



Research Article

Fostering Greater SME Participation in an Integrated Economy: Analysis of Factors Hindering Smes Export Propensity in the Manufacturing Industry of Ghana

Lucy Anning^{1*} and Samuel Darko²

¹Faculty of Social Sciences, Department of Economics, Accra Institute of Technology, Ghana

²Associate Researcher, Department of Marketing, Procurement and Supply Chain Management, University College of Management Studies, Accra-Ghana

*Corresponding Author

Lucy Anning
Email:

Article History

Received: 05.10.2019

Accepted: 24.10.2019

Published: 30.10.2019

Abstract: Given the nature of today's marketplace, SMEs are increasingly facing similar international problems as those of larger firms. For many SMEs, especially those operating in manufacturing sectors, it is no longer possible to act in the marketplace without taking into account the risks and opportunities presented by foreign and or global competition. This study set to foster deeper understanding on the exporting behavior of SMEs from the manufacturing industry in Ghana. Methodologically, the study adopts a mixed research approach combining both qualitative with descriptive statistics utilized in addressing the nexus. The study findings revealed that internal factors in the firm level and managerial levels have positive impact on export decision of SME firms in the manufacturing industry of Ghana. Also, foreign direct investment, technological and business environment as external factors have positive effect on export performance of firms. Furthermore, corruption and geographical factors may have some negative effects on the firms export propensity. As suggested recommendation, the study underscores among others for firm managers to identify which export markets need additional adaptation strategies in a bid to tailor their products to suit the specifications and characteristics of those markets while highlighting the need for government agencies and policymakers to make funding available through export financing schemes to provide support in raising exporters' financial resources.

Keywords: Export Propensity, Small and Medium Sized Enterprises, Manufacturing Industry, Ghana.

Copyright © 2019 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution license which permits unrestricted use, distribution, and reproduction in any medium for non commercial use (NonCommercial, or CC-BY-NC) provided the original author and source are credited.

INTRODUCTION

Currently it has been agreed that export success is crucial to the overall economic development of economies and the contribution of SMEs to export development of different economies has become the core of different policies of developing countries. Interestingly, research has shown that the internationalization process of firms, particularly, SMEs, is largely driven by export activities. Subsequently, there has been an increased interest in export as a proxy for SMEs aiming to gain sustainable competitive advantage.

Exporting brings many benefits to companies. Exporting constitutes an attractive foreign market entry and expansion approach for firms, especially SME firms who face economic conditions in their local markets. At the firm level, earnings from exports assist in raising sales and productivity to improve profitability. International exposure can be used to improve competitiveness at home through enhanced managerial skills and capabilities gained from participating in export markets. Firms performing efficiently in exporting are more likely to withstand the intensified worldwide competition generated by the increasing integration of regional and world markets as well

as trade liberalization. Exporting offers companies' realistic opportunities for growth because of stagnant domestic market competition, as the increase in exports can lead to an enlarged customer base. It is in this context that an increasing number of firms in most developed economies are expanding internationally, using exporting as a means to penetrate foreign markets. However, with the steady rise of competition in export markets, firms' export survival depends heavily on better understanding the determinants of export performance.

Following the above background, the focus of this study is on small and medium enterprises (SMEs) strategic internationalization and export behavior in the manufacturing sector of Ghana. In terms of organization, the study is structured in six phases. Ensuing the introduction in section one is the research materials and methods in section two which highlights in details the methodology adopted for the study and specific approach utilized. Section three sheds light on business environment obstacles to SMEs export while section four presents an analysis of SME firms in different regional cities in Ghana (manufacturing industry). Section five gives an account of corruption and firms propensity to export: inter economy

Citation: Lucy, A., & Samuel, D. (2019). Fostering Greater SME Participation in an Integrated Economy: Analysis of Factors Hindering Smes Export Propensity in the Manufacturing Industry of Ghana. *Glob Acad J Med Sci*, 1(1), 19-25.

analysis. Lastly, section six presents conclusion and suggested recommendation.

