

Tariffs, Trade Protectionism, and Youth Entrepreneurship in Turbulent Times: Governing Foreign Participation and Domestic Enterprise Development in Ghana

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ABSTRACT

Youth Entrepreneurship, Tariff Policy, and Migration Governance have emerged in distinct academic discourses. The intertwined nature of the three issues is, however, impossible to ignore, especially within the African context where reserved sector policies, migration control, and trade regulations come together on the same floor daily. This paper explores the relationship within the Ghanaian context. How does the interaction of tariff regulation, reserved sector policy, and migration control influence youth entrepreneurship in the face of an increasing number of foreign participants in the economy, as well as changing circumstances with the passing of the Ghana Investment Promotion Authority Bill in April 2026, which repeals the old GIPC Act (Act 865, 2013) and establishes the Ghana Investment Promotion Authority (GIPA).

The study employs a qualitative research methodology that involves a documentary and policy analysis based on legislation, reports, and scholarly literature produced from 2020 to 2026 while a limited number of important theories were selected due to their significance. Thematic content analysis, based on Braun and Clarke (2019), uncovers gaps in enforcement and inconsistencies in policies regarding trade, investment, and migration governance. Four theoretical perspectives form the basis of the analysis: institutional theory, developmental state perspective, mixed embeddedness approach, and migration governance theory.

In essence, however, the findings reflect the narrative of the disconnect between the letter of the law and the practicalities of the market environment. It is true that selective tariffs and protectionism do provide a theoretical market environment for youth entrepreneurs. Nevertheless, in practice, that market environment is rapidly stripped of its substance owing to issues such as enforcement deficiencies, policy inconsistency, and poor enterprise support structures. Governance inadequacies make it possible for foreign entrepreneurs to conduct themselves in an illegal manner through proxy ownership schemes, thereby creating increased competitive pressure on youth-owned enterprises. Eight specific suggestions relating to differential tariffs, youth SME funding, online compliance mechanisms, and foreign to domestic partnerships were provided.

KEYWORDS: tariffs; trade protectionism; youth entrepreneurship; foreign entrepreneurs; migration governance; SME resilience; GIPA; local content policy; trade policy; Ghana; Atlantic Canada; AfCFTA.

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1.0 INTRODUCTION

Tariffs and protectionist policies have once again become hallmark elements of economic policy during an era of substantial global uncertainty. With the onset of US-Canada tariff tensions starting in 2025 and the realignment of multilateral trade frameworks, nations are once again assessing whether there is benefit in protecting themselves domestically as opposed to the drawback of being less open (UNCTAD, 2023; WTO, 2022). While this is an issue of great importance for large and developed countries, small and open countries like those in Sub-Saharan Africa and Atlantic Canada are also faced with such issues and need to decide how tariffs and trade regulations can help their domestic businesses flourish (Boysen, 2024; UNCTAD, 2023).

In the case of Ghana, such a problem becomes particularly acute when considering the intersection of youth unemployment, foreign entrepreneurship, and regulatory governance. Although there were two decades of consistent development, the formal labor market failed to accommodate the young population growing at an accelerated rate (Ghana Statistical Service, 2025). Accordingly, there remains a consistent trend of underemployment, informality, and economic vulnerability of the youth population, which comprises more than a quarter of youth in Ghana aged between 15 to 24 years old, who remain unemployed in 2023 (Ghana Statistical Service, 2025; ILO, 2023). Youth entrepreneurship was actively encouraged by various successive governments as one of the pillars of employment generation and development (Dadzie et al., 2020), and SMEs occupy an important role in this regard.

On the other hand, Ghana's growing open economy has led to increased entrepreneurship from outside its borders, especially in retail and service trades, industry, and petty commerce. Outside entrepreneurs from China, Nigeria, and elsewhere have become noticeable contributors to the local market scene, doing business within industries typically left for Ghanaians (Gambino, 2025). In addition to contributing to foreign investment, employment, and economic growth, their activities have also created a consistent worry about unfair competition between them and local businesses owned by young people. Field research conducted by Gambino (2025) shows that there were over 100,000 Chinese immigrants in Ghana by 2025 and an ever-growing number of Chinese-owned stores and wholesale businesses in Greater Accra. On the other hand, as Antwi Bosiakoh and Obeng (2021) point out, transnational Nigerian immigrant entrepreneurs have long since established themselves in the Ghanaian market environment by using informal power brokering networks which have thus far been out of reach of Ghanaian regulatory bodies.

However, the efficacy of such protectionist strategies depends on institutional quality (North, 1990). In Ghana, there are several institutions that deal with regulation. These include the Ghana Investment Promotion Centre (now being renamed to Ghana Investment Promotion Authority as per 2026 Bill), the Ghana Immigration Service, and the Ministry of Trade, Agribusiness and Industry (MoTAI). The mandates of these bodies are disjointed, their coordination is inadequate, leading to weak trade and immigration protections (Yendaw et al., 2023). The youth entrepreneurs, being already poorly resourced and institutionally vulnerable, carry more burden of these institutional flaws. Although there has been increased discussion regarding the role of foreign traders and protecting local businesses in Ghana, the existing research largely views the problems of youth entrepreneurship, tariff policy, and migration governance separately from each other. There are three important gaps that can be singled out. Firstly, studies on youth entrepreneurship in Ghana ignore tariff policies as structural factors of success for enterprises. Secondly, the analysis of the tariffs does not distinguish different groups of domestic enterprise actors and their vulnerabilities. Finally, the third research gap relates to the neglect of the role played by migration governance in studies related to foreign entrepreneurship. The present paper tries to address the research gaps by examining the impact of tariffs, trade protectionism, foreign entrepreneurship and migration governance in Ghana, providing important comparisons in relation to other small open economies like Atlantic Canada.

The following research questions have been formulated:

1. How do tariff and trade protectionist policies shape opportunities and constraints for youth entrepreneurship in Ghana?
2. What roles do foreign entrepreneurs play in Ghana's SME landscape, and how do those roles affect youth-led enterprises?
3. How does migration and regulatory governance mediate the effectiveness of tariff and trade protection for youth entrepreneurship?

The paper proceeds as follows. Section 2 presents the conceptual and theoretical framework. Section 3 reviews related literature. Section 4 examines Ghana's policy and regulatory environment, with particular attention to the GIPC to GIPA transition. Section 5 outlines the methodology. Section 6 presents the analysis and discussion. Section 7 explores governance implications, including comparative reflections for Atlantic Canada. Section 8 offers policy recommendations. Section 9 concludes.

2.0 CONCEPTUAL AND THEORETICAL FRAMEWORK

In this section, the theoretical framework used to carry out the analysis were developed. This theoretical framework draws on insights and perspectives in the fields of development economics, institutional theory, and migration studies. This framework consists of four different theoretical approaches, which include institutional theory, the developmental state approach, the mixed embeddedness approach, and migration governance theory. These four were chosen as they are relevant to the enforcement mechanism, the policy design, the competitive structure, and the migration governance aspects of the research problem, respectively. These theories provide a consistent approach to the analysis of the tradeoffs and the governance process which influence entrepreneurship in circumstances where tariff systems, foreign entrepreneurship and institutional competence intersect.

