact, and the like is able to bear with the help of the members of the race and its changes his mind "no" to "I can not." In its broadest sense to be able to be increased, or any one of "power over." The recipe itself: and in the context of the "internal" change of their mind with the law and the individual, "the external" change of dignity and of power, the foundation of society.

The young man is the dominion of the empire, and the young men who defined as the process of life by increasing the Empowerment of their choices. Often it is involved in bolstering confidence in the person of his / her proper assistance. It refers to the expression of one of its strength and the strength and size of the goods as far as possible freedom of choice and a decent life according to their own laws, our liberty, so that his hands were free, awakening, and his capacity (LZQ, 2001).

Youthfulness, but the norms of culture cannot be to claim to be aware of the appointment by such goods to those persons of the MFIs at a disadvantage, and to the help of the power to the life of the wealth.

Access to the offices of the houses, the poor or semi-formal microfinance has the potential to an economic system such as the dependents of ways. First, they can provide opportunities for income generation, economic security and greater competition authority. Secondly, it can be linked to a group of management training across reserved buyer or a nearby community. By the financial services, the greater the power to increase the multitude of young people, increasing the assessments of the habits of the more interiorly they Ghana strengthens (trust, self-confidence and self-esteem), as to the external changes (the community of the house, and it requires more power to act upon the guidance). Microfinance formation of a group of young people by implementing additional duties of his office, explaining that the young man might know the identity of the promotion of mutual reinforcement of Mesopotamia kind of leadership roles and time to develop.

Mosedale (2003, p.1) states that if given to you by us: we wish to see us, as currently, as I see men as trees, were weak of hand, they trembled, and wealth by the way of the shape of the relations of the power of their choices, and timeliness, and opportunities. Littlefield et al. (2003) approach to MFIs that such a state and even the young men to be more secure, more stable, better the community of a genus is more interest to appeal the judgments of the unjust. Yet they serve, and the state the fact that MFIs cannot become a customer of his own youth.

War and Mosley (1996) Republic of microfinance initiatives to reduce waste and how much opportunity there was an increase in fixed income groups agreed to share information discussed opinions. A study of Grameen Bank and BRAC clients of these programs show that realized a significant increase in self-esteem and confidence of rising incomes, a better life, a sustainable environment, increase understanding of the business, increasing the nutritional status (Chowdhury and Bhuiya, 2004, p.377). On the other hand, it belongs to individual or collective power, and be on the social reality of the city.

Microfinance, contributing to youth and the reasons for the power of economic, social and political empowerment. Visits to temples and to start, or it may be the strengthening of the series, with credit-linked savings and lower "virtuous spiral of the gang. The youth also and reputation of the products and to use the earnings and savings the increased economic activity, and thus increase the power over these customers.

### **2.5.1 Economic Empowerment**

The youth's way to gain access to investment funds and credit gives them a more prominent economic role in making decisions through their choices about credit and savings. At the point when the youth control choices in regards to credit and savings, they will optimise their own and the household's welfare. The investment in youth's economic activities will enhance their livelihood and improve opportunities for the youth and accordingly have a 'trickle down and out' effect. It is in this to make a comparison of the decisions of economic grow bananas in the house, the greater the salvation of all young men, the male and his female. And your task is to increase may

lead to a change in the economic situation of its component parts, and gradually increased, and was clearly within their families and communities.

### **2.5.2 Increased well-being**

Access to savings and credit services so that when the youth vote that strengthens the faith of savings and financial noble courtiers say. From a young board increase security for themselves and their families. In poverty, especially in this paradigm as a relief. The youth control over decision-making, too, it seems that other useful categories to income due to the age of the population through the restriction in the lake, and if the family does not harm areas. In other words, they advocated the peaceful intervention, in addition to microfinance, usually nutrition; health and literacy campaigns to reduce further enhance the capacity and skills. Empowerment and financial self-sustainability in the paradigms, the better the results for the welfare of youth, when economic growth was assumed that the activities and revenues of the three powers incomes.

### **2.5.3 Social and Political Empowerment**

The rise of a young man A combination of improved access to economic activity, and the commandment of revenue microfinance to young people, and people have access to data and to strengthen networks. The state also increased in society. These changes are being added in forming the group, leading to a wider movement for social and political change. The paradigm of financial self-sustainability and the strategy of poverty reduction, social and political paradigm that could happen to change without specific interventions for youth relations household, community or macro levels. In contrast, youth empowerment paradigm appears clear strategy to support young

people to protect their individual and collective interests in the household, community and macro levels.

## **2.6 Youth Empowerment in Ghana**

The concept of youth training must ensure that young people in decisions that affect them. Commonwealth Youth Ministers in a statement issued at the end of his speech in Trinidad and Tobago in 1995, aimed at educating young people for young people the maximum opportunity to contribute to the development of economic, social and cultural life of families and their countries to Elf reception mode. Empowering young people can be seen two basic dimensions :) Young people have the right, if they believe that they can create an alternative way of life, and are fully aware of the consequences of that choice freely to make informed decisions, actions based on these decisions and accountability the results of decisions and actions; b) increased opportunities for young people, but also in the creation and support an enabling environment for youth in their name and on their own terms act, rather than relying on the judgment of the environment. This authorization may be classified into four main areas, namely, i) the economic and social base, ii) political will, allocation of resources and a good legal framework and the office environment iii), equality, peace and stability, democracy and iv) access to information and knowledge , skills and positive values

### **2.6.1 Rationale for Youth Empowerment in Ghana**

Young people constitute the true wealth and the future of our country. Turning their hopes and aspirations to be an integral part of our social and economic development efforts. Successive governments over the years realized the need for policies that will

enable young people to participate effectively in national development agenda. Thus, the document of the national youth policy in 2010 sought to provide an opportunity for the government to engage young people and other stakeholders in a meaningful partnership to develop appropriate measures and services for youth empowerment.

According to the document of the National Youth Policy (2010), the concept of empowerment involves the creation of an enabling environment to equip young people the knowledge, skills, attitudes, values and ethics. Providing the resources necessary for their contribution to the economic, social and cultural development of themselves, their families and the nation as a whole becomes an important duty of governments and other stakeholders. Consequently, youth empowerment entails a process of training young people to the problems of adolescence and adulthood through a series of events and experiences that help and motivate them to become socially, mentally, emotionally, physically, economically independent and informative and competent. The National Youth Policy (2010) was also designed to provide leadership and direction for all stakeholders involved in the implementation of policies, programs and projects aimed at youth development. It is also intended to help the country to demonstrate its commitment to all international conventions and charters; he signed influences on young people.

A joint approach, which is an improvement compared with the approach of well-being, provide advice and listen to young people, and then to take decisions on their behalf. Again, this is approach not actively involves young people in decision-making in matters that affect their lives and development. Empowering young people as a concept and approach to the development of young people believe that "young people

do the best resource to assist their development, and should be as architects and agents in solving problems and solutions to problems They face in today's world and in the new millennium."

## **2.7 Microfinance and Youth Economic Empowerment**

"International Year of Microcredit 2005 underscores the importance of microfinance as an integral part of our collective efforts to achieve the Millennium Development Goals. Sustainable access to microfinance helps alleviate poverty by generating income, creating jobs work, allowing children to go to school, allowing families to receive medical care and empowering people to make decisions that best meet their needs. A big task ahead to resolve the difficulties that exclude people from full participation in the financial sector. "

Kofi Annan, the former Secretary General of the United Nations, focused on the significance of the UN places on microfinance as an instrument for the alleviation of poverty and empowerment of the youth (Asamoah, 2013). Microfinance in the expansive sense, as the provision of financial related services, for example, savings, small loans, and other basic financial services to poor and low-income people. Microloans are mostly made by mutual trust of solidarity groups and these loans are mostly used for different purposes, such as investments in micro and small businesses and agricultural production. An extensive variety of organizations that provide microfinance, including non-governmental organizations (NGOs), credit unions, cooperatives, non-bank financial institutions and some banks which state-owned. While most nations have had long involvement with informal financial systems-based commercial financial services to the poor community is growing rapidly only in recent years.

The poor mostly have adequate access to credit for different reasons; particularly their absence of collateral, the ideology that the poor are terrible credit risks and, as a rule, the higher the transaction costs connected with small loans. Problem solving is accomplished through the introduction in 1970 of fruitful microcredit experiments in Latin America and South Asia, specifically, the Grameen Bank model in the village. In the microcredit model we have demonstrated that poor dissolvability. Program assessment has demonstrated that repayment rates of loans are usually high, regardless of their lack of collateral. As Daley Harris (2004), under the right conditions, access to financial services, specifically microcredit empowers poor individuals and youngsters to expand their incomes, build assets and reduce their vulnerability to crises. He likewise noticed that there is no proof that access to credit has given the number of poor individuals and young people the means to increment, diversify and protect their sources of income. In this way, they incorporate financial access to skills training and business management which are crucial for the successful execution of the entry. Microcredit programs can take three different forms, or a mix of the three forms, namely, the construction of power approach, the focus of the pipeline and the institutional approach.

The focus is on the potential of the poorest, landless, powerless, and voiceless or "lacking resources," particularly to young people. The point is to raise awareness, to organize customers and build your confidence believe in their own ability to change their lives and develop a culture of saving. Focus channeling can be used by rural banks and non-governmental organizations to help "not so bad" productive poor. These groups may have value take some small risks, but can not be a lack of financial support security. For this situation, the function of the circuit can be constrained to a

credit house, expansion and mutual pressure. Institutional approach is more extensive and can be utilized in places where there are no financial institutions.

