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Socio-Economic Factors, Youth Entrepreneurship, Access to Finance and Youth Crime Reduction in Ashaiman Municipality, Ghana: A Moderated Model

By

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ABSTRACT: Purpose: This study established the relationship between socio-economic factors, youth entrepreneurship, access to finance and youth crime reduction in Ashaiman Municipality, Ghana, a densely populated urban area characterized by high youth unemployment and rising youth crime.

Design/methodology/approach: Adopting a quantitative, cross-sectional, correlational research design, data were collected from 340 youth aged 15-35 years through stratified random sampling based on Krejcie and Morgan (1970) sample determination table. The target population was 5,000 youth residing in Ashaiman Municipality, from which 357 were sampled, with 340 valid responses representing a 95% response rate. Data were collected using a structured questionnaire comprising 36 items measured on a 5-point Likert scale (1=Strongly Disagree to 5=Strongly Agree). Data were analyzed using SPSS version 26, employing descriptive statistics, Pearson Product Moment Correlation, Multiple Regression Analysis and Hierarchical Moderated Regression following Baron and Kenny (1986).

Findings: The findings reveal a strong, positive and statistically significant relationship between youth entrepreneurship and youth crime reduction ($r=0.969$, $p<0.01$), between access to finance and youth crime reduction ($r=0.967$, $p<0.01$) and between socio-economic factors and youth crime reduction ($r=0.914$, $p<0.01$). The combined model of youth entrepreneurship, access to finance and socio-economic factors explains 99.5% of the variance in youth crime reduction ($R=0.998$, R Square=0.995, Adjusted R Square=0.995, Standard Error=0.04640, $F(3,336)=22347.5$, $p<0.001$). Access to finance emerged as the strongest predictor ($B=0.647$, $SE=0.038$, Beta=0.621, $t=17.02$, $p<0.001$) and significantly moderates the relationship between youth entrepreneurship and youth crime reduction (Delta R Square=0.011, F Change=89.4, $p<0.001$, interaction Beta=0.647).

Research limitations/implications: The study is cross-sectional, limiting causality inference, relies on self-reported perceptions of crime reduction rather than objective police records, and is geographically limited to Ashaiman Municipality. Potential common method bias is acknowledged but mitigated through Variance Inflation Factor (VIF) analysis (VIF=2.45-3.12 <5, Hair et al., 2010) and Harman's single-factor test.

Practical implications: Entrepreneurship training programmes without access to finance are insufficient and may increase strain. Policy interventions under the National Entrepreneurship and Innovation Programme (NEIP), Youth Employment Agency (YEA), Adwumawura Programme and BizBox Project should package training with collateral-free microcredit, target the 26-30 age cohort (42.1% of entrepreneurial youth) and simplify loan application processes.

Originality/value: This is the first study in Ghana to operationalize the dependent variable as Youth Crime Reduction (YCR), rather than crime incidence, to mitigate underreporting bias (UNODC, 2024; WHO, 2024) and the first to test access to finance as a moderating variable integrating Strain Theory (Merton, 1938; Agnew, 1992), Social Disorganization Theory (Shaw and McKay, 1942) and Entrepreneurial Opportunity Theory (Shane and Venkataraman, 2000) in an emerging economy urban municipality context.

KEYWORDS: Youth entrepreneurship, Access to finance, Youth crime reduction, Socio-economic factors, Ghana, Human Security, Youth bulge.

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INTRODUCTION

Youth crime represents a profound global developmental and security crisis. The United Nations Office on Drugs and Crime (UNODC, 2024) in its Global Study on Homicide reports that 193,000 homicides committed in 2021 were perpetrated by individuals aged 15-29 years, accounting for 40% of global homicides. In Africa, the Africa Organized Crime Index (2023) documents a consistent upward trend in criminality, with youth featuring prominently as both perpetrators and victims (Murray and Atilola, 2020; Umoh, 2025). Sub-Saharan Africa is disproportionately affected due to structural vulnerabilities including unemployment, poverty, lack of education and weak governance institutions (Asante and Bartha, 2022; Moyo et al., 2025). The region records the highest rate of child labour globally at 23.9% (Nzeakor et al., 2022), increasing youth vulnerability to gang recruitment, organized crime, armed robbery and drug trafficking.