RESEARCH MATERIALS AND METHODS

Datawise, the element of analysis of this study is the professional excellence of the World Bank's secondary data set (i.e. the enterprise survey data) in Ghana's SME firms exporting from the Ghanaian manufacturing sector as well as data from Ghana Export Promotion Council (GIPC). Of this population, samples used in the thesis were originally drawn from the World Bank (i.e. a secondary data set) for the Enterprise Survey Data 2013 (as it's the most current data) in Ghana. The World Bank's Enterprise Surveys (ES) collects data from enterprises in manufacturing and key service sectors in every region of the world by using a global methodology that includes standardized survey instruments and a uniform sampling methodology. Recognizing the private sector's (SMEs) efficiency at allocating resources and spurring economic growth, the World Bank Group seeks to identify obstacles to its development. Methodologically, the study adopts a mixed research approach combining both qualitative with descriptive statistics is utilized in addressing the nexus.

Business Environment Obstacles to SMES Export

The effect business environment has on the private sector depends on firms experience and longevity. However seasoned firms and young firms may differ in their ability to

successfully navigate the business environment. For instance, a strong infrastructure enhances the competitiveness of an economy and conducive to firm growth and development. Good infrastructure efficiently connects firms to their customers and suppliers and enables the conversely, deficiencies in infrastructure create barriers costs for all firm from, from micro enterprise to large multinational corporations. The Enterprise surveys capture the dual challenge of providing a strong infrastructure for electricity, transport, water supply among others and the development of institutions that effectively provide and maintain public service such as flexible customs and trade regulation. These set of indicators shows the extent to which firms are faced with failure in the provision of electricity and the effect of these failure on sale of inadequate electricity supply can increase costs, disrupt production, and reduce profitability. Furthermore, good economic governance in areas such as taxation, regulations and business licensing is a fundamental pillar for the creation of a favorable business environment. Effective regulations address market failures that inhibit productive investment and reconcile private and public interests. The number of permits and approvals that businesses need to obtain, and the time it takes to obtain, and the time it takes to obtain them, and expensive and time consuming. The existing legislation of a country also determines the mixed of legal forms private firms take and determine the level of protection for investors thus affecting the incentives to invest. Details of these indicators are outlined in tables 3 and 3.1 showing the severity of the obstacle to firms in the manufacturing industry.

Table 3: Major Obstacles to SMEs Export Propensity in the Manufacturing Industry of Ghana

Obstacle Type	Electricity (%)	Transport (%)	Customs and trade regulation (%)
Not obstacle	6.14	19.76	31.89
Minor obstacle	14.37	24.85	19.01
Moderate obstacle	16.77	33.23	19.61
Major obstacle	42.66	16.02	19.61
Very serious obstacle	19.76	4.94	4.34

Source: Authors Construction using World Bank ES Data (2013)

According to the ES data utilized for the study, 83% of the surveyed SMEs in the manufacturing industry are non-exporting or are not engaged in export activities, while the remaining 10% of the firms do engage in export activities. Hence those engaged in export propensity accounts for a rather small proportion of the sample size of the study. This occurrence may relate with the obstacles they met during the manufacturing process. Table 3 shows the attitude of SME firms to some type of obstacles. From table 3, it is established that more than 60% of the firms treat access to electricity as major obstacle or very serious obstacle. The attitude of firms to transportation and customs and trade regulation is better. Furthermore, 21% and 24% of the firms treat transport and customs and trade regulation as major obstacle or very serious obstacles hindering their manufacturing and export propensity respectively. Aside the top three obstacles outlined in the table above, other operational constraints faced by firms in relation to export propensity such as custom efficiency, trade engagement and the challenge with loss of goods.

Access to a reliable supply of electricity has a direct impact on the competitiveness of SME firms, and therefore the economy as a whole. By some estimates, power outages in Ghana account for \$320 million in lost production per annum, or about 2% of Ghana's GDP (Adom *et al.*, (2012). As at 2019, electricity stands a major challenge for Ghana. Even though Ghana is a net importer of electricity, the country has a relatively sustainable energy production mix, with 68% of electricity generated from hydropower, and the remaining 32% derived from a combination of thermal plants operating on gas, diesel, and light crude oil, and imports. Due to fluctuations in rainfall, this energy mix generates power with great uncertainty. Lack of reliable access to electricity is a primary obstacle to firm growth, especially in the informal sector, where many SMEs operate. On the African continent, it is projected that unreliable power causes up to 6% of sales losses in the formal sector, and up to 16% in the informal sector (African Economic Outlook, 2016).