2.1 Youth Entrepreneurship in Developing Economies

Youth entrepreneurship involves the identification of business opportunities by youths and the subsequent mobilisation of resources to create profitable businesses that employ people. In Ghana and similar developing countries, youth entrepreneurship is mainly necessity-driven due to structural unemployment and limited formal sector absorptive capacity (Dadzie et al., 2020; ILO,

2023). Youth-owned firms engage in micro and small businesses such as retail trade, processing agricultural products, service provision, and informal manufacturing. The challenges facing youth entrepreneurs include limited access to finances, lack of management and technical expertise, poor business networks, and market restrictions (Avenyo, Konte, & Mohnen, 2021; Peng & Adjasi, 2022). More interesting is the study carried out by Avenyo et al. (2021), which reveals how competitive pressure from informal businesses significantly influences product innovation of formal companies negatively, though larger companies tend to cope better with such competition compared to smaller enterprises. Given the context of the retail and agro-processing sector in Ghana, it becomes important because youth-managed enterprises happen to be predominantly small-scale and formalized businesses. Such a feature makes youth enterprises a vulnerable target for informal competition. Importantly, this fact is significant in terms of the analytical framework since it changes the focus of explanation of their poor performance from personal to institutional one.

2.2 Tariffs and Trade Protectionism

Tariffs are tools of taxation that increase the cost of imported products, thereby fulfilling the role of both generating revenue and providing protection. Trade protectionism is a wider concept and refers to policy actions aimed at ensuring that domestic producers do not face competition from foreign firms (Rodrik, 2004; WTO, 2022). In developing countries, targeted tariffs have traditionally been considered necessary as tools for building up infant industries and offering protection to weak domestic players (Chang & Andreoni, 2020). Scholarly attention to industrial policy, culminating in Juhász, Lane, and Rodrik (2024), has taken this debate beyond the free-trade orthodoxy of the 1990s.

According to Juhász et al. (2024), the point here, backed by waves of empirical evidence, is that industrial policy, when well-designed and properly implemented, can achieve developmental results, and now the issue is not whether but how to do it. Protectionist policies such as restricted sector policy, capital requirement for foreign firms, and local content requirement are present in the context of an overall liberal trade and investment regime in Ghana. But according to the perspective of developmental states, the success of protection through tariffs rests largely on the government's ability to implement it and the complementarity of its business-friendly policies.

2.3 Foreign Entrepreneurship and Migration Governance

Foreign entrepreneurship consists of business operations performed by foreigners in the host country (Aldrich & Waldinger, 1990; Kloosterman, van der Leun, & Rath, 1999). These business operations have an inherent link with migration governance because the foreign entrepreneurs must comply with the immigration rules and regulations, the permits for living and working in the foreign country, as well as business registration procedures (Solano, Schutjens, & Rath, 2022). In Ghana, foreign entrepreneurs are present in retail trade, wholesale trade, manufacturing, and services industries bringing financial investments, creating jobs, and promoting the transfer of technology (Gambino, 2025). At the same time, poor enforcement of regulatory measures and informal business practices can lead to dominance in the market and evasion of regulations resulting in the conversion of developmental role into a factor of competition (Antwi Bosiakoh & Obeng, 2021; Yendaw et al., 2023).

2.4 Theoretical Lens 1: Institutional Theory

Institutional theory, pioneered by North (1990), is based on the notion that the economy is shaped by the presence of rules, norms, and enforcement. In other words, according to institutional theory, the outcome of entrepreneurial activities depends not only on the market conditions but also on the quality of regulatory institutions. Inclusive economic institutions that have strong property rights, rules of law, and accessible markets are the basis of sustainable entrepreneurship development. However, in the case of Ghana, discrepancies between the design and execution of policies in the field of trade and immigration regulations generate institutional gaps, which cause distortion of competition and, eventually, lead to loss of policy credibility (Yendaw et al., 2023). What institutional theory does best under these conditions is to avoid an oversimplified view and the assumption that a law on paper is an operational law. The example from Ghana – the GIPC Act (Act 865, 2013) – vividly illustrates this point. Institutional theory offers the theoretical framework for understanding the effects of regulatory deficiencies on entrepreneurship in tariff-protected markets and is employed in Sections 4 and 6.

2.5 Theoretical Lens 2: Developmental State and Strategic Protection

The developmental state approach, informed by Rodrik (2004) but more recently refined by Chang & Andreoni (2020) and Juhász et al. (2024), emphasizes the role of the state in leading economic transformation through targeted and strategic intervention rather than mere protectionism. Time-limited protection, coupled with active capability-enhancing interventions such as access to finance, training, infrastructure, and markets, is the key distinction between developmental and merely defensive protectionism. The question when applied to Ghana is whether there has been a strategy for building youth SME capability through protective tariffs and reserved sectors. Without the other half of the equation, tariff protection is liable to reinforce inefficiencies and dependency. Chang & Andreoni (2020) take this argument one step further, arguing that modern industrial policy must be

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responsive to the challenges presented by global value chains and financialization, not just to the older logic of protection of infant industries. This lens informs Sections 6 and 7.

2.6 Theoretical Lens 3: Mixed Embeddedness Framework

Mixed embeddedness theory, first conceptualized by Kloosterman et al. (1999) and then further developed by Kloosterman (2010), focuses on the way entrepreneurs are simultaneously embedded within structures of the economy, institutions, and society. Solano et al. (2022) advance the theory even further by adding the notion of multifocality, whereby they describe the nature of transnational migrant entrepreneurs as simultaneously operating in multiple places and groups. This advancement clearly applies to the Ghanaian context. Entrepreneurs operating outside Ghana usually have embeddedness within transnational networks which give them the advantage of access to capital, supplies, and market information. Structural advantages such as these are sources of competitiveness irrespective of the level of entrepreneurship of the individual (Antwi Bosiakoh & Obeng, 2021; Gambino, 2025). The theory provides an explanation of the reason why tariff restrictions and reserved sectors alone cannot overcome structural competitiveness asymmetries.

2.7 Theoretical Lens 4: Migration Governance Theory

According to the theory of migration governance, the entry requirements, residence requirements, and compliance mechanisms within different agencies are considered the regulatory instruments that help determine whether the participation of foreign entrepreneurs in the economic activities leads to developmental gains or negative competition (Solano et al., 2022; UN IOM, 2022). Integrating the four lenses, the paper proposes an integrative framework for analyzing the relationship between the outcomes of youth entrepreneurship and tariff and trade protectionist policies, institutional enforcement capacity, and migration governance practices. This framework suggests that youth entrepreneurship performance depends on the interplay of three components – the protection level of tariff measures, the institutional enforcement capacity of regulatory institutions, and the quality of migration governance of the foreign entrepreneurship activities. Youth entrepreneurship is more likely to be successful if there are selective and properly enforced tariffs and assistance to enterprises is provided. Otherwise, youth enterprise development suffers from governance fragmentation and inconsistency of policies. Table 1 depicts this integrative framework.