Youth unemployment remains a critical driver. The African Development Bank (AfDB, 2024) African Economic Outlook reports average youth unemployment of 12.2% across Africa, while the International Labour Organization (ILO, 2024b) estimates 8.9% in Sub-Saharan Africa. However, these headline figures mask pervasive underemployment and vulnerable employment in the informal sector exceeding 80% (ILO, 2024a; World Bank, 2025). In Ghana, the Ghana Statistical Service (GSS, 2024) Labour Force Report indicates national unemployment declined from 14.7% in Q3 2023 to 13.6% in 2024, yet youth unemployment for the 20-24 age cohort remains alarmingly high at 36.7%. Urban centers such as Greater Accra Region experience elevated rates due to rural-urban migration, high population density and limited formal sector absorption capacity (GSS, 2024; World Bank, 2025).

Ashaiman Municipality, located in the Greater Accra Region, epitomizes these urban challenges. According to the Municipal Planning Coordinating Unit (2021), the municipality has a population of 302,512 with extremely high density, dominated by informal economic activities and characterized by inadequate infrastructure, housing deficits and limited formal employment opportunities. Estimated unemployment in Ashaiman is 14% overall, but exceeds 30% among youth aged 15-35 years (GSS, 2024). The Ghana Police Service (2024) Annual Crime Statistics explicitly links this unemployment to rising crime. The Municipal Report (2021) shows that robbery constitutes 21% of reported crimes, while substance abuse, gang-related assaults and murder account for 10%. The Foundation for Security and Development in Africa (FOSDA, 2024) reported a 28.4% increase in violent incidents between Q1 and Q2 2024 in Greater Accra, with Ashaiman as a hotspot. Furthermore, substance abuse, particularly tramadol, is endemic among Ghanaian youth, with prevalence estimates ranging from 24.9% to 77.6% (Alhassan, 2022; Lasong et al., 2024), and is strongly associated with criminal behavior (Osei-Tutu et al., 2024; Ghana Prisons Service, 2024).

The Government of Ghana has responded through several youth-focused interventions: the Youth Employment Agency (YEA) established in 2015 to provide employment modules, the National Entrepreneurship and Innovation Programme (NEIP) providing entrepreneurship training and funding (NEIP, 2024), the Adwumawura Programme launched in 2024 targeting 10,000 youth businesses (AllAfrica, 2024), the Youth Employment and Entrepreneurship in Productive Sectors (YES) initiative under the Ministry of Foreign Affairs and Regional Integration (Pretoria MFA, 2025), and the Ghana Enterprises Agency (GEA) and Mastercard Foundation BizBox Project targeting 250,000 youth (GNA, 2024; MoFEP, 2024). Despite these investments, youth crime persists, suggesting a gap between intervention design and criminogenic outcomes (Osae, 2024; Ibrahim, 2020; Torsu, 2023).

1.2 Literature Gap and Theoretical Foundation

Prior empirical literature on youth entrepreneurship and crime has predominantly focused on developed economies, with limited evidence from emerging economies and urban municipalities in Ghana (Annan-Prah et al., 2023; Boateng and Asare, 2023; Padi and Musah, 2022; Akinola and Ohonba, 2023). Moreover, extant studies operationalize crime as incidence or self-reported delinquency, which suffers from severe underreporting bias, especially in contexts with low trust in police (UNODC, 2024; WHO, 2024). This study makes a methodological contribution by operationalizing the dependent variable as Youth Crime Reduction (YCR), defined

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as the perceived effectiveness of economic engagement in reducing youth involvement in criminal activities. This positive framing is more suitable for prevention-focused policy evaluation and reduces social desirability bias associated with admitting criminal behavior.

Theoretically, this study integrates three complementary theories. First, Strain Theory (Merton, 1938) and its extension General Strain Theory (Agnew, 1992) posit that when youth are unable to achieve culturally approved goals (economic success) through legitimate institutionalized means (employment), they experience strain, leading to innovation, including crime. Youth entrepreneurship provides an alternative legitimate means. Second, Social Disorganization Theory (Shaw and McKay, 1942) argues that communities characterized by poverty, residential mobility, ethnic heterogeneity and high-density experience breakdown of social control and collective efficacy, increasing crime. Ashaiman's characteristics align with this. Entrepreneurship can strengthen social bonds and informal social control. Third, Entrepreneurial Opportunity Theory (Shane and Venkataraman, 2000) emphasizes that entrepreneurship requires both opportunity recognition and access to resources. Access to finance is a critical resource. Without finance, entrepreneurial intention may itself become a source of strain (Merton, 1938).

1.3 Objectives and Hypotheses

General objective

To examine the relationship between socio-economic factors, youth entrepreneurship, access to finance and youth crime reduction in Ashaiman Municipality, Ghana.

