



**2021**

**REGIONAL  
ENTREPRENEURSHIP  
FREEDOM INDEX  
REPORT.**



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The Regional Entrepreneurship Freedom (REF) Index is a research project aimed at ranking all 16 regions in Ghana using a set of entrepreneurship freedom indices.



The Africa Centre for Entrepreneurship and Youth Empowerment is an entrepreneurial Policy Think Tank dedicated to the promotion of entrepreneurship and free markets in Africa.



Atlas Network is a nonprofit organization that aims to secure for all individuals the rights to economic and personal freedom through its global network of strategic partners.



**REF**index  
REGIONAL  
ENTREPRENEURSHIP  
FREEDOM INDEX

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# APPRECIATION

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Pursuing freedom comes at a cost. It is very fulfilling in the end. To say it is painful at the start is an understatement, but the reward of what free people can do is our greatest motivation as Board, management, volunteers, partners and supporters of ACEYE.

The Regional Entrepreneurship Freedom Index (REF Index) journey is like descending valleys, climbing the hills and mountains, crossing the ocean, and moving across the Sahara. It's step by step, accompanied with mood swings, loneliness, hardships, frustration, support, partnership, encouragement and trust and with the help of many people. We appreciate them all. We were challenged; we got better and now we have results to show.

Teamwork got us here. The Support of a few that birthed hope and the willingness of some vibrant young Ghanaians and the cooperation of the entrepreneurs have brought ACEYE this far.

Our sincerest gratitude goes to the Atlas Network Academy for the first seed of faith sowed in us. Our appreciation stems from the training received, the coaching and guidance, the resources we received and the funding that got us to start this project, the first of its kind. To Lindy Arsenault, Training Associate of the Atlas Network and her team, we are eternally grateful. To Jack Shannon who first broke the news about the approval of our grant, and Lachlan Mersky, who has been in touch with us to see to our success, we appreciate you all.

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Thank you Mr Eric Kavaarpou, Head of the University of Mines and Technology (UMaT) Centre for Research, Innovation and Consultancy.

We also appreciate the advice of think tanks such as the IMANI Africa, Institute of Liberty and Policy Innovation (ILAPI), Conservative Policy Research Centre (CPRC), Young Africans for Opportunities (YAFO) Centre for their constructive feedback which enabled us to improve reporting of our finding.

We would like to express our appreciation to all the 3,200 Small and Medium Enterprises and persons who have offered our enumerators their time during the data collection of the necessary data for our REF Index. To the entrepreneurs who granted us many hours of their time for the interviews, we appreciate your kindness.

Also, gratitude goes to all the organizations and individuals who complimented our effort in raising extra funds to support our project or sponsoring an aspect of our project including Capitol Cafe and Restaurant, Abamaba Enterprise and the Stanbic Incubator which offered a generous sponsorship. To Kelly Anyomitse who provided an additional package to the enumerators, thank you for your kindness. To our media and branding partners, led by Emmanuel Asante Obeng and David Amfo Kwakye, to say we appreciate your effort and contribution is an understatement. There is more to say about your contributions. Thanks, a

million times.

To the friends of ACEYE-Abdul Kawiya, Benjamin Res Esantsi, Baba Jnr. Awuni-Salifu, Godson Amerago, Simon Asare, Ferdinand Anane-Frimpong, Ebenezer de Gaulle and all, we appreciate your support this far.

Thank you all, enumerators across all the regions who helped us to do a baseline survey and hosted us during our regional tour. Dr Abigail Sakyi, Dr Evans Tetteh, Selorm Aho, Norbert Achiase, and all involved. Your contribution has proved invaluable!

To our team members, Florence Aniagyei, our media Associate who worked tirelessly from interviewing 16 entrepreneurs across the 16 regions and working with our media and branding partners to ensure the best is produced, we say thank you. To our two interns, Moses Cobbina and Nii Lamptey from the Kwame Nkrumah University of Science and Technology we appreciate your working with us.

Our Board Members, Charles Kojo Vandyck, Ebenezer Nii Oblie Yamusah, Felix Dade and Prince Boadu have been a strong backbone to realizing this dream. Their encouragement, technical assistance and social capital have impacted this project positively.

We would also like to thank the many people who have been following up to check the status of the report, waiting patiently for it to get into the public domain and who were keen to use it to advance individual prosperity and national development. This is an inspiration to why we would do this over and over.

# FOREWORD

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The past five years have seen considerable changes in the entrepreneurship dynamics in Ghana. The importance of cultivating, fostering and promoting entrepreneurship is currently receiving amplified attention in Ghana. This is because it has become quite apparent that the public sector is unable to employ many young adults, who are willing to work, but lack job avenues. More so, many industries established in the 1960s have collapsed even though there is an attempt to reverse this trend through the Government's "One District, One Factory". Many energetic and ambitious young adults are experiencing extensive unemployment, and poverty. As a result, many young people have moved from the rural communities to the national capital, Accra, for jobs which are largely non-existent. These difficulties confronting the youth in Ghana has led to an increase in vigilantism, hooliganism, armed robbery and wanton destruction of fertile arable lands and forest vegetation cover through 'galamsey' activities many communities in Ghana.

Currently, government's response to the employment challenge is the operationalization of policies and schemes including YES, NEIP, NABCO, among others. Unfortunately, these schemes have been characterized with excessive bureaucracy and inefficiencies that threaten the core objective of the various schemes of nurturing entrepreneurial growth.

Therefore, the Governing Board of Africa Centre for Entrepreneurship and Youth Empowerment (ACEYE) is ecstatic about the Regional Entrepreneurship Freedom Index. This index was designed to provide a clear and coherent picture the level of entrepreneurship freedom within the various regions in Ghana. The index ranks all the 16 regions in Ghana using a set of indexes affecting the state and quality of entrepreneurship. The various indices comprise, Freedom from Government, Monetary Freedom, Labour Freedom, Investment Freedom, Property Rights, Regulation, Freedom from Corruption, Financial Freedom, Trade Freedom, and Fiscal Freedom.

The index leveraged on the following methodology, a survey that gathered data from 3,200 Small and Medium Scale Enterprises across all 16 regions of Ghana. The researchers also adopted interviews, observation, and modified ethnography.

The report also proffers specific recommendations for each region highlighting on the steps they should take to improve their rankings and strengthen indicators that are weak.

It is exciting to see the enthusiasm that this report is already garnering from stakeholders and partners interested in supporting and advancing youth entrepreneurship in Ghana. The Board would like to commend the efforts of Emmanuel Acquah, CEO, ACEYE and his team for this momentous achievement which will be a veritable contribution to helping respond to the youth unemployment and entrepreneurship bottlenecks that confront our dear country, Ghana.

Charles Kojo Vandyck  
Board Member, ACEYE  
On Behalf of ACEYE Board

# INTRODUCTION

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The absence of economic growth and development in a country implies that there is hardship and poverty in that country. It is very common and trendy to hear the citizens of Ghana complaining about poverty and hardship. It seems that all other things could be debated on, but the fact that there is continual hardship and poverty in the country is unanimously accepted. It thus implies that Ghana has been facing economic stunts. Many complain superficially about the poor economic situation so the political sphere and its occupants downplay the root factors of this canker and rather propose some rusted, rugged, delinquent and indictable solutions. This cycle of synchronic cynicism among the politicians and the citizenry is causing great harm to the country. We need to promote economic growth and development. Well, economic growth and economic development are terms that resound daily on the media. They are by no means new/nascent concepts, neither are they terms people cannot connect with. In fact, the less knowledgeable, even senile person, knows that there should be economic growth and development in the country for a good standard of living to occur. At the Africa Centre for Entrepreneurship and Youth Empowerment, we do not naively join the flow. We do not mumble that there should be economic growth and development. We first conduct research and unpack the mechanisms, dynamics and processes that translate and lead to economic growth and development. A deeper investigation to get a deep and root understanding of economic growth and development has revealed that the terms have been abused, used blindly and discussed succinctly. Although these terms are so common that everyone has in one way or the other used them, they are not well understood by many, even some so-called economists do not know much about them.

Economic growth and development is an interwoven complex process that must be painstakingly studied and pursued. Notwithstanding its complexity, it is imperative for every government and citizen to understand that economic growth and development is a function of four factors: physical capital, labour (human population), human capital (human resource) and technology. Saying that economic growth is a function means that it is an output or result of the manipulations done to these factors. These socially constructed elements are actants/actors that relate one with another and shape one another to establish a stabilized form. There are shades of abstraction in the four core elements of economic growth, but the materiality of these concepts cannot be ignored. The average African is likely to abstractly conceive terms such as price index, inflation rate, trade index, interest rate, and so on. The inability of the populace to co-construct the materiality of these factors makes it vulnerable to being downtrodden. The question to first ask in the quest to grasp the fundamental concepts of economic growth and development is: which of these four basic elements is/are the most important?

Many persons and institutions may argue from various paradigms and lenses to vouch for a particular actor or another to be the most important one. Actually they are all of equal importance, equal power and equal influence. It is the shaping of the relationships that matters. Governments who suppress the economic system believe they are so super potent that they can subdue every factor and cause it to behave the way they want it to. This is an erroneous position to take. Such an approach will lead to market and economic failures. Allowing all the actors in the economy to be at equal level and at par potency is a reflection of free association.

Dr. Nigel Ashford puts it this way:

*“This network that sustains social power by restraining political power creates a web of reciprocal rights and duties that allow society to govern itself. We act in the interests of others whom we do not know and in some cases cannot know because we are driven by a moral sense that tells us what we must do.”*

This free association is what some economists have termed as economic freedom. Instead of a government or a government agency to see itself as lord over the other actors shaping the economy, it must see itself as an equal, interdependent and reflexive actor within the economic network. This is to say that the government is not powerful than physical capital nor labour nor technology, nor the population (workforce – human capital). Neither is the human capital more powerful than government, nor technology. Essentially, all the actors in an economy must be co-equal, co-powerful, co-capable, reflexive and interdependent.

The core of the discussion surrounding the function of economic growth and the fundamental factors should bring one overarching concept to mind – entrepreneurship. Hearing of physical capital, labour, human resource and technology, the first instinct that must come to mind is entrepreneurship. Entrepreneurship is an embodiment of all these factors. Entrepreneurship in itself is also a complex topic of discussion. The term has been defined by scholars in so many ways and it has changed form over time. However, Marc Dollinger in the fourth edition of his book “Entrepreneurship, Strategies and Resources” outlined that irrespective of how entrepreneurship is defined, four common elements run through:

1. Creativity and innovation
2. Resource identification, acquisition, and marshalling
3. Economic organization
4. Opportunity for gain under risk and uncertainty.

Entrepreneurship is nothing more than a mechanism (a mechanism refers to a system of parts working together, as in a machine, for something to come to being). What are the “parts” of entrepreneurship and what comes to being or occur because of entrepreneurship? Digesting entrepreneurship in this critical point will open up a deeper logic and sound reasoning. Obviously, the components working together are what has been listed above. How then do they relate to the factors of economic growth? The components of entrepreneurship are the various relationships created among the factors.

When the cognition (mind) of the labour shape the physical capital, it erupts creativity and innovation. Various physical capitals may have to be put together for innovation to occur. It must also be borne in mind that the nature of the capital and the technology available reflexively shape the cognition of the labour. The technology may lead the identification of the resources embedded in the physical capital and human capital. Thus, there is this form of deeper iteration, shaping and interrelationships that go on leading to the formation of the mechanisms of entrepreneurship. The association among these elements must be enhanced, promoted and regulated (not suppressed) by natural laws. Hence, the role of the government in the entrepreneurship network is secondary. It is not needed unless it is relating with the other actors to promote the reflexive interrelationship among the actors in the entrepreneurship network. When there is an enhancement among the factors and healthier, better relationships are formed, then it is said that there is “economic freedom.”

# ACEYE AND HER DISPOSITION TO ENTREPRENEURSHIP FREEDOM

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At the Africa Centre for Entrepreneurship and Youth Empowerment, we focus on entrepreneurship freedom. The economy is intertwined with other factors such as politics and the social. So political freedom and social freedom interweave with economic freedom making them inseparable. We rather spotlight on entrepreneurship freedom which, though relate with other meta-factors, is autonomous and not intertwined with the other forms of freedom. For example, it is very clear who an entrepreneur is, but it is not clear who an economist is. It is very clear what an entrepreneur does, but it is not as clear what an economist does. The output of entrepreneurship can easily be materialized and measured, but that of the economy cannot.

We focus on entrepreneurship freedom because it is a good indication and reflector of the economic situation in the country. Just like economic freedom, entrepreneurship freedom are spiked by personal choice, voluntary exchange, open markets, and clearly defined and enforced property rights. Whereas the economic freedom seems to focus on both entrepreneurs and non-entrepreneurs, we rather do not focus only on what the population does. We rather argue that every single person is within the entrepreneurship loop. That is not to say that everyone is an entrepreneur. It means that everyone is a component of the entrepreneurial ecosystem. As mentioned above, among the four factors of the economy, the working class fall under human capital and the population of the country fall under labour. The labour may supply human capital and ingenuity thus making him/her an entrepreneur. Alternatively, the labour may be a consumer of the innovatively transformed capital. This is a simple illustration just to prove how everyone is involved in the entrepreneurship loop, but the interlinkages and networks are more complex and deeper than illustrated.

People enjoy economic freedom when they are able to make choices as individuals and are permitted to decide for themselves rather than having ideas imposed on them by the political process or the use of violence, theft, or fraud by others. Entrepreneurship freedom on the other hand is when the control and deployment of resources to create an innovative economic organization (or network of organizations) for the purpose of gain or growth under conditions of risk and uncertainty are facilitated by decentralized, independent and autonomous decision-making.

The REF Index is carried out to assess the extent to which entrepreneurial decision-making is autonomous, independent and decentralized in every region. According to the Heritage Foundation, Ghana as a nation is ranked in 2021 as mostly not free. On the economic freedom pedestal, Ghana is ranked as the 101th on the scale. This score is a composite score so it can be inferred that entrepreneurship freedom too could be low. Nevertheless, not all inferences are necessarily the reality. Empiricism is important to solidify inferences and to even further understand the details of the logical inference. We distinctively assessed the entrepreneurship freedom indicators across each region. In essence, we broke down the factors and also studied them at regional levels. As a magnifying glass reveals cracks and make them clearer to see, this project is to magnify the broken faults in our entrepreneurship freedom. Knowing where the cracks are, is the first step to preventing a leakage. If we want to rank high on the list (which is basically a reflection of good standard of living and economic growth), then we need to focus our attention to this study first.