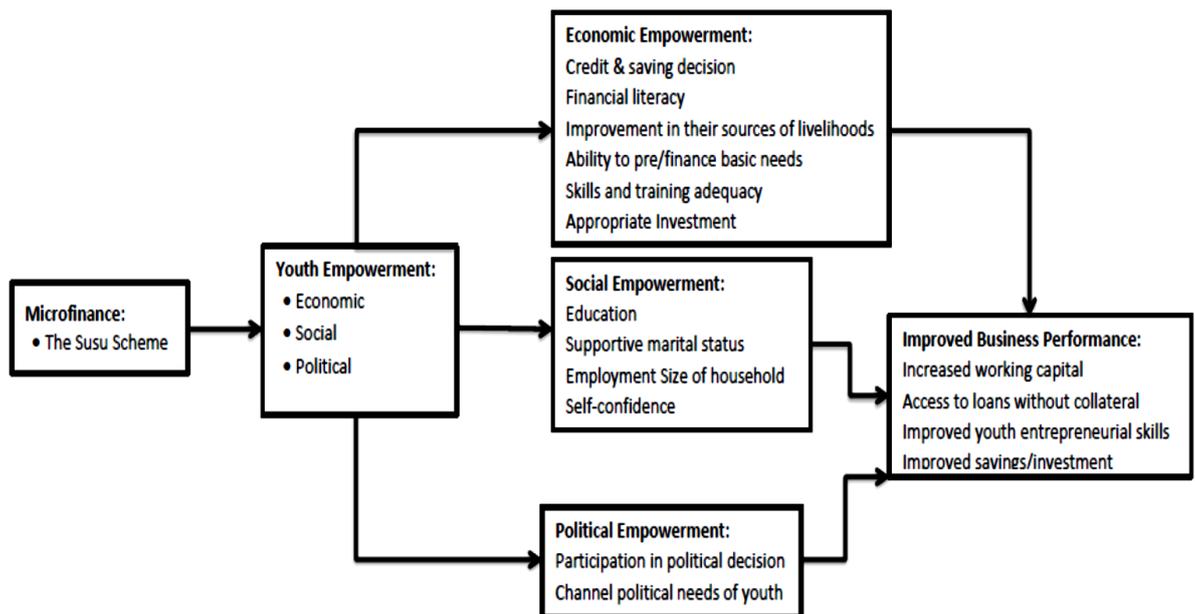
In this environment, particularly young people can help through the institutional approach, where they are able to mobilize their own savings through the formation of groups and linking them with the financial institution. Since lawlessness is described by high illiteracy rates, low economic status, lack of access to resources, low power of decision-making, lack of income, depending on the culture and the lack of collective action in accordance with the Buvinic (1989), or any combination of these three approaches can be taken to effectively expand the possibility of the target clientele.

Empowerment is the process by which individuals take control of their lives and gain the ability to produce decisions, exercise market power, develop self-esteem and belief in their ability to deliver the desired changes (UN, 2001). It is likewise defined as "the expansion in people's ability to make strategic life choices in a context where this ability was previously denied them," Kabir (2001). In her contribution, Mayoux (1998) defined empowerment with specific reference to the micro-credit as "a process by which powerless people become aware of their own situation and organize together to get better access to public services or to the benefits of economic growth ". In this definition, empowerment is seen as a process and includes the ability of the poor to change their lives. It works "from below" that is, from the grassroots, and includes the ability of people and / or groups as well as the availability of resources. This can occur in the hierarchy of different levels, namely the individual, household, community or national level.

### 2.7.1 Conceptual Framework of the Study

This section of the study establishes the effect of three major areas of youth empowerment on their entrepreneurial activities and hence the performance of their businesses through accessing the Susu Scheme services of micro finance institutions in the Kumasi metropolis. The reviewed and discussed concept is shown diagrammatically by Figure 2.1.

**Figure 2.1: Conceptual Framework of the Study**



Source: Author's Own Construct, 2015

From Figure 2.1, through the youth's ability and capability, and the micro finance institutions as well as government initiatives to aid the youth in accessing credit facilities through the Susu Scheme, the youth are empowered economically, socially and politically. Through Susu scheme, youth entrepreneurs have economic rights in such areas as the improvement in their livelihoods; improve the ability of pre-financing elementary prerequisites, augmented involvement in supervisory skills and to improve the adequacy of training and improvement in the field of investment.

Furthermore, the Susu scheme also empowers the youth entrepreneurs in education, marriage, employment, self-confidence; and also enhances their political participation that could aid the youth channel their needs to political leaders to ensure that those needs are considered in national policies. It can therefore be concluded that both political and social empowerments have critical influence on the economic empowerment of the numerous youth entrepreneurs in Ghana since they all culminate in improving working capital, improving access to loans without collateral, improve entrepreneurial skills and improve savings or investment.

## **2.8 International Best Practices of Youth Economic Empowerment**

In the formulation of the National Youth Economic Empowerment Strategy (NYEES) and implementation of plans, the current study has reviewed international best practices for youth in economic life. The two countries have been sent for this purpose, and these include: Canada (developed) and Uganda (development). These two countries were chosen because they are relatively successful in deploying youth policy; have a unique event that can be applied to Ghana, and in some areas have experienced some glitches that help Ghana to avoid. In particular, they showed that to achieve success in this area of the country will have to integrate young people in his business. These countries have done this by drawing up a national youth policy and plans that have been integrated into national plans for economic development, the establishment of an inter-ministerial coordinating committee, creating youth focal points and the development of special agreements between the government, private sector and civil society, dedicated to driving economic opportunity and Youth development.

### **2.8.1 Canada**

The Canadian case study posits the importance of the government in the development and implementation of the economic strategy of young people with a focus on youth empowerment economically. The strategy is called the Youth Employment Strategy, aimed at young people (<http://www.youth.gc.ca>). In particular, it introduced entrepreneurship programs for youth, educational programs, entrepreneurship, finance, conferences, broadcast and print promotions.

Canada also teaches us that if the government's priorities of economic empowerment youth has a positive turn in the direction of increasing business and solve the problem of unemployment and poverty in the country. It was the Government of Canada actively encourages all financial institutions and banks to develop financial products aimed at supporting young people. Through the non-financial support, the focus is on encouraging more business to lead young people for at least two years during the launch period. In the financial aspect of the nature and viability of the business plan, the Canadian Youth Business (CYBF) Foundation as a basis for loans, unlike the guarantee, as it is for young people who otherwise would not be eligible for funding approach through normal loans (<HTTP://www.cybf.ca>). CYBF is a private, sector financing created in collaboration between several major Canadian banks to provide a starting compulsory mentoring, financing and business resources for young Canadians. It targets young entrepreneurs between the ages of 18-34 years. Financial products offered include flexible financing Start Up, which provides funding of up to CN \$ 15,000 (R120,000) in interest payments and maturities of implementation shall not exceed five years. The expansion of the product provided financing to entrepreneurs whose business successfully with its flexible Start-Up Financing

qualifies for CN \$ 10,000 (R80,000) the extension of the funding under this program. These measures have made Canada account the relative success of economic opportunities for young people. From the perspective of the Global Entrepreneurship Monitor (GEM) ranking 10 countries regarding the development of enterprises (GEM Report, 2003) and business acquisitions, Canada improved its ranking from position 16 to 13, compared to other countries in the world. The GEM also indicates that young people in Canada from the age of 25-34 category started 15.8% of opportunity-based and 28% of necessity-based businesses respectively.

### **2.8.2 Uganda**

Economic development priorities Ugandan youth, which made it the title of No. 2 in the world in terms of GEM 2005, report (Global Entrepreneurship Monitor, Uganda Report, 2005). This responsibility is to promote the economic empowerment of young people is the mandate of the Ministry of Gender, Labour and Social Development (UMGLSD, 2005). This ministry is responsible for young people and is headed by a general policy implementation, monitoring, evaluation and review, in addition to mobilizing the resources needed to implement the programs. The Ministry has developed a national youth policy to promote the economic development of young people (Uganda National Youth Policy, Kampala, 2001). The policy contains an action plan with these actions, deadlines and budget allocations. It also defines the target group (youth) and policies aimed at the integration of youth in economic terms the country. The National Youth Policy also directs, harmonises, complements and enhances the action and role of all stakeholders in the economic development of the youth.

The Government of Uganda has introduced a corporate system of young non-financial instruments for the provision of support services for business development for aspiring young entrepreneurs and companies already operating property of youth (Youth Enterprise Scheme Credit Uganda, 2005). These support services include business development skills training business, enterprise and development and guidance for young people.

The mandate of safeguarding the effective integration of youth in jurisdictional field and strategy and the overall economy, the government has launched the National Youth Council, tasked to monitor, review and report on the progress in youth economic empowerment and development (Uganda National Youth Council Act, 1993). It also plays the role of lobbying and promoting the implementation of the National Youth Policy.

## CHAPTER THREE

### METHODOLOGY AND THE STUDY AREA

#### 3.1 Methodology Outline

The third chapter analyses the investigation mode employed for the search. This episode discusses technical enquiry design, residents sampling, and trial surveys. The next chapter describes the basics of the hypothesis of many methods. A provision of a general view in collecting information modes that will be employed for this enquiry which also serve as a weapon in analysing information. Finally the latter section of the chapter of weight plus consistency which increases some eminence of research is analyzed.

#### 3.2 Plan of Research

According Polit et al. (2001) study of designing the general plan of study in order to answer the research questions. This study is a descriptive survey adopted a strategy and a joint research approach. Mixed approach uses both qualitative and quantitative forms of data in order to achieve their goals. Amaratunga et al. (2002) gives, in his article that the qualitative and quantitative analysis can be used in combination. Amaratunga al. (2002) further explains that qualitative and quantitative methods are not exactly the opposite, and that focus on different aspects of the same phenomenon. They also note that the quantitative and qualitative research can be combined so that another weakness may be coated.