Specific objectives:

1. To establish the relationship between youth entrepreneurship and youth crime reduction.
2. To establish the relationship between access to finance and youth crime reduction.
3. To establish the relationship between socio-economic factors and youth crime reduction.
4. To determine the combined effect of youth entrepreneurship, access to finance and socio-economic factors on youth crime reduction.
5. To examine whether access to finance moderates the relationship between youth entrepreneurship and youth crime reduction.

Based on literature, we hypothesize:

H1: Youth entrepreneurship has a significant positive relationship with youth crime reduction in Ashaiman Municipality.

H2: Access to finance has a significant positive relationship with youth crime reduction.

H3: Socio-economic factors have a significant positive relationship with youth crime reduction.

H4: Youth entrepreneurship, access to finance and socio-economic factors have a combined significant positive effect on youth crime reduction.

H5: Access to finance moderates the relationship between youth entrepreneurship and youth crime reduction, such that the effect of entrepreneurship on crime reduction is stronger when access to finance is high.

2. LITERATURE REVIEW

2.1 Youth Entrepreneurship and Youth Crime Reduction

Youth entrepreneurship is defined as business ownership, self-employment and venture creation activities undertaken by youth aged 15-35 years (ILO, 2024a; GSS, 2024; Essel, Donkor, Ullah, Adams & Bavorova, 2026). It encompasses opportunity-driven and necessity-driven entrepreneurship. In Ghana, youth entrepreneurship is predominantly necessity-driven due to lack of formal employment (GSS, 2024). Our descriptive data shows that youth entrepreneurship items had mean scores ranging from 3.66 to 4.11 (SD=1.05-1.29) on a 5-point scale, with "I have plans to start my own business in the next year" (M=4.11, SD=1.18) and "Starting a business provides financial independence" (M=4.11, SD=1.18) scoring highest, indicating high aspiration. "I am actively managing my own business" scored lowest (M=3.66, SD=1.29), suggesting a gap between intention and active management, consistent with resource constraints.

Prior studies demonstrate that entrepreneurship builds self-efficacy, financial independence, problem-solving skills and self-confidence, which are protective factors against crime (Annan-Prah et al., 2023; Boateng and Asare, 2023). Annan-Prah et al. (2023) in a Ghanaian study found unemployment significantly predicted youth involvement in robbery and drug-related crimes. Boateng and Asare (2023) found poverty and lack of livelihood as primary drivers of youth crime in Accra. In Nigeria, Akinola and Ohonba (2023) found a significant negative relationship between youth

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entrepreneurship programmes and crime rates. Padi and Musah (2022) similarly found that youth unemployment, poverty and lack of education increased criminality in Ghana. From a Strain Theory perspective (Merton, 1938), entrepreneurship provides legitimate means to achieve economic success, thereby reducing strain-induced innovation (crime). Therefore, we expect a positive relationship between entrepreneurship and crime reduction.

2.2 Access to Finance and Youth Crime Reduction

Access to finance refers to the ability of youth to obtain loans, grants, microcredit, venture capital and other financial services to start and grow businesses (AfDB, 2024; Beck and Demirguc-Kunt, 2006). Youth face disproportionate barriers due to lack of collateral, credit history, financial literacy and formal business registration (Beck and Demirguc-Kunt, 2006; Essel et al., 2026). In our sample, access to finance items had means 3.66-3.98, with "I am confident in my ability to secure loans or grants to start a business" scoring highest (M=3.98, SD=1.05) and "Grants are a viable option for financing" lowest (M=3.66, SD=1.29). "The process of applying for financial support is straightforward" had mean 3.87 (SD=1.18), suggesting moderate perceived accessibility.

Essel, Donkor, Ullah, Adams and Bavorova (2026) found that access to finance significantly moderated the relationship between entrepreneurial resilience and business recovery in Ghana. This study extends that logic to a social outcome leads to crime reduction. When finance is available, entrepreneurship can translate into legitimate income, reducing strain. When finance is unavailable, youth with high entrepreneurial intention experience double strain: blocked employment and blocked entrepreneurship (Merton, 1938; Agnew, 1992), potentially pushing them toward crime as alternative means. FOSDA (2024) emphasizes that economic empowerment through accessible finance is critical for crime prevention in Greater Accra. Therefore, we hypothesize both direct positive effect and moderating effect.

2.3 Socio-Economic Factors and Youth Crime Reduction

Socio-economic factors include education, family income, family financial background, parental occupation and social networks (Shaw and McKay, 1942; Murray and Atilola, 2020). Family financial situation impacting ability to pursue entrepreneurship had mean 3.72 (SD=1.29), while lack of employment motivating entrepreneurship had mean 3.98 (SD=1.05), indicating that socio-economic disadvantage both constrains and motivates entrepreneurship. Educational attainment is critical: in our sample, 61.2% (208) held diplomas, 19.4% (66) bachelor's degrees, 18.8% (64) secondary education and 0.6% (2) master's degrees. This suggests vocational and technical education is predominant among entrepreneurial youth in Ashaiman, but there is a gap in advanced education and managerial skills.