Table 3.1: Operational Constraints to SMEs Export

Trade Engagement (% of Firms)		Custom Efficiency (Days)		Losses During Direct Export (% of Sales)		
Export Firms	Firms that use Supplies of Foreign Origin	Average Time to Clear Direct Exports through Customs	Average Time to Clear Direct Import from Customs	Losses during Direct Export due to Theft	Losses Due to Breakages or Spoilage	
7.4	59.2	11.9	15.2	0.1	0.3	Small Firms
13.7	80.6	5.6	13.8	0.1	0.3	Medium Firms

Source: World Bank ES Data (2013)

From the table above, the intensity of foreign firms in the manufacturing industry (trade engagement), the average number of days taken to clear customs for both imports and

exports (custom efficiency and the delay in clearing customs for imports or exports creates additional costs to the firm which in turn interrupt production, interfere with sales and results in

damaged supplies or merchandize. Furthermore, the value of exports lost during transport due to theft and breakage or spoilage reflect the transport risks firms face during the process.

Analysis of Sme Firms in Different Regional Cities in Ghana (Manufacturing Industry)

Ghana as a developing country is facing challenges brought about by a weakened global economy. In the light of this,

stagnant demand, persistent unemployment, increasing requirements for exports and financial vulnerability have all played their part in creating a deep sense of unease on where future sources of growth will come from.

Table 4: Analysis of SME firms in different Regional Cities in Ghana (Manufacturing Industry)

Firm Category	Greater Accra	(%)	Tema	(%)	North	(%)	Takoradi	(%)
Aggregate Firms in the Manufacturing Industry	284	40	147	20	149	21	140	19
Wood Sub Sector	3	15	2	10	13	65	2	10
Electronics Sub Sector	2	50	2	50	0	0	0	0
Dominant Sub Sector	Food, Publishing		Chemical, Electrical		Leather, Wood		Garment	

Source: World Bank ES Data (2013)

The table above show the segmentation of firms in the manufacturing industry given the various regions, the number of firms registered in these regions under the manufacturing industry and the dominant sub sector in these regional capitals. With respect to the aggregate SME firms in the industry, it is revealed that majority of the firms are located in the Greater Accra region of Ghana constituting 284 firms being 40% followed by the Northern region with 149 SME firms in its locality which also constitutes 21% of the total populace of firms in the manufacturing industry. Tema holds 147 constituting 20% of total firms whereas Takoradi representing the western region of Ghana has 140 firms totaling 19% of overall firms in the industry.

The wood sub sector is also dominated by the northern region of Ghana which holds in its locality 13 firms amounting to 65% of the population. This was preceded by Greater Accra with 3 recording 15% followed by Tema and Takoradi with 2 (10%) each respectively.

Registered Projects in Ghana, Sectoral and Regional Distribution

In 2009, the number of registered projects was 257 with an estimated amount of \$619.99 million which imply an increase below shows the sectoral distribution of newly projects in 2017 for the first quarter to the third quarter.

Table 4.1: Distribution of Registered Projects from Sept 1994-Jun 2013

Sector	Number of Projects	Total estimated value (\$M)
Building & construction	409	11,593.44
Export Trade	220	94.27
General Trading	771	1,493.52
Manufacturing	1044	10,286.33
Service	1382	3,774.04
Agriculture	243	1,323.79
Tourism	403	282.46
Liaison	244	219.19

Source: GIPC 2013

From the table above it is seen that, the allocation of registered projects is not uniformly distributed among the various sectors in the aspect of the volume and value. The amount of money allocated to certain vital sectors, which contributes a greater percentage to development and the welfare of the people is very insignificant. However, considering the agriculture sector of the Ghanaian economy, it serves as a source of employment to about 65% of the total population. The export trade sector received the least value of money from the total number of

registered project from 1994 to 2013, which shows less attention is being geared to the development export trade in the economy. On the contrary, the tourism sector absorbed the third least amount of money been allocated to the various sectors, Ghana is well known in the field of tourism, but there has been a least amount of capital and projects are being assigned to it from the sectoral distribution between 1994 and 2013. The figure below shows the percentage share received by each sector in the distribution of the value of registered projects.