Table 1: Integrative Theoretical Framework

Theoretical Lens	Core Proposition	Application to Study
Institutional theory (North, 1990)	Formal rules and enforcement quality determine economic outcomes	Explains the gap between Ghana's protective statutes and weak reserved sector enforcement in practice
Developmental state (Rodrik, 2004; Chang & Andreoni, 2020; Juhász et al., 2024)	Strategic, time-bound protection combined with capability-building guides industrial transformation	Evaluates whether Ghana's tariff and reserved sector policies are structured to serve youth SME development
Mixed embeddedness (Kloosterman et al., 1999; Kloosterman, 2010; Solano et al., 2022)	Entrepreneurial outcomes are shaped by structural network embeddedness as well as individual agency	Explains structural competitive advantages of foreign entrepreneurs in Ghanaian markets
Migration governance (Solano et al., 2022; UN IOM, 2022)	Entry, residence, and inter-agency compliance mechanisms mediate foreign entrepreneurial participation	Links immigration enforcement quality to tariff effectiveness and youth SME competitive outcomes

Source: Author's synthesis.

3.0 REVIEW OF RELATED LITERATURE

3.1 Youth Entrepreneurship in Ghana: Structural Constraints and Policy Response

Promotion of youth entrepreneurship has been a key element in Ghana's approach towards employment creation and development. Empirical research shows that youth entrepreneurship is one of the key drivers of job creation, especially within the informal and micro business sectors (Dadzie et al., 2020; Peng & Adjasi, 2022). Various government programs such as NEIP, YouStart, and various other initiatives by the Ghana Enterprise Agency (GEA) have been working to increase participation from the youth by offering training, funding, and incubation services. The YouStart program alone had trained more than 23,000 individuals on the basic level and provided more than GHS 100 million in grants by the end of 2023 (Government of Ghana budget statements according to literature review).

However, despite these measures, peer-reviewed literature reveals the existence of certain structural impediments. Lack of start-up capital, expensive credit, poor managerial skills, and lack of technological and market access appear as significant barriers (Ayambila, 2023; Peng & Adjasi, 2022). Peng and Adjasi (2022) found from the empirical analysis of non-farm household enterprises in Ghana by means of the 2016/17 Ghana Living Standards Survey that the access to formal credit positively affects the labour productivity in case of male-headed businesses but does not influence at all in the case of female-headed firms. Gender

inequality in this case is not an accessory factor; it is the result. This is not just an insignificant exception. This means that despite the policy providing what seems to be the proper instrument, the structural inequalities determine the real beneficiaries of the policies. Essel et al. (2026) by studying 136 youth-led informal food enterprises in three regions of Ghana demonstrate this approach to be relevant for the context of the post-crisis recovery and show that the access to concessional credit significantly influences the resilience of youth-led enterprises but still leaves micro-enterprises without eligibility. Further clarity is added by Ayambila's (2023) quantile regression analysis of the performance of micro-enterprises in Ghana, which reveals that the constraints faced by the micro-enterprises are different from those faced by the median-sized firms, hence policy interventions calibrated using averages cannot serve the youth-oriented micro-enterprises.

The analysis provided by Dadzie et al. (2020) goes further. The World Bank's study of the youth employment programs in Ghana sees fragmentation, duplication and poor monitoring as the key characteristics of the field instead of exceptions. Independent implementations of programs by various ministries, without a common set of indicators or a common registry of beneficiaries and coordination problems caused by this are seen by policymakers as problems of implementation and not design. This is important since, as pointed out by Dadzie et al. (2020), labeling fragmentation problems as problems of implementation is a way to avoid dealing with the difficult task of redesigning the architecture. None of the enterprise studies analyzed include tariff policies and international competition as factors, which is a problem addressed by this paper.

3.2 Tariffs, Trade Protectionism, and Local Enterprise Development

Trade protectionism and tariff policies have been highly discussed in the framework of development economics as instruments for encouraging the growth of domestic enterprises. The debate in this area has shifted a lot over the years. The synthesis by Juhász et al. (2024) in the Annual Review of Economics provides an entirely new perspective on this matter. While the previous literature viewed tariff industrial policy as something necessary but rather negative or even a mistake, Juhász and his colleagues claim that the proper empirical data reveal the existence of more positive outcomes than those suggested by the previous correlational studies. What makes the matter more interesting is that success in such approach largely depends on the interaction between the instrument and structural conditions. Chang and Andreoni (2020), starting from another premise, arrive at the same conclusion – that the industrial policy in the twenty-first century should incorporate many new things, such as global value chains, financialization and politics of protection.

In respect to Ghana, protectionism is evident through reserved sectors for citizens, the application of tariffs to select imports using the ECOWAS Common External Tariff (CET) system, and the setting of a minimum capital level for firms with foreign ownership. Boysen's (2024) investigation of AfCFTA tariffs in The World Economy provides valuable insight into the matter. Most of the signatories to the AfCFTA, according to Boysen, have elected to liberalize faster and deeper than necessary per AfCFTA modalities, indicating that there is greater appetite for liberalization than political speeches might imply. The result is that the room available for tariff protection through unilateral action is shrinking, but at a much faster rate than one might assume from political discourse alone. Importantly, to date, no peer-reviewed research has been undertaken which breaks down domestic companies and studies their response to tariff regimes as separate from the other actors. That is the second major gap the paper fills.

3.3 Foreign Entrepreneurs in Ghana's SME Landscape

The phenomenon of foreign entrepreneurship has received significant academic consideration regarding globalization, migration, and urban informal economies. Foreign entrepreneurs are engaged in retail and wholesale commerce, manufacturing, and other sectors in Ghana. They have made contributions to job creation, expanding markets, and innovative business methods in the process (Antwi Bosiakoh & Obeng, 2021; Gambino, 2025). The transnational networks of foreign entrepreneurs facilitate their access to resources, logistics, and technology that improve their competitiveness compared to local entrepreneurs (Solano et al., 2022).