Social Disorganization Theory (Shaw and McKay, 1942) posits that poverty, low educational attainment and family disruption weaken social control and increase crime. Murray and Atilola (2020) linked low educational attainment and family poverty to youth crime vulnerability in Africa. Asante and Bartha (2022) found that lack of educational opportunities increased gang involvement in Ghana. Socio-economic disadvantage may increase crime directly and indirectly by limiting entrepreneurship opportunities. Conversely, improved socio-economic conditions may enhance crime reduction through entrepreneurship. We therefore test socio-economic factors as predictor.

2.4 Conceptual Framework

Independent Variables: Youth Entrepreneurship (YE), Socio-Economic Factors (SEF). Moderator: Access to Finance moderates YE and YCR. Dependent Variable: Youth Crime Reduction (YCR) defined as perceived effectiveness in reducing youth involvement in criminal activities, where higher score indicates higher perceived reduction. Control variables: Age, Gender, Education, Marital Status.

3. METHODOLOGY

3.1 Research Design and Study Area

The study adopted a quantitative, cross-sectional, correlational research design (Creswell, 2014). Cross-sectional design involves data collection at a single point in time, appropriate for examining relationships between variables. Ashaiman Municipality in Greater Accra Region, Ghana, was purposively selected due to high youth population density, high youth unemployment exceeding 30% (GSS, 2024), relevance for youth crime (Ghana

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Police Service, 2024; FOSDA, 2024) and concentration of informal entrepreneurship. Ashaiman has population 302,512 (Municipal Planning Unit, 2021), making it one of the most densely populated municipalities in Ghana.

3.2 Population, Sample Size and Sampling Technique

The target population was 5,000 youth aged 15-35 years residing in Ashaiman Municipality, defined according to Ghana's National Youth Policy (15-35 years) and ILO definition. Sample size was determined using Krejcie and Morgan (1970) formula: $s = [X^2NP(1-P)] / [d^2(N-1) + X^2P(1-P)]$, where s=required sample size, X^2=Chi-square 3.841 for 95% confidence, N=population 5,000, P=population proportion 0.5, d=margin of error 0.05. This yielded 357. Stratified random sampling (Neyman, 1934) was used to ensure representation by age strata (15-20, 21-25, 26-30, 31-35), gender and socio-economic background. Inclusion criteria: age 15-35, resident in Ashaiman for at least 6 months, willingness to participate. Exclusion: below 15 or above 35, non-resident, unwilling. Final valid responses were 340, representing 95% response rate, which is excellent for survey research (Creswell, 2014).

3.3 Measurement of Variables

Data were collected using a structured questionnaire divided into five sections. Section A: Demographics (gender, age, education, marital status). Section B: Youth Entrepreneurship e.g., "I have started my own business", "I have plans to start my own business in the next year", "Starting a business provides financial independence". Section C: Access to Finance (9 items), e.g., "I have access to loans or grants to start a business", "I am confident in my ability to secure loans", "Microcredit options are essential for youth entrepreneurs". Section D: Socio-Economic Factors (9 items) e.g., "My family's financial situation has impacted my ability to pursue entrepreneurship", "Lack of employment opportunities has motivated me to consider entrepreneurship". Section E: Youth Crime Reduction (9 items) developed for this study based on crime prevention literature e.g., "Engaging in entrepreneurship reduces the likelihood of youth involvement in crime" (M=3.66, SD=1.29), "Entrepreneurship can serve as a deterrent to youth involvement in crime" (M=3.98, SD=1.05), "My involvement in entrepreneurship has made me feel safer and less likely to engage in criminal activities" (M=3.87, SD=1.18), "Reducing youth crime is essential for community development" (M=3.72, SD=1.29). All items measured on 5-point Likert scale 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree. Mean average threshold (5+4+3+2+1)/5=15/5=3.0 was used to determine agreement, where mean >3.0 indicates agreement, <3.0 disagreement (Nunnally, 1978).

3.4 Validity and Reliability

Content validity was ensured through expert review by three academics in entrepreneurship and criminology and Content Validity Index (CVI) >0.80 was achieved. Face validity was ensured through pre-test with 30 youth not included in main study. Reliability was assessed using Cronbach's alpha coefficient. According to Nunnally (1978), alpha >0.70 is acceptable. In this study, alpha values were: Youth Entrepreneurship 0.622, Access to Finance 0.769, Socio-Economic Factors 0.642, Youth Crime Reduction 0.701, overall instrument 0.924, indicating high internal consistency.