Table 4.2: Sectoral Distribution of Registered Projects 1st quarter to 3rd quarter 2017

Sectoral Composition of New Projects	Newly Registered Projects	Estimated Value of Projects (US\$M)	% of Estimated Value
Building & construction	10	31.94	0.9
Export Trade	3	4.55	0.1
General Trading	26	44.67	1.3
Manufacturing	37	2,648.75	78.7
Service	34	217.13	6.4
Agriculture	1	6.91	0.3
Tourism	0	0	0
Liaison	28	412.72	12.3
Total	139	3,366.68	100

Source: GIPC 2017 (first to third quarter reports)

From the table above it seen that, the manufacturing sector received both highest number and value of registered projects for the first three quarters of 2017. The tourism sector of the economy had no registered projects. Even though the

manufacturing sector received the highest inflow of projects it still did not reflect in the export propensity of SME firms in the industry.

Table 4.3: Regional Distribution of Registered Projects

Region	No. of Projects	Total Estimated Cost (US\$M)
Ashanti	271	3,195.62
Brong Ahafo	40	354.21
Central	108	420.11
Eastern	105	241.45
Greater Accra	3879	16,890.77
Northern	43	357.33
Upper East	8	3.79
Upper West	4	1.97
Volta	56	98.17
Western	200	7,503.65
Total	4,714	29,067.07

Source: GIPC 2013

From the table above it is seen that, the Greater Accra Region received the highest number of registered projects followed by Ashanti region and the Western region. The Upper West region received the least value and number of registered projects. The table clearly indicates that clearly, the Greater Accra region percentage share of the total estimated cost registered projects accounted for more than half of the total value distributed among the ten (10) regions within the country. However, the top three (3) region accounted for 95% of the total estimated cost of the registered projects. During the 2017 investment period, of the 49 newly registered projects in the first quarter, the Greater Accra region received 39 projects, 3 projects in Eastern, Western had 2 projects, 2 registered projects in the Northern and 1 project each to the Brong-Ahafo and Ashanti respectively. Contrariwise, out of the 46 total registered projects in the second quarter, the Greater Accra region absorbed 39, Ashanti region had 5 while Western and Eastern region received 1 project each. In the third quarter, out of the 44 registered projects, the Greater Accra received 37 projects, Ashanti and Western region had 2 projects each while Central, Northern and the Volta region obtained 1 project respectively.

corruption reduces human capital, discourages investment, leads to a misallocation of resources, lowers the quality of public infrastructure and services, and thus ultimately hampers economic development (See for instance Mauro 1995, Bardhan 1997, Shleifer and Vishny 1993, Fisman and Svensson 2007, and Olken and Pande 2012). However, relatively little is known on the disaggregated phenomenon about how corruption affects SME firms exporting in particular. This is important since corruption may adversely affects access to foreign markets and thus limit the gains from export especially for a less-developed country such as Ghana (See Frankel and Romer 1999, Dollar and Kraay 2004, Feyrer 2009a, Feyrer 2009b for evidence that trade leads to economic growth). The table below presents the descriptive statistics using data from the World Banks ES data. Here factors such as the percentage of firms expected to give gifts in meeting with tax inspectors denoted by (A), the percentage of firms expected to give gifts in order to secure government contracts denoted by (B), the percentage of firms expected to give gifts in a bid to get import and export license also denoted by (C), the percentage of firms anticipated to give gifts in order to get operating license denoted by (D) and lastly the percentage of firms expected to give gifts to get building permit also denoted by (E).

Corruption and Firms Propensity to Export: Inter Economy Analysis

Corruption is one of the most significant impediments to economic growth. Numerous studies have found that

