



PERSPECTIVES ON THE PERFORMANCE OF FARMER COOPERATIVES IN NORTHERN GHANA



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INTRODUCTION

- Cooperatives have played a substantial role in national economies (GDP, employment) in Europe, Asia and Africa
- Contribution by cooperatives in Ghana is much less noticeable despite the history of cooperatives since 1928
- Aimed to examine relations between success and activities of farmer cooperatives and identify policy measures

METHODS

MODEL 1: To derive success indicators of farmer cooperatives

- Profile analysis using perception of 562 coop members
- Clusters: Success, Neutral, Failure
- Dependent variables: revenue, net surplus, asset, dues (periodic membership fee), member satisfaction, membership size, community service, and longevity (years of existence)

MODEL 2: To identify success determinants

- An ordered Probit model using data from 281 coops
- Measurement of dependent variables (y): 0 for decrease in variables of Model 1 from 2016 to 2020; 1 for no change; 2 for increase
- Independent variables (x): No. of meeting, No. of training, paid staff, joint sale/buying, joint commodity, contribution to community, No. of extension service, project beneficiary, and gender composition

RESULTS

MODEL 1

- The Model 1 showed a high significance with Wilks lambda (0.4613) and equivalent F statistic 32.594
- Namely Success, Neutral, Failure clusters are significantly different over 8 dependent variables, the success indicators

MODEL 2

- All the success indicators except longevity were explained with significance (Figure 1)
- Investment decisions on assets are promoted by preconditional commitments such as training, hiring professional staff, joint transaction and external support
- Gender equality contributes not only to economic viability of farmer cooperatives but to community welfare
- Joint transaction increases member satisfaction
- Longevity: Farmer cooperatives of Ghana could not accumulate expertise over time; young viable cooperatives should attest to the cooperative lifecycle theory after some years



Figure 1: Marginal effects (%) at y=2 (Cooperatives categorized Success)

CONCLUSION

- Stakeholders of cooperative development in Ghana are recommended to channel specific inputs to improve the identified success indicators
- Government of Ghana (GOG): revise Coop Act, reissue Coop Policy Document including gender sensitivity create M&E mechanism, collaborate with dev partners
- Development partners: identify projects with GOG, suggest coop performance framework
- Coop leaders & members: conduct trainings, explore trade fairs, engage in national coop campaigns



Cooperative leaders have completed training on raising group dynamics



A cooperative donates COVID-19 relief items to a community school

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