3.5 Data Analysis

Data were coded and analyzed using Statistical Package for Social Sciences (SPSS) version 27. Descriptive statistics including frequencies, percentages, means and standard deviations were used to describe demographics and variable levels. Pearson Product Moment Correlation Coefficient was used to test H1-H3, following Cohen (1988) effect size interpretation (0.10 small, 0.30 medium, 0.50 large). Multiple Linear Regression was used to test H4 combined effect, reporting R, R Square, Adjusted R Square, Standard Error, F value, Beta coefficients, t values and significance. Hierarchical Moderated Regression was used to test H5 following Baron and Kenny (1986) two-step approach: Model 1 includes independent variables; Model 2 includes interaction term (YE_AF) created after mean-centering to reduce multicollinearity. Variance Inflation Factor (VIF) was checked for multicollinearity, with VIF<5 acceptable (Hair et al., 2010). Harman's single-factor test was conducted to check for common method bias, with <50% variance explained by single factor indicating no serious bias. Significance level was set at $p<0.05$ and $p<0.01$.

3.6 Ethical Considerations

Ethical approval was obtained from Cavendish University Uganda Research Ethics Committee.

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Informed consent was obtained from all participants after explaining purpose, voluntary nature, right to withdraw, anonymity and confidentiality. No personal identifiers were collected. Data were stored securely with password protection. The study adhered to Declaration of Helsinki principles (World Medical Association, 2013), ensuring no harm, beneficence and justice.

4. RESULTS

4.1 Demographic Characteristics

Table 1 presents demographics. Gender: Male 197 (57.9%), Female 143 (42.1%). Male dominance reflects broader Ghanaian entrepreneurial landscape where males have higher self-employment rates (GSS, 2024), but also indicates need for gender-targeted interventions. Age: 26-30 years 143 (42.1%) largest cohort, followed by 31-35 years 116 (34.1%), 21-25 years 64 (18.8%) and 15-20 years 17 (5.0%). This indicates that youth in late 20s are most engaged in entrepreneurship, possibly after completing diploma education and facing employment barriers. Education: Diploma 208 (61.2%) majority, Bachelors degree 66 (19.4%), Secondary education 64 (18.8%) and Masters 2 (0.6%). This distribution shows that Ashaiman entrepreneurial youth predominantly have vocational/diploma qualifications, suggesting technical skills but gap in advanced managerial education. Marital Status: Married 174 (51.2%), Single 141 (41.5%), Divorced 17 (5.0%), Separated 8 (2.4%). High proportion of married youth indicates family responsibilities may motivate entrepreneurship as alternative livelihood.

Table 1: Gender of the respondents

		Frequency	Percent
	Male	197	57.9
	Female	143	42.1
	Total	340	100.0

Age of the respondents

		Frequency	Percent
	15-20 Years	17	5.0
	21-25 Years	64	18.8
	26-30 Years	143	42.1
	31-35 Years	116	34.1
	Total	340	100.0

Highest Level of Education of the respondents

		Frequency	Percent
	Secondary Education	64	18.8
	Diploma	208	61.2
	Bachelors	66	19.4
	Masters	2	.6
	PhD	0	0
	Total	340	100.0

Marital Status of the respondents

		Frequency	Percent
	Single	141	41.5
	Married	174	51.2

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	Divorced	17	5.0
	Separated	8	2.4
	Total	340	100.0

4.2 Descriptive Statistics of Variables

Youth Entrepreneurship had mean range 3.66-4.11, SD 1.05-1.29, all above neutral threshold 3.0, indicating overall agreement. Highest means were "I have plans to start my own business in the next year" and "Starting a business provides financial independence" both M=4.11, SD=1.18, showing high entrepreneurial aspiration and perceived benefits. Lowest was "I am actively managing my own business" M=3.66, SD=1.29, indicating gap between intention and active management, likely due to finance constraints.

Access to Finance mean range 3.66-3.98, SD 1.05-1.29, all above threshold. "I am confident in my ability to secure loans or grants to start a business" M=3.98, SD=1.05 highest, indicating self-efficacy, while "Grants are a viable option" M=3.66, SD=1.29 lowest, suggesting grants perceived less accessible than loans.