# THE PROBLEMATIZATION TRACK

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Often times, the problem our continent is facing is not clearly defined so the wrong questions are asked, leading to offering of wrong answers/solutions. The engineer that is executing a project has to come up with a checklist which is a reflection of the questions that need to be answered. Not having a checklist is detrimental, but having a wrong list of items on the checklist is even more dreadful. The problematization of the economic situation in Ghana and most Africa countries at large is poorly done.

Problematization is a deliberate identification of the gaps in knowledge and ideas and putting together a clear and well defined problem out of which specific questions can be developed. Good ideas have empirical evidence or data to prove their effectiveness and efficacy. At ACEYE we rely on research and empiricism to sift through the dispersed and cluttered problems and formulate well defined and streamlined problems that can be addressed with spot on, data-driven policies. The REFINdex is a problematization strategy we are employing to clearly shape the questions that need to be answered with respect to entrepreneurship in Ghana. The mumbblings, complaints, hulling and blame games going on in the country and Africa at large is creating chaos and deception. We aim to shape the thinking and perspective of all stakeholders such that all the diverse interests could be turned into a shared interest for development to take place. Having conducted the field research and had a clearer view of the problem, we are campaigning to illustrate the link between what we want to advance on, and what is important to the populace.

## BACKGROUND OF THE REF INDEX PROJECT

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According to the World Bank (2020), Ghana's unemployment rate hovers around 12% and underemployment hovers around 50%. Young people are the most affected and the successive governments' interventions have not yielded any substantial result in dealing with this problem. The government policies including YES, NEIP, NABCO, etc. are manned by excessive bureaucratic institutions which render them ineffective and unsustainable to the extent that entrepreneurial growth is rather retrogressing.

Regardless of various support schemes by the government to support entrepreneurs, businesses are generally not having the liberty to operate freely. This has led to severe economic hardships and tensions, thwarting Ghana's stable growth.

Ghana, like many other countries in Africa needs to engage in a conversation centred on entrepreneurial freedom in which businesses and individuals are free to work, produce, consume, and invest in any way they please. By publishing this Regional Entrepreneurship Freedom Index, the Africa Centre for Entrepreneurship and Youth Empowerment (ACEYE) attempts to shed light on where such freedoms do and does not exist at the regional level. In this project, we ranked all the 16 regions in Ghana using a set of indices affecting entrepreneurship. With engagement from other stakeholders, we provide recommendations to each region on how to improve their score and also recommendations on the indicators that are woefully weak across all regions.

# THE PLANNING PHASE

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This project is a resultant project from our studies on [Impact of Bribery and Corruption, –Nabcoism And Poliemployment The Twins of Political Gimmickry, The She Movement, Stakeholders within Ghanaian Entrepreneurial Ecosystem, 'Nature of Ghana's Entrepreneurs Ecosystem, and Axe hanging on AfCTA](#)

We conceived this project after had conducted these researches. The general question that led to the conception of the REF Index is: How can the Ghanaian government maintain a minimal but effective role through decentralization to safeguard the liberties of businesses (particularly SMEs) in order encourage economic prosperity? We read volumes of relevant papers and books on free market operations, entrepreneurship and economic freedom. We came to the conclusion that an improved entrepreneurship freedom, though not the magical simplistic solution, is a leading mechanism for promoting economic development and good standard of living. Since Ghana has been ranking low on the Global economic freedom index, we decided to further explore the factors at the micro-level.

The Planning phase involved the writing of the proposal and the search for funding. During this phase, we consulted some economics and academics for the development of the entrepreneurship freedom index. The indices were reviewed internally by our research team and fine-tuned. After that, the indices were passed to some professors to review. We believe these processes were rigorous enough so the indicators we used are reliable and are good and valid metrics for the measurement of entrepreneurship freedom.

# THE METHODOLOGY- DATA GATHERING PHASE

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We settled on the survey method as the primary technique to gather the data. The survey method has been used by leading institutions such as Heritage Foundation and Fraser Institute to gather data for their annual Economic Freedom Index. We concurred that since the methodology has been globally accepted for these kinds of studies, it is justifiable for us to adopt the same methodology. However, we did not merely adopt it because other institutions have adopted it. We weighed the pros and cons of various methodologies and concluded that the survey method better matches the quantitative data we want to gather: and that it offers other benefits such as speed of data collection and ease of analysis. A sample size of 3,200 participants were chosen, 200 respondents from each region (i.e.  $200 \times 16 = 3,200$ ). However, to make our study much more rigorous, we also adopted interview, observation and modified ethnography.

For the interview, we chose one (1) participant in each region, giving a total of sixteen (16) respondents. The interview is a complimentary methodology to the survey method so we did not choose a very large sample size as we did for the survey. As with all forms of interviews, our interview process was intensive and time-consuming so just as it is generally accepted, a relatively lesser sample size is tolerable.

The observation methodology was used when our research team and media team went on a tour through all the 16 regions. With the help of the enumerators, the ACEYE research and media team visited some businesses to observe how things are done and to also keenly observe the differences in the entrepreneurial stratosphere in each region.

We recruited 16 enumerators across the country (1 enumerator from each region). These enumerators were cautiously selected, trained on data collection and educated on the REF Index project. All the enumerators were also given CDs containing books for them to read and get more understanding on how the entrepreneurial space operates. Interestingly, these enumerators were instrument of study. Since they are long-time residents of the regions they worked in, they were able to now turn on the research lens to engage in an ethnographic methodology, in that they engaged with the entrepreneurs, understood the processes and what is happening with them. They then reflected on these experiences and documented them. We achieved this because besides the data gathering role assigned to them (the enumerators), they also wrote reports on their reflections and their experiences. These reports served as the ethnographic empirical material for us. After the field work, a Zoom conference meeting was conducted with the enumerators where they shared details of their reports and experiences.

We are very confident that our blended methodology approach is unprecedented and offers the best reflection of the phenomenon we studied. The weaknesses in using a single methodology was covered up by the use of the other methodologies. Hence, biasness, self-selection and endogeneity were minimized.

The data gathering phase was the most intensive part of the project. A sample of 3,200 SMEs was chosen. The businesses that participated in the research are kept anonymous and they were conveniently chosen. Most of these firms were located in the capital cities. Pilot study was first conducted in the Ashanti Region.

# UNDERSTANDING THE INDICATORS

## FREEDOM INDICATOR 1 TRADE FREEDOM



In an article published in the *Entrepreneurship Theory and Practice Journal*, Mullen and other colleagues explained that trade freedom is the degree to which the activities of the entrepreneurs are free from government restrictions such that there is a free flow of foreign commerce. Hence, the trade freedom indicator measures the aspect of entrepreneurship regarding the freedom with which entrepreneurs can import and export their product and services. It is a reflection of the government's policy on trade. Three major sub-categories are used for this measurement: the degree to which the weighted tariff rate limit entrepreneurs from engaging in foreign commerce, the availability of non-tariff barriers to restrict foreign trade and the extent to which the level of corruption in the customs service impede entrepreneurs from engaging in foreign trades. On the field an entrepreneur in the pharmaceutical industry said:

*“The Tariff rates and policies make our cost of production expensive. We import various raw materials and we pay tariffs on each of them so putting all together, we would have paid huge sum of monies on tariffs, making our cost of production higher. Someone importing the final product will not pay different tariffs as we do, hence making their products cheaper than ours.”*

## FREEDOM INDICATOR 2 FISCAL FREEDOM



This indicator measures the absence of burdensome tax and the absence of high inflation and interest rates. It is a direct reflection of the government's expenditure policies. When the government borrows excessively, it leads to increased interest rate and make it difficult for the private sector to borrow. George Ayittey puts it this way:

*“To compensate for low domestic savings, African governments borrowed feverishly from abroad to establish state enterprises and initiate various development projects. But much of the loans were “consumed.” In addition, the investment in state enterprises was generally unproductive. Investment projects failed and loans were squandered, producing a foreign debt crisis—the inability to service foreign loans on time.”*

The Fiscal freedom indicator focuses on 4 key aspects of entrepreneurship freedom: burdensomeness of the tax rates, the degree to which government expenditure divert resources from the private sector, the difficulty that interest rates pose on the ability of the private sector to borrow, and the extent to which inflation rate reduces the value of the property held by the private entrepreneur.

Talking about taxes, an entrepreneur in the Volta region mentioned that there is so many tax forms that drain out her income. She stated:

*“We pay royalties for the space our shops are located. The assembly comes around to collect taxes also every 6 months. For my salon, I have to pay taxes every quarter, by which time I have not even calculated my expenses to know my revenue.”*

This entrepreneur's submission raises question on the frequency with which taxes are collected and the basis on which the tax amounts are calculated. The government by principle is supposed to grant tax rebates to businesses making losses but does the government really give tax rebates to firms making losses? The entrepreneurs do not pay the tax based on accurate and thorough financial report. The entrepreneurs mentioned that taxes are paid as if they are standing orders. Businesses that have not transitioned to be well structured are taxed without considering their financial statement.

An entrepreneur acknowledged that the taxes are burdensome and they reflect in the prices of the raw materials they buy. He stated: “Whenever taxes are raised, the prices of our raw materials go up so we also increase our prices and this reduce our sales.”

Trade freedom is one of the very indicators that had low scores across all the regions. This indicator is linked to the affairs of the direct central government. The central government must revise its fiscal policies, reduce interest rates and free up entrepreneurs to operate for growth.

### FREEDOM INDICATOR 3 FREEDOM FROM GOVERNMENT



This indicator measures the extent to which there is limited government influence. Hence, it is a reflection of the intervention policies enacted by government and how they curtail entrepreneurs' individual freedom. This level of freedom is about the extent to which government has taken control over resources through state ownership, state production, state consumption and state allocation of capital. This indicator is measured along three dimensions: Government's provision of non-public goods to compete with individual entrepreneurs, government ownership and control of available resources leaving entrepreneurs wanting for resources, and government's interference in capital allocation in the stock market.

### FREEDOM INDICATOR 4 MONETARY FREEDOM



This indicator measures the extent to which government's monetary policies facilitate market pricing, resource acquisition and investment. This indicator is directly related to the extent to which government distort pricing through price controls, misallocation of resources and the extent to which government invest more in producing goods and services that are less valuable to customers. Therefore, this indicate is broken down into three: (1) the extent to which the government distorts pricing to restrict entrepreneurs from freely manipulating prices, (2) the extent to which government misallocate resources such that less productive state firms are more resourced to overshadow the individual private-owned product firms, and (3) the extent to which government interferes with capital allocation in the stock market such that individuals are restricted to invest in long term profitable ventures for value creation.

The entrepreneurs interviewed advertently mentioned that the government of Ghana misallocate resources and also interfere in capital allocation. An entrepreneur cited an example of the government investing in getting food to feed SHS when these supplies should have been left to the private sector. The government also fuel state enterprises by injecting capital, giving them more strength to outcompete the private sector.

## FREEDOM INDICATOR 5 INVESTMENT FREEDOM



This indicator measures the extent to which the government's investment policies promoted individuals to control capital flow in the private sector. This indicator is a reflection of five (5) key factors: (1) the degree to which government policies restrict ownership of business (this include restrictions against both locals and foreigners from owning businesses), (2) restrictions on individual entrepreneurs to acquire and own lands for the purpose of doing business, (3) limitations posed on the nature of businesses that private individuals can engage in (this include restrictions on industries and companies open to the private sector and restrictions on capital requirement), (4) the unavailability of financing for private businesses (both local and foreign) and (5) deliberate setting of unrealistic performance requirements on businesses.

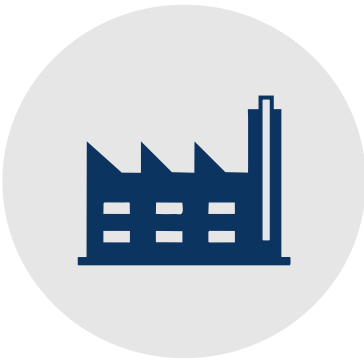
Investment freedom is one of the indicators that also varied across regions. The Ashanti region, North East, Upper West, Volta, Western North and Eastern region had good scores, whereas this freedom dimension is repressed in other regions. One entrepreneur mentioned that there is difficulty raising capital to start business. The numerous government firms also worsen the case because they give more competition to the private sector in raising capital.

## FREEDOM INDICATOR 6 LABOUR FREEDOM



This indicator focuses on the ability of entrepreneurs to openly compete for labour and set prices based on the nature of the competition. This indicator is a reflection of the government's mandate on wage and labour price controls. This freedom indicator is composed of (1) the government's restriction on labour laws, labour and employment policies, (2) the indiscriminate availability and accessibility of labour to the private sector, and (3) the lack of freedom for entrepreneurs to set labour price.

## FREEDOM INDICATOR 7 PROPERTY RIGHTS



This indicator is much of a forward looking and it reflects how the government facilitates the growth of the private sector by empowering them to privately own properties and implementing laws to protect the ownerships. This indicator measures 5 key government controls which are (1) presence of policies that restrict the ability of entrepreneurs to freely accumulate private properties for themselves, (2) the presence of uncontrolled government confiscation and seizure of properties owned by private individuals, (3) difficulty of individual entrepreneurs to gain property rights from the government, thus making private ownership of a property insecure and subject to expropriation, (4) Government's influence on the judicial system causing corruption and delaying judicial disputes on property litigations, and (5) the partiality of the judicial system causing distortion of property rights justice.

The indicator that had good scores over many regions is the property right. In the Ashanti, Eastern, Bono East, North East Region, Northern region, Upper West, Western, this indicator had good scores implying that in these regions, entrepreneurs have significant freedom to accumulate private properties, have legitimate rights to those properties and litigations are well settled at the courts.