However, there is also evidence of competition, especially within retail areas set aside exclusively for the locals. Gambino's (2025) qualitative study conducted in Ghana between 2022 and 2025, published in *International Affairs*, presents the most comprehensive analysis, building on previous ethnography by Antwi Bosiakoh (2020), examining the transnational embeddedness of Nigerian entrepreneurs in Ghana, and Antwi Bosiakoh and Williams Tetteh (2019), which focuses on gendered aspects of embeddedness of Nigerian women entrepreneurs in Ghana. Based on over fifty semi-structured interviews, ethnographic research at Makola Market in Accra, and a geo-location project to map Chinese retailers and wholesalers in the Greater Accra Region, Gambino (2025) highlights both the developmental potential of Chinese private investment in Ghana and the regulatory arbitrage that has gone hand-in-hand with it. Antwi Bosiakoh and Obeng (2021) in *Comparative Migration Studies* add another dimension to the story by highlighting how transnational trading networks among Nigerian immigrants utilize informal power brokerage mechanisms to resolve intra-community disputes as well as to reach out-of-court settlement with Ghanaian custom officials and police. Foreign entrepreneurs do not evade Ghanaian laws in the sense that they violate Ghanaian regulations and laws. Rather, they are entrenched in alternative institutions that the official Ghanaian regulatory regime does not have the means to break down.

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The study by Yendaw, Baatiema, and Ameyaw (2023), who surveyed 779 West African immigrant traders in Accra, featured in Heliyon, presents another layer of complexity. Foreign businessmen cannot be seen as one undifferentiated group. Specifically, West African immigrant traders mainly hailing from Mali, Niger, Burkina Faso, and Nigeria – are engaged in the activity covered by the ECOWAS Protocol on Free Movement and thus face a particular set of regulatory and social risks that are different from those of the Chinese entrepreneurs operating under the GIPC (GIPA) capital threshold. Nonetheless, such a distinction is largely ignored in the Ghanaian policy discussions where "foreign traders" remain just one analytical category. Existing literature mostly looks at the economic competition aspect without addressing the issues of immigration regulation and inter-agency coordination, which play an important role in shaping competition. This is the third gap the paper aims to fill.

3.4 Migration Governance and Entrepreneurial Regulation

Migration governance research emphasizes the role of immigration control, residence regimes, and regulatory systems in shaping international economic activity (Solano et al., 2022; UN IOM, 2022). In Ghana, the GIS, GIPC soon to become GIPA and other agencies share responsibility for regulating foreign entrepreneurship. However, weak coordination among these bodies creates enforcement loopholes that enable informality and undermine tariff objectives (Yendaw et al., 2023). Solano et al.'s (2022) multidimensionality theory is especially relevant here. Their work on transnational migrant entrepreneurship shows that migrant entrepreneurs often navigate multiple opportunity structures across places and groups, while regulatory systems built around a single-jurisdiction logic struggle to govern such activity effectively.

This is not just a problem facing Ghana. The West African regional environment, where the ECOWAS Protocol on Free Movement is used along with the national reserved sectors, has multi-agency governance systems with overlapping mandates, poor data-sharing between institutions, and inadequate resources. Lack of coordination is one of the main factors causing irregular migrants to become entrepreneurs, which has consequences for the efficiency of the instruments of trade protection. What Ghana has in common with most of ECOWAS is an incoherent legal system.

3.5 Comparative Dimensions: Atlantic Canada

While the empirical context of this paper is Ghana, the issues being addressed through the analysis in this paper are directly relevant to the small open economy case of Atlantic Canada. In Atlantic Canada, the same small domestic markets, trade dependence, and issues regarding SME protection are at play as in Ghana. However, recent increases in tariffs between the US and Canada, following the election of President Trump back into office in 2025, have created significant uncertainty for small businesses operating in the fisheries, agri-food, and manufacturing industries (Statistics Canada, 2025). Survey data collected from the Canadian Federation of Independent Business (CFIB) in August 2025 from over 3,000 members of Canadian SMEs show that 63 per cent of companies surveyed have experienced increased costs, 53 per cent of respondents reported decreased profits, and 42 per cent of the respondents were experiencing supply chain disruptions due to the tariff war between the US and Canada (CFIB, 2025). Promotion of youth entrepreneurship is a central part of provincial strategies in New Brunswick, Nova Scotia, and Newfoundland and Labrador.

3.6 Synthesis: Three Precisely Defined Research Gaps

Three exact gaps that exist in the reviewed literature and which are addressed by the present study include the following:

Gap 1: Studies related to youth entrepreneurship in Ghana do not consider tariff protectionism and foreign competition as structural explanations for barriers faced by enterprises, viewing enterprise barriers as idiosyncratic (Avenyo, Konte, & Mohnen, 2021; Dadzie et al., 2020). The current study addresses Gap 1 by focusing on the impact of tariffs and reserved sectors policy on the competitiveness of youth SMES.

Gap 2: There is no analysis of tariff and trade policy issues within the Sub-Saharan African setting, where different domestic enterprise actors have been differentiated in order to examine how youth-owned enterprises, a particularly vulnerable group, are impacted by the instruments of protection (Boysen, 2024; Juhász et al., 2024).

Gap 3: There is a persistent omission in the literature on foreign entrepreneurship in Ghana concerning migration governance, which refers to the immigration control regime, inter-agency cooperation, and compliance structure, as a determining factor for success in trade protection (Antwi Bosiakoh & Obeng, 2021; Yendaw et al., 2023). The current study addresses Gap 3 by taking migration governance as the essential mediating variable.

4.0 POLICY AND REGULATORY FRAMEWORK IN GHANA

4.1 Trade and Tariff Regulation, and the GIPC to GIPA Transition

Ghana's system of international trade and investment operates within a general framework of a liberal economy with certain protections. In particular, the GIPC Act (Act 865, 2013) has become the main legal instrument for the regulation of foreign investments since its introduction. According to Act 865, there was established a threshold of the minimum capital requirement of USD 200,000 for foreign joint venture with ten per cent or more of local equity, USD 500,000 for totally foreign non-trading

companies and USD 1,000,000 for totally foreign trading companies, which were also obliged to provide employment of at least twenty skilled Ghanaian nationals. In addition, section 27 of Act 865 reserved certain activities solely for Ghanaian individuals and fully Ghanaian companies, which included petty trading, hawking and stall trading. The tariffs applied in Ghana within the ECOWAS CET framework include five different rates from zero per cent for essentials to thirty-five per cent for sensitive items.

The entire regulatory structure is under the process of substantial revision. On 2 April 2026, the Parliament of Ghana enacted the Ghana Investment Promotion Authority Bill, 2026 which repealed the GIPC Act (Act 865, 2013) and reconvened the GIPC into Ghana Investment Promotion Authority (GIPA). There are several substantial reforms in the legislation that have an impact on the study presented in this paper. First, there is no minimum capital requirement for joint ventures and for non-trading enterprises with wholly foreign-owned capital. Second, there is still a minimum capital requirement for trading enterprises which has been reduced to USD 500,000 instead of USD 1,000,000 along with the skilled Ghanaian labour force requirement that should comprise not twenty employees as it used to be but seventy-five percent of all workers. Third, which is particularly important for the argument put forward in this paper, the new bill expands the requirements for trading enterprises to the case of Ghanaian-owned enterprises that are beneficially owned or directed by a non-citizen. Fourth, the Bill forbids fronting, which is understood as any attempt to disguise the fact that an enterprise is controlled or partly or wholly owned by a foreigner, imposing an administrative penalty on the offender of between GHS 60,000 and GHS 120,000, together with a penalty for any continued contravention. Fifth, annual renewal of enterprises replaces biennial renewal. Whether these changes bring about new realities is an empirical question.