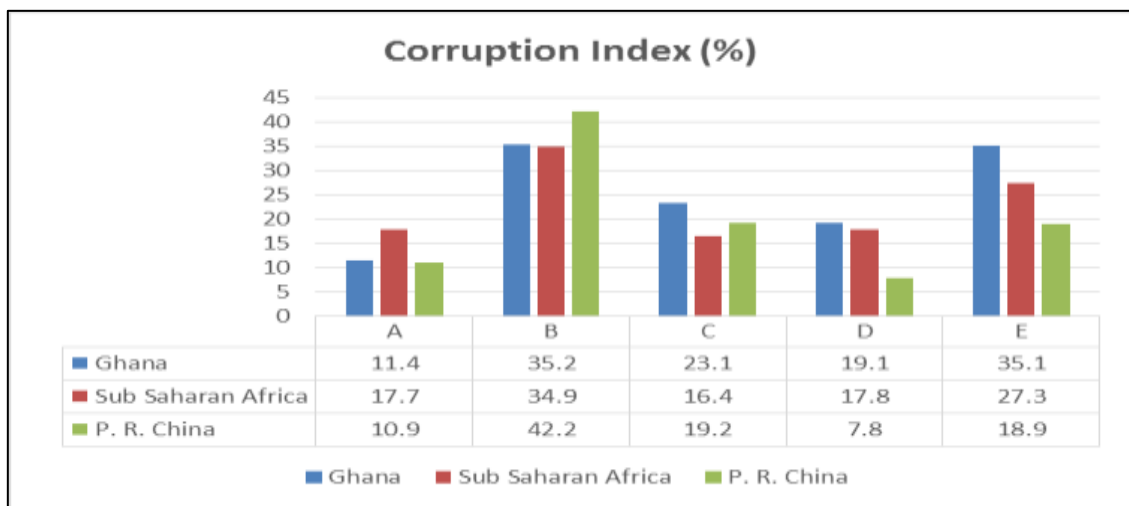


Figure 5: Corruption Index among Countries

Source: World Bank ES Data, 2013

The table above shows the factors in alignment with corruption that will most likely reduce the probability that a firm will engage in export directly or indirectly. From the table, it can be observed that with the variable of “the percentage of firm expected to give gifts in meeting with tax officials or inspectors”,

the Sub Saharan region had the highest prevalence rate of 17.7% followed by Ghanaian manufacturing SMEs and lastly Chinese SMEs. This indicates that Chinese manufacturing SMEs do not bare heavy constraint in giving gifts “bribery” to hold meetings with tax officials compared to their counterparts in the Sub

Citation: Lucy, A., & Samuel, D. (2019). Fostering Greater SME Participation in an Integrated Economy: Analysis of Factors Hindering Smes Export Propensity in the Manufacturing Industry of Ghana. *Glob Acad J Med Sci*, 1(1), 19-25.

Saharan African region. Overall, countries in the Sub Saharan region have the highest prevalence with payment of bribe in the form of gifts in a bid to hold official meetings with tax officials. Second, with “the percentage of firms expected to give gifts in order to secure government contract”, China had the highest percentage of corruption in this regard with 42.2% indicating that most SME firms in the manufacturing industry will give bribe in form of gifts to secure government contracts followed by 35.2% and 34.9% respectively. On the whole this factor stands as the highest constraint among factors considered under this study. Third, for import and export license, Ghana had the highest percentage of corruption index of 23.1% compared to Sub Saharan African Region and P.R. China recording 16.4% and 19.2% respectively. On “the percentage of firms expected to give gifts to secure operating license”, Ghana and Sub Saharan African Region were almost at par with record amounting to 19.1% and 17.8% respectively and China recording the lowest rate with 7.8%. This indicates that unlike manufacturing SME firms in Ghana and other countries in Sub Saharan Africa, Chinese SME firms have the least challenge with having to pay for bribes to secure operating license and hence will be more productive and propelled to engage in export activities in this regard. Furthermore, with “the percentage of firms expected to give gifts prior to obtaining facility building permit”, Ghana recorded the highest percentage of 35.1% followed by Sub Saharan Africa with 27.3% and finally China with 18.9%. Again, this indicates that Chinese manufacturing SME firms have higher probability to engage in export propensity in the face of building permit acquisition.

