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**The Role of Civil Society in the Promotion of
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- A community level empirical study
in the Western Region of Ghana

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**The Role of Civil Society in the Promotion of Small and Medium
Scale Entrepreneurial Development**

**-A community level empirical study in the Western Region
of Ghana**

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zur
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der
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aus
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DEDICATION

This work is dedicated to my mother, Victoria, and to my treasure, Annemarie.

ABSTRACT

Approaches towards supporting economic growth particularly within the West African sub region have experienced structural setbacks common to most developing economies. Within growing economies such as Ghana, the development of civic groupings have been recognized as playing a vital role in linking small enterprises to national level economic activity, thereby strengthening the economic resource base. However, the paucity in civic organization at the rural level has resulted in an unequal distribution for rural economies. Recent statistics still record minimal research on social networks at the local level, with local economic development initiatives often remaining unsustainable due to poor rural – urban interrelation as well missing appropriate linkages in rural areas. The study argues that the strengthening of local economic networks support bottom up approaches to better integrate communal development with the national periphery, calling for the identification and research into indigenous structures with the potential to support extra communal economic engagements.

Social capital being defined by networks and norms, as an asset in organizational processes, the objective of the study lay in identifying these tenets at the micro level as well as delving into economic opportunities and linkages possible beyond the communal periphery through strengthened local economic groupings. Towards this end, 180 guided interviews were conducted in the study area of Akutuase, with selected occupational groupings which included cocoa farmers and traders, as well as fruit and vegetable farmers and traders. These were complemented with expert interviews and focus group discussions with key personalities within the target group as well as local government bodies within the traditional area, business associations and entrepreneurial umbrella associations within the district.

Study results showed that local communal organisation is primarily weak, and network structures need to be strengthened to effect significant civic organization towards enhancing rural enterprise. Additionally, that there exists indigenous structures upon which local economic groupings could build and strengthen based on indigenous roles, norms and practices in building a stronger knowledge base and more structured network form geared towards external communal development. With expert interviews projecting less than one-third of local entrepreneurs organized towards external engagements, the injection of roles, rules and procedures was identified as being of crucial importance in the group structuring process. With less than 8% percent of cocoa farmers having had any form of skills training in the last 5 years, as well as only 20% of cocoa farmers being the highest figure for local entrepreneurs externally oriented, results further indicate the dire need for deepened education and training.

From the research viewpoint, there is the urgent need for local government authority to support training particularly in credit sourcing and advocacy for rural economic groups in assisting them identify and appropriately address challenges faced in enterprise activities. Business Advisory Centres and district based economic groups bear the responsibility of supporting rural groups in farming techniques, market access and credit sourcing focusing on the indigenous setting to maximize the usefulness of such training. Individual local entrepreneurs bear the larger responsibility of engineering more structured self organization within group structures based on operational indigenous structures.

KURZFASSUNG

Um das Wirtschaftswachstum in den Entwicklungsländern zu stärken, wurden eine Vielzahl von Ansätzen diskutiert, die insbesondere in den westafrikanischen Ländern gescheitert sind. Um wachsende Volkswirtschaften – wie z. B. Ghana – nachhaltig zu fördern, ist es notwendig, lokale Netzwerke zu stärken und miteinander zu verknüpfen, um national agierende Gemeinschaften aufzubauen.

Da es insbesondere im ländlichen Raum an dieser Vernetzung mangelt, entwickeln sich diese ohnehin schwächeren Regionen langsamer als die urbanen benachbarten Gegenden. Aus diesem Grund ist es wichtig, soziale Netzwerke in ländlichen Gebieten zu erforschen und darauf aufbauend Handlungsempfehlungen für erfolgreiche Stadt-Land-Wechselbeziehungen aufzuzeigen.

Ziel der vorliegenden Studie ist es, Faktoren zu identifizieren, die auf der Mikro-Ebene einen positiven Einfluss auf die Bildung und Verknüpfung von Netzwerken haben. Des Weiteren sollen durch die Erforschung lokaler Strukturen Maßnahmen aufgezeigt werden, inwieweit die Stärkung des Sozialkapitals Gegenden der Peripherie zu nachhaltigem Wachstum führen kann.

Hierzu wurden 180 leitfadengestützte Interviews in der Akutuase Region durchgeführt, wobei verschiedene Schwerpunkte gelegt wurden: auf der einen Seite wurden durch Interviews die Situation von Kakao-Bauern und deren Händlern untersucht. Auf der anderen Seite befasst sich die vorliegende Studie mit der Situation der Obst- und Gemüsebauern und den ihnen verbundenen Händlern. Es wurden ferner Experteninterviews und Focus-Group-Discussions durchgeführt. Hierzu wurden wichtige Persönlichkeiten der genannten Gruppen, Vertreter lokaler Behörden und der Wirtschaftsverbände in der Untersuchungsregion befragt.

Ergebnisse dieser Untersuchung haben ergeben, dass

- die Organisation der Netzwerke auf lokaler Ebene mangelhaft ist.
- die Verbesserung dieser Organisation der wirtschaftlichen Situation der ländlichen Unternehmen führen würde.
- die Berücksichtigung indigener Werte und Normen notwendig ist, um das Wirtschaftswachstum nachhaltig durch Netzwerke zu stärken.

- eine strikte Strukturierung (Rollen, Regeln und Verfahren) von elementarer Bedeutung für ein erfolgreiches Netzwerk ist.
- Bildung und Ausbildung weitere Merkmale einer erfolgreichen Vermarktung über Netzwerke sind.

Daraus aufbauend lassen sich die folgenden Handlungsempfehlungen ableiten:

Die Aus- und Weiterbildung im ländlichen Raum muss vertieft werden, insbesondere bei Finanzierungs- und Rechtsfragen. Behörden der Wirtschaftsförderung sind für die genannten Ausbildungen verantwortlich. Darüber hinaus müssen sie Wissen über Anbaumethoden und Marktzugang vermitteln. Die lokalen Unternehmer müssen aufbauend auf den indigenen Strukturen ihre Netzwerke durch festgelegte Prozessabläufe festigen.

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My Gratitude goes to God for granting me health and strength to complete the task.

Bonn, September 16th 2013

Sophia Akushie Wittmann

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