## FREEDOM INDICATOR 8 REGULATION



This indicator generally refers to the freedom and ease of opening and operating businesses in Ghana. It is a reflection on the bureaucracies involved in setting up and running a business within the regions. Principally, this indicator includes (1) the presence of too many licensing and registration requirements to operate a business (this includes the inconsistent application of the regulations, creating unpredictable business environment such that entrepreneurs are not sure of what exactly to do to obey the regulations as well as unexpected intensification of regulations on existing private businesses), (2) the need to navigate through a sea of red tape to open a business, creating the difficulty in obtaining a business operating mandate, (3) the corruption and bureaucracy involved in the business regulation processes, (4) the arbitrary enforcement of environmental,

consumer safety and labour health regulations, making them poor and ineffective, and (5) the presence of regulations that impose burden on businesses (this include the state planning agencies intruding the affairs of businesses based on political grounds to limit production and sales).

The participants in the interview were more vocal on the regulations indicator, especially on the licensing and registration requirements.

*“There are too many licensing requirements to operate a business and it is a hassle people go through to get their business registered and it discourages businesses from progressing so it discourages people from doing business in Ghana. There is too much documentation involved and demands so many records but it is difficult getting all those records.”*

This entrepreneur in question mentioned that he started his firm in 2001 and it was far simpler to go through the registration process at then than it is now. An entrepreneur in Kete Krachi who registered his business 2017 affirmed this and mentioned that it was not easy to go through the business registration process. He notes:

*“It was not easy. I had to be travelling up and down from here to Accra to get my business registered.”*

An entrepreneur from the Upper West also mentioned that the processes for business registration is too long.

Away from the business registration to other licensing and certification, an Entrepreneur in Kumasi mentioned that he is into smart agro-processing machine production and there are no licensing requirements so he does not face any difficulty with that, however, his colleagues who are into the agro-processing rather face difficulties gaining certification. He stated:

*“I have some entrepreneurial friends who had had to go through a lot of hassle getting the other license they require, especially those in food processing.”*

An entrepreneur who registered his business in 2018 mentioned that it was not difficult for him to go through the business registration process. He believes that it is cumbersome for those registering as limited liability companies because the sole proprietorship route is simple. He perceives that the documentation required is too many.

Another sole proprietor affirmed that it was quite easy for her to get through the registration but the FDA certification has been frustrating and she has not been successful in securing one. Another entrepreneur into the herbal medicine and essentials mentioned that her company is 10 years old and registration 10 years ago was quite simple for sole proprietorship. However, the FDA certification is too bureaucratic and expensive to handle. As such, she has not been able to obtain certification for all their products. According to her, the FDA does not provide her with the right guidance and standardization for her to follow to come up with the right procedures required. Moreover, the cost of registration each product is too expensive.

This is quite enigmatic because with the influx of technologies both in infrastructure and processes, the licensing processes are rather expected to be smooth and easier. It means that the licensing processes needs to be further streamlined to appeal entrepreneurship.

## FREEDOM INDICATOR 9 FREEDOM FROM CORRUPTION



This indicator generally assess the perception of corruption within the entrepreneurial ecosystem. This generally involves three assessment criteria: (1) the presence of high level judicial, legal and administration corruption in the region, (2) the presence of black markets, smuggling and product piracy in the entrepreneurial ecosystem and (3) the capricious and arbitrary enforcement of business laws, contracts and rights.

This indicator had varying levels across various regions. In the Bono East, central, Greater Accra, Northern, Volta, Western, Ahafo, Bono regions, Oti, Savannah, Upper East, and Upper West the indicators were repressed. Ashanti, Eastern, North East Region however have some reasonable level of freedom from corruption.

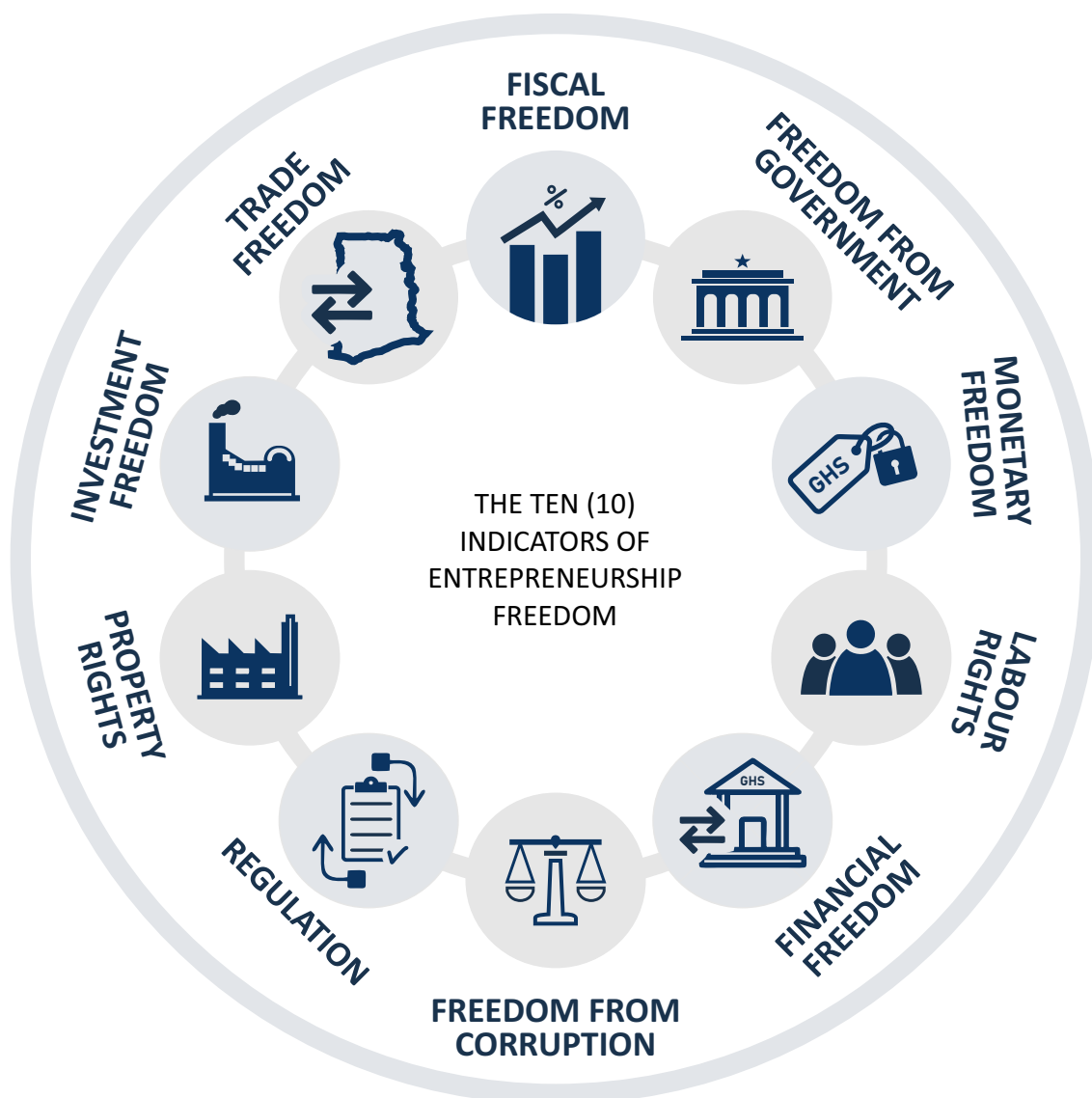
An entrepreneur acknowledged that there are irregularities in the ecosystem and these are caused by the corrupt practices. He mentioned: “You know in Ghana, it is to whom you know. I was fortunate that I knew people at the registration office who helped me through.”

An entrepreneur mentioned: “who defends you when the one you are to report to, is the one stealing from you?” He implied that the law makers and enforcers are capricious and arbitrary in enforcing business laws, contracts and rights such that it favours the state rather than the individual.

## FREEDOM INDICATOR 10 FINANCIAL FREEDOM

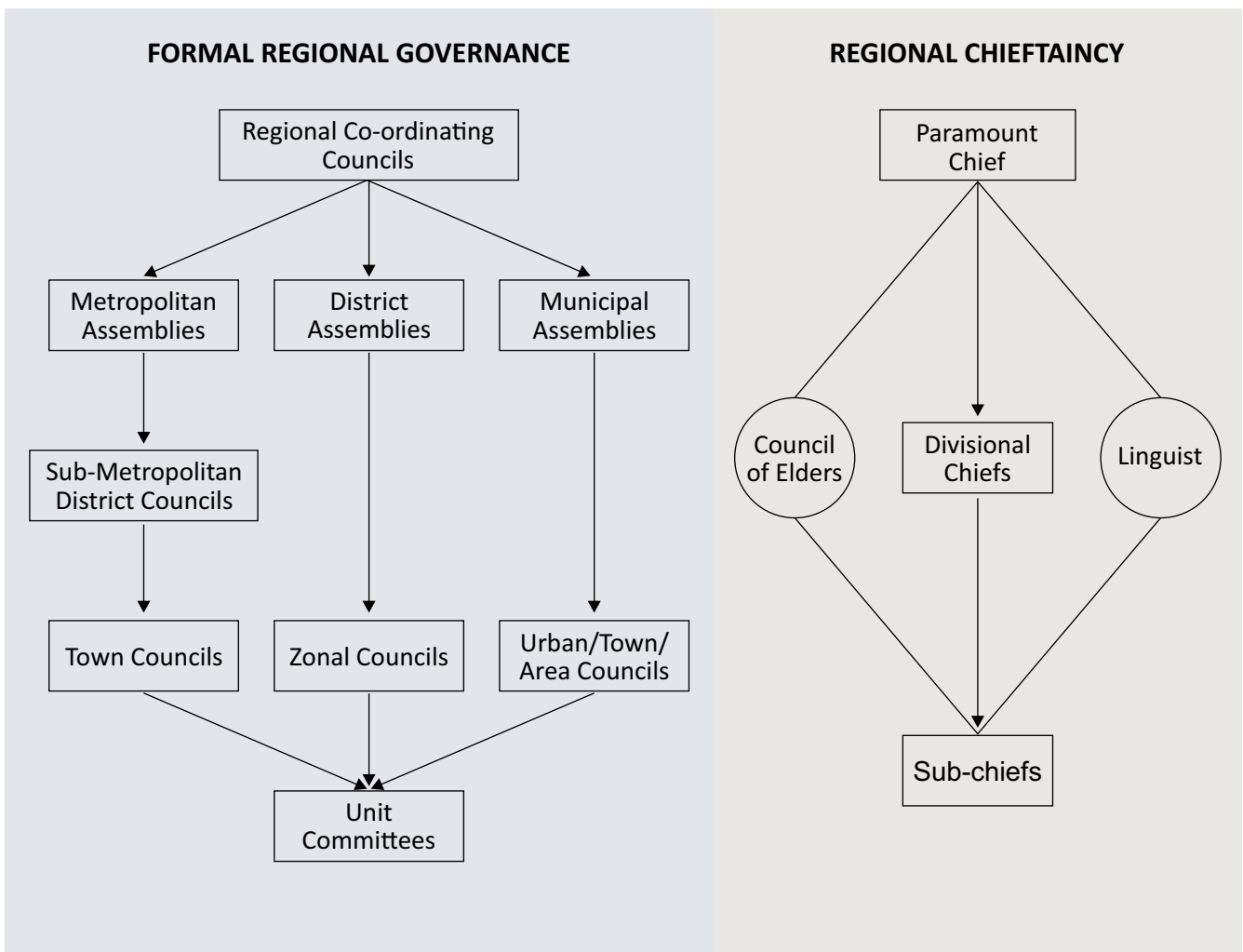


This indicator is a reflection of the government's control over the financial sector and how that affects the inflow and outflow of funds to entrepreneurs. There are five (5) dimensions to this indicator and they are: (1) the expensiveness and excessive time-involvement in opening a bank account, (2) the insufficient availability of capital from the finance institutions such that entrepreneurs are not able to easily secure funds from financial institutions, (3) government taking ownership and control of the financial institutions, (4) unreasonable government intrusion into the banking industry and the imposition of implausible regulations, and (5) the excessive government control over the finance sector's distribution of credit facilities.



# UNDERSTANDING THE CONTEXTUAL USAGE OF GOVERNMENT IN THIS STUDY

In the REF Index project, the 16 regions were hypothesized not to have had the same level of entrepreneurial freedom although there is one shared formal government system. In the Ghanaian socio-economic political orientation, the informal local government and the chieftaincy institutions co-administering the various regions create various differences in the government orientation from region to region. For example, a research by Tanko Daniel Dawda and Dapilah in the upper west region indicated that chiefs are constitutionally restricted from taking part in active partisan politics, but the chiefs in the region have collaborated with local and formal local government actors to bring development to their people in the areas of infrastructural development, dispute resolution, revenue mobilisation, good governance and the management of natural resources. They however stated that there exist challenges that do not bode well for collaboration between the District Assembly system and chiefs. Hence, the relationship between the local government, the chieftaincy and the formal government creates unique political atmosphere making each region's political atmosphere different. In this regard, the use of “government” in our indicators connote the evolved, complex system of alliance created by the configuration between the informal (local governance and chieftaincy) and the formal government structure.



