

## **BUILDING THE CAPACITY OF INDIGENOUS SHEANUT PRODUCERS IN THE NORTHERN REGION OF GHANA: THE ROLE OF THE DISTRICT ASSEMBLY**

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### **ABSTRACT**

*This paper utilizes household level data to ascertain the capacity-building role of District Assemblies (DAs) in the Northern Region of Ghana with emphasis on indigenous sheanut producers. One hundred and three (103) respondents were interviewed in three Districts of the Northern Region of Ghana during the 2001/2002 farming season. The study reveals that women constitute the primary producers and sellers of sheanut products in the Region. Poor access to finance (credit) is the most severe constraint in the sheanut business environment, followed by problems of transportation, marketing and bureaucracy. Although the DAs are aware of the export potentials of sheanuts they have not initiated any collaboration with the business community especially, the sheanut producer groups in the rural areas. The findings suggest that the scope and emphasis of training programmes do not target sheanut producers. We recommend that DAs collaborate with the National Board for Small Scale Industries (NBSSI) to provide farmers and producers with technical, fund raising and business planning and management skills. All sectors of the local economy should be part of the DAs capacity building strategy including local citizens and the private sector. Finally, DAs capacity building programmes should target three levels: First is at the individual level which should focus on developing individual knowledge and skills; Secondly, is at the group level which concerns promoting social capital and networks to foster communication and collective action and, finally, at the institutional level which involves strengthening institutions to function effectively and efficiently.*

**Key words:** Capacity-building, social capital, enterprise, sheanut, markets,

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## **1.0 INTRODUCTION**

Over the past four decades, central governments of many developing countries have transferred powers and functions to local government bodies in order to ensure rapid socio-economic development, especially, in the rural areas. Experience in Ghana suggests that, District Assemblies (DAs) are the local government bodies responsible for guiding community members in the formulation and implementation of development policies. Generally, capacities at the local level in terms of business skills, knowledge, attitudes and even institutions are relatively weak. As such, DAs are deeply involved in creating an enabling environment and stimulating business activities.

Notwithstanding these challenges, DAs can only influence development if they maintain high quality and efficient actors as decision-makers and technocrats at the local level. This implies that DAs need to have actors who possess skills and confidence necessary for them to perform effectively. Of course, the recruitment, placement and training of the bureaucratic functionaries of the DAs have remained the responsibility of the central government over the years. However, the human resource capacity of the DAs does not constitute only the public sector bureaucrats and technocrats but also assembly members and unit committee members who render invaluable services and active participation in the local development process. Besides, local capacity resources must not be limited to academic style skills and knowledge acquisition or training programmes but should facilitate participatory learning processes, which can stimulate local people to take an action (Daily Graphic, July 14, 2000).

The sheanut industry in Ghana is based on an extensive population of wild trees whose nuts are picked and processed for marketing. Both sheanuts and sheabutter are products from the industry sold in the domestic and foreign markets. Apart from its use at the local



level as a food ingredient, sheabutter is a major substitute for cocoa butter in the cosmetics, soap, chocolate and confectionery industries. Available data indicate that about 150,000 tons of sheanuts and sheabutter are exported annually to the United Kingdom and other industrialised countries like Denmark, Sweden and Japan (Yidana, 1994).

The sheanut industry provides a most challenging environment for entrepreneurial activities in the Northern Region. Growing conditions for sheatrees prove ideal and its products are most valuable and worth millions of cedis in both the domestic and foreign markets. Although there are plenty sheanuts available, the world demand for it is far from being met. This is so because the sheanut tree is highly under exploited. In Ghana, it has been estimated that there are about 9.4 million sheanut trees with a potential harvest of 100,000 tons per annum. At current prices of \$990 per ton, this amounts to an income of \$99 million. Unfortunately, the actual quantity utilised is probably as low as 4,000 and 8,000 tons per annum (Abbiw, 1990).

Women dominate the sheanut industry in the Region. The women, however, lose the real value of their produce to major brokers who buy from them at cheap prices and either sells to the Ghana Cocoa Board (COCOABOARD) or export traders. More especially, northern Ghana's principal products are largely undervalued and under priced in the national market (Songsore, 1992). Sheanut products are traded in countries such as France, Denmark, United Kingdom, United States of America, and Japan.

The level of awareness and understanding of entrepreneurship as a mover of the Ghanaian economy is still very low. Indigenous sheanut producers in rural communities in the Northern Region are significantly less likely to expand their economic activities into wholesale and export trade. This might be because of lack of entrepreneurial capacities such as knowledge and skills, institutional sup-

port, capital requirements, technical support, prospective market, transportation, information and networks. Building capacities to participate effectively in trade involves building trade skills and the ability to access financial and technical support (Hopkins, 1994; Kaplan, 1996; Fukudar-Parr, 1996; Eade, 1997; Boachei-Danquah, 2000). While intermediary dealers readily exploit administrative and institutional support to engage in wholesale and export trade in sheanuts, the indigenous women in the rural areas account for the primary production and retail trade in the local markets. However, it is believed that the rural women have an advantage in sheanut business because of their traditional experience in its production but surprisingly it is the lack of entrepreneurial capacities, which constitute a barrier to their success.

In examining the prospects for developing entrepreneurial capacities in the sheanut industry, we need to seek answers to the following critical questions: What are the basic constraints, which limit indigenous sheanut producers from expanding into wholesale or export business? What sort of capacities is needed by the indigenous sheanut producers to participate in the market beyond the domestic demand? In which way do the DAs contribute to improving the entrepreneurial skills of indigenous sheanut producers?

The objective of the paper is to ascertain the kind of training programmes the DAs organize to build the capacities of indigenous sheanut producers and how the capacity-building role of the DAs has stimulated local entrepreneurial activities in the sheanut industry. Another objective is to investigate the problems that militate against the growth and development of the sheanut industry.

## **2.0 METHODOLOGY**

### **2.1 DATA**

Both primary and secondary sources of data were used for the study. The primary data collection consisted of in-depth interview



and discussions with a sample of sheanut dealers and officials of the Ministry of Food and Agriculture (MOFA), Ghana CO-BOARD, Ministry of Local Government and Rural Development (MLG & RD), DAs and the National Board for Small Scale Industries (NBSSI). Data were gathered on socio-economic characteristics of indigenous sheanut producers, the capacity development strategies of the DAs and business support services offered by the assembly to indigenous sheanut producers. Other areas are sources of capital, capacity needs and experience with producing and marketing sheanuts and problems associated with sheanut farming. Secondary data were obtained from the reports, minutes and publications of the DAs, MOFA, COCOBOD, MLG & RD and the Business Advisory Centre (BAC) of the NBSSI. Secondary data source also involved an intensive review of literature.

## **2.2 SAMPLE SELECTION**

Data were obtained from indigenous sheanut producers, Assembly members and the DA officials drawn from Tamale Metropolitan Assembly, Tolon-Kumbungu District and Savelugu-Nanton District. The field survey was conducted in six (