The study also received personalized study sought to examine the effect of plans MFIs "Susu" in the economic empowerment of young entrepreneurs in Ghana, Kumasi metropolis. The case study is "an empirical study that investigates modern

phenomenon in its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" and depends on multiple sources of evidence "(Yin, 1994). Case studies usually data collection methods such as interviews, observations, questionnaires, documents and analysis of the text, combine but this study is mainly based on a structured questionnaire and interviews.

### **3.3 Population of the Study**

The masses of the body of persons, objects or objects from a model to measure. The target group is the whole set of people who want collect data. To plan a functional examination, it is needful to specify the dimension together with the setting of the intended populace. For this enquiry, its intended populace constituted complete Youth Entrepreneurs in the Kumasi metropolitan area, and all tier 2 microfinance institutions (MFIs) in the Kumasi metropolitan area. A determinate populace is not accessible for the youth entrepreneurs in the Kumasi metropolis due to the absence of population frame.

### **3.4 Sample Size and Sampling Techniques**

From the total tier 2 MFIs of 44 in the Kumasi metropolis, three were chosen for the study through simple random sampling by balloting procedure. These were Frankaman MF Co. Ltd., GIFS MF Co. Ltd. and Talent Microfinance Service. The heads of the credit department of these sampled MFIs were chiefly sampled for the study.

Furthermore, 65 youth entrepreneurs were sampled for the study through a snowballing non-probabilistic sampling method. This non-probability sampling

technique is appropriate due to the difficulty in locating this particular target population in the Kumasi metropolis. This type of sampling technique works like chain referral. After observing the initial subject, the researcher would also ask for assistance from the subject to help identify people with a similar trait of interest. The process of snowball sampling is much like asking your subjects to nominate another person with the same trait as your next subject. The researcher then observes the nominated subjects and continues in the same way until the obtaining sufficient number of subjects. In this instance, this method was followed until the desired sample size of 65 youth entrepreneurs were fully covered in the Kumasi metropolis.

### **3.5 Sources of Data**

The research gathered principally primary data which addressed the issues of the economic empowerment of youth entrepreneurs in the Kumasi metropolis. These forms of data were collated through an interview and questionnaire administration. The primary data was collected in a single face. The data was collected directly from the interviewees and respondents of the questionnaire in the Kumasi metropolis. Furthermore, secondary data comprised of works that had already been done on the of microcredit assistance to youth entrepreneurs in the quest of empowerment. Therefore, journals, internet sources, published and unpublished dissertations as well as empirical literature formed the secondary data used for the study.

### **3.6 Data Collection Instrument**

Data collection instrument used for the collection of the primary data were questionnaires and interview. These tools aided in the collection of primary data for the study. A semi-structured questionnaire and a semi-structured interview

instruments were employed in the data collection. The way these tools were employed in the collection of the primary data have been vividly expatiated in the subsequent sub-sections.

### **3.6.1 Questionnaire**

The research depended on semi-organised form for gathering data used in answering objectives 1, 2 and 3 of the study. The questionnaire was developed and built on both closed and open-ended questions. The closed ended questions were used to test the rating of various attributes and this helped in reducing the number of related responses in order to obtain more varied responses. The questionnaires were administered on a face-to-face basis with numerous youth entrepreneurs in the metropolis of Kumasi.

The questionnaire was distributed in offour parts: (1) the initial portion had to do with the demographic characteristics of respondents, such as age, sex, level of cognitive and years of experience, (2) in the next section of the questionnaire provides the elements to identify the challenges facing young entrepreneurs capital of Kumasi (3) The third section defines the level of economic empowerment of youth by the "system" SUSU MFIs in Kumasi metropolis, and (4) in the fourth section of the elements used to measure the effect of "regime SUSU" in the economic empowerment of young entrepreneurs in the Kumasi metropolis. Most items or statements have been measured using a five-point Likert scale.

To take advantage of coherence and legitimacy of the questionnaire, queriesspawnd dialogue was pre-tested in a model of 20 young entrepreneurs in the Greater Accra.

The reliability of the study was tested by analyzing Cronbach Alfa. Participants who complete the initial studies based on juvenile problems facing entrepreneurs and the level of empowerment "schemes" SUSU IMF was asked. An initial survey was conducted about ten to twenty minutes to complete. When administered in a preliminary test, the investigator said that items that are measured in the study reflect the actual interactions and expectations of the young people interviewed entrepreneurs. The results of preliminary tests indicated that young entrepreneur must consider some points in appraising its structure alike, amounting to minial differences to both queries (editorial) and elements. It was decided to maintain all elements of the study that contributed to a larger scale, to see if these things actually measure the same design point of view of young businessman.

### **3.6.2 Interviews**

This section of the study, "the perceived level of youth economic empowerment" Susu scheme providers "was investigated using semi-structured interviews. The key informants were the heads of credit departments Frankaman Co. Ltd. MF, MF GIF Co. Ltd. and talent of microfinance services. In the method of semi-structured interviews, the interviewer has a list of predefined questions asked of respondents. Only guide the discussion asked while allowing the interviewer to explore topics or specific responses (Tuomi and Sarajärvi 2002). Moreover, the list of issues ensures that the same basic lines of research are conducted with each respondent (Patton, 2002).

Partially suitable for exploratory research where the researcher is ambivalent interview method exactly what they are looking (Nielsen, 1993). In discussions with

respondents, the interviewer can correct questions in an attempt to find unexpected information. The interview allows the researcher to discover that and another person, and that his vision of the phenomenon under study is (Patton, 2002). These two factors are the main reasons for the choice of the interview method, in particular, interviews, semi-structured, as an additional tool for data collection. The method used in this chapter to get an idea of the providers of experiences and opinions on the level of economic opportunities for young people "Susu" operated by MFIs in the metropolis of Kumasi scheme.

### **3.6.3 Interview**

In this section of the study, the providers' perceptions regarding the level of youth economic empowerment by the 'susu scheme' are explored using semi-structured interviews. The key informants were the heads of the credit departments of the Frankaman MF Co. Ltd., GIFS MF Co. Ltd. and Talent Microfinance Service. In the semi-structured interview method, the interviewer has a list of predetermined questions to be asked of the respondents. The predetermined questions only guide the discussion while at the same time giving the opportunity for the interviewer to explore particular themes or responses further (Tuomi & Sarajärvi 2002). On the other hand, the list of questions ensures that the same basic lines of inquiry are conducted with each interviewee (Patton, 2002).

Interviews are partly suitable method for exploratory studies where the researcher is ambivalent of exactly what he is searching for (Nielsen, 1993). During the discussions with the respondents, the interviewer can adjust the questions in an attempt to find unexpected information. The interview allows the researcher to find out what is in someone else's mind and what his or her perspective on the studied phenomenon is

(Patton, 2002). These two factors were the primary reasons for choosing the interview method, specifically the semi-structured interview, as a supplementary data collection tool. The method is used in this chapter to get an insight of the providers' experiences and opinions of the level of youth economic empowerment by the 'susu schemes' operated by MFIs in the Kumasi metropolis.

#### **3.6.4 Data Collection Procedure**

The investigator began the supervision of questionnaires by looking for the first youth entrepreneur to set the snow rolling to catch moss. The ball was set rolling after administering the first questionnaire with the first youth entrepreneur on the 19<sup>th</sup> June, 2015. This continued through the snowballing method till the entire desired sample size of 65 youth entrepreneurs was fully covered. The final version of the questionnaire was administered to 24 June 2015 the respondents did not want to have more than 20-30 minutes. However, the one-to-one interview with the heads of the credit departments of the three sampled MFIs in the Kumasi metropolis was conducted on the 27<sup>th</sup> June, 2015. The interview took place at the interviewees' offices and was held in English. The interviews lasted for 30 minutes to 1 hour. At the beginning of the interviews, the interviewees were informed about the purpose of the study as well as the anonymity and the confidentiality practices. Permission for tape recording was asked before the actual interview started. After the introduction to the subject, the interviews followed the semi-structured interview guide presented in Appendix B. The guide provided an outline for the interview but allowed the interviewer to explore and ask further questions that were seen as significant to the aim of the study.

All the interviews were tape recorded and field notes were taken during the discussions to ease the data analysis. Right after the interviews, the recordings were listened to several times in order to find the essential issues. The field notes were then supplemented with these findings. The interviews were therefore not transcribed verbatim, only the key findings and statements were written down.

### **3.7 Method of Data Analysis**

The greater part of the collated primary data was processed and analysed using the Statistical Software Programme for Social Sciences (SPSS version 17). The three objectives of the study were initially analyzed descriptively. The descriptive analysis conducted analysis involves the use of spreadsheet (in percentage and frequency), and the mean values for the discussion of key variables involved in the study. However, the inferential statistical tools are also used in addition to the descriptive analysis. The challenges facing young entrepreneurs in the Kumasi metropolis were classified using Kendall rank test. Susu scheme Effect MFIs in the economic empowerment of young entrepreneurs such as further analyzed using correlation analysis. The interview data was analysed using content analysis to identify emerging themes. Content analysis is a systematic and objective method of examining messages and their characteristics (Neuendorf, 2002). According to Tuomi and Sarajarvi (2002), the method aims at creating a clear verbal description of the studied phenomenon. Content analysis is used to reduce the volume of raw data, to identify themes and patterns and organise the information into a compact form without losing any information content. There are several procedural suggestions for content analysis but no systematic rules exist. However, the used analysis approach should be systematic and transparent. The data analysis started with a review of the field notes to develop an initial coding scheme. In

case of unclear field notes, the interview tapes were listened again to supplement the notes. The coding was used to identify themes arising from the interview data. In parallel with this, a semi-structured interview guide was used to discover linkages between the theory and the interview data.

