

Ghana: *Building Consensus for Cooperative Law Reform*

By National Cooperative Business Association's Cooperative League of the USA (CLUSA) International Program

Project Summary

In 2004, the Cooperative League of the USA (CLUSA) designed the Ghana Cooperative Law Reform Project to build consensus for a law to replace the Cooperative Societies Decree of 1968. CLUSA's approach used a strategic planning process to mobilize stakeholders, analyze the legal and regulatory environments in which cooperatives operate, identify options to change existing laws and regulations, and develop and implement an advocacy plan.

The Need for Change

Ghana is widely recognized as a stable democracy in an unstable region. Agriculture accounts for 35 percent of the gross domestic product and employs 60 percent of the work force. Under the current administration, government policy recognizes the importance of cooperatives as a means to involve farmers, consumers, and small businesses in the national economy. However, by 2003, fewer than 1,000 of the 10,000 registered cooperatives were active.

Ghana's cooperative movement began in the 1920s when the colonial government organized producers' groups to improve the quality of cocoa for export. In 1929, the colonial government created the post of Registrar of Cooperative Societies within the Department of Agriculture to give cooperatives statutory recognition. Following the cooperative model in other British colonies in Africa and Asia, subsequent legislation in 1931, 1937, and 1968 expanded the powers of the registrar.

The Cooperatives Societies Decree of 1968 gave the registrar of cooperatives substantial powers that impeded cooperative autonomy and development. Section 53 of the decree empowered the registrar to dissolve the board of directors of a registered cooperative and appoint a caretaker to govern the business. Section 28 mandated that no distribution of surplus be effected unless the registrar approved the scheme. Section 46 gave the registrar power to countersign before any payment of checks issued by a cooperative and to disallow an expenditure not considered justifiable. The Department of Cooperatives used its broad powers to interfere in the business affairs of individual cooperatives. The Department was also inefficient in the execution of statutory duties; a mandatory six-month probationary period before a cooperative could become a legal entity often stretched into two or more years.

Reform Process

In an effort to revitalize the cooperative movement, in 2001 the Department of Cooperatives drafted a new cooperatives bill (Bill 2001) to replace the 1968 Cooperative Societies Decree. Bill 2001 would have supported the autonomy



and independence of cooperatives, substantially reducing the powers of the registrar to intervene in cooperative decision-making. By the end of 2004, however, Bill 2001 had not been enacted.

The Ghana Cooperatives Council (GCC) approached CLUSA to develop a plan to advocate for the adoption of Bill 2001. Because cooperatives had not been consulted when Bill 2001 was drafted, CLUSA developed an inclusive, participatory process to conduct a thorough review of the bill and proposed changes.

With funding from USAID's Cooperative Development Program, and the assistance of a United States cooperative specialist, CLUSA helped the Ghana Cooperative Council organize four two-day regional cooperative law reform workshops. Ninety cooperative representatives from all organizational levels, from farm-

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er-members to senior management and board members, met with staff from the GCC and the Ghanaian Department of Cooperatives.

In preparation for the workshops, a workbook was designed which contained background information on the Decree and Bill 2001. On the first day of the regional workshops, facilitators organized small groups with a broad geographic and cooperative sector mix. The groups then conducted a paragraph-by-paragraph review of Bill 2001. On the second day of the workshop, each groups' recom-



mendations were presented and documented. A three-day National Cooperative Law Reform Workshop took place six weeks after the regional workshops. Participants included national cooperative leaders and two Ghanaian attorneys knowledgeable about cooperative law. A national workbook was designed which incorporated recommendations from the regional workshops and the case study of a major grassroots cooperative victory in the United States. After spending two days reviewing the workbook, the national workshop participants spent a day developing an advocacy plan to promote the passage of a revised bill (Cooperatives Bill 2004).

Outcome

During the workshops, the close inspection of Bill 2001 and subsequent discussions fueled participants' passion for change. Virtually all participants in the regional workshops agreed on the same basic problems and solutions. As a result of these workshops, GCC created an Advocacy Committee and five sub-committees focused on fundraising, media, education, lobbying, and coalition building. By the end of 2004, the committees had developed materials for the media, cooperative members, and the

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public to generate support for Cooperatives Bill 2004. The bill has been submitted to the government and will soon be considered by the Cabinet and Parliament.

Lessons Learned

The future success of Ghana's cooperatives depends on the members' ability to advocate legal reform on their own behalf. Ghana's cooperative law reform project is a work in progress, evolving in changing political and economic environments.

To remain effective, the cooperative law re-



form process should begin with cooperative members who understand how successful cooperative businesses operate and why a supportive legal and regulatory environment enables businesses to function well. Because

these cooperative members may doubt their ability to affect national policy, the challenge

is to identify leaders who can build consensus among cooperatives and inspire members to organize and advocate for change.

Another lesson learned throughout the process is that planning is essential. A cooperative legal specialist should have been consulted earlier, during the preparation phase of the workshops, to ensure that critical information on legal provisions was included in the regional and national workbooks. Workshop materials should be presented several days in advance of the workshop to ensure that participants have time to review them and generate informed questions and understandings beforehand.

Finally, CLUSA's experience in Ghana demonstrates the importance for implementing organizations to conduct periodic monitoring and to remain actively involved in the advocacy process. CLUSA is currently adapting this approach and methodology to implement similar initiatives in Angola, Mozambique, and Nicaragua. ■

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