The implementation of the reserved sector regulations contained in Act 865 has been characterized by chronic inconsistencies, while trader associations such as the Ghana Union of Traders Associations (GUTA) and the Abossey Okai Spare Parts Dealers Association have held demonstrations, closed their shops, and issued ultimatums in 2025 and into 2026 due to the perceived violations of capital threshold and reserved sectors requirements (see Gambino, 2025, empirical research). The GUTA leaders contend that foreign nationals own large portions of domestic trade through proxy ownership whereby foreign entities use locals to operate around legal restrictions.

4.2 Youth Entrepreneurship Policy

In Ghana, the promotion of youth entrepreneurship is regulated by such programs as the National Youth Policy, NEIP, YouStart, and GEA schemes (Dadzie et al., 2020). As Dadzie et al. (2020) found out in their systematic review, there are several significant deficiencies in such areas as financing, programme evaluation, and, especially, coherence with trade protection and regulatory framework for investments. Youth entrepreneurship policies tend to act separately from the tariffs and trade policy, thus forming the policy silos. The enterprise policies do not enhance the benefits that come from the reserved sectors' provisions. Neither NEIP nor the GEA registration leads to an automatic priority when checking the reserved sectors. It means that those who participate in special youth SME policies still do not receive any institutional protection against illegal competition from abroad.

4.3 Immigration and Foreign Business Regulation

The regulation of foreign entrepreneurs is intertwined with the management of migration. According to the Immigration Act 2000 (Act 573), the GIS regulates the entry, stay and employment of foreigners. Foreign entrepreneurs require relevant residence, and employment permits in addition to meeting the requirements of GIPC (now GIPA) regarding investments. The fragmented nature of mandates and poor inter-agency information exchange have continuously been causes of non-compliance (Yendaw et al., 2023). Lack of a single online platform that connects immigration records, investment declaration records of GIPC/GIPA and the tax compliance records of the Ghana Revenue Authority (GRA) makes monitoring non-compliance very difficult. The change from biennial to annual registration in the GIPA Bill is a step towards solving the problem because it increases the frequency of comparison between different records, but it is not a solution on its own.

4.4 Inter-Agency Coordination and Enforcement Gaps

Regulatory effectiveness within entrepreneurship calls for a synchronized effort by several state actors. This is seen in the case of Ghana where overlap of mandate between the GIPC/GIPA, GIS, MoTAI, local governments, and revenue bodies leads to ineffective regulation and an opportunity for foreign entrepreneurs who have good networks. This weakness in the governance system adversely impacts the youth entrepreneurs. Whether the shift to the GIPA will alter this will depend upon how it is implemented. While the anti-fronting provision in the Bill and the framework of penalties are more solid from a legal perspective than what existed before under Act 865, the continuing prevalence of proxy ownership despite multiple cycles of compliance under the old regime means that legislation alone will not solve the enforcement problem. As one commentary on the reforms put it recently, the issue of reserved sectors did not arise because Act 865 lacked language on the matter, but because of the lack of enforcement.

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Table 2: Policy Instruments, Objectives, and Governance Gaps

Policy Instrument	Stated Objective	Impact on Youth SMEs	Key Enforcement Gap	Reform Direction
Reserved sectors (GIPC Act 865, 2013; GIPA Bill, 2026)	Exclude foreigners from petty retail, hawking, market trading	Creates nominal market space; seldom delivered in practice due to proxy ownership	Weak monitoring, field proxy ownership arrangements	GIPA anti-fronting provision (GHS 60,000-120,000 penalties); joint GIPA-GIS inspectorate
Minimum capital requirements (transitioning from Act 865 to GIPA)	Deter undercapitalised foreign entry into trading sector	Limited direct effect; youth entrepreneurs also undercapitalised	Selective and inconsistent application; verification difficulties	GIPA reduces trading enterprise threshold from USD 1m to USD 500k; extends coverage to Ghanaian-owned entities with foreign beneficial owner
ECOWAS CET tariff schedule	Protect domestic producers from cheaper imports	Mixed: shields some outputs, raises input costs	Customs capacity constraints; AfCFTA phase-in pressure	Differentiated input tariff relief for youth SMEs
Local content rules (MoTI, 2017)	Boost Ghanaian supply-chain participation	Potential benefit if linked to enterprise finance	Sector-specific inconsistency; limited monitoring	Bind to YouStart and GEA enterprise support
Business and work permits (Immigration Act 2000; GIS)	Regulate foreign entrepreneurial status	Reduces unlawful competition if enforced consistently	Multi-agency fragmentation; no shared database	Integrated digital permit compliance platform

Source: Author's synthesis from GIPC Act (Act 865, 2013), GIPA Bill (2026), Immigration Act (Act 573, 2000), MoTI (2017), and analysis of Gambino (2025) and Yendaw et al. (2023).

5.0 METHODOLOGY

5.1 Research Design and Rationale

The design framework used in this study is qualitative policy analysis. Qualitative policy analysis is a well-known approach for the study of the interplay among legislative intention, institutional mandate, and regulation structure in creating or failing to create their desired outcomes. This is appropriate for the current study due to the nature of the research problem being addressed, which is one of policy coherence, institutional enforcement, and governance processes rather than the study of the causal effects among quantifiable variables. In this case, the explanation of how policy structure determines enterprise outcomes in a complex institutional setting will best be explained through interpretive policy analysis.

The design is based on critical policy analysis, where policies, institutional statements, and evidence of policy implementation are the primary data that require interpretation and not just description, thus making it possible to identify contradictions in policy intentions and policy implementation, which is exactly what is needed to fill the research gaps described in section 3.6.

5.2 Source Selection: A Structured, Criterion-Based Documentary and Policy Analysis

Unlike a systematic review, which requires a predefined search strategy, specified databases, and a documented record of sources identified and included, this study uses an analytical, criteria-based documentary review. This distinction matters because claiming to conduct a systematic review carries methodological expectations regarding replicability and selection bias that are beyond the scope of this study. Instead, the study applies four explicit source-selection criteria.

Selection criterion 1 - Relevance. Only the sources that directly addressed at least one of the three major topics of discussion were selected: the policy of tariffs and trade in Ghana or Sub-Saharan Africa; youth entrepreneurship and SME development in Ghana; migration policies and regulations in the country. In cases when the source discussed some relevant issue in a similar context of a neighboring Western African or Sub-Saharan African state, or even in a small open economy, it is mentioned in the discussion of the source itself.