Investment and Export Propensity of Firms

The inflow of FDI into the Ghanaian economy has been expanding rapidly over the 25 years as much effort has been done by the government to create a business-friendly environment to

entice substantial investors. Foreign direct investment reached a high level with an estimated amount of \$3.2 billion in 2011 and attained the highest peak in 2012 since 1990. This section examines the linkages between foreign firm participation and the investment climate in Ghana to forecast export probability of firms. Most investment projects undertaken in developing countries involve foreign participation as either investors or sponsors of the project. Foreign investment represents an important channel through which resources, human capital and technological progress are transferred to developing countries. Specifically, the presence of foreign firms supplements the necessary capital accumulation in production that can improve growth prospect (Lee *et al.*, 1998; Xu, 2000; Girma, 2002). Foreign firms also enhance the human resource base in developing countries through managerial experience, entrepreneurial expertise and technological skills. These skills can be passed on through joint partnerships with domestic firms and training programmes, thereby improving both the quantity and the quality of output (Gorg *et al.*, 2004). Furthermore, foreign firms bring technological know-how and expertise that contribute to the upgrade of production processes and the efficiency of output. In addition, foreign firms engaged in trade generate foreign exchange through exports – a welcome benefit for developing countries which run current account deficits. In recognition of the benefits of foreign direct investment (FDI), rationalizing the motives for investing abroad and understanding the determining factors of direct investment in recipient countries remains an important issue from the perspective of developing countries. Focusing on the linkages between the investment climate and FDI at the firm level, several studies have highlighted the importance of infrastructure in bringing in foreign capital (see for instance Cheng and Kwan (2000); Dollar *et al.*, (2006); Kinda (2010); Bigsten and Söderbom, 2006) and Sun *et al.*, (2002) indicate the need to improve the investment environment).

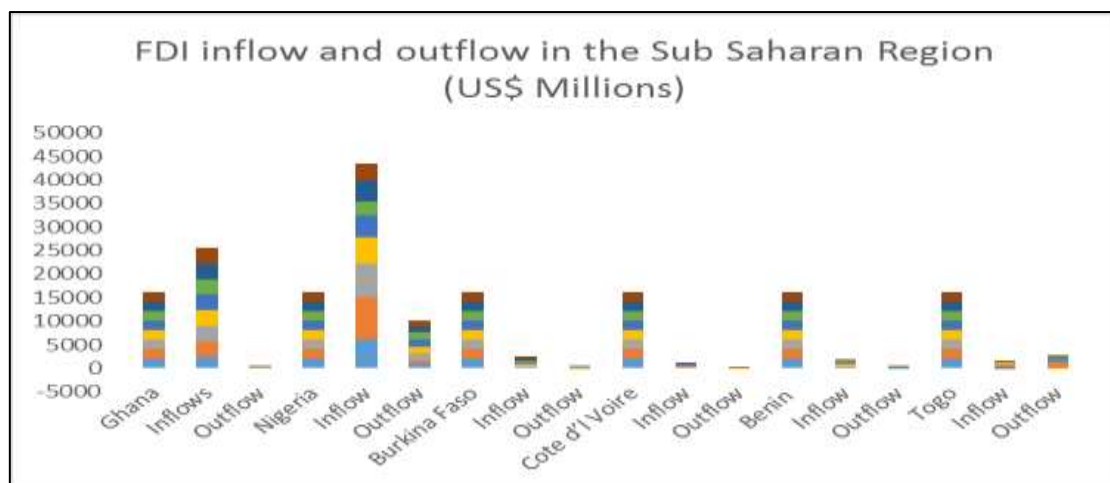


Figure 5.1: FDI inflow and outflow in the Sub Saharan Region
Source: UNCTAD 2018

Many will assume that with the high inflow of FDI aid, firms in the manufacturing industry of Ghana will be propelled to engage more in export propensity other than engaging wholly in domestic trade. However, from figure 5.1, we realize that this is not the case at all. In spite of the influx of FDI majority of firms are still reluctant to engage in export activities.

Complementarity between Fdi, Exports and SMES Growth

The main economic reason for the aid is to increase the growth rate of the beneficiary countries. This has been a decisive economic goal for decades, which is formally established in the "twin" model of Chenery and Strout (1966). In this approach, investment is the cornerstone of growth and at least initially requires import goods. However, low income countries typically

have two fundamental limits or financial deficits. First, domestic savings levels are not enough to provide resources to achieve the desired investment level. Secondly, export earnings are not enough to finance all desired capital-intensive imports. Consequently, such countries are constrained to their ability to achieve the goal of growth. Capital incomes, including aid, can "fill" these gaps and contribute to rising target prices. In this approach, the aid is part of the financing of investments, including the import of capital goods. Export growth is also important as it generates currency to finance imports. Foreign direct investment is a direct investment in the production or business of an individual, company or business in another country by either buying a company in the country of destination or expanding the existing business in that country. Foreign direct investment is largely conceived as a means of the development of the host