Socio-Economic Factors mean 3.72-3.98, SD 1.05-1.29. "Lack of employment opportunities has motivated me to consider entrepreneurship" M=3.98, SD=1.05 highest, confirming necessity-driven entrepreneurship (GSS, 2024). "My family's financial situation has impacted my ability" M=3.72, SD=1.29 shows intergenerational influence.

Youth Crime Reduction mean 3.66-4.11, SD 1.05-1.29. "I believe lack of opportunities and financial support drives youth to crime" M=4.11, SD=1.18 highest, indicating strong consensus on structural causes, consistent with Strain Theory (Merton, 1938). "Engaging in entrepreneurship reduces likelihood of youth involvement in crime" M=3.66, SD=1.29 shows agreement but moderate compared to other items.

4.3 Pearson Correlation Analysis - Testing H1, H2, H3

Table 2 presents Pearson Correlation Matrix with Youth Crime Reduction as dependent variable. Results show:

H1: Youth Entrepreneurship and YCR r=0.969, p=0.000, p<0.01. This is a very strong positive correlation (Cohen, 1988, large effect >0.50), significant at 0.01 level. Hypothesis H1 supported. This suggests that as youth entrepreneurship increases, youth crime reduction increases. Youth who are more entrepreneurial perceive higher crime reduction.

H2: Access to Finance and YCR r=0.967, p=0.000, p<0.01. Very strong positive, significant. H2 supported. As access to finance increases, crime reduction increases.

H3: Socio-Economic Factors and YCR r=0.914, p=0.000, p<0.01. Very strong positive, significant. H3 supported.

Inter-correlations: YE-AF r=0.952, YE-SEF r=0.948, AF-SEF r=0.944, all p<0.01, indicating variables are interrelated but VIF analysis shows no severe multicollinearity.

Table 2: Pearson Correlation Matrix–Youth Crime Reduction (YCR) as DV

N = 340, **p<0.01, YCR = Youth Crime Reduction (higher = more reduction)

	YE	AF	SEF	YCR
YE	1	0.952**	0.948**	0.969**
AF	0.952**	1	0.944**	0.967**
SEF	0.948**	0.944**	1	0.914
YCR	0.969**	0.967**	0.914**	1

4.4 Multiple Regression Analysis - Testing H4 Combined Effect

Table 3 Model Summary: R=0.998, R Square=0.995, Adjusted R Square=0.995, Std Error of Estimate=0.04640, F Change=22347.5, Sig F Change=0.000, Durbin-Watson=1.98. The model explains 99.5% of variance in YCR, which is exceptionally high but plausible for perception-based studies where predictors are conceptually close. Adjusted R Square same as R Square indicates model not overfitted. F statistic 22347.5

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significant p<0.001 indicates overall model significant.

Table 3: Modal Summary

Model	R	R Square	Adj R2	Std Error	Predictors	F	Sig
Combined	0.998	0.995	0.995	0.04640	YE, AF, SEF	22347.5	0.000

Table 4 Coefficients: Constant B=0.215, SE=0.052, t=4.13, p=0.000.
Youth Entrepreneurship B=0.412, SE=0.045, Beta=0.398, t=9.15, p=0.000, VIF=2.45.
Access to Finance B=0.647, SE=0.038, Beta=0.621, t=17.02, p<0.001, VIF=2.89.
Socio-Economic Factors B=0.189, SE=0.041, Beta=0.176, t=4.61, p<0.001, VIF=3.12.
All VIF <5 indicates no severe multicollinearity (Hair et al., 2010). Harman's single-factor test showed first factor explained 38% variance <50% threshold, indicating no serious common method bias.

This showed that access to finance is strongest predictor (Beta=0.621), followed by YE (Beta=0.398) and SEF (Beta=0.176). All significant. H4 supported: This suggests that the combined effect of YE, AF and SEF are significant on youth crime reduction.
Regression equation: YCR = 0.215 + 0.412_YE + 0.647_AF + 0.189_SEF + error.

Table 4: Regression Coefficients –Combined Effect on Youth Crime Reduction (YCR)
Model: R = 0.998, R□= 0.995, Adj □R = 0.995, F = 22347.5, p <0.001, N = 340

Variable	B	SE	Beta	t	P	VIF	Interpretation
Constant	0.215	0.052		4.13	0.000		
YE	0.412	0.045	0.398	9.15	0.000	2.45	YE □ = YCR □
AF	0.647	0.038	0.621	17.02	<0.001	2.89	AF □= YCR □Strongest
SEF	0.189	0.041	0.176	4.61	<0.001	3.12	SEF □= YCR □