Criterion 2, Recency: Studies published between 2020 and 2026 were prioritized because they reflect the current AfCFTA implementation context, the transition from GIPC to GIPA legislation, and post-pandemic trade practices. Foundational theoretical works by Aldrich and Waldinger (1990), Kloosterman et al. (1999), North (1990), and Rodrik (2004) were retained regardless of publication date because of their central relevance to the theoretical framework developed in Section 2.

Criterion 3, Source Authority: Peer-reviewed journal articles have been considered as the main sources for theoretical, empirical, and analytical statements. Institutional reports by credible institutions such as the Ghana Statistical Service, ILO, the World Bank, the OECD, UNCTAD, and the African Union Commission have been used for establishing regulatory information, legal criteria, and statistical data that could not be obtained through peer-reviewed sources.

Criterion 4, Methodological Rigour: Peer-reviewed journal articles were included if they presented original empirical evidence on Ghanaian enterprise, trade, or migration contexts, or systematic review evidence from comparable developing economies. Where evidence from West African or broader Sub-Saharan African cases was used to address gaps in the Ghana-specific literature, its comparative nature is identified in the text so its relevance can be appropriately assessed.

5.3 Analytical Approach

The study used thematic content analysis, guided by Braun and Clarke's (2019) reflexive thematic analysis approach. The analysis proceeded in three iterative phases. First, deductive themes were derived from the theoretical lenses discussed in Section 2 and used as the initial coding framework for the source material. Second, inductive sub-themes were identified from patterns within the data, including recurring enforcement failures, sector-specific competition, and coordination deficits not anticipated by the theory. Third, the deductive and inductive themes were integrated to produce comprehensive analysis presented in Section 6.

5.4 Comparative Framework

This study includes a structured comparative element by drawing lessons from Ghana's empirical context for Atlantic Canada. Rather than adopting a balanced case-study design, it uses theoretically guided analytical reflection. The comparison is grounded in shared structural features, including small open economy conditions, SME-led job creation, trade policy vulnerability, and governance challenges at the intersection of entrepreneurship and immigration. Differences in institutional configuration are acknowledged and discussed in Section 7.

5.5 Scope, Limitations, and Ethical Considerations

The unit of analysis is Ghana's national policy and regulatory framework, with examples drawn from retail trade and agro-processing. The study relies solely on secondary documents; therefore, ethical clearance was not required because no primary human-subject data were collected. This approach limits the study's ability to capture entrepreneurs' lived experiences or establish causal relationships. However, this limitation is partly offset by the study's focus on policy coherence and governance structures, for which secondary documentary analysis is appropriate. Future research could build on this study through primary qualitative research with youth entrepreneurs, foreign business operators, and regulatory officials, following the methodological approach used by Gambino (2025).

6.0 ANALYSIS AND DISCUSSION

6.1 The Dual Face of Tariff Protectionism

Ghana's tariffs and protectionism have both sides when it comes to youth entrepreneurship. They provide a partially open market while at the same time limiting the development of competition capabilities. Reserved sector clauses under the GIPC Act (Act 865, 2013), as well as the future reserved sector clauses under the GIPA arrangement pending presidential approval, formally keep out non-citizens from petty retail and hawkers. This is the market space where Ghanaian youth entrepreneurs are most concentrated in their retail and agro-processing industries. In theory, the above clauses, together with the ECOWAS CET tariffs of up to thirty-five per cent on sensitive products, could enable youth entrepreneurs to establish themselves in the market, stabilize themselves, and then develop their productive capacities (Chang & Andreoni, 2020; Rodrik, 2004).

In practice, however, these protective effects vary widely and are often short-lived. Scholarly and empirical evidence shows a widening gap between formal legal protection and actual market practice. Gambino's (2025) research in Greater Accra from 2022 to 2025 documents the expanding presence of Chinese retail and wholesale businesses in market spaces legally reserved for Ghanaian citizens, as well as more than 400 Chinese-owned manufacturing firms registered between 2004 and 2024. Antwi Bosiakoh and Obeng (2021) similarly show that Nigerian immigrant traders have long operated in Ghanaian markets through informal power networks and ECOWAS free movement provisions. Thus, two distinct forms of foreign entrepreneurship coexist in Ghana's retail markets, and Act 865 has not effectively separated them.

The literature on developmental states presents a diagnosis. Protection through tariffs alone is not sufficient to solve structural issues such as lack of access to finances, lack of business skills, and lack of access to technologies that determine enterprise sustainability (Ayambila, 2023; Essel et al., 2026; Peng & Adjasi, 2022). Unless other capability-building interventions complement tariffs, the latter could just provide a temporary or symbolic solution. In this regard, Juhász et al. (2024) are more direct. The difference between effective industrial policy versus ineffective one in the new empirical literature does not lie in the size of the tariff. The critical element distinguishing success from failure is the capability-based discipline provided by the complementary institutions. In this case, termination of protection is credible once there are no capability gains. Now, the regime of Ghana's reserved sector has neither the mechanism for detecting capability gains nor political commitment to withdrawing protection in case of no gains. This insight applies to Atlantic Canada because the new tariff escalations from the US to Canada have raised similar uncertainty for Canadian SMEs (Statistics Canada, 2025).

6.2 Foreign Entrepreneurs, Competitive Dynamics, and Structural Asymmetries

The foreign entrepreneur is a highly complicated figure in Ghana's SME environment. Foreign entrepreneurs aid in job creation, market development, and the introduction of new business practices (Gambino, 2025). Utilizing transnational ties, foreign entrepreneurs gain access to lower input costs, supply chain reliability, and informal finance sources that make their business more competitive and efficient (Antwi Bosiakoh & Obeng, 2021; Solano et al., 2022). Such structural advantages, on the other hand, put youth businesses in a disadvantaged position in industries where entry requirements are minimal.

This is explained by the mixed embeddedness approach, especially as applied and further developed by Kloosterman (2010) and Solano et al. (2022). Foreign entrepreneurs are embedded in multiple embeddedness in economic structures, institutions, and social relations across jurisdictions. In the case of Ghana, Gambino (2025) illustrates that Chinese traders at Accra's Makola market take advantage of co-ethnic shipping consolidation, credit conditions from bulk suppliers, and manufacturer contacts in China. These are structural advantages, and not personal ones. In places where there is weak enforcement of regulations (Yendaw et al., 2023), the entrepreneurs from foreign countries control market niches that are legally supposed to be controlled by citizens only. Antwi Bosiakoh and Obeng (2021) extend the discussion and show that Nigerian immigrant entrepreneurs in Ghana not only create their networks of economic connections but also rely on informal institutions of power brokerage, including intra-community chieftaincies, which help negotiate conflicts with Ghanaian regulatory agencies outside the courts.

These conflicts are, using the analytic terminology of institutional theory, governance in the mediated form. These are generated by institutional failure in creating a distinction between legal participation and regulation violations, not by some inherent trait of foreign entrepreneurs to violate rules. This redefinition of the analytic question is crucial because it determines what kind of policy advice, we will be able to generate. It shifts the focus of the policy discussion from punishment of foreign entrepreneurs to restoring institutional capability.