### **3.8 Data Validity and Reliability**

The unwavering quality of a research instrument concerns the degree to which the instrument yields the same results on respond trials. Despite the fact that unreliability is constantly present to a certain degree, there will usually be a good deal of consistency in the results of a quality instrument assembled at different times. The tendency toward consistency found in repeated measurements is known as a reliability (Carmines & Zeller, 1979). One method of testing for reliability is the internal consistency method. The internal consistency method gives a unique evaluation of reliability for the given test administration. The most popular internal consistency reliability estimate is given by Cronbach's alpha. It is expressed as  $\alpha = \frac{Np}{[1+p(N-1)]}$  Where N equals the number of items and p equals the mean inter item correlation. The reliability of the major constructs of the questionnaire was tested and this gave Cronbach alpha value of 0.922.

Validity is expressed as the degree to which the instrument measures what it indicates to measure (Allen and Yen, 1979). Content validity relates to the degree which the instrument completely evaluates or measure the construct of interest. The questionnaire was carefully designed and tested with a few members of the population for further improvements. This was done in order to enhance its validity and accuracy of data to be collected for the study.

### **3.9 Ethical Consideration**

De Vos (1998) you define ETHICS As a "set of moral principles, or group that provided individual rear adopted widely and that the rules and proportionality behavioral expectations Behavioral more Correct to the test and respondents, employers, sponsors, and other researchers, assistants and Students."Ethical aspects considered in this study include the right of establishment and researcher on scientific integrity. The objective of the research is to obtain language Used through honest Conduct informs Presentation and publication of unformed Studio. The researcher is aware that the data must not be falsified or manipulated to the quality of the investigation and keep the report (Burns and Grove, 1993). To achieve this, if obtained written consent of the heads of credit departments MFI selected in Kumasi Metropolis, informing the propositi and study design. In addition, researchers found heads of departments of credit; research Consumers purely to satisfy demand on academics and not for any other reason. Respondents were required not give their names in interviews, so no Privacy Policy.

### **3.10 Study Area**

Background Kumasi Metropolis of the Ashanti Region of Ghana for research is selected. Kumasi in the Ashanti region's most populous country. The 2000 census recorded an image of 1170270. it is projected to have a population of 1,625,180 in 2006. The increase of 5.4% per year, and slightly less than a third (32.4%) of the population of the region. Kumasi absorbs such a large part of the population, in part because it is the regional capital and most of the shopping center. Ashanti Region is now the second most urbanized country, after Moncton (87.7%). Most of the urban

population in the region, mainly to the fact that in the Kumasi metropolis is not only as a whole, but the urban population is responsible for one-third of the area. The main sectors of the economy, and account, business / commercial services 71%, manufacturing industry, which occupies 24%, and primary production, which is only 5%.

Kumasi (especially business services, including) trade in employment of 71 percent. It is followed by agriculture and industry and employment levels to 24% and 5%, respectively. Kumasi in order to establish itself as an important commercial center. In wholesale and retail trading business focuses. Banks and non-bank financial institutions as well as ancillary services. The metropolis has around 44 Level 2 organizations including Frankaman MF Ltd, Co., Ltd Talent GIFS MF microfinance services, series MF Company Limited, Xpress to connect MF Ltd, AKAD MF Ltd positive MF Co., Ltd., Microfinance Kenlasab Company Limited, a microfinance, corporate MF future Real Ltd, Co., Ltd Mid and West MF, MF Grandford Microfinance Ltd Age Services, Reell MF Co., Ltd., and RIGHTWAY MF Co., Ltd.

## **CHAPTER FOUR**

### **PRESENTATION AND DISCUSSION OF RESULT**

This section presents the data collected and analyzes data to solve specific research problems. The main topics for discussion include the head of the "background, the challenges faced by young entrepreneurs level of training to empower youth by Susu scheme, the effect of the scheme TMI drought in empowering young entrepreneurs and operation" susu scheme participants to have a significant impact on young entrepreneurs.

#### **4.1 Socio demographic characteristics of the respondents**

This section of the study discusses the socio demographic characteristics of the surveyed youth entrepreneurs in the Kumasi metropolis. The major socio demographic information of the surveyed respondents discussed were age of respondents, gender of respondents, highest level of education, marital status, household size, years of working experience and experience in entrepreneurial and leadership training. The result of the socio demographic information of the respondents is shown Table 4.1.

**Table 4.1: Socio demographic information of the respondent**

<b>Socio Demographics</b>	<b>Frequency</b>	<b>Percent</b>
<b>Gender of respondents</b>		
Male	45	69.2
Female	20	30.8
<b>Age of respondent</b>		
Below 15 years		
15-25 years	17	26.2
26-35 years	27	41.5
36-40 years	21	32.3
<b>Highest level of education</b>		
No formal education	6	9.2
Basic	6	9.2
Senior high school	34	52.3
Post-secondary	19	29.2
<b>Marital status</b>		
Single	25	38.5
Married	36	55.4
Divorced	4	6.2
<b>Household size</b>		
1	13	20.0
2-3	28	43.1
4-5	14	21.5
6+	10	15.4
<b>Years of working experience</b>		
1-3 years	18	27.7
4-6 years	18	27.7
7-10 years	18	27.7
11 years +	11	16.9
<b>Experience in entrepreneurial &amp; leadership training</b>		
1-3 years	18	27.7
4-6 years	27	41.5
7-10 years	17	23.1
11 years +	5	7.7

Source: Field Survey. 2015

Result Table (4.1) shows that most young entrepreneurs, respondents were male and 30.8% were women. Distribution half of the study is inconsistent with the indication of the report, women constitute 75% of all clients in Nsoatreman drought Rural Bank;

65% of the total number of customers at first allied susu savings and loan Limited; and 80% of the total customer drought Citi Savings Bank Limited (Accord, 2000). This could be attributed to the limitation of the scope of the study youth entrepreneurs.

The majority (41.5%) of the surveyed respondents was in the age category of 26 and 35 years, whereas 32.5% were in the age category of 36 and 40 years. however, 26.2% of the respondents were also in the age category of 15 and 25 years. The highest educational level of the majority (52.3%) of the respondents was senior high school whereas 29.2% also have post-secondary education. The majority (55.4%) of the respondents were married whereas 38.5% were single. The household size of 43.1% of the respondents was 2 to 3 persons, 20.0% was 1 person, and 21.5% was 4 to 5 persons.

The working experience of the surveyed respondents was 1 to 3 years for 27.7%, 4 to 6 years for 27.7%, 7 to 10 years for 27.7% and 11 years or more for 16.9% of the respondents. With regards to the experience of the surveyed respondents in entrepreneurial and leadership skills, 27.7% have 1 to 3 years, 41.5% have 4 to 6 years and 23.1% have 7 to 10 years. This therefore implies that not many of the respondents are endowed with working experience and entrepreneurial and leadership experience or skills of more than 11 years.

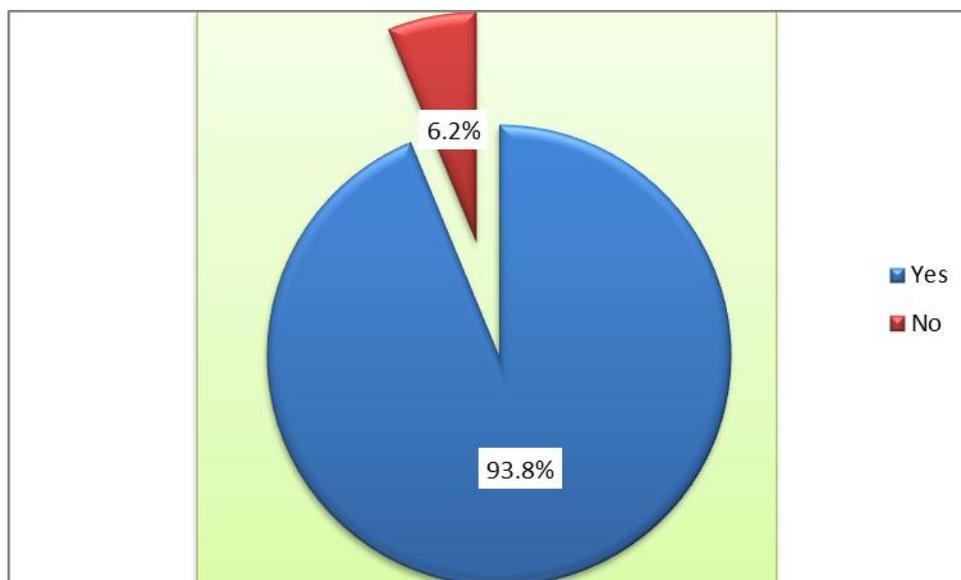
#### **4.2 Challenges Confronting Youth Entrepreneurs**

In this section, the study identifies and ranks the challenges faced by young entrepreneurs in the capital, Kumasi. To achieve this, the respondents were presented

with a list of 15 questions, usually in the literature as an obstacle to youth entrepreneurship in the Kumasi metropolis. The task of each participant to classify problems according to their consent to them as problems. Table (4.2) shows the average ranks and, as a result, the rows of issues claimed 61 young entrepreneurs interviewed in the Kumasi metropolis.

Initially, this section of the study determined whether the youth entrepreneurs have ever attempted engagement in any form of business. The result is graphically presented by Figure 4.1.

**Figure 4.1: Ever attempted engagement in any form of business**



Source: Field Survey, 2015

The result of the figure (4.1) shows that the majority of the surveyed respondents indicated that they have ever participated or engaged in some form of business activities in the past years. However, 6.2% of the respondents have never attempted engaging in any form of business. This clearly indicates that the youth in the Kumasi metropolis are not sitting idle but engaging in different forms of business activities.