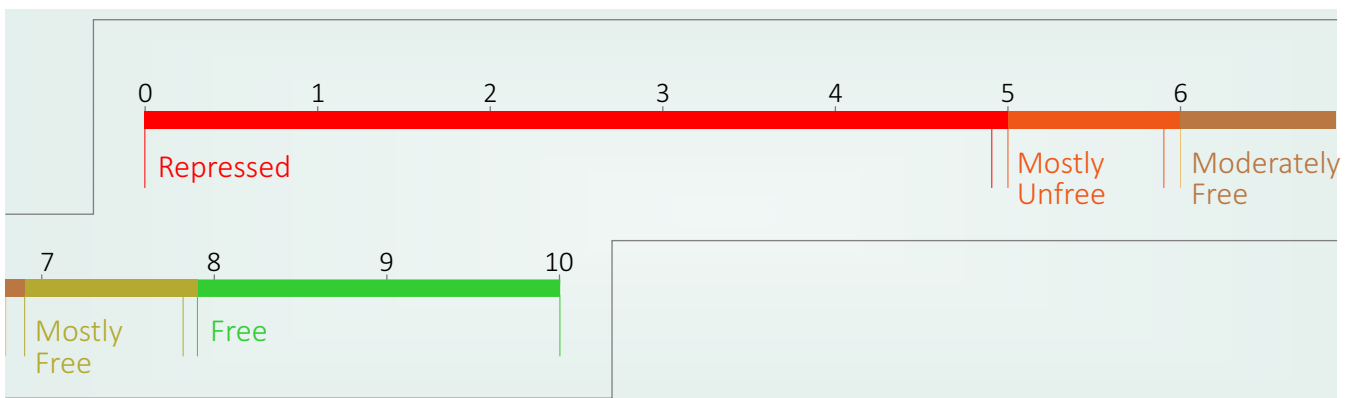
As the figure above illustrates, the formal regional government structure is headed by the regional coordinating council, whereas in the traditional structure, it is headed by the paramount chief. In each region, the traditional government system and the formal government system have over the years engaged in an iterative form of shaping and mutual interrelationship such that a configuration of common of governance is formed for both sides to co-exist and co-rule. Each regional area appears to have developed a different system of governance.

Therefore, the government used in the REF Index is not merely about the sitting president nor the MPs, nor the MMDCEs, neither is it about the chiefs, nor the council of elders, but rather the unique system of government created by the unique collaboration among the two sides.

## PRESENTATION OF DATA ANALYSIS

We now come to the analysis of the score each region had. The freedom Index rated from 1 to 10 where 1 is worst and 10 was the best. The scale for categorizing the regions was borrowed from Heritage Foundations' 2021 Economic Freedom Index. The scale is as follows:

- 8 - 10** Free
- 7 - 7.9** Mostly Free
- 6 - 6.9** Moderately free
- 5 - 5.9** Mostly unfree
- 0 - 4.9** Repressed





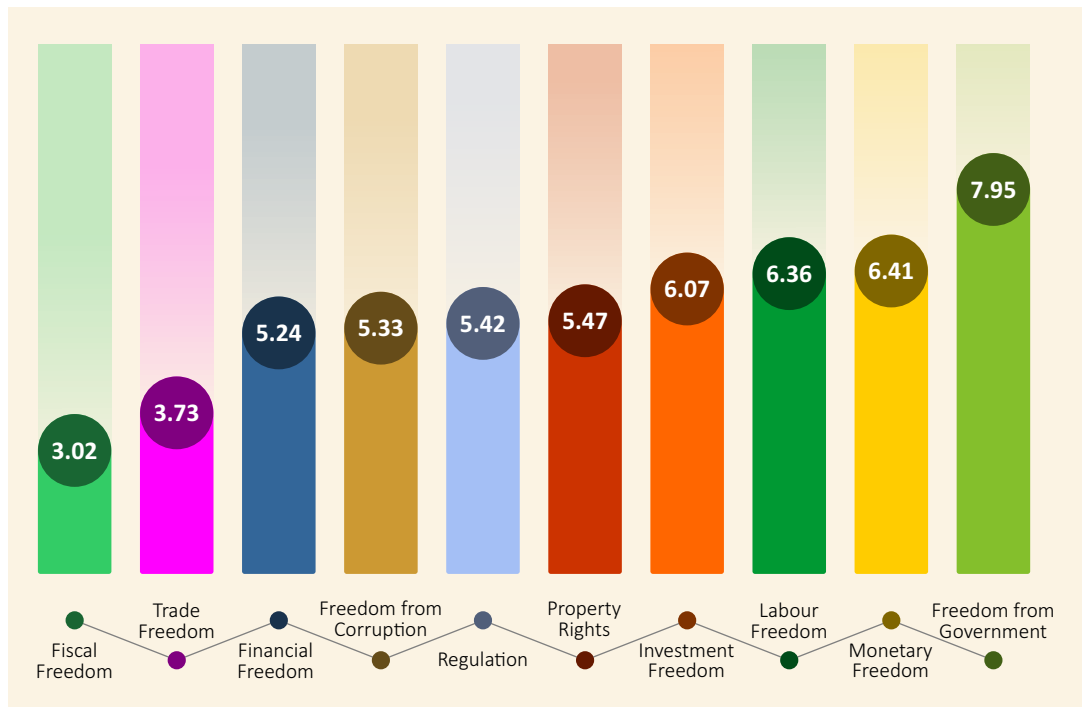
# ASHANTI REGION

Score: 5.50 | Category: Mostly Unfree

The Ashanti Region had an overall composite score of 5.50 so it falls into the mostly unfree category.

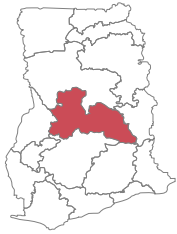
INDICES	RAW SCORE	MAX	RANK	REMARKS
Freedom from Government	7.95	10	1st	Mostly Free
Monetary Freedom	6.41	10	2nd	Moderately Free
Labour Freedom	6.36	10	3rd	Moderately Free
Investment Freedom	6.07	10	4th	Moderately Free
Property Rights	5.47	10	5th	Mostly Unfree
Regulation	5.42	10	6th	Mostly Unfree
Freedom from Corruption	5.33	10	7th	Mostly Unfree
Financial Freedom	5.24	10	8th	Mostly Unfree
Trade Freedom	3.73	10	9th	Repressed
Fiscal Freedom	3.02	10	10th	Repressed

The result indicates that the highest freedom indicator in the Ashanti region is the freedom from government and entrepreneurs in the Ashanti region are mostly free from government. In the Ashanti region, entrepreneurs moderately enjoy monetary freedom, labour freedom, and investment freedom. The entrepreneurs also are mostly unfree on property rights, regulation freedom, freedom from corruption and financial freedom. Moreover, entrepreneurs' trade and fiscal freedoms are suppressed in the Ashanti region.



### Highlights:

1. Taxation policies are not clearly defined to entrepreneurs. Eg. Property rent
2. Government budget supports entrepreneurship growth in this region, but entrepreneurs do not see the reflection
3. There is less black market space operation in this region
4. Freedom to engage in foreign trade is less in this region



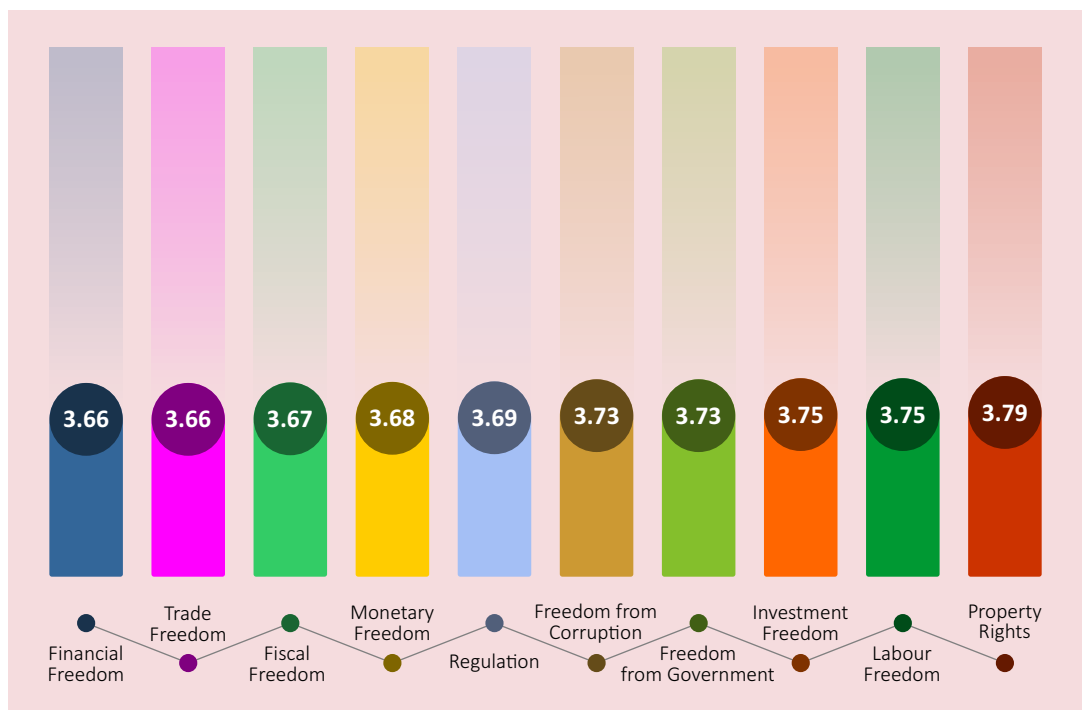
# BONO EAST REGION

Score: 3.71 | Category: Repressed

The Bono East Region had an overall composite score of 3.71 so it falls into the repressed category.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Property Right	3.79	10	1st	Repressed
Labour Freedom	3.78	10	2nd	Repressed
Investment Freedom	3.75	10	3rd	Repressed
Freedom from Government	3.73	10	4th	Repressed
Freedom from Corruption	3.73	10	5th	Repressed
Regulation	3.69	10	6th	Repressed
Monetary Freedom	3.68	10	7th	Repressed
Fiscal Freedom	3.67	10	8th	Repressed
Trade Freedom	3.66	10	9th	Repressed
Financial Freedom	3.66	10	10th	Repressed

The result indicates that the entrepreneurs in the Bono East are hindered from engaging in entrepreneurship. All the 10 indicators are repressed in this region. This shows that persons in the Bono East that seek to venture into entrepreneurship will face more hindrances and the journey will be dredging. From the analysis, it has been shown that all the indicators are at par score with one another so there must be effort to improve all the indicators to promote entrepreneurship in this region.



### Highlights:

1. Freedom is limited across all dimensions
2. This region is among the newly carved regions. Needs more support
3. The freedom levels score are about same level so they must be developed concurrently
4. With this repressed level of freedom, poverty is on the rise



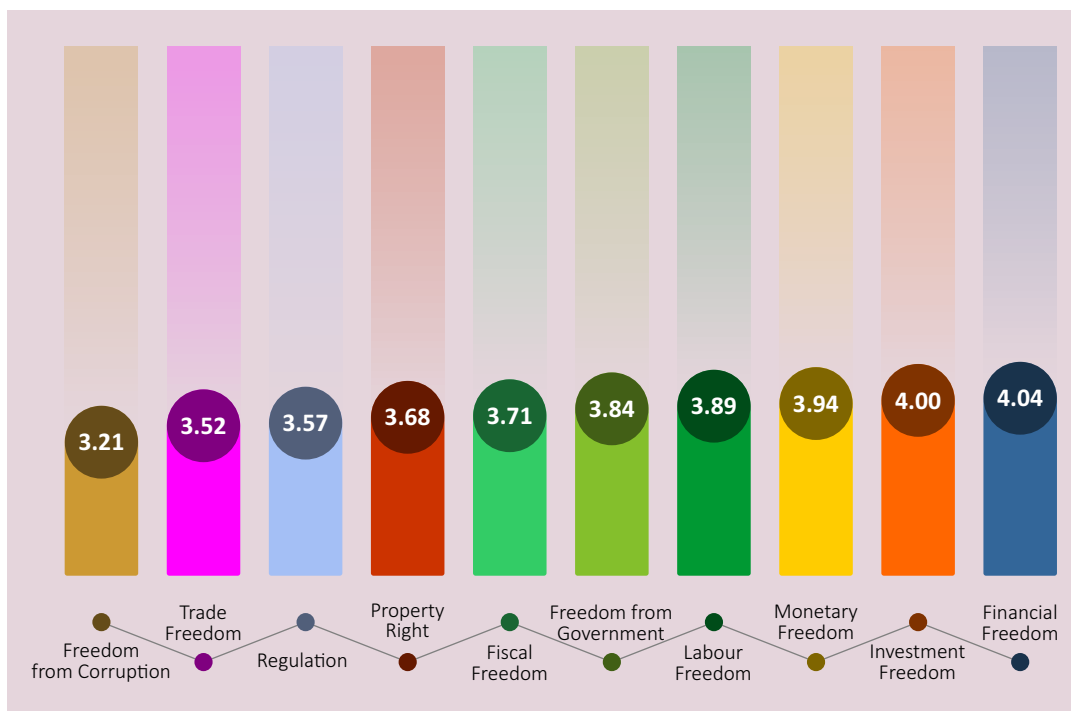
# CENTRAL REGION

Score: 3.74 | Category: Repressed

The central region had an overall composite score of 3.74, falling under the repressed category.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Financial Freedom	4.04	10	1st	Repressed
Investment Freedom	4.00	10	2nd	Repressed
Monetary Freedom	3.94	10	3rd	Repressed
Labour Freedom	3.89	10	4th	Repressed
Freedom from Government	3.84	10	5th	Repressed
Fiscal Freedom	3.71	10	6th	Repressed
Property Right	3.68	10	7th	Repressed
Regulation	3.56	10	8th	Repressed
Trade Freedom	3.52	10	9th	Repressed
Freedom from Corruption	3.21	10	10th	Repressed

In the Central region, all the 10 indicators are repressed indicating that from all perspectives, entrepreneurs do not enjoy freedom within the region. The lesser freedom means there is more difficulty in doing business within this region.