country by improving the productivity of local businesses, firms and or industries. As such, many developing countries have invested heavily in attracting foreign direct investment. Political decision-makers in most developing countries are very competitive with foreign direct investment. They hope that direct foreign investment will make economic development an important boost (Paus and Gallagher, 2006). Lall & Narula (2004) argue that most governments in developing countries are very competitive with foreign direct investment. They hope that direct foreign investment will make economic development an important boost (Paus and Gallagher, 2006). Lall & Narula (2004) argue that most governments in developing countries have eliminated restrictions on foreign direct investment. International donors and development agencies focus more on promoting private and public capital flows as catalysts for long-term development. The international "rules of the game" reinforce these trends and create a legal framework to minimize the political actions of foreign policy actions. Liu and Lin (2004) argue that development economics have a long tradition of optimistic views that the impact of FDI on the industrial development of the host country is. In this tradition, multinational corporations are considered as factors that increase competition in the host country's economy, transfer modern technology, and help more effectively allocate resources. However, there is evidence that the flow of FDI doesn't necessarily lead to the development of local firms. Calagni (2003) maintains that empirical evidence from the developed and developing world demonstrates that the positive spillover effects from FDI do not necessarily occur in practice. Smallbone (2007) argues that whilst there are 'a priori' arguments to support the potential role of FDI-SME linkages between enterprises as a development strategy in transition and developing countries, and some positive case examples, empirical evidence suggests that the potential benefits do not always materialize. He further says that financial incentives to FDI, whether in the form of grants or tax concessions, can represent a considerable burden to developing countries and are unlikely to represent a sustainable strategy for longer-term development (Smallbone, 2007). Paus and Gallagher (2006), hold that there is a widespread belief in a quasi-automatic FDI-development sequence which is based on an erroneous understanding of real market conditions at the national and the global level. Contrary to the neoclassical model-theoretic assumption that markets are perfect and complete, markets in developing countries are often riddled with imperfections. Hence the flow of FDI will not automatically result in spillover benefits to local firms. Several authorities have identified the lack of absorptive capacity as the major obstacle to the technology transfer between TNCs and local firms ((Narula and Portelli, 2004).

CONCLUSION AND SUGGESTED RECOMMENDATION

This study elaborated on factors influencing export propensity in the manufacturing industry of Ghana. The study findings indicate that business environment's effect on the private sector depends on firms experience and longevity on respective SME firms. The low rate of export being only 17% may relate with the obstacles individual companies met during the manufacturing process such as transportation, customs and trade regulations as well as unreliable electricity access. Aside these top rated obstacles factors such as average number of days taken to clear customs for both imports and exports (custom efficiency and the delay in clearing customs for imports or exports amidst lost during transport due to theft and breakage or spoilage creates additional costs to the firm which in turn interrupt production, interfere with sales and results in damaged supplies or merchandize. Analysis of SME firms in different regional cities in Ghana (manufacturing industry) was also considered to identify whether or not regional and or geographical location has an effect on SMEs propensity to export. Given that corruption is one of the most significant impediments to economic growth, the section comparatively addressed the rate of corruption in different countries along with Ghana to identify the effect. The section shows that countries with relatively low rates of corruption recorded higher rates of export than the adverse. The rate of investment in the form of FDI was further discussed to show whether or not investment propels export among SMEs in the manufacturing industry of Ghana. This also revealed that in spite

of high inflow of FDI, this is not reflected in the export propensity of firms in the industry.