However, this entrepreneurial initiative by the youth in Kumasi is curtailed by several challenges that have been presented in Table 4.2.

**Table 4.2:Challenges confronting youth entrepreneurs**

<b>Challenges</b>	<b>Mean Rank</b>	<b>Rank</b>
Limited funds to start-up business	9.74	1
Lack of job opportunities	9.72	2
Continual worsening economic conditions	8.87	3
Difficulty in accessing loan facilities due to inability to meet loan requirements	8.75	4
High interest rate on available credit facilities	8.72	5
Entrepreneurial Educational Lapses in Educational Curriculum	8.65	6
Fear to take risk and the stigma of failure	8.32	7
Ill-equipped in entrepreneurial training	8.31	8
Inadequate youth enterprise development support systems	8.05	9
Poor saving culture among the youth	7.80	10
Inadequate entrepreneurial educational	7.54	11
Lack decision making power in society	6.76	12
Inadequate information	6.51	13
The youth are refused job opportunities because of job inexperience	6.32	14
Lack business management experience	5.93	15
<b>Test statistics</b>		
N		61
Kendall's W <sup>a</sup>		.821
Chi-Square		71.91
Degree of freedom		14
P-Value		.000

**a. Kendall's Coefficient of Concordance**

Source: Field Survey, 2015

The Kendall's rank result was obtained following the non-parametric test for k-related samples in SPSS 17. The level of agreement between the 61 youth entrepreneurs was tested using the Kendall's coefficient of concordance since there are three or more judges or youth entrepreneurs.

The result of table (4.2) shows that the most highly ranked challenge of the youth entrepreneurs in the Kumasi metropolis is limited funds to start businesses with mean rank of 9.74. This factor partly explains the inability of some of the youth to engage in any form of business, and others for engaging very small size businesses. Youth entrepreneurs who deal with financial institutions are often confronted with problems associated with age and business experience biases (Woos, 1994). The second and third ranked challenges of the youth entrepreneurs were lack of job opportunities and continual worsening economic conditions with mean ranks of 9.92 and 8.87 respectively. It is evident that the level of unemployment among the Ghanaian youth is on the upsurge due to the worsening economic conditions in the country. The youth unemployment rate in Ghana is witnessing a consistent increasing trend. The youth unemployment rate was 12.7% in 1999, 16.4% in 2000, 25.6% in 2006 and 27.8% in 2013 (Ghana Statistical Service, 2014). These challenges are consistent with the findings of the USAID (2005) that indicates that the youth in developing countries are persistent impeded in their entrepreneurial development through limited funds to start-up business and lack of job opportunities due to poor existing performance of their economies.

The fourth and fifth ranked challenges of the youth entrepreneurs were the difficulty in accessing loan facilities due to inability to meet loan requirements and high interest rate on available credit facilities with mean ranks of 8.75 and 8.72 respectively. This therefore implies that the fourth and fifth ranked challenges are principally difficulties in accessing credit facilities to start or operate business due to high interest rates and meet the loan requirements. Kessey (2014) the low earnings and the high interest of 3% per month or 34% per annum have led to high default rate among small

businesses including youth entrepreneurs who largely depends on SLCs products like the susu scheme. The study showed that among SME entrepreneurs who repay credit on monthly basis there is a default rate of 2.8% where as those who repay annually have default rate of 6.5%.

The sixth and seventh ranked challenges of the youth entrepreneurs were the entrepreneurial educational lapses in the educational curriculum and the fear to take risk and the stigma of failure with mean ranks of 8.65 and 8.32 respectively. The fear to take risk and the stigma of failure was also deemed by the GEM report of 2010 as a major factor challenging the Ghanaian youth. The report further reveals Ghana's "Fear of Failure" for new enterprises stand at 10.4%. The other major challenges confronting the youth entrepreneurs were the ill-equipped in entrepreneurial training, inadequate youth enterprise development support systems, poor saving culture among the youth, inadequate entrepreneurial educational and the lack decision making power in society in that order of rank.

However, the least ranked challenges confronting the youth entrepreneurs were found to be related to inadequate information, refusal of job opportunities because of job inexperience and lack of business management experience with mean ranks of 6.51, 6.32 and 5.93 respectively.

Kendall compliance coefficient (WA), test the hypothesis null that there is no agreement (young entrepreneurs differ significantly) among young entrepreneurs in relation to how to reduce the challenges of inventory that affect the development of young entrepreneurs refused level of 1 %. The degree of consensus, as measured by

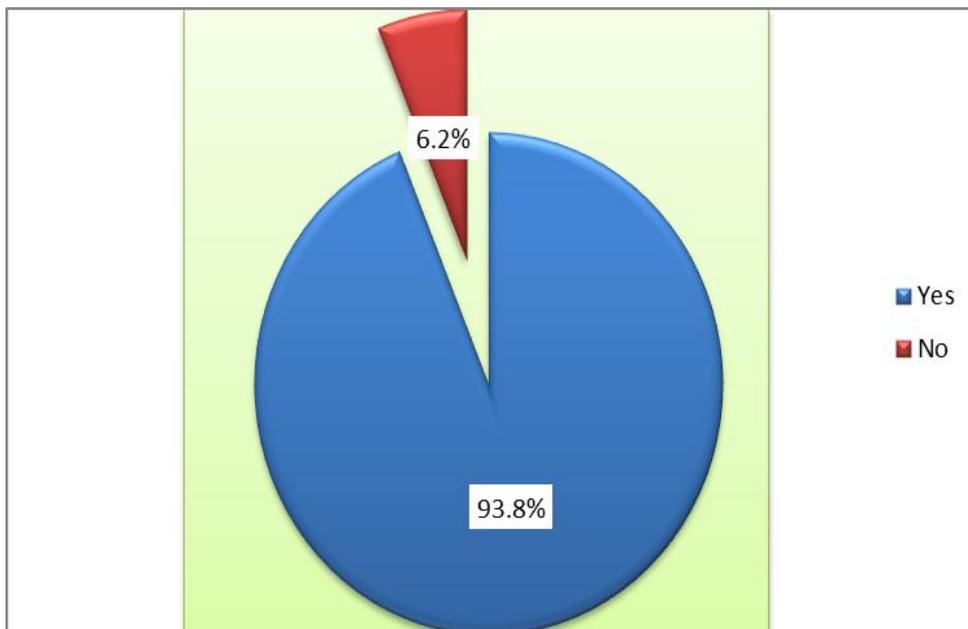
V-statistics is about 82% compared to the result for zero rate random and one for a perfect classification unanimously.

Youth entrepreneurs in the study area can therefore, be said to unanimously agree that the most constraining factors to efficient processing are more related first to financing of start-up business and secondly to lack of job opportunities and then to worsening economic conditions and difficulty in accessing loan facilities due to inability to meet loan requirements.

### 4.3 Level of Youth Empowerment

This section of the study assesses the level of youth empowerment in the Kumasi metropolis by initially determining the engagement of the youth in any form of ‘susu schemes’. The result is presented by Table 4.2.

**Figure 4.2: Ever engaged in any form of ‘susu scheme’**



Source: Field Survey, 2015

The result of figure (4.2) shows that the majority (93.8%) of the respondents have ever engaged in some form of ‘Susu schemes’ organized by micro-financial institutions in the Kumasi metropolis. however, 6.2% of the respondents have never engaged in any form of ‘susu scheme’. The majority of the youth entrepreneur’s involvement in Susu schemes organized by the various micro-financial institutions is an indication of self-development and empowerment. Kabeer (1999) also suggest that through the offering of poor households including entrepreneur youths access to formal or semi-formal financial services, MFIs have the potential to empower its clients economically.

#### **4.3.1 Empowerment by ‘susu schemes’**

This section of the study assesses the empowerment level of the youth entrepreneurs in the Kumasi metropolis through their involvement in the ‘susu schemes’ organized by the MFIs. This objective was achieved through the employment of descriptive tools like mean and standard deviation. The descriptive result is shown in Table 4.3.

The result of the table (4.3) shows that the majority of the respondents agreed that they are educated on credit and saving decision as shown by the mean response of 3.60. This therefore explains their involvement in varying forms of Susu schemes organized by MFIs in the Kumasi metropolis. The majority of the surveyed youth entrepreneurs fairly agreed that they have never had any working experience as shown by their mean response of 2.70. The predominant phenomenon in Ghana among many organisations is the requirement of business experience before employment, and this job experience requirement of the youth is very low attributing to the low level of job opportunities for them. The majority of the surveyed respondents fairly agreed that

they have some level of education in financial literacy as shown by the mean response of 3.31. The mean response of 4.00 also indicated that the majority of the surveyed respondents agreed that they have witnessed improvement in their sources of livelihoods. The mean response of 3.63 also shows that the majority of the surveyed respondents agreed that they have the capacity to pre-finance their basic needs.

The surveyed youth entrepreneurs were found to have skills and training capacities to meet the world requirements as shown by their mean agreement level of 3.81. The youth entrepreneurs fairly agreed that they have appropriately invested as shown by the mean response of 3.23. The mean response of 2.89 further shows that the majority of the respondents fairly agreed that they are not well-equipped in training in business and leadership skills. The mean response of 3.44 shows that the youth entrepreneurs surveyed fairly agreed that they are not well-equipped in any form of peer support. The respondents further fairly agreed that they MFIs do not provide confidence and capacity building programmes and have not depository facility for small savings. This finding is consistent with the study of Littlefield et al.(2003) that showed that access to MFIs can empower people including the youth to become more confident, more assertive, more likely to take part in family and community decisions and better able to confront inequities, enhanced capacity to take financial decisions.