### Highlights:

1. Trade is suppressed in this region
2. There is very limited entrepreneurial freedom in this region
3. Doing business in this region is going to be difficult.
4. Policies must be aimed at improving ALL indicators



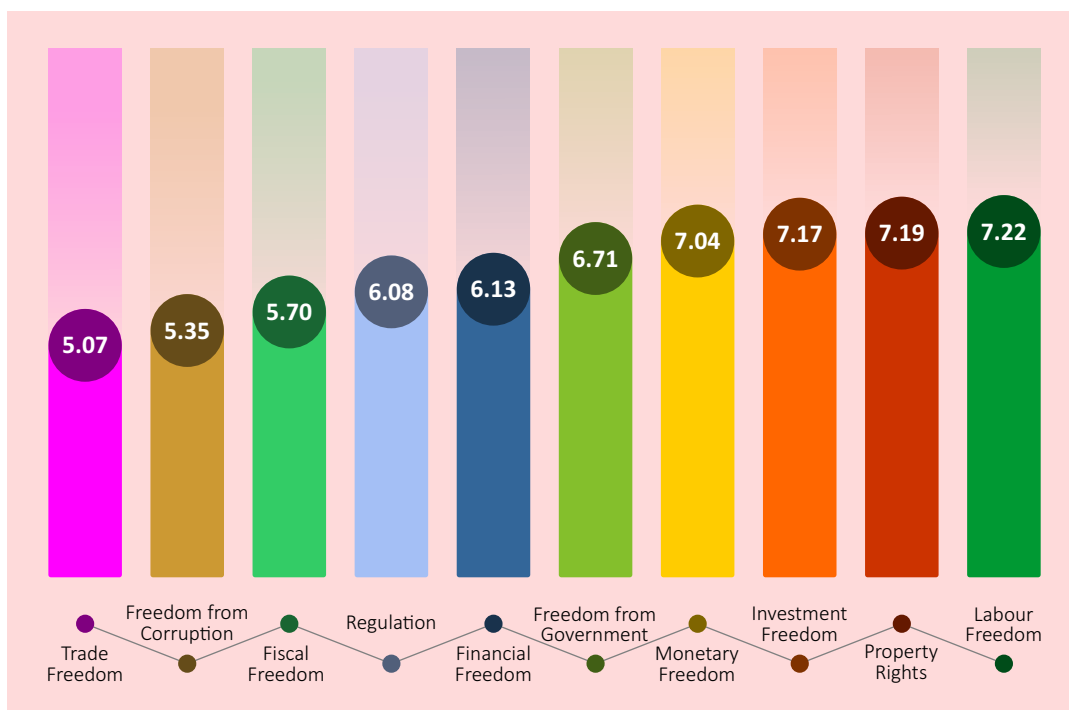
# EASTERN REGION

Score: 6.36 | Category: Mostly Free

The Eastern Region had an overall composite score of 6.36, falling under the mostly free category.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Labour Freedom	7.22	10	1st	Mostly Free
Property Right	7.19	10	2nd	Mostly Free
Investment Freedom	7.17	10	3rd	Mostly Free
Monetary Freedom	7.04	10	4th	Mostly Free
Freedom from Government	6.71	10	5th	Moderately Free
Financial Freedom	6.13	10	6th	Moderately Free
Regulation	6.08	10	7th	Moderately Free
Fiscal Freedom	5.70	10	8th	Mostly Unfree
Freedom from Corruption	5.35	10	9th	Mostly Unfree
Trade Freedom	5.07	10	10th	Mostly Unfree

The analysis shows that the Eastern Region is mostly entrepreneurially free. Four indicators (i.e. labour freedom, property right, investment freedom, and monetary freedom) are high scoring and fall under the mostly free category. Three indicators which are: Freedom from government, financial freedom, and regulation also fell under the moderately free category, and the last three indicators (i.e. fiscal freedom, freedom from corruption and trade freedom) fell under the mostly unfree category. These three indicators need to be improved to enhance the entrepreneurial freedom in this region.



### Highlights:

1. There is substantive entrepreneurship freedom in this region
2. Trade freedom, freedom from corruption and fiscal freedom need improvement
3. Regulation, financial freedom, and freedom from government can be stepped up
4. Entrepreneurs in this region could leverage on this freedom for business growth



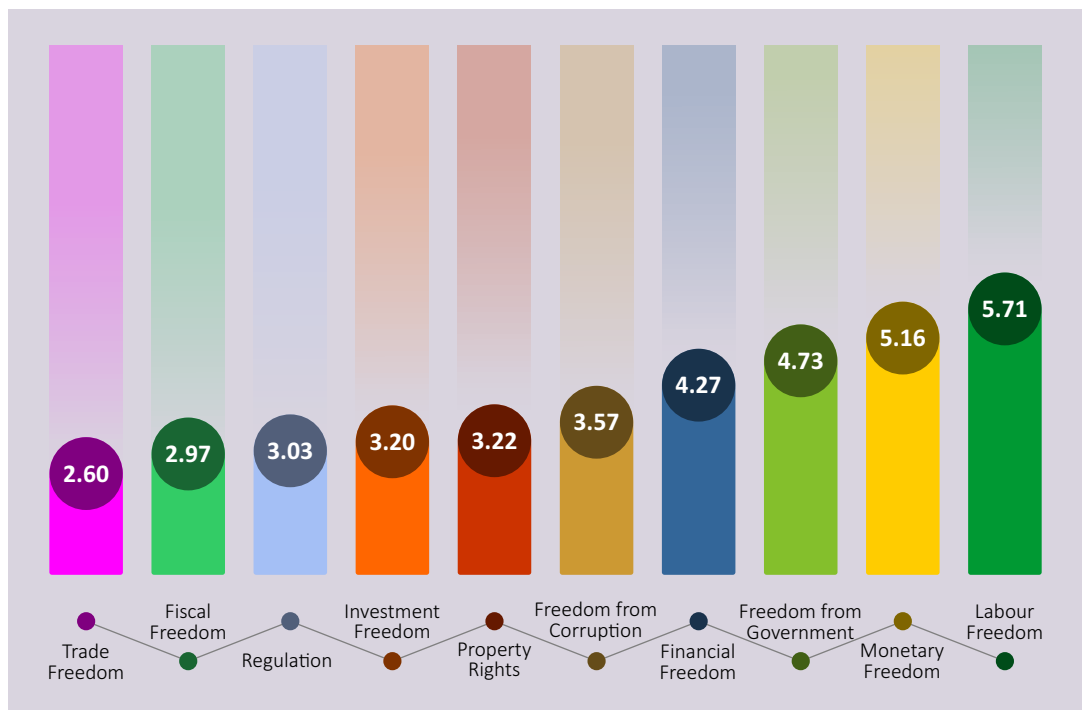
# GREATER ACCRA REGION

Score: 3.84 | Category: Repressed

The Greater Accra Region had a score of 3.84 hence falling under the repressed category.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Labour Freedom	5.71	10	1st	Mostly Free
Monetary Freedom	5.16	10	2nd	Mostly Free
Freedom from Government	4.73	10	3rd	Moderately Free
Financial Freedom	4.27	10	4th	Repressed
Freedom from Corruption	3.57	10	5th	Repressed
Property Right	3.22	10	6th	Repressed
Investment Freedom	3.20	10	7th	Repressed
Regulation	3.03	10	8th	Repressed
Fiscal Freedom	2.97	10	9th	Repressed
Trade Freedom	2.60	10	10th	Repressed

In the Greater Accra region, most of the indicators fell under the repressed category except labour freedom and monetary freedom which are mostly unfree in this region. The findings show that trade freedom and fiscal freedom were incredibly low.



### Highlights:

1. There is more repression on trade freedom and fiscal freedom. Much attention needed
2. Regulation, investment freedom, property right, and freedom from corruption must be targeted and dramatically improved
3. Entrepreneurs in the region enjoy some monetary and labour freedom, but must be improved
4. This region needs improvement on all areas, especially trade, fiscal, regulation, investment property right and freedom from corruption.



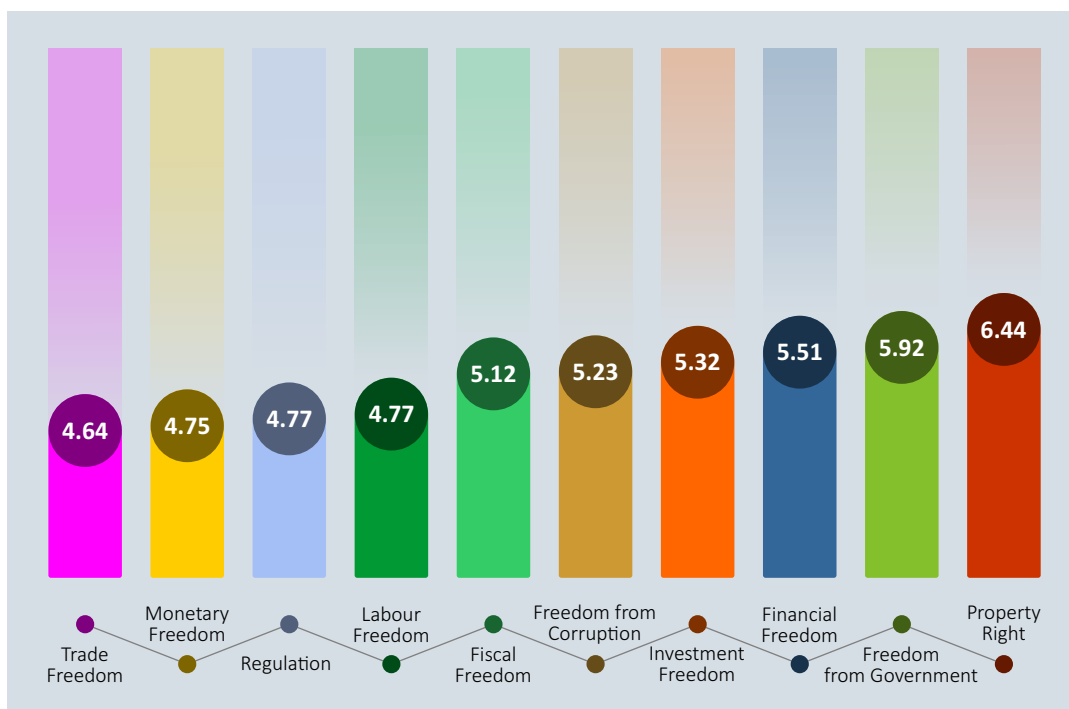
# NORTH EAST REGION

Score: 5.25 | Category: Mostly Unfree

The North East Region had a score of 5.25 falling under the mostly unfree category.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Property Right	6.44	10	1st	Moderately Free
Freedom from Government	5.92	10	2nd	Mostly Unfree
Financial Freedom	5.51	10	3rd	Mostly Unfree
Investment Freedom	5.32	10	4th	Mostly Unfree
Freedom from Corruption	5.23	10	5th	Mostly Unfree
Fiscal Freedom	5.12	10	6th	Mostly Unfree
Labour Freedom	4.77	10	7th	Repressed
Regulation	4.77	10	8th	Repressed
Monetary Freedom	4.75	10	9th	Repressed
Trade Freedom	4.64	10	10th	Repressed

In the North East Region, property right had the highest score and falls under the moderately free category. Freedom from government, financial freedom, investment freedom, freedom from corruption, and fiscal freedom are also mostly unfree. Labour freedom, regulation, monetary freedom and trade freedom are suppressed in this region.



### Highlights:

1. Property rights is high ranking and so entrepreneurs have no difficulty acquiring private wealth
2. Fiscal freedom, freedom from corruption, investment freedom, financial freedom and freedom from government has some good space but need more improvement. Attention is needed in these areas.
3. Trade freedom, Monetary freedom, regulation and labour freedom need a much more push up
4. Entrepreneurs can capitalize on property rights to capture more private properties.



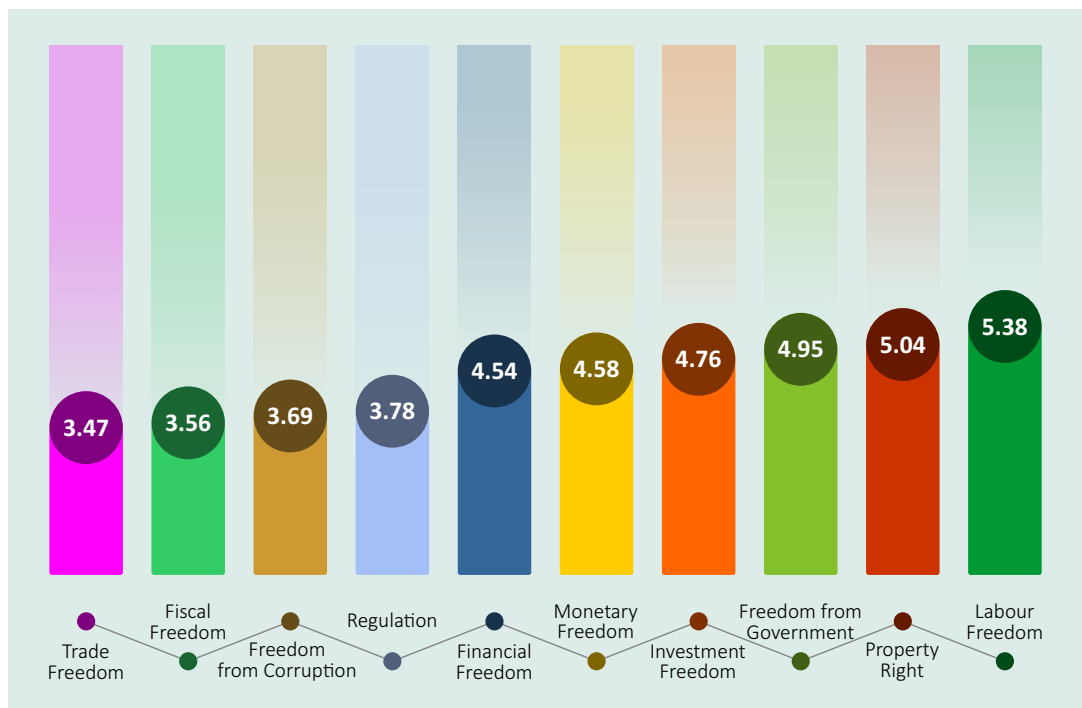
# NORTHERN REGION

Score: 4.38 | Category: Repressed

The North East Region had a score of 4.38 hence falling under the repressed category. Therefore entrepreneurs in the northern region generally do not enjoy entrepreneurial freedom.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Labour Freedom	5.38	10	1st	Mostly Unfree
Property Right	5.04	10	2nd	Mostly Unfree
Freedom from Government	4.95	10	3rd	Repressed
Investment Freedom	4.76	10	4th	Repressed
Monetary Freedom	4.58	10	5th	Repressed
Financial Freedom	4.54	10	6th	Repressed
Regulation	3.78	10	7th	Repressed
Freedom from Corruption	3.69	10	8th	Repressed
Fiscal Freedom	3.56	10	9th	Repressed
Trade Freedom	3.47	10	10th	Repressed

From the analysis, there is a minimal level of labour freedom and property right so entrepreneurs are mostly unfree. However, all the other indicators are repressed in this region.