The findings of this research offer some recommendations to exporting organizations, particularly in Ghana as well as emerging economies, in their determination to improve export performance and to use as a yardstick to withstand competitive overseas markets. In terms of managerial implications, the study recommends for managers should put in place development programmes that encourage senior management to acquire overseas experience through regular visits to export markets to familiarize themselves with overseas operations. Exporters are urged to acquire the right type of training, international exposure and experiential knowledge to develop effective export operations through participation in export promotion programmes. Also, managers should identify which export markets need additional adaptation strategies and tailor their products to suit the specifications and characteristics of those markets. For Ghanaian exporters, place (distribution) and product adaptation paved the way to deal with various cultural, economic, and regulatory frameworks in export markets leading to enhanced performance and need to be maintained. The study further recommends that government agencies and policymakers make funding available through export financing schemes to provide support in raising exporters' financial resources by exporters. Difficulty in acquiring financial support for export operations is a common problem in Ghana. Banks and other financial institutions could also make funding available to exporters through special financial schemes to enable firms to strive and become bigger. Access to funds will result in more financial resources to improve firms' capacity to adapt products to suit characteristics of export markets and gain a competitive advantage over other exporters. Public policymakers could learn lessons from neighboring countries on their export development programmes and strategies to improve their operations. The long-term results of effective export promotion programmes are more likely to boost value-added exports and economic development in Ghana and other countries with stringent policy direction.

REFERENCES

1. Adelman, I., & Chenery, H. B. (1966). The foreign aid and economic development: the case of Greece. *The Review of Economics and Statistics*, 1-19.
2. Adom, et al., (2012). Modelling aggregate domestic electricity demand in Ghana. *African Economic Outlook (2016)*.
3. Bardhan, P. (1997). Corruption and development: a review of issues. *Journal of economic literature*, 35(3), 1320-1346.
4. Calagni, G. (2003). Foreign Direct Investment and its Effects on Local Economies in Sub-Saharan Africa. *Unpublished MSc dissertation, Local Economic Development, London School of Economics*.
5. Chi, T., & Sun, Y. (2013). Development of firm export market oriented behavior: Evidence from an emerging economy. *International Business Review*, 22(1), 339-350.
6. Dollar, D., & Kraay, A. (2004). Trade, growth, and poverty. *The Economic Journal*, 114(493), F22-F49.
7. Fisman, R., & Svensson, J. (2007). Are corruption and taxation really harmful to growth? Firm level evidence. *Journal of development economics*, 83(1), 63-75.
8. Frankel, J. A., & Romer, D. H. (1999). Does trade cause growth?. *American economic review*, 89(3), 379-399.
9. Ghana Investment Promotion Council (GIPC), 2013
10. Ghana Investment Promotion Council (GIPC), 2017
11. Girma, S., & Yu, Z. (2002). The link between immigration and trade: Evidence from the United Kingdom. *Weltwirtschaftliches Archiv*, 138(1), 115-130.
12. Lall, S., & Narula, R. (2004). Foreign direct investment and its role in economic development: do we need a new agenda?. *The European Journal of Development Research*, 16(3), 447-464.

13. Lee, R. G., & Dale, B. G. (1998). Business process management: a review and evaluation. *Business process management journal*, 4(3), 214-225.
14. Liu, Z., & Lin, P. (2004). Backward Linkages of Foreign Direct Investment - Evidence from China, Department of Economics, *Lingnan University, Hong Kong*.
15. Mauro, P. (1995). Corruption and growth: The Quarterly Journal of Economics.
16. Narula, R., & Portelli, B. (2004). Foreign Direct Investment and Economic Development: Opportunities and Limitations from a Developing Country perspective, *Maastricht Economic Research Institute on Innovation and Technology April*.
17. Olken, B. A., & Pande, R. (2012). Corruption in developing countries. *Annu. Rev. Econ.*, 4(1), 479-509.
18. Paus, E. A., & Gallagher, K. P. (2006). *The missing links between foreign investment and development: lessons from Costa Rica and Mexico* (No. 1434-2016-118802).
19. Rankin, N., Söderbom, M., & Teal, F. (2006). Exporting from manufacturing firms in sub-Saharan Africa. *Journal of African Economies*, 15(4), 671-687.
20. Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009). Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship theory and practice*, 33(3), 761-787.
21. Shleifer, A., & Vishny, R. W. (1993). Corruption. *The quarterly journal of economics*, 108(3), 599-617.
22. Smallbone, D. (2006). Foreign direct investment and SME development: some policy issues for transition and developing countries. *Entrepreneurship in United Europe: Challenges and Opportunities*, 13-17.
23. World Bank Enterprises Survey. (2013).
24. Xu, Z., Lin, J., & Lin, D. (2008). Networking and innovation in SMEs: evidence from Guangdong Province, China. *Journal of Small Business and Enterprise Development*, 15(4), 788-801.