**Table 4.3: Empowerment by ‘susu schemes’**

<b>Economic Empowerment</b>	<b>N</b>	<b>Minimum</b>	<b>maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
I am educated on credit & saving decision	62	1.00	5.00	3.60	1.21
I have never had any working experience	62	1.00	5.00	2.70	1.60
I am educated on financial literacy	62	1.00	5.00	3.31	0.98
I have witnessed improvement in my sources of livelihoods	62	2.00	5.00	4.00	0.75
I am able to pre-finance my basic needs	62	2.00	5.00	3.63	0.87
I have skills and training to meet the world requirement	62	1.00	5.00	3.81	0.85
I have appropriately Invested	62	1.00	5.00	3.23	1.03
I am not well-equipped in any form peer support	62	1.00	5.00	3.44	1.15
I am not well-equipped in training in business & leadership skills	62	1.00	5.00	2.89	1.31
MFIs don't provide confidence & capacity building programmes	62	1.00	5.00	2.58	1.34
Absent depository facility for small savings	62	1.00	5.00	2.55	1.24

Rank: [1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree]

Source: Field Survey, 2015

#### **4.4.1 Effect of MFIs Susu Scheme on the empowerment of youth entrepreneurs**

The various effects of the MFIs Susu schemes on the empowerment of the youth entrepreneurs in the Kumasi metropolis are discussed in this section of the study. To achieve this objective, the considered effects identified in literature were ranked through the Relative Importance Index (RII) based on the responses. The Table 4.4 therefore presents the responses of the surveyed youth entrepreneurs, the weight of the response, the RII values and by extension the ranks of the effects. With regards to

the Relative Importance Index (RII) statistical analysis, only factors with RII values of 0.700 or greater are considered important.

**Table 4.4: Effects of the ‘Susu Scheme’**

Effects of the ‘Susu Scheme’	Responses					RII		
	1	2	3	4	5	Weight	RII	Rank
Improved welfare and source of livelihood [IWS]	6	7	0	27	22	238	0.768	1 <sup>st</sup>
Increased working capital [IWC]	3	10	0	36	13	232	0.748	2 <sup>nd</sup>
Ability to buy more raw materials/goods [AMG]	11	4	0	24	23	230	0.742	3 <sup>rd</sup>
Improve savings/investment [ISI]	1	7	14	28	12	229	0.739	4 <sup>th</sup>
Improve business performance [IBP]	1	14	6	35	6	217	0.700	5 <sup>th</sup>
Improve youth entrepreneurial leadership skills [ILS]	6	9	7	30	10	215	0.694	6 <sup>th</sup>
Improved confidence and capacity in business [ICC]	9	3	12	29	9	212	0.684	7 <sup>th</sup>
Improve youth entrepreneurial training in business [IYE]	1	14	17	22	8	208	0.671	8 <sup>th</sup>
Access to loans without collateral [ALC]	6	14	7	23	12	207	0.668	9 <sup>th</sup>

The result of the table (4.4) shows that the major effects of the ‘susu scheme’ organized by the MFIs were ranked as: (1) improved welfare and source of livelihood [IWS] (RII = 0.768); increased working capital [IWC] (RII = 0.748); ability to buy more raw materials/goods [AMG] (RII = 0.742); improve savings/investment [ISI] (RII = 0.739); and improve business performance [IBP] (RII = 0.700). Therefore, it can be concluded that the youth entrepreneurs engaged in the Susu schemes organized by the MFIs have witnessed improvement in their welfare and source of livelihoods and substantial increases in working capitals. Access to savings and credit facilities and the youth’s decision about what is being done with savings and credit strengthens youth’s say in economic decisions of the household.

However, effect of the Susu schemes such as improvement in youth entrepreneurial leadership skills [ILS], improvement in confidence and capacity in business [ICC], improvement in the youth entrepreneurial training in business [IYE] and the access to loans without collateral [ALC]. The MFIs Susu schemes have therefore failed to improve the entrepreneurial leadership skills, confidence and capacity in business.

#### **4.4.2 Correlation between the Youth involvement in ‘Susu Scheme’ and personal development**

This section of the study assesses the relationship between the involvement of the youth in Susu schemes and their personal development through the Pearson correlation analytical method. This statistical tool aids in the assessment of the magnitude and direction of the relationship between two variables. The possible values of the test are between -1 and 1. A result of -1 implies perfect negative correlation between the variable whereas 1 implies perfect positive correlation between the variables. However, correlation coefficient values greater than 0.5 or less than -0.5 is said to be strong correlation. The result of the section is presented in Table 4.5.

The result of table (4.5) shows that there is positive correlation between youth entrepreneur’s involvement in Susu schemes and improvement in their welfare and source of livelihood [IWS] at a statistical significance level of 5%. This therefore implies that any form of improvement in the involvement of the youth in Susu schemes is associated with a significant improvement in the welfare and sources of livelihood of the youth. This finding is consistent with the study of Chowdhury and Bhuiya (2004) that showed that youth empowerment is positively associated with

livelihood improvement. There is also positive correlation of 0.6794 between the youth entrepreneur's involvement in Susu schemes and increase in working capital (IWC) at a statistical significance level of 5%. This therefore implies that any form of improvement in the youth entrepreneur's involvement in the Susu schemes organized by the MFIs is associated with increases in the working capital of the businesses of the youth. This finding is consistent with the study of Chowdhury and Bhuiya (2004) that showed that youth empowerment is positively associated with increased income and business performance.

The study further revealed that the youth entrepreneur's ability to purchase more raw materials or goods [AMG] is positively correlated with their involvement in Susu schemes organized by the MFIs at a statistical significance level of 5%. This therefore implies that any significant improvement in the youth entrepreneur's involvement in Susu schemes is associated with increases in their ability to purchase more raw materials or goods [AMG] for their businesses.

The result of table (4.5) shows positive correlation of 0.4243 between the youth involvement in Susu schemes and the improvement in savings and investment [ISI] at a statistical significance level of 5%. This therefore implies that any significant improvement in youth entrepreneur's involvement in Susu schemes is associated with their improvement in savings and investment. There was also positive correlation of 0.5464 between youth entrepreneur's involvement in Susu schemes and the improvement in business performance [IBP] at a statistical significance level of 5%. This therefore implies that any form of improvement in the youth involvement in Susu schemes is associated with significant improvement in the performance of

business. This finding is consistent with the study of Chowdhury and Bhuiya (2004) that showed that youth empowerment is positively associated with increased in income and business performance.

The result also showed that there is positive correlation of 0.2767 between the youth entrepreneur's involvement in Susu schemes and their improvement in youth entrepreneurial leadership skills [ILS] at a statistical significance level of 5%. This therefore implies that any form of improvement in the youth entrepreneur's involvement in Susu schemes is associated with improvement in the youth entrepreneurial leadership skills. This finding is consistent with the study of Chowdhury and Bhuiya (2004) that showed that youth empowerment is positively associated with increase understanding of business

The table (4.5) shows positive correlation of 0.5291 between youth entrepreneur's involvement in Susu scheme and Improvement in their confidence and capacity in business [ICC] operation at a statistical significance level of 5%. This therefore implies that any form of improvement in the youth entrepreneurs involvement in Susu schemes is associate with improvement their confidence and capacity to run businesses. This finding is consistent with the study of Littlefield et al. (2003) that showed that the youth involved in microfinance projects, had increased self-confidence and had an improved status in the community.

The study also showed positive correlation between youth entrepreneur's involvement in Susu schemes and Improvement youth entrepreneurial training in business [IYE] and access to loans without collateral [ALC] at a statistical significance level of 5%.

This therefore implies that any significant form of improvement in youth entrepreneur's involvement in Susu schemes is associated with improvement youth entrepreneurial training in business [IYE] and access to loans without collateral [ALC].

**Table 4.5: Correlation between the Youth involvement in ‘Susu Scheme’ and personal development**

<b>Pearson Correlation</b>	<b>SSI</b>	<b>IWS</b>	<b>IWC</b>	<b>AMG</b>	<b>ISI</b>	<b>IBP</b>	<b>ILS</b>	<b>ICC</b>	<b>IYE</b>	<b>ALC</b>
<b>SSI</b>	1.0000									
<b>IWS</b>	0.7054*	1.000								
<b>IWC</b>	0.6794*	0.5866*	1.000							
<b>AMG</b>	0.3594*	0.6327*	0.2431*	1.0000						
<b>ISI</b>	0.4243*	0.5557*	0.2991*	0.5408*	1.0000					
<b>IBP</b>	0.5464*	0.5369*	0.4123*	0.3146*	0.3305*	1.0000				
<b>ILS</b>	0.2767*	0.3250*	0.1532*	0.2966*	0.5999*	0.1071	1.0000			
<b>ICC</b>	0.5291*	0.4145*	0.4853*	0.1053	0.4036*	0.4047*	0.3478*	1.0000		
<b>IYE</b>	0.4108*	0.5309*	0.3895*	0.6077*	0.6470*	0.1477*	0.6325*	0.3427*	1.0000	
<b>ALC</b>	0.4239*	0.3210	0.5631	0.3532	0.2432	0.3412	0.5320	0.3712	0.5321	1.0000

Involvement in Susu Scheme [SSI]

\*. Correlation is significant at 0.05

Source: Output from SPSS, 17

#### **4.5 Mode of 'susu scheme' operation to exert significant impacts on youth entrepreneurs**

This section of the study assess how the youth entrepreneurs prefer the susu scheme to be operated to exert the significant impact on the youth entrepreneurs in Ghana. To achieve this objective, the respondents indicated their level of agreement to some given measures which have been ranked through the Relative Importance Index (RII). The Table 4.6 therefore presents the responses of the surveyed youth entrepreneurs, the weight of the response, the RII values and by extension the ranks of the measures. With regards to the Relative Importance Index (RII) statistical analysis, only measures with RII values of 0.700 or greater are considered important.