## Highlights:

1. Property rights and labour freedom has some minimal level in this region
2. Freedom from government is almost out of the repressed category. Needs more government power retraction in this region
3. Investment freedom, Monetary freedom, and financial freedom need a much more development
4. Trade freedom, fiscal freedom



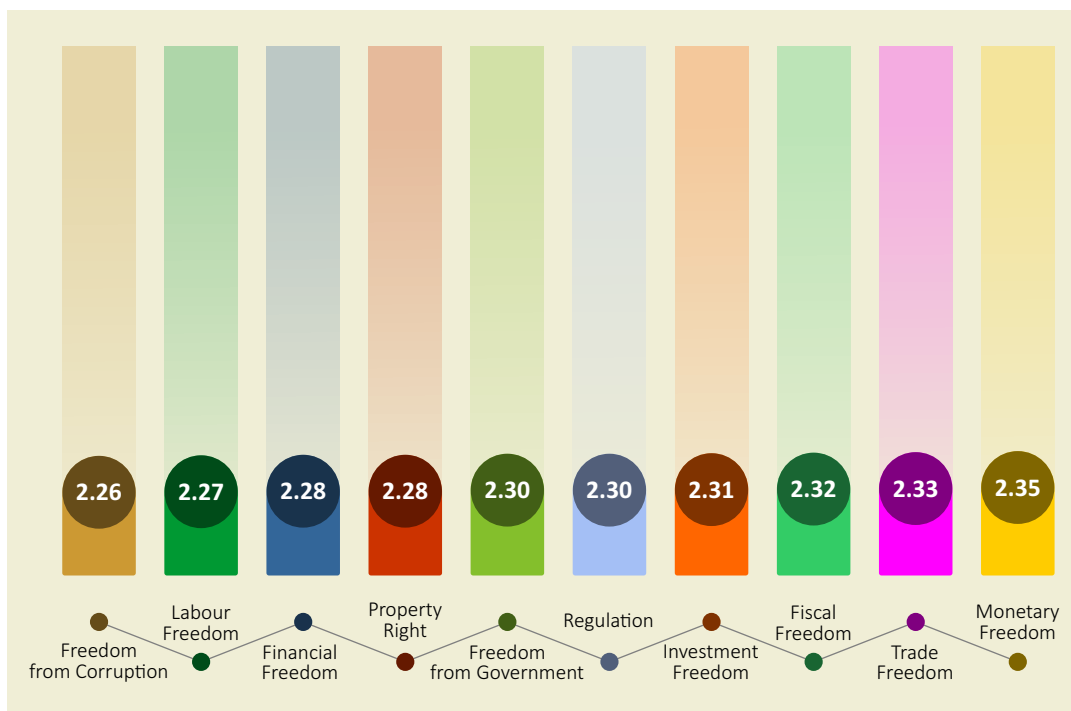
# OTI REGION

Score: 2.30 | Category: Repressed

The Oti Region had a composite score of 2.30 which is very low and falls under the repressed category. This indicates that generally, the entrepreneurial space in this region is hard to navigate because entrepreneurs are hindered from enjoying the required freedom.

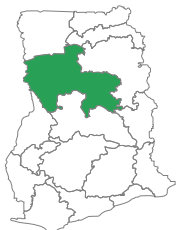
INDICES	RAW SCORE	MAX	RANK	REMARKS
Monetary Freedom	2.35	10	1st	Repressed
Trade Freedom	2.33	10	2nd	Repressed
Fiscal Freedom	2.32	10	3rd	Repressed
Investment Freedom	2.31	10	4th	Repressed
Regulation	2.30	10	5th	Repressed
Freedom from Government	2.30	10	6th	Repressed
Property Right	2.28	10	7th	Repressed
Financial Freedom	2.28	10	8th	Repressed
Labour Freedom	2.27	10	9th	Repressed
Freedom from Corruption	2.26	10	10th	Repressed

The analysis shows that all the entrepreneurial indexes are repressed in this region, indicating that from all angles, entering into entrepreneurship in this region is going to be tough to navigate through.



### Highlights:

1. All indicators are extremely low in this region
2. Immediate measures need to be taken to improve all the dimensions of freedom
3. Poverty will be on the rise in this region
4. Entrepreneurs will struggle to succeed in this region



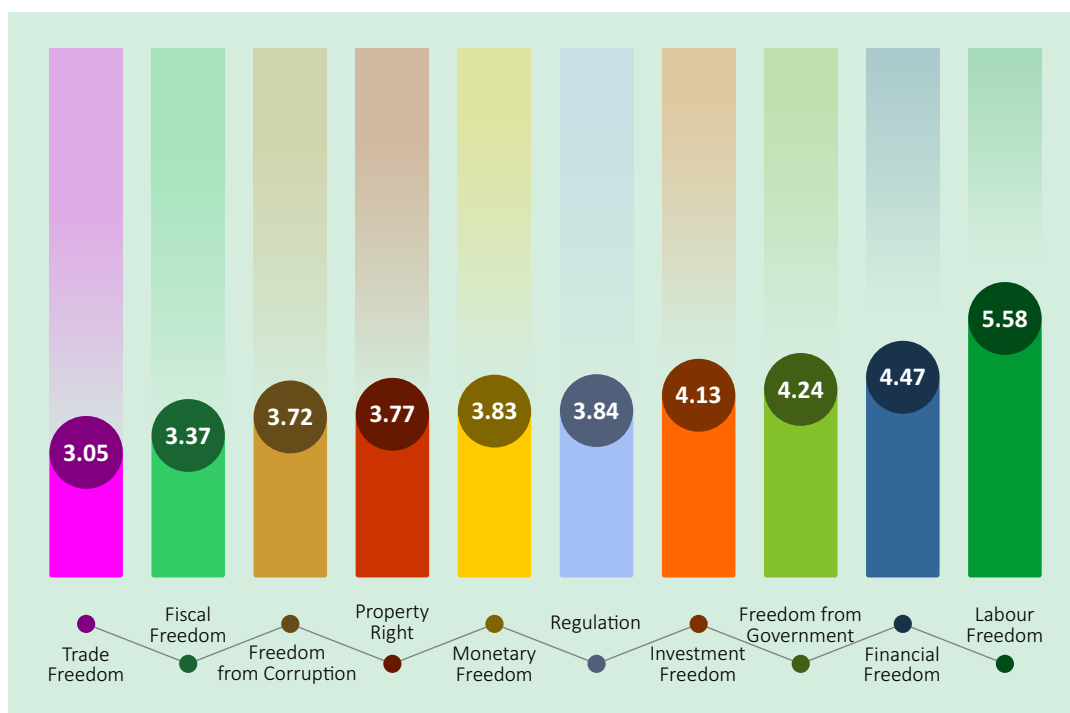
# SAVANNAH REGION

Score: 4.00 | Category: Repressed

The Savannah Region had a composite score of 4.00 hence, falling under the repressed category.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Labour Freedom	5.58	10	1st	Mostly Unfree
Financial Freedom	4.47	10	2nd	Repressed
Freedom from Government	4.24	10	3rd	Repressed
Investment Freedom	4.13	10	4th	Repressed
Regulation	3.84	10	5th	Repressed
Monetary Freedom	3.83	10	6th	Repressed
Property Right	3.77	10	7th	Repressed
Freedom from Corruption	3.72	10	8th	Repressed
Fiscal Freedom	3.37	10	9th	Repressed
Trade Freedom	3.05	10	10th	Repressed

In the Savannah Region, only the labour freedom indicator has a minimal level of freedom but all the other entrepreneurial freedoms are suppressed. Thus doing business in this region will encounter more impediments.



### Highlights:

1. There is satisfactory labour freedom, implying that there is access to labour and entrepreneurs could manipulate prices of labour
2. All the other indicators need improvement
3. Trade freedom, Fiscal Freedom, freedom from corruption, property right, monetary freedom and regulation need more enhancement policies.
4. Entrepreneurs, in this present state of the region, must leverage on labour freedom



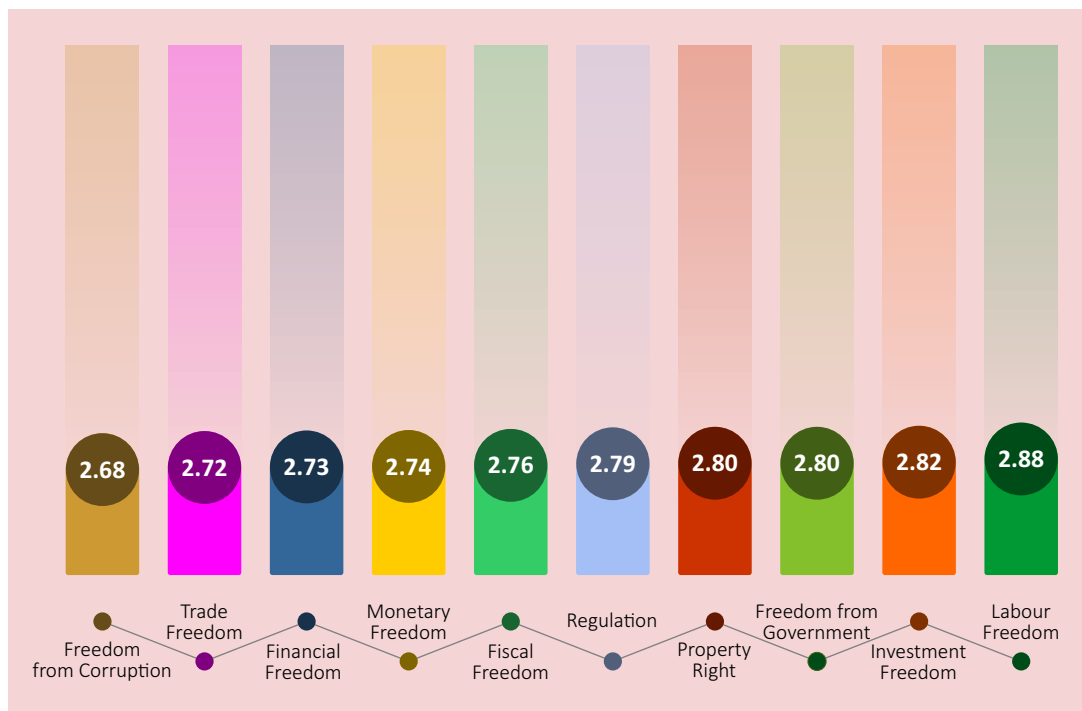
# UPPER EAST REGION

Score: 2.77 | Category: Repressed

The Upper East Region had a composite score of 2.77 hence, falling under the repressed category.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Labour Freedom	2.88	10	1st	Repressed
Investment Freedom	2.82	10	2nd	Repressed
Freedom from Government	2.80	10	3rd	Repressed
Property Right	2.80	10	4th	Repressed
Regulation	2.79	10	5th	Repressed
Fiscal Freedom	2.76	10	6th	Repressed
Monetary Freedom	2.74	10	7th	Repressed
Financial Freedom	2.73	10	8th	Repressed
Trade Freedom	2.72	10	9th	Repressed
Freedom from Corruption	2.68	10	10th	Repressed

The result of the analysis shows that all the indicators of entrepreneurship freedom in this region are repressed. The score for each indicator is below 4, indicating that entrepreneurship freedom in this region is woefully low.



## Highlights:

1. All indicators are abysmally low
2. Entrepreneurs are being hindered massively
3. Immediate enabling environment is needed for entrepreneurs to grow their prospects.
4. All freedom dimensions must be developed concurrently to see obvious results



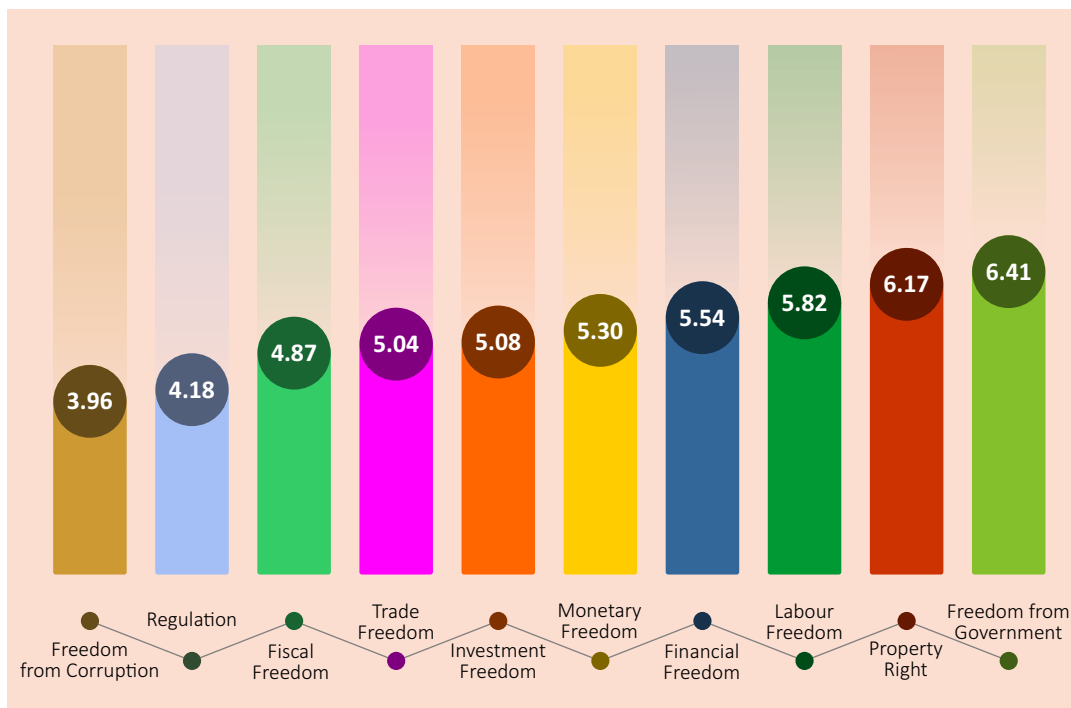
# UPPER WEST REGION

Score: 5.24 | Category: Mostly Unfree

The Upper West Region had a composite score of 5.24 falling into the mostly unfree category. This shows that there is a minimal level of entrepreneurship freedom in this region so the entrepreneurial space is not maximally free.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Freedom from Government	6.41	10	1st	Moderately Free
Property Right	6.17	10	2nd	Moderately Free
Labour Freedom	5.82	10	3rd	Mostly Unfree
Financial Freedom	5.54	10	4th	Mostly Unfree
Monetary Freedom	5.30	10	5th	Mostly Unfree
Investment Freedom	5.08	10	6th	Mostly Unfree
Trade Freedom	5.04	10	7th	Mostly Unfree
Fiscal Freedom	4.87	10	8th	Repressed
Regulation	4.18	10	9th	Repressed
Freedom from Corruption	3.96	10	10th	Repressed

In the Upper West Region, there is moderate freedom from government and moderate property rights. The result indicates that entrepreneurs in this region are mostly unfree in respect of labour freedom, financial freedom, monetary freedom, investment freedom and trade freedom. Moreover, it is discovered that fiscal freedom, regulation freedom and freedom from corruption are repressed in the Upper West Region.



