

The role of regulation, tradition and gender in  
*Doing Business*

Case study and survey report on a two-year research project in Ghana

*Aimée Hampel-Milagrosa*

DIE research project “Improving the Investment Climate in Developing Countries“

Bonn 2011

# Contents

## Abbreviations

<b>Summary</b>		<b>1</b>
<b>1</b>	<b>Introduction</b>	<b>9</b>
<b>2</b>	<b>Review of the literature</b>	<b>11</b>
2.1	The World Bank's <i>Doing Business</i> project	11
2.2	Ghana's performance according to <i>Doing Business</i>	15
2.3	The legal aspect of gender in Ghana	17
2.4	The traditional and social aspects of gender in Ghana	23
2.5	Ghanaian female entrepreneurship	27
2.6	Informality versus formality in entrepreneurship	30
2.6.1	The costs and benefits of informality versus formality	31
2.6.2	The decision-making entrepreneur	35
<b>3</b>	<b>Case studies: approach, results and discussion</b>	<b>38</b>
3.1	Case study approach	38
3.2	Case study results	40
3.2.1	Starting a business	42
3.2.2	Running a business	47
3.2.3.	Finding formal employment	51
3.3	Conclusions drawn from the case studies	54
<b>4</b>	<b>Cross-sectional survey: approach, results and discussion</b>	<b>55</b>
4.1	Ghanaian business and entrepreneur profiles	58

4.2	Traditional and regulatory dimensions of starting a business	70
4.3	Traditional and regulatory dimensions of running a business	76
4.4	Modelling male and female decision-making on Small and Medium Enterprises (SMEs) formalisation	81
4.5	Testing the relationship between profit and formalisation	86
4.6	Conclusions drawn from the survey	89
<b>5</b>	<b>Overall conclusions drawn from the case study and survey approaches</b>	<b>92</b>
<b>6</b>	<b>Policy recommendations</b>	<b>93</b>
6.1	Recommendations regarding traditional barriers to starting and running a business	94
6.2	Recommendations regarding regulatory barriers to starting and running a business	96
6.3	Recommendations on promoting the formalisation of Ghanaian enterprises	99
6.4	Recommendations on revising the <i>Doing Business</i> indicators to include gender aspects	101
	<b>Bibliography</b>	<b>107</b>