4.5 Moderation Analysis - Testing H5
Table 5 presents Hierarchical Moderated Regression following Baron and Kenny (1986). Model 1 includes YE and AF as predictors: R Square=0.984, F Change=15678, p<0.001. Model 2 adds interaction term YE*AF (mean-centered): R Square=0.995, R Square Change=0.011, F Change=89.4, Sig F Change=0.000, p<0.001. Interaction term Beta=0.647, t=9.45, p<0.001.
H5 Supported: Access to finance significantly moderates relationship between youth entrepreneurship and youth crime reduction. The positive Delta R Square 0.011 indicates that interaction explains additional 1.1% variance beyond direct effects, which is meaningful for moderation (Cohen, 1988). Simple slopes analysis shows that when AF is high (+1 SD above mean), the slope of YE on YCR is steeper (B=0.82) compared to when AF is low (-1 SD, B=0.35), indicating that entrepreneurship leads to greater crime reduction when finance is accessible. When finance is low, entrepreneurship effect weakens, potentially leading to frustration and strain (Merton, 1938; Agnew, 1992).

Table 5: Moderation Analysis–Access to Finance as Moderator

Model	R □	□ R □	F Change	Sig	Interpretation
1: YE, AF	0.984	0.984	15678	<0.001	Direct effects □
2: +YE*AF	0.995	0.011	89.4	<0.001	AF □moderates YE YCR, = 0.647

5. DISCUSSION
5.1 Discussion of Findings
The findings provide strong empirical support for integrated theoretical framework. H1 finding that YE positively relates to YCR (r=0.969) aligns with

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Strain Theory (Merton, 1938) and General Strain Theory (Agnew, 1992). Entrepreneurship provides legitimate means to achieve culturally approved economic success goals, reducing strain that otherwise leads to innovation including crime. This extends prior Ghanaian studies (Annan-Prah et al., 2023; Boateng and Asare, 2023; Padi and Musah, 2022) that found unemployment drives crime; our study shows reverse that entrepreneurship reduces crime. It also supports Social Disorganization Theory (Shaw and McKay, 1942): entrepreneurial engagement strengthens social bonds, informal social control and collective efficacy in densely populated, disorganized community like Ashaiman. The high mean for entrepreneurial aspiration suggests youth recognize entrepreneurship as viable alternative to crime.

H2 and H5 are the most novel contributions. Finding that AF is strongest predictor (Beta=0.621) and significant moderator (Beta=0.647) confirms Entrepreneurial Opportunity Theory (Shane and Venkataraman, 2000) which posits that entrepreneurship requires opportunity recognition and resource access. Access to finance is critical resource. This explains why government programmes focusing solely on entrepreneurship training (YEA, NEIP, Adwumawura) without commensurate finance have had limited crime reduction impact (Osae, 2024; Ibrahim, 2020). Beck and Demirguc-Kunt (2006) emphasized that finance is major barrier to SME growth in Africa; we extend this to social outcome of crime reduction. When finance is unavailable, youth with high entrepreneurial intention experience double strain: blocked formal employment and blocked entrepreneurial means (Merton, 1938), which may push them toward illegitimate innovation (crime). Our moderation result empirically demonstrates this: slope of YE on YCR is significantly steeper when finance high.

H3 that SEF positively relates to YCR (r=0.914) supports Social Disorganization Theory (Shaw and McKay, 1942) that family background, education and economic status shape both entrepreneurship opportunities and crime outcomes. The fact that 61.2% of entrepreneurial youth hold diplomas indicates vocational education is important pathway but gap in advanced education (only 19.4% bachelor's, 0.6% masters) limits growth-oriented entrepreneurship. Family financial situation mean 3.72 indicates intergenerational transmission of socio-economic status affects entrepreneurship ability.

The exceptionally high R Square 0.995 warrants discussion. While high, it is plausible in perception-based studies where dependent variable (crime reduction belief) is conceptually close to predictors (entrepreneurship, finance, socio-economic factors) and measured using same method (Likert). We mitigated concerns through VIF analysis (all <3.12) indicating no severe multicollinearity and Harman's single-factor test (38% <50%) indicating common method bias not severe. However, future studies should triangulate with objective crime data from Ghana Police Service (2024) and FOSDA (2024) to validate. The strength of correlations (0.914-0.969) may also reflect high consensus among Ashaiman youth that economic empowerment reduces crime, consistent with high mean scores on crime reduction items.

Comparison with emerging economy literature, Essel et al. (2026) found similar moderating role of access to finance on relationship between entrepreneurial resilience and business recovery in Ghana, with Beta around 0.60. Our finding Beta=0.647 for social outcome of crime reduction extends their work and demonstrates generalizability of finance as critical moderator in Ghanaian context. Our study aligns with AfDB (2024) and ILO (2024b) emphasis on finance as key to youth employment in Africa.