### Highlights:

1. Property right and freedom from government are good in this region.
2. This region's space is repressed from freedom from corruption and regulation also limits the region's freedom.
3. Fiscal freedom, investment freedom, trade freedom, investment freedom, monetary freedom and financial freedom needs some minor improvement to raise the region's entrepreneurship freedom



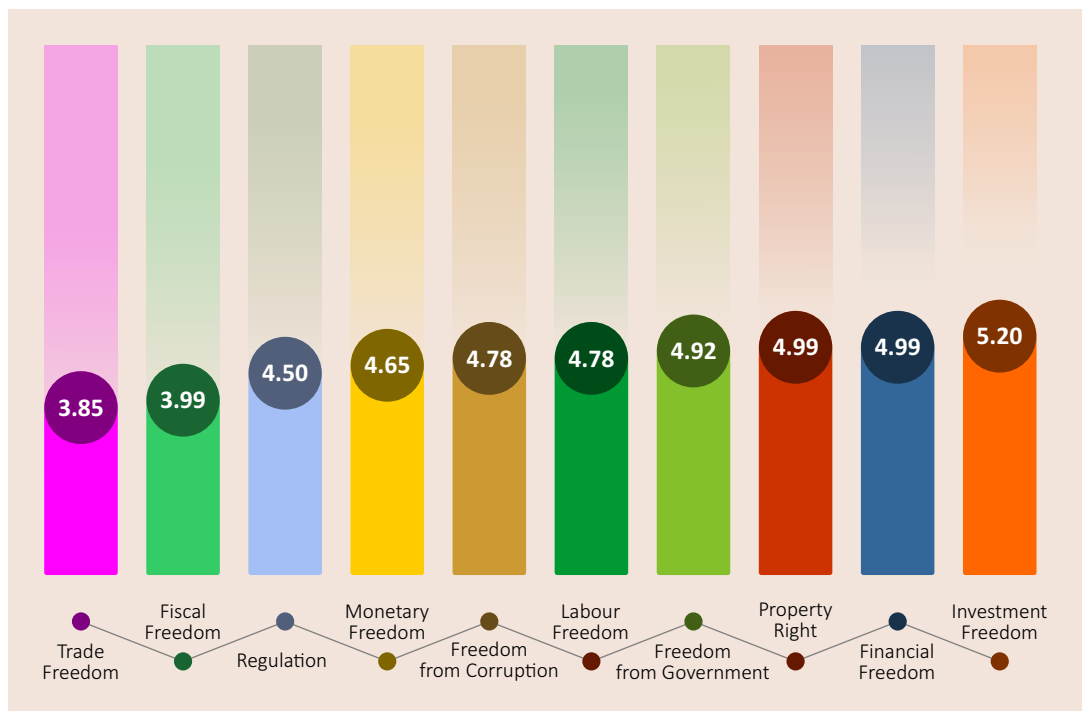
# VOLTA REGION

Score: 4.67 | Category: Repressed

The Volta Region had a composite score of 4.67 hence falling under the repressed category.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Investment Freedom	5.20	10	1st	Mostly Unfree
Financial Freedom	5.00	10	2nd	Repressed
Property Right	4.99	10	3rd	Repressed
Freedom from Government	4.92	10	4th	Repressed
Labour Freedom	4.78	10	5th	Repressed
Freedom from Corruption	4.78	10	6th	Repressed
Monetary Freedom	4.65	10	7th	Repressed
Regulation	4.50	10	8th	Repressed
Fiscal Freedom	3.99	10	9th	Repressed
Trade Freedom	3.85	10	10th	Repressed

In the Volta Region, only investment freedom has a minimal level of freedom, but all the other level of indicators are repressed.



## Highlights:

1. Only investment freedom has some reasonable level of freedom
2. Financial freedom, property right, freedom from government are right at the border of moving from repressed. Need more enabling policies to raise entrepreneurship in this region
3. Fiscal freedom, and trade freedom, regulation and monetary freedom need immediate revamp in this region.



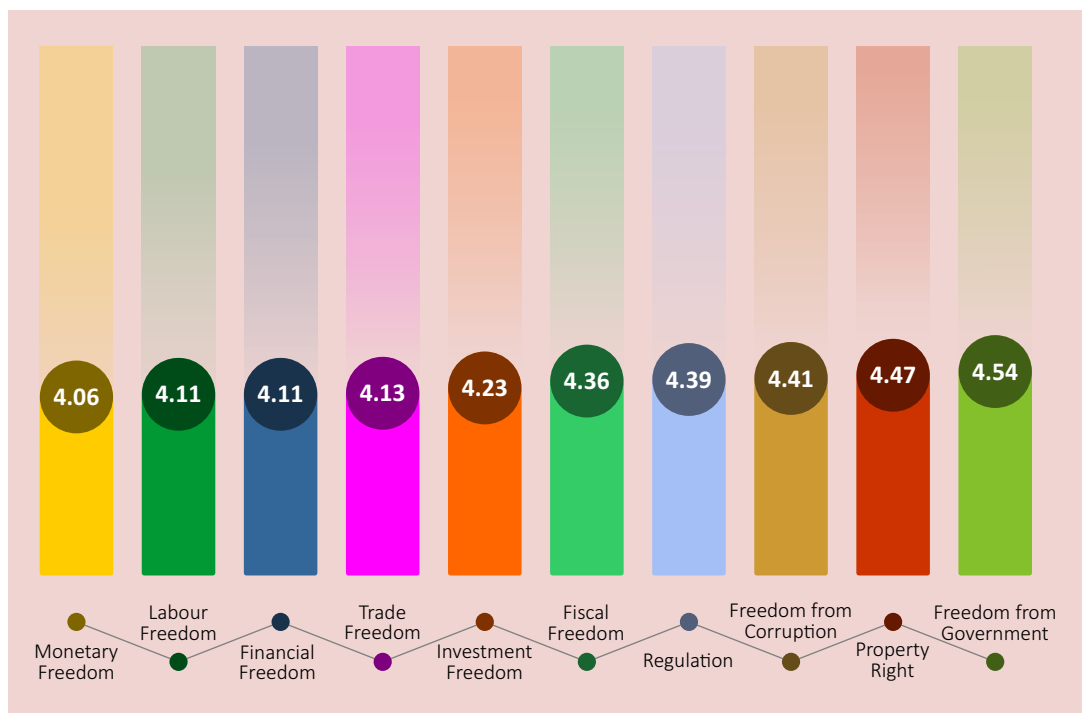
# WESTERN NORTH REGION

Score: 4.28 | Category: Repressed

The Western Region had a composite score of 4.28 hence this region falls into the repressed category according to the entrepreneurship freedom metric.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Freedom from Government	4.54	10	1st	Repressed
Property Right	4.47	10	2nd	Repressed
Freedom from Corruption	4.41	10	3rd	Repressed
Regulation	4.39	10	4th	Repressed
Fiscal Freedom	4.36	10	5th	Repressed
Investment Freedom	4.23	10	6th	Repressed
Trade Freedom	4.13	10	7th	Repressed
Financial Freedom	4.11	10	8th	Repressed
Labour Freedom	4.11	10	9th	Repressed
Monetary Freedom	4.06	10	10th	Repressed

The findings show that in the Western North Region, Entrepreneurship freedom is repressed in all dimensions. Doing business in this region will be difficult and impeded by lack of enabling entrepreneurial environment.



### Highlights:

1. All the factors are repressed in this region
2. The factors are almost of equal scores
3. There must be policies to improve all these indicators
4. Entrepreneurship cannot thrive in the present state of the region
5. Immediate intervention needed for the ecosystem to grow



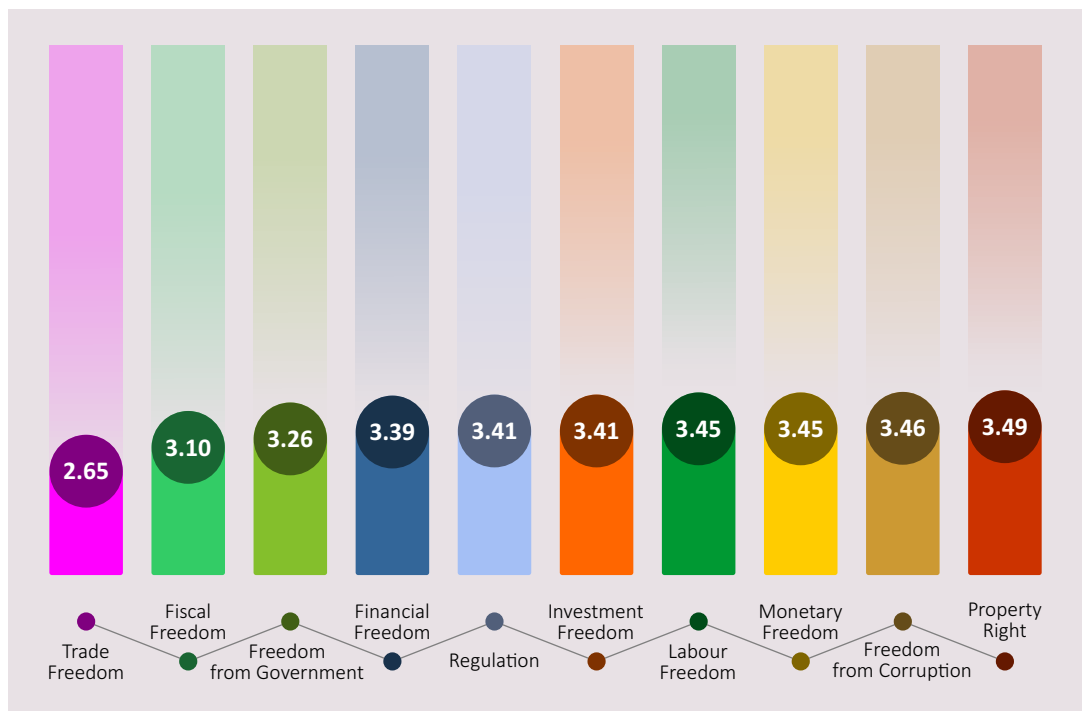
# WESTERN REGION

Score: 3.30 | Category: Repressed

The Western Region had a composite score of 3.30 hence falling under the repressed category.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Property Right	3.49	10	1st	Repressed
Freedom from Corruption	3.46	10	2nd	Repressed
Monetary Freedom	3.45	10	3rd	Repressed
Labour Freedom	3.45	10	4th	Repressed
Investment Freedom	3.41	10	5th	Repressed
Regulation	3.41	10	6th	Repressed
Financial Freedom	3.39	10	7th	Repressed
Freedom from Government	3.26	10	8th	Repressed
Fiscal Freedom	3.10	10	9th	Repressed
Trade Freedom	2.65	10	10th	Repressed

The result indicates that all entrepreneurship freedom indicators in this region are repressed. Thus, entrepreneurship freedom in this region is lacking and it is difficult to navigate through the entrepreneurial space to be successful as an entrepreneur.



### Highlights:

1. All the indicators are abnormally repressed in this region
2. The space need to be freed
3. Survival as an entrepreneur will be difficult
4. Poverty will increase in this region



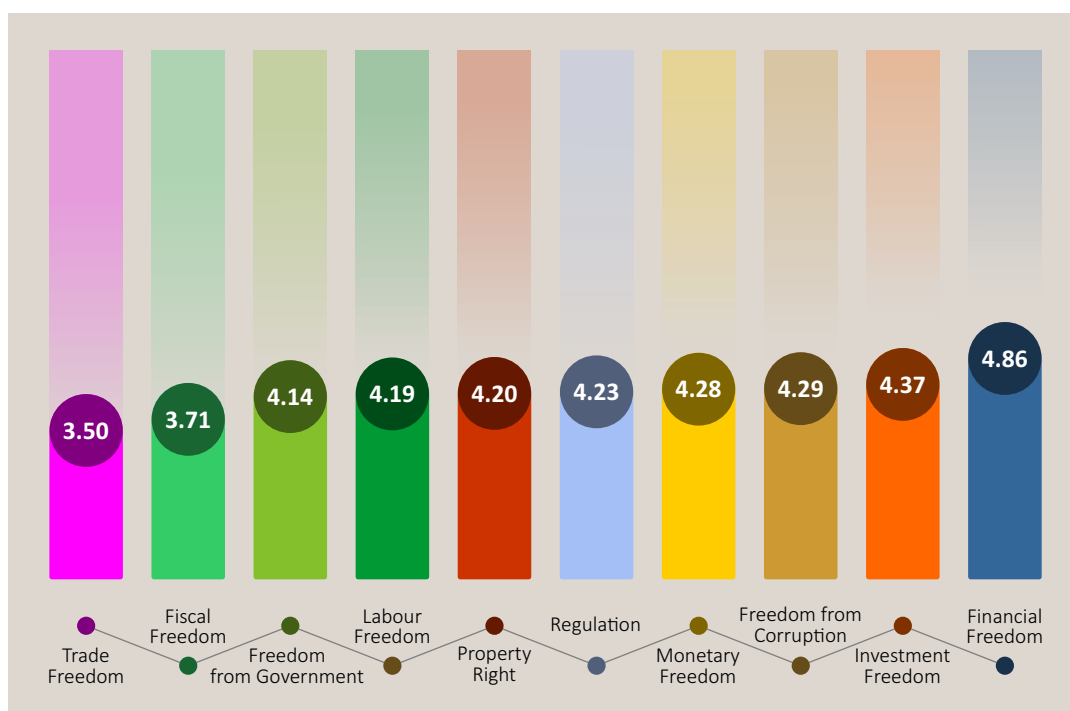
# AHAFO REGION

Score: 4.17 | Category: Repressed

The Ahafo Region had a composite Index score of 4.17 hence falling under the repressed category.