6.3 Governance Failures as Structural Constraints

Governance problems stand out as the critical factor affecting youth entrepreneurship and foreign business regulation. Institutional fragmentation, limited capacity to enforce regulations and inadequate coordination across institutions hinder both the effective operation of tariff barriers as well as immigration controls (Dadzie et al., 2020; Yendaw et al., 2023). The lack of coordinated regulatory systems means there are inconsistencies in business licensing, immigration statuses and compliance with investment requirements, thus allowing for regulatory arbitrage by well-connected foreign entrepreneurs.

From the perspective of institutional theory (North, 1990), the gap between formal regulations and the capacity to enforce such regulations means that the credibility of such policies is undermined and will affect governance beyond the lifespan of a given government. Youth entrepreneurs, without institutional backing to deal with inconsistent regulation, bear the brunt of such policies. Weaknesses in enforcement create incentives for foreign entrepreneurs to opt for informal operations rather than formal investment which was the goal behind the GIPC Act's reserved sector and capital requirements. It is therefore clear from the GIPA Bill (2026) that the anti-fronting requirement as well as administrative penalties is a legislative acknowledgment of this reality.

There is a problematic contradiction in the existing empirical literature that is worth stating instead of trying to reconcile it in a way that overlooks this contradiction. Gambino (2025) finds a significant development impact made by private capital from China in Ghana through localising manufacturing activities, providing jobs, and transferring technologies, all of which would not have occurred without that contribution. In addition, GUTA and other trading associations in Ghana draw attention to regulatory circumvention that has eroded the competitive standing of Ghanaian youth traders in markets that Act 865 clearly set aside for citizens. There are no grounds for arguing that both accounts are unfounded. This contradiction can be explained within the framework provided in Section 2.

6.4 The Protection-Openness Trade-off in Turbulent Trade Environments

The case of Ghana demonstrates the natural tensions in balancing the need to safeguard domestic companies and having a country that is open and investor friendly. Overprotection may lead to discouragement of legitimate foreign investment and limit technology transfer possibilities. However, lack of regulation will expose young people's businesses to competition that they are not prepared for.

The developmental state approach (Chang & Andreoni, 2020; Rodrik, 2004) highlights that the effective use of tariffs requires strategically timed application and supportive development of enterprise capabilities. It is evident from the analysis by Boysen (2024) of AfCFTA tariff offers in conjunction with the assessment of AfCFTA impacts on intra-African trade carried out by Fofack, Dzene and Mohsen Hussein (2021) that Ghanaian tariff liberalisation commitments are squeezing the policy space for the use of tariffs as a protective tool. According to the AfCFTA modalities, ninety per cent of tariffs will be liberalized progressively within five to ten years, seven per cent being categorized as sensitive goods that are being liberalized within ten to thirteen years and three per cent as excluded tariffs (African Union Commission, 2021). What is found by Boysen (2024) and is particularly

significant from an analytical perspective is that African countries are liberalizing faster and deeper than what the modalities require. In short, the policy space for using protective tariffs is shrinking faster than the rhetoric may suggest.

6.5 Migration Governance as a Critical Mediating Variable

Migration management is an essential mediator in the interaction between tariff protectionism and the entrepreneurial outcomes (Solano et al., 2022; UN IOM, 2022). The regulation of foreign entrepreneurs does not only involve well-designed laws but also effective enforcement from all immigration, investment, and trade organizations. In cases where there is ineffective migration management, the tariff protections are inevitably compromised (Antwi Bosiakoh & Obeng, 2021; Yendaw et al., 2023).

The empirical evidence base demonstrates that the recent GIPA reform is not fully adequate in this sense. According to Yendaw et al. (2023), the survey of West African immigrants who run businesses in Accra under the ECOWAS Protocol on Free Movement reveals that there are specific regulatory uncertainties experienced by them that are quite different from those faced by Chinese entrepreneurs under GIPC/GIPA capital threshold regulations. Currently, the Ghanaian regulatory system considers these groups of people through partially overlapping and partially conflicting sets of regulations, which perfectly matches with the prediction of the multi-focality framework suggested by Solano et al. (2022). In other words, the strengthening of migration governance can help improve regulatory compliance and development outcomes; however, the reform should be aware of this diversity of entrepreneurial foreigners.

It minimizes the perception of unfair competition, promotes the development of legitimate foreign business practices, and ensures that there is predictability in business for youth entrepreneurs. For this reason, the inclusion of migration control issues within the discussions of entrepreneurship and tariff policies becomes very crucial.

7.0 GOVERNANCE IMPLICATIONS AND COMPARATIVE REFLECTIONS FOR ATLANTIC CANADA

This implies that there is a need for cohesive migration and trade policies to affect the outcome of entrepreneurship. Management of foreign entrepreneurship is the convergence of immigration policies, investment policies, and tariffs policy. Each of the policies is usually regulated within different institutional silos. This affects enforcement and leads to regulatory arbitrage and competition, which negatively impacts youth entrepreneurship (Yendaw et al., 2023).

Foreign entrepreneurship needs well-defined entry and residence regulations, related to documented business practices and compliance with investments (Solano et al., 2022). Enhanced coordination between GIS, GIPA, MoTAI, and local administrations is necessary, facilitated through data systems integration and joint compliance enforcement. The move by the GIPA Bill to introduce annual renewals of registration rather than biennial is useful, although it does not automatically address the issue of integrating data systems. Tariff protection measures need to be embedded in wider plans for enterprise development and periodic reviews against productivity metrics. Juhász et al.'s (2024) statement on the importance of a credible plan for programme termination applies here particularly well. Protection lacking credible sunset review is protection that will continue beyond its due date.

There are several common governance issues faced by the provinces of Atlantic Canada making the analysis immediately relevant to the case. The Atlantic Canadian provinces are dealing with similar issues of securing domestic SMEs working in fisheries, agriculture, food processing, technology, and services sectors versus being open to trade as a source of economic development. The recent increase in tariffs imposed by the US on Canadian goods has generated significant uncertainty for small businesses where enterprise support systems are not able to cushion the competition impacts. In fact, according to the same CFIB (2025) poll, 79% of respondents noted unpredictability of tariffs as an obstacle to planning, whereas only 40% felt confident about the mitigation strategies, which is echoed by the third quarter 2025 Canadian Survey on Business Conditions by Statistics Canada (2025).

The key point is that tariffs are neither economically viable nor politically sustainable without coherent institutions and investment in firm capabilities (Chang & Andreoni, 2020; Rodrik, 2004). Regions that coordinate trade, immigration, and enterprise policies through integrated governance structures tend to show greater entrepreneurial resilience. The key challenge is to build these structures consistently and enforce them effectively.