The operationalization of dependent variable as Youth Crime Reduction rather than crime incidence is a methodological strength. Measuring crime incidence through self-report suffers from severe underreporting due to fear of incrimination and low trust in police, especially in Africa (UNODC, 2024; WHO, 2024). Measuring perceived reduction in crime due to entrepreneurship is less sensitive, more willing to be reported, and directly relevant for prevention policy evaluation (WHO, 2024).

5.2 Implications

Theoretically, this study integrates three theories to explain crime reduction through economic empowerment in emerging economy context, extending entrepreneurship literature beyond economic outcomes (profit, growth) to social outcomes (crime reduction). It introduces YCR as alternative dependent variable for criminology-entrepreneurship nexus and demonstrates

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moderating role of finance, advancing Entrepreneurial Opportunity Theory (Shane and Venkataraman, 2000).

Practically, for Government of Ghana, NEIP, YEA, GEA, Adwumawura and BizBox Project, the findings indicate that entrepreneurship training without finance is insufficient and may increase strain. Policy should bundle training with microcredit vouchers, collateral-free loans and grants, particularly targeting 26-30 age cohort (42.1% of sample) who are most entrepreneurially active. Loan application process should be simplified as mean 3.87 suggests moderate complexity. For Ashaiman Municipal Assembly, creation of youth finance desk, partnership with microfinance institutions and NGOs to provide family-based entrepreneurship support is recommended. For financial institutions, design of youth-friendly products with low collateral, flexible repayment and integrated financial literacy training is critical (Beck and Demirguc-Kunt, 2006; AfDB, 2024). For community and educational institutions, entrepreneurship education should be introduced in secondary schools (18.8% of sample have only secondary education) to build early skills and self-efficacy.

6. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

6.1 Conclusion

In conclusion, this study provides robust evidence from Ashaiman Municipality, Ghana, that youth entrepreneurship significantly enhances youth crime reduction, but its effect is contingent on access to finance. Socio-economic factors condition this relationship. The combined model of youth entrepreneurship, access to finance and socio-economic factors explains 99.5% of variance in youth crime reduction, with access to finance emerging as the strongest predictor and critical moderator that amplifies the crime-reduction effect of entrepreneurship. The study operationalizes dependent variable as Youth Crime Reduction, providing methodologically sound approach for prevention-focused research.

6.2 Limitations

First, cross-sectional design limits causal inference; correlation does not imply causation (Creswell, 2014). Second, self-reported perceptions of crime reduction, not objective crime records from Ghana Police Service (2024), may be subject to social desirability bias. Third, study is geographically limited to Ashaiman Municipality, limiting generalizability to rural Ghana or other urban contexts. Fourth, common method bias risk due to single source and same measurement method, although VIF and Harman's test suggest not severe. Fifth, sample skewed male (57.9%) and diploma holders (61.2%), limiting gender and education diversity. Sixth, high R Square suggests potential overfitting, although adjusted R Square same.

6.3 Future Research

Future research should adopt longitudinal design to establish causality, triangulate self-reported YCR with objective police crime statistics (Ghana Police Service, 2024; FOSDA, 2024), compare rural versus urban Ghana, include gender as moderator given 57.9% male sample indicates need for female entrepreneurship research, use mixed-methods to explore lived experiences of youth entrepreneurs, examine role of digital entrepreneurship and cybercrime, and test mediating role of substance abuse particularly tramadol (Alhassan, 2022; Lasong et al., 2024; Osei-Tutu et al., 2024) in entrepreneurship-crime reduction nexus. Future studies should also test model in other municipalities and countries to validate YCR operationalization.

6.4 Areas for Further Research

Further research should investigate: (1) Impact of digital entrepreneurship on youth crime reduction in Ghana, (2) Role of social capital and networks in moderating finance-entrepreneurship link, (3) Effectiveness of specific government programmes (YEA, NEIP, Adwumawura, BizBox) on crime reduction using experimental design, (4) Gender differences in entrepreneurship and crime reduction, (5) Long-term impact of entrepreneurship on recidivism among youth ex-offenders.

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CONFLICT OF INTEREST

The authors have no conflict of interest to declare.

DATA AVAILABILITY

The dataset upon which this study results were generated are readily available for access upon reasonable request.

ETHICAL APPROVAL

Ethical Approval obtained from Cavendish University Uganda Research Ethics Committee. Informed consent obtained from all 340 participants aged 15-35. No minors under 15 included.

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