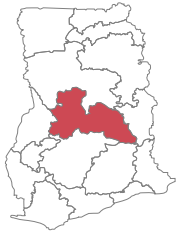
INDICES	RAW SCORE	MAX	RANK	REMARKS
Financial Freedom	4.86	10	1st	Repressed
Investment Freedom	4.37	10	2nd	Repressed
Freedom from Corruption	4.29	10	3rd	Repressed
Monetary Freedom	4.28	10	4th	Repressed
Regulation	4.23	10	5th	Repressed
Property Right	4.20	10	6th	Repressed
Labour Freedom	4.19	10	7th	Repressed
Freedom from Government	4.14	10	8th	Repressed
Fiscal Freedom	3.71	10	9th	Repressed
Trade Freedom	3.50	10	10th	Repressed

The result indicates that each of the entrepreneurship freedom indicators in this region is repressed. Within this repressed state, trade freedom and fiscal freedom are the worst and financial freedom tops the list. Thus, entrepreneurship freedom in this region is generally lacking and it is going to be difficult to push through the entrepreneurial space to be successful as an entrepreneur when doing business in this region.



### Highlights:

1. All the indicators in this region are repressed
2. There must be a concurrent freeing of all the indicators to improve the ecosystem.



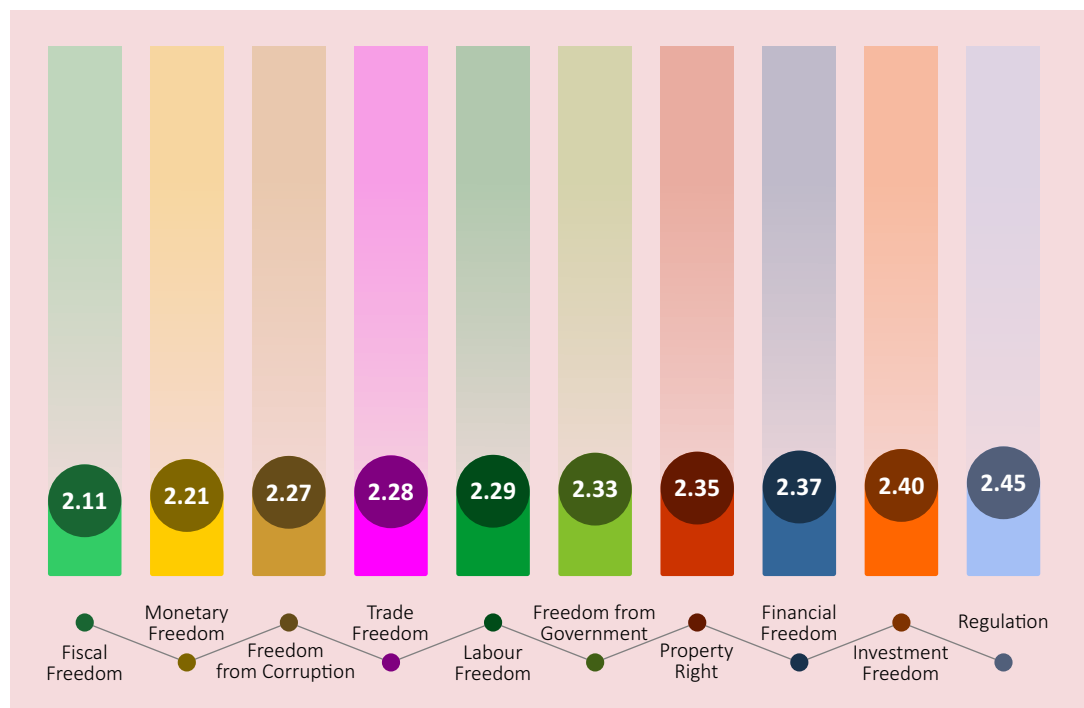
# BONO REGION

Score: 2.31 | Category: Repressed

The Bono Region had a composite score of 2.31 hence falling under the repressed category.

INDICES	RAW SCORE	MAX	RANK	REMARKS
Regulation	2.45	10	1st	Repressed
Investment Freedom	2.40	10	2nd	Repressed
Financial Freedom	2.37	10	3rd	Repressed
Property Right	2.35	10	4th	Repressed
Freedom from Government	2.33	10	5th	Repressed
Labour Freedom	2.29	10	6th	Repressed
Trade Freedom	2.28	10	7th	Repressed
Freedom from Corruption	2.27	10	8th	Repressed
Monetary Freedom	2.21	10	9th	Repressed
Fiscal Freedom	2.11	10	10th	Repressed

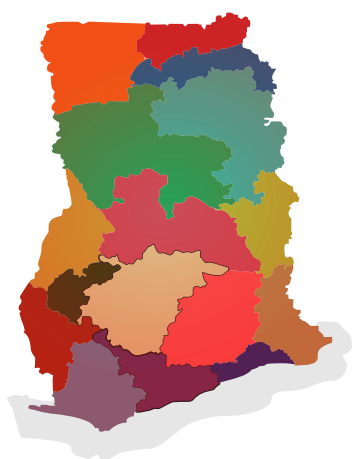
The result indicates that all entrepreneurship freedom indicators in this region are repressed. Thus, entrepreneurship freedom in this region is lacking and it is difficult to navigate through the entrepreneurial space to be successful as an entrepreneur.



### Highlights:

1. This region's entrepreneurial ecosystem is extremely repressed
2. All the indicators need a significant overhaul.

# THE RANKING



REGION	SCORE	CATEGORY	RANKING
Eastern Region	6.36	Moderately Free	1st
Ashanti Region	5.50	Mostly Unfree	2nd
North East Region	5.25	Mostly Unfree	3rd
Upper West Region	5.24	Mostly Unfree	4th
Volta Region	4.67	Repressed	5th
Northern Region	4.38	Repressed	6th
Western North Region	4.28	Repressed	7th
Ahafo Region	4.17	Repressed	8th
Savannah Region	4.00	Repressed	9th
Greater Accra Region	3.84	Repressed	10th
Central Region	3.74	Repressed	11th
Bono East Region	3.71	Repressed	12th
Western Region	3.30	Repressed	13th
Upper East Region	2.77	Repressed	14th
Brong Ahafo Region	2.31	Repressed	15th
Oti Region	2.30	Repressed	16th

Based on the Composite score of each region, the regions are ranked from 1st to 16th, where the 1st position denotes the region with the most entrepreneurship freedom and the 16th position denotes the region with the least entrepreneurship freedom. Putting the regions into the entrepreneurship freedom spectrum, no region fell under the free category nor the mostly free category.

The Eastern Region topped all the regions with a score of 6.36 out of 10 and it is the only region that falls under the moderately free category. The Oti region is at the bottom of the list with a composite score of 2.30. Bono region is right above Oti region by a margin of 0.01. These two regions are very repressed so they weigh the national entrepreneurship freedom index down.

Out of the 16 regions only 4 fall above the red line and the other 12 falls below the red line. This corroborates Heritage foundation's 2021 economic freedom index that classify Ghana as an unfree economy. The low score of the economic freedom index is a direct reflection of the lower entrepreneurship index of the regions in Ghana.

# DISCUSSION OF RESULTS

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The Ghanaian youth, across all the regions, have a great expression for entrepreneurship. A number of the businesses that were studied were initiated by the youth. During the tour, it was observed that the youth is engaged in one form of business or the other, ranging from schools, guest houses, IT Hubs, trade shops, clinics, restaurants, pharmacies, and so on. One enumerator notes:

*“The building of youth entrepreneurship mind-sets is receiving attention and will even receive more after the Finance Minister, Ken Ofori-Atta, urged fresh graduates from the various tertiary institutions to find innovative ways of becoming entrepreneurs.”*

Trade freedom, fiscal freedom, monetary freedom and regulation are the key entrepreneurship freedom indicators that are commonly suppressed across all the regions in Ghana. The 12 regions that fell below the red line can all be targeted with same set of policies for the general ecosystem in each region to rise up. However, the four regions (i.e. Eastern, Ashanti, North East and Upper West) must be targeted with unique set of policies.

## RECOMMENDATION

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### **For the Eastern Region**

- Encourage entrepreneurship
- Reduce regulatory bottlenecks preventing voluntary groups such as NGOs encouraging entrepreneurship to freely operate
- Further government power limitation
- Right time to acquire wealth
- Can start off business here

### **For the Ashanti Region**

- Government must revise taxes
- Projects must be handled by private individuals
- Financial Institutions must customize lower interest rates in this region
- Scheme to link local firms to foreign buyers

## **For the North East Region**

- Entrepreneurs could acquire more property
- Reduce way-bill to promote inter-regional trade
- Enhance easy regulatory compliance to encourage import to and export from the region
- Limit government from engaging in businesses to direct investors to local businesses
- Subsidize tariffs for entrepreneurs ere

## **For the Upper West Region**

- Further government limitation
- Eradicate black market
- Design uniform business law & rights
- Strengthen judicial system

## **For the Volta Region**

- Provide tax rebates
- Structured taxation system
- Inter region trade
- Bring direct foreign buyers
- Smoothen licensing requirement
- Limit government interference

## **For the Northern Region**

- This region could be a source of property supply
- All other indicators need to be strengthened
- Strong PR coupled with strong security presence to demystify “violence” tag to attract investors and businesses

## **For the Oti Region**

- Focus on improving road networks to nearby regions.

## General Recommendations for all 12 regions below the red line

### **1. The government should standardize the licensing and regulatory requirements and constantly educate entrepreneurs on them – eliminate red tape.**

First, the government must ensure all regional centers have established regulatory bodies to avoid overconcentration on a few which tends to breed long delays with its associated ills such as bribery and extortion in acquiring licensing or certification.

Secondly, the government's digitization agenda must make each region autonomous in the delivery or issuing of permits/licensing. /Certification

Thirdly, the National Commission for Civic Education (NCCE) must liaise with various regulatory and licensing bodies to complement the government's efforts towards its entrepreneurial drive using cost-effective means to educate, inform, update and incorporate feedback from entrepreneurs as a participatory means to build inclusive institutions.

Reduce the cost of registering a business by 50% among natives and foreigners.

Deregulate the registration of businesses by eliminating letters of consent from auditors to encourage the ease of acquiring business registration certificate.

### **2. Judicial services must be independent and proactive in handling business cases.**

The legal education space must be freed to encourage students who are entrepreneurial and innovative to come up with innovations that could engender a more robust way of addressing challenges such as complexity of judicial processes, disempowerment, missing case dockets, slow processing of documentation due to high caseloads.

Government should concentrate its effort to strengthen the under-resourced judiciary.

Encourage judicial effectiveness and integrity across all regions

### **3. Piracy and black markets must be eliminated. This can be achieved by reducing government interference with an extreme rate of taxation, price controls, wages, and salaries, attempt to monopolize essential products and services.**

Taxes are generally having a great toll on businesses in the country. From our observation, these taxes are affecting businesses adversely. In the short term, the government must concentrate on using these taxes to strengthen institutional capacities of the enablers of the entrepreneurial ecosystem to build inclusive and participatory institutions whiles working progressively to reduce taxes for Small and Medium Enterprises.

### **4. Banking services must be localized and accommodative of start-ups.**

The banking act must be amended to ensure banks and other financial institutions can provide customized, value-centered packages that suit Small and Medium Enterprises at the regional level.

## **5. The interest rate must be lowered for these regions.**

The Bank of Ghana must reduce its monetary policy rate from 14.5% to the Universal Banks and other regulated financial institutions to at least 10% by the first quarter of 2022.

The Central Bank must decrease the minimum capital of 400million cedis required to set up a bank to at least 300million cedis. This will help break the monopoly of profiteering by existing banks and encourage the creation of indigenous banks. This would also reduce the number of loan defaulters due to high-interest rates

## **6. Local chiefs must set a target of having their area as litigation-free areas.**

## **7. The government should not waste monies on creating state enterprises in these regions.**

These regions are already suffering from governments inactions and actions thus any attempt to build state enterprises in these regions contributes to the government's excesses. With a myriad of the problems stemming from the Indices, these "over-blown" ventures are most likely to run at a loss.

## **8. People must have confidence in the entrepreneurial ecosystem**

Government must refrain from sudden interventions within the entrepreneurial space without careful considerations on how this adversely affects entrepreneurs. From our observation, people are unwilling to start businesses or invest since government proves to be a competitor instead of an enabler. The arms of government must exercise checks and balances on each other. Parliament must keep a level eye on the Executive.

## **9. Government must provide incentives to attract investors.**

This could be in the form of tax holidays. Government must make a deliberate effort by limiting cash transfer programs for entrepreneurs, concentrate on an improved investment climate to attract private investors.

## **10. Work closely with independent, Investigative bodies to investigate public and civil servants engaged with unexplained wealth.**

Parliament should ensure the Office of the Special Prosecutor is encouraged, supported, and compelled to prosecute culprits of such investigations or reports.

### **11. Build capacity of chiefs to administer trade/business disputes.**

Ghana must build on its indigenous institution which has been the enabler of entrepreneurship before independence. It is in light of this that parliament must consider law or an amendment to the Chieftaincy Act with devolutionary powers granted to overlords of the various regions or smaller economies to administer local business and trade disputes. This we consider a corrective measure and compliment to the existing judiciary effort in administering justice.

### **12. Government must ensure confidence in security on major highways especially inter-regional routes.**

This should include periodic patrol team's rollout and strategic positioning of law enforcement centres.

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6. The Heritage Foundation (2021). 2021 Index of Economic Freedom. Accessed at <https://www.heritage.org/index/> on November 02, 2021.