8.0 POLICY RECOMMENDATIONS

Based on the results, eight policy recommendations are put forward, each of which specifies the policy action, the implementing agency, and the evidence base. Some of these recommendations, especially those related to fronting and compliance across agencies, are complimentary to and do not conflict with the reforms made under the GIPA Bill (2026).

Recommendation 1: Differentiated and Time-Bound Tariff Architecture

The tariff structure needs to be adjusted to distinguish between final products that compete against local youth SME products (which need protection of twenty to thirty-five per cent ECOWAS CET) and productive materials for youth businesses (which need protection of zero to five per cent). The protection needs to have a definite time limit of five years and be renewed if there

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are observable productivity improvements among youth SMEs. Agencies to implement this policy: Ministry of Trade and Industry (MoTAI) and Ghana Revenue Authority Customs Division.

Recommendation 2: Dedicated Youth Enterprise Financing Facility

There is need to set up an SME Tariff Resilience Fund for the youth through the Ghana Enterprises Agency, which will offer grants and credit at less than fifteen percent interest rate, as well as help in obtaining equipment to those youth firms registered with the GEA operating in industries that will have increased costs of inputs due to tariffs. Source of funding for the fund should include tariffs from protected industries.

Recommendation 3: Business Incubation Linked to Trade Protection

NEIP and YouStart youth enterprise incubation program ought to be linked to protected sector provisions through mandatory registration of incubates in a multiagency compliance database for prioritization in GIS and GIPA enforcement procedures. Incubation must incorporate aspects such as market linkages, digital literacy, and export readiness. Justification of evidence: Fragmentation of Ghana's youth employment program persists, as argued by Dadzie et al. (2020).

Recommendation 4: Skills Development and Entrepreneurial Capability Building

A skill development program for youth entrepreneurs in retailing and agro-processing needs to be jointly designed by GEA, the Technical Vocational Education Training (TVET) unit of the Ministry of Education, and the private sector. This program needs to focus on competition, quality compliance, cost management, and access to digital markets.

Recommendation 5: Statutory Inter-Agency Coordination Mechanism

There is a need for a statutory Inter-Agency Foreign Enterprise Compliance Council to be put in place, bringing together GIS, GIPA, MoTAI, GRA, and the Local Government Service under the terms of reference that include a mandate, secretariat, and quarterly joint enforcement reporting responsibilities. Such a council must be able to undertake joint field visits as well as impose incremental administrative penalties alongside the antifronding penalties that have been put in place through the GIPA Bill.

Recommendation 6: Integrated Digital Compliance Platform

The integration of a platform that connects GIS records on immigrants' compliance, GIPA investment declarations, GRA tax compliance reports, and Registrar-General's records on registered businesses needs to be done so that automated referencing can be achieved. The platform needs to have an interface where members of the public in Ghana will be able to check the compliance record of the companies being run by foreigners. Basis of evidence: The annual registration process through the introduction of the GIPA Bill (2026) provides touchpoints necessary for the reconciliation process.

Recommendation 7: Structured Foreign to Domestic Entrepreneurship Partnerships

There should be a formal partnership scheme known as the Foreign-Domestic Entrepreneurship Partnership (FDEP) whereby there is an award of business incentives to compliant foreign entrepreneurs in terms of extended permits to stay in the country, less reporting requirements in return for getting into legal and registered mentorship relationships, supplier contracts, or joint ventures with young companies that have been registered in GEA. Such a mechanism would turn the issue of compliant foreign entrepreneurship from a problem to an asset because of technology transfer and learning. The rationale of such a policy is found in Gambino (2025), who talks about the developmental opportunities associated with Chinese private capital localization in Ghana.

Recommendation 8: Adaptation for Atlantic Canadian Governance Contexts

In the case of Atlantic Canada, policymakers need to ensure an integrated framework of managing the impact of SME tariffs that would match up the support provided to SMEs by the provinces in terms of their trade and immigration policies. In particular: (a) a compensation window for tariff shock needs to be included in the financing facilities of provincial SMEs; (b) immigrant business class categories need to be related to demonstrated connections between immigrant businesses and youth-run enterprises within the province; and (c) coordination agencies in relation to trade and immigration need to be set up at the provincial level.

9.0 CONCLUSION

This paper has assessed the effect of tariffs and protectionism on youth entrepreneurship in Ghana in the context of general governance issues related to foreign entrepreneurial involvement and immigration policies. In order to conduct the study, an extensive review of the literature has been undertaken. The analysis revealed that although selective tariff protection could potentially offer an opportunity for creating a market for young entrepreneurs, its effectiveness is significantly hampered by lack of institutions, policy inconsistency, and inability to build capabilities of the enterprises. The passing of the Ghana Investment Promotion Authority Bill in 2026 comes with legislative reform of great significance, including the clear prohibition of fronting, the application of trading enterprise rules to enterprises owned by Ghanaians but whose ownership lies in foreigners, and the new

annual renewal of registration requirement. However, whether these reforms bear any influence on the changed market dynamics is dependent on their implementation capabilities.

Three key lessons are to be learnt from this study. First, there exists an inbuilt asymmetry with respect to the application of tariff instruments to young SMEs. Whereas protective tariffs on consumer goods can offer a false sense of protection, tariffs on productive factors increase the cost burden for the same group of firms. This asymmetry demands a differential tariff structure that acknowledges youth SMEs as a targeted policy group. Second, the formally established principle of protection offered under reserved sector policies has been compromised through the failure of good governance systems. The combination of proxy ownership tactics, fragmented multi-agency system and comparative competitive advantage of international entrepreneurial business networks results in practical erosion of protection. The anti-fronting clause provided under the GIPA Bill seeks to fill the gap in legislation; whether it succeeds in doing so in practice will depend on the design of the enforcement architecture, which has been consistently weak in various Ghanaian regulatory frameworks. Finally, migration management emerges as the key mediating variable between the intention of trade protection and market outcomes.

The key argument being made is that while the problem faced by Ghana and, through comparison, by Atlantic Canada and other small open economies, is not the issue of foreign entrepreneurs per se, it is rather that of a lack of proper regulation of such activities in order to find an optimal balance between tariff protection and openness. The eight policy proposals outlined in Section 8 offer a realistic and institutional pathway forward. Through a combination of differential tariff setting, enterprise financing, incubation, training, inter-agency cooperation, digital regulation systems, and foreign to domestic entrepreneurship partnerships, Ghana can achieve its goal.

This paper makes an important contribution to literature because it provides an analysis that connects entrepreneurship, tariffs/trade policies, and immigration policies within one framework with the use of four applied theoretical perspectives. Future research may build upon the conclusions made using empirical primary data from interviews with young entrepreneurs, foreigners who operate businesses, and policymakers. With regards to the transition taking place from the GIPC to GIPA paradigm, and in the context of uncertain trade relationships between the US and Canada, this is a field which may see substantial change in the next few years.

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