The result of the table (4.6) shows that the relatively most important measure suggested by the youth entrepreneurs that could possibly bring about great impact on the development of the youth entrepreneurs through the susu scheme was the need for the amount contributed to the susu scheme to be flexible as shown by the RII value of 0.819. The second and third ranked possible measures that could enhance significant impact on youth entrepreneurship suggested by the respondents were the capacity to build programmes organized through the scheme and the need for effective supervision and control of collection agents to avoid fraudulent practices with RII values of 0.806 and 0.778 respectively.

The other measures deemed significantly important in the operation of the susu schemes to ensure significant impact on youth entrepreneurs in the Kumasi metropolis were: (4) Well-trained and motivated customer intermediaries/agents should be used in the scheme; (5) A selective procedure should be laid down to promote youth with

good and feasible business proposals; (6) There is the need for shorter cycle (3 months in this case) for contributors to qualify for loan; and (7) Susu collectors should be required to deposit specified amount with a central regulatory body to reduce the extent of their absconding.

**Table 4.6: ‘Susu Scheme’ Operation to exert significant impacts on youth entrepreneurs**

	Responses					RII		
	1	2	3	4	5	Weight	RII	Rank
The amount that one wants to contribute should be flexible	3	27	0	14	29	258	0.819	1 <sup>st</sup>
Capacity building programmes should be organized through the scheme	4	0	0	45	14	254	0.806	2 <sup>nd</sup>
There is the need for effective supervision and control of collection agents to avoid fraudulent practices	0	11	5	27	20	245	0.778	3 <sup>rd</sup>
Well-trained and motivated customer intermediaries/agents should be used in the scheme	1	0	15	38	9	243	0.771	4 <sup>th</sup>
A selective procedure should be laid down to promote youth with good and feasible business proposals	0	11	7	26	19	242	0.768	5 <sup>th</sup>
There is the need for shorter cycle (3 months in this case) for contributors to qualify for loan	0	6	11	33	13	242	0.768	6 <sup>th</sup>
Susu collectors should be required to deposit specified amount with a central regulatory body to reduce the extent of their absconding	0	21	3	23	16	223	0.708	7 <sup>th</sup>
Provide seed money for the youth that would be repaid through the Susu Scheme	0	16	17	18	12	215	0.683	8 <sup>th</sup>
MFIs should be faithful in promptly meeting all loan requirements associated with contributions	4	14	8	32	5	209	0.663	9 <sup>th</sup>

Rank: [1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree]

Source: Field Survey, 2015

#### **4.6 Result of the Interview with the Branch Managers of Sampled SLCs**

The branch managers of the Frankaman MF Co. Ltd., GIFS MF Co. Ltd. and Talent Microfinance Service revealed that they have in place a Susu scheme to support the poor in society including the youth entrepreneurs in the Kumasi metropolis. The Susu scheme involves fixed amount of daily contributions of clients. Therefore, in each cycle the collector's fee for providing the scheme is a day's deposit of each client. The strategy for the deposit collection and safety is that Collectors move round the activity site of clients in order to ensure proximity to savers. The collection sites often involve the market place, work places, and homes of clients. The type of clients includes both salaried and non-salaried clients. Through the salaried type, full-time employees of the MFI move from door-to-door to collect daily contributions for and on behalf of the MFI for basic salary. Here, the collecting agents are full-time employees of the MFIs who receive basic salary. There are not many variations in the practices of these savings and loans companies in terms of their practices with regards to the Susu schemes.

The interviewed branch managers believed that operated Susu schemes provides numerous aids to the youth entrepreneurs in Kumasi. Some mentioned benefits of the scheme to the youth entrepreneurs include provision of loans without collateral requirement, technical and entrepreneurial skill support, periodic workshops on financial literacy and many others. the interviewed branch manager believe that through the susu scheme, numerous youth entrepreneurs have been able to break their dependency on family and relatives through sustainable income generation, witnessed improved welfare and livelihood, and improved savings and investment capacity. Through the Susu scheme the SLCs are also perceived by the branch managers

interviewed to provide an avenue for the youth entrepreneurs to link up with their colleagues with similar project directions. This finding is consistent with the study of Hulme and Mosley (1996) that showed that microfinance projects can reduce the isolation of youth through the provision of an avenue for them to come together in groups and afford them the opportunity to share information and discuss ideas and develop a bond that was not there previously.

The branch manager of the Frankaman MF Co. Ltd. indicated that the SLC provides both financial and non-financial support to 40 to 100 youth entrepreneurs in the Kumasi metropolis annually through the Susu scheme, whereas the Frankaman MF Co. Ltd. provides similar support to 20-40 youth entrepreneurs annually.

In the phase of these developments, the interviewed managers revealed that the SLCs are confronted by several challenges in the running of the Susu scheme. Some of the major challenges revealed were the possibility of the collectors absconding with contributions, defaulting due to death, traveling, imprisonment, business failure and many others. The mistrust of the scheme by clients due to safety and security problems and the low level of training and motivation for Susu agents. The branch managers also revealed that the clients of the Susu scheme often prefer shorter cycle to be legible for loans which is highly risky for the SLCs.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION**

This chapter presents a summary of the findings of the study, draws conclusions based on the key findings and also makes recommendations and suggests areas for further research.

#### **5.1 Summary of findings**

The study sought to assess the effects of the ‘susu scheme’ on economic empowerment of youth entrepreneurs in the Kumasi metropolis through: (1) determination of the challenges confronting youth entrepreneurs in the Kumasi metropolis; (2) examine the level of youth empowerment by the ‘susu scheme’; and (3) determine the effect of the Susu Scheme on the economic empowerment of youth entrepreneurs. With regard to these earmarked objectives, the findings are discussed in subsections below.

##### **5.1.1 Challenges confronting youth entrepreneurs in the Kumasi metropolis**

The majority of the youth entrepreneurs are engaged in varying forms of businesses. However, they are confronted by record of challenges in their standing as youth entrepreneurs. The host of challenges obstructing the progress of the youth entrepreneurs in the order of ranking includes limited funds to start-up business, lack of job opportunities, persistent deteriorating pecuniary conditions, difficulty in accessing loan facilities due to incapability to meet loan necessities, high interest rate on obtainable credit facilities, entrepreneurial enlightening intervals in educational prospectus, fear to take risk and the stigma of failure, ill-equipped in entrepreneurial training, inadequate youth enterprise development support systems, poor saving culture among the youth, inadequate entrepreneurial educational, lack decision

making power in society, inadequate information, and refusal of the youth job opportunities because of job inexperience.

### **5.1.2 Level of youth empowerment by the ‘susu scheme’**

The youth in the Kumasi metropolis are engaged in various forms of Susu schemes organized by the various MFIs in the metropolis. The youth are believed to have some level of economic empowerment through the Susu schemes. The youth entrepreneurs have been educated on credit and savings decision and financial literacy. Moreover, through the scheme the youth entrepreneurs are able to pre-finance their basic needs, acquire the necessary skills and training to meet the world requirements. Through the scheme, the youth entrepreneurs have appropriately invested.

### **5.1.3 Effect of the Susu Scheme on the economic empowerment of youth entrepreneurs**

The major effects of the Susu scheme on the economic empowerment of the youth entrepreneurs were improvement in welfare and source of livelihood, increased working capital, improvement in their ability to buy more raw materials or goods, improvement in the savings or investment and improvement in the business performance of the youth entrepreneurs.

### **5.1.4 Mode of ‘susu scheme’ operation to exert significant impacts on youth entrepreneurs**

Some of the major suggested means of the operations of the susu scheme to exert the required significant impact on the youth entrepreneurs included the need for contributions to be flexible, capacity building programmes to be organized through the scheme, the need for effective supervision and control of collection agents to

avoid fraudulent practices, well-trained and motivated customer intermediaries/agents should be used in the scheme, a selective procedure to be laid down to promote youth with good and feasible business proposals, the need for shorter cycle (3 months in this case) for contributors to qualify for loan and the need for the susu collectors to deposit specified amount with a central regulatory body to reduce the extent of their absconding.

## **5.2 Conclusion**

Though many youth entrepreneurs in the Kumasi metropolis are engaged in varying forms of businesses, the progress and development is marred by several challenges including limited funds to start-up business, lack of job opportunities, continual worsening economic conditions, difficulty in accessing loan facilities due to inability to meet loan requirements, high interest rate on available credit facilities, entrepreneurial educational lapses in educational curriculum, fear to take risk and the stigma of failure, ill-equipped in entrepreneurial training, inadequate youth enterprise development support systems, poor saving culture among the youth and inadequate entrepreneurial educational, these challenges have been minimized through several Susu schemes organized by the various MFIs in the Kumasi metropolis. Through the Susu schemes, the youth entrepreneurs have been educated in on credit and savings decisions and financial literacy; have witnessed improvement in their source of livelihoods and ability to pre-finance basic needs. The youth entrepreneurs are therefore well-equipped to appropriately invest. These forms of economic empowerment acquired through the Susu schemes have had significant improvement on the youth entrepreneurs in several areas including improvement in welfare and source of livelihood, improvement in working capital, and the improvement in

savings and investment. The scheme further led to improvement in the youth entrepreneur's ability to purchase more raw materials or goods.

Based on these effects, there are several measures that can be put in place to even further enhance the impact of the susu scheme on the youth entrepreneurs including allowing more flexible contribution to the susu scheme, organisation of capacity building programmes, the need for effective supervision and control of collection agents to avoid fraudulent practices, ensure that the customer intermediaries or agents of the susu scheme are well-trained and motivated, a selective procedure should be laid down to promote youth with good and feasible business proposals, There is the need for shorter cycle (3 months in this case) for contributors to qualify for loan and the susu collectors should be required to deposit specified amount with a central regulatory body to reduce the extent of their absconding.

### **5.3 Recommendations**

Based on these conclusions, this section provides imperative policy and managerial recommendations that could be of immense help in developing the numerous youth entrepreneurs in Kumasi and Ghana as a whole.

- 1.** The most challenging factor hindering youth entrepreneurship in the Kumasi metropolis is the limited funds to start-up business. Therefore the MFIs should endeavour to provide adequate funds to the youth entrepreneurs through the Susu scheme to enhance their capacity to start their own businesses. This can be achieved through the provision of adequate seed money for youth entrepreneurs that presents common business proposal or initiatives to team up and set up the business. The seed

money should be required to be repaid through the Susu scheme. The amount the youth wishes to contribute towards the Susu scheme should be flexible. There is also the need for shorter cycle (3 months in this case) for contributors to qualify for loan.

**2.** The capacity of the youth entrepreneurs should be built through the Susu scheme. In addition to the financial assistance, the MFIs should endeavour to provide technical and managerial advices to the youth entrepreneurs in Ghana. The youth entrepreneurs should also be well-equipped in entrepreneurship and leadership skills through organized workshops.

**3.** The capacity of the youth entrepreneurs to repay the loans acquired is hindered by the high rate of interest. The high interest rate reduces their capacity to acquire enough profit to plough back to ensure growth of their businesses. This phenomenon of high interest rate provides a cycle of working for MFIs. That is, the amount of profit obtained through the businesses is often all paid to the MFIs as due interest and therefore hinders their ability to invest to ensure business growth. The MFIs should break this cycle by negotiating the interest rate with the youth entrepreneurs to make loan acquisition through the Susu scheme more attractive to the youth.

**4.** The educational curriculum at all levels should provide an avenue to all students to acquire some level of skills in entrepreneurship. This would ensure that all drop-outs at all levels of the Ghanaian educational ladder could engage businesses that suit their entrepreneurship acumen. This could there reduce the level of youth unemployment in the country and even social vices.

5. The gap between the Ghanaian educational curriculum and the job sector requirements is too wide rendering many of the graduate youth redundant. The educational policy makers should therefore liaise with the job market to bridge this gap through the refreshment of the curriculum to meet the job requirements.

6. There is the need for the government to provide tax subvention for companies that employ a threshold of youth with limited job experience. This subvention can serve as subsidies to these companies to provide adequate training for the youth to meet the job requirements. Effectiveness of this policy could reduce the level of youth unemployment in the country.

7. The National Youth Entrepreneurship ministry should bring policies that will ensure that these Susu schemes are supervised to bring in very successful entrepreneurs who once failed in the initial stages to give motivational talks in order to stabilize the confidence of the youth in the entrepreneurial sector. Also some psychologists could be called in to take them through some form of psychological training to hype their confidence in taking initiatives rather than focusing on the stigma attached to failure.

#### **5.4 Limitations and suggested areas for further studies**

The current study however is without several limitations. To begin with, the study is limited in scope since it was geographically concentrated in the Kumasi metropolis. The study principally concentrated on the Savings and Loans Companies and youth entrepreneurs in the Kumasi metropolis. This therefore implies that the setting or study area differences could also partially influence the findings of the study. Therefore, the study recommends that further studies in this area should be expanded

geographically to include other major cities in Ghana. The study conceptually failed to empirically determine the effects of the 'susu scheme' on economic empowerment of youth entrepreneurs in the Kumasi metropolis, and so further studies in this area could do so. The accuracy and reliability of the study is also impeded by its descriptive nature, and so further studies could employ inferential analytical tool like multiple regression to analyze the effects of the 'susu scheme' on the economic empowerment of youth entrepreneurs.

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## APPENDICES

### APPENDIX 1: QUESTIONNAIRE FOR YOUTH ENTREPRENEURS

**Dear Respondent,**

I am an MBA student of KNUST undertaking a study on the effect of the ‘Susu schemes’ of Micro Finance Institutions (MFIs) on the economic empowerment of the Ghanaian youth entrepreneur. This study forms part of the requirement for the award of Master of Business Administration (Finance) degree at KNUST. Please, may I request you to read each question carefully before responding, and then circle or tick the appropriate answer in the designated space. Please answer to the best of your ability. You are rest assured that the study is for only academic purposes; and any information provided will therefore be treated with the utmost confidentiality. Thank you for your help.

#### **A) Socio Demographic Characteristics**

1. Gender:

Male  Female

2. Age of respondent:

Below 15  15-25  26-35  36-40

3. Highest level of educational:

No Formal Education  Basic  Senior High School  Post-Secondary  Tertiary

4. Marital Status:

Single  Married  Divorced  Widowed

5. Household size:

1  2-3  4-5  6+

6. Years of working experience:

0  1-3  4-6  7-10  11+

7. Years of experience in entrepreneurial & leadership training:

0 [ ] 1-3 [ ] 4-6 [ ] 7-10 [ ] 11+ [ ]

**B) Challenges Confronting Youth Entrepreneurs**

8. Have you ever attempted engagement in any form of business

Yes [ ] No [ ]

9. If yes to (Question 8), please indicate your level of agreement to the underlisted as challenges confronting youth entrepreneurs in Ghana by choosing from a scale of 1 (strongly disagree) to 5 (strongly agree). (1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree)

<b>Challenges confronting youth entrepreneurs</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Limited funds to start-up business					
Inadequate information					
Continual worsening economic conditions					
Inadequate entrepreneurial educational					
Ill-equipped in entrepreneurial training					
The youth are refused job opportunities because of job inexperience					
Inadequate youth enterprise development support systems					
Fear to take risk and the stigma of failure					
Lack of job opportunities					
Lack of business management experience					
Lack of decision making power in society					
Poor saving culture among the youth					
Entrepreneurial Educational Lapses in Educational Curriculum					
Difficulty in accessing loan facilities due to inability to meet loan requirements					
High interest rate on available credit facilities					

**C) Level of Youth Empowerment**

10. Ever engaged in any form of susu scheme

Yes [ ] No [ ]

11. If yes to (Question 10), please indicate your level of agreement to the under listed as how you have been empowered by the ‘susu scheme’ by choosing from a scale of 1 (strongly disagree) to 5 (strongly agree). (1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree)

<b>Economic Empowerment:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
I am educated on credit & saving decision					
I have never had any working experience					
I am educated on financial literacy					
I have witnessed improvement in my sources of livelihoods					
I am able to pre-finance my basic needs					
I have skills and training to meet the world requirement					
I have appropriately Invested					
I am not well-equipped in any form peer support					
I am not well-equipped in training in business & leadership skills					
MFI's do not provide confidence & capacity building programmes					
Absent depository facility for small savings					

**D) Effect of MFIs Susu Scheme on the empowerment of youth entrepreneurs**

12. If yes to (Question 10), please indicate your level of agreement to the under listed as effect of the ‘susu scheme’ on your entire development by choosing from a scale of 1 (strongly disagree) to 5 (strongly agree). (1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree)

<b>Effects of the ‘Susu Scheme’</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Improves business performance					
Increases working capital					
Grants access to loans without collateral					
Improves youth entrepreneurial training in business					
Improves youth entrepreneurial leadership skills					
Improves savings/investment					
Ability to purchase more raw materials/goods					
Improved confidence and capacity in business					
Improved welfare and source of livelihood					

13. Please indicate your level of agreement to the under listed as how the ‘susu scheme’ going forward must operate to exert significant impacts on youth entrepreneurs by choosing from a scale of 1 (strongly disagree) to 5 (strongly agree). (1-strongly disagree, 2-disagree, 3-fairly agree, 4-agree and 5-strongly agree)

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Capacity building programmes should be organized through the scheme					
Provide seed money for the youth that would be repaid through the Susu Scheme					
A selective procedure should be laid down to promote youth with good and feasible business proposals					
Susu collectors should be required to deposit specified amount with a central regulatory body to reduce the extent of their absconding					

The amount that one wants to contribute should be flexible					
Well-trained and motivated customer intermediaries/agents should be used in the scheme					
There is the need for shorter cycle (3 months in this case) for contributors to qualify for loan					
MFIs are faithful in promptness meeting all loan requirements associated with contributions					
There is the need for effective supervision and control of collection agents to avoid fraudulent practices					
Others (Please Specify)					
.....					
.....					

## **APPENDIX B: INTERVIEW GUIDE FOR BRANCH MANAGERS**

**Dear Respondent,**

This interview guide has been designed to enable the student carry out a research on the topic: assessing the effects of the 'susu scheme' on economic empowerment of youth entrepreneurs in the Kumasi metropolis. This interview guide is for academic purposes only and any information gathered will remain confidential. It is in partial fulfillment for the award of Commonwealth Executive Masters in business administration from the Kwame Nkrumah University of Science and Technology, Kumasi.

### **A) Demographic Questions**

1. Position of interviewee:
2. How long have you being working with this MFI?
3. What are your key duties and responsibilities?

### **B) Youth Empowerment through the Susu Scheme**

1. Do you have in place a 'susu scheme'?
2. Does this scheme provide any form of help to youth entrepreneurs?  
Financial support, technical support
3. If yes, how many youth entrepreneurs have joined the scheme in the past three years?
4. What forms of help are given to the youth entrepreneurs through the susu schemes?
5. What forms of challenges are confronted in the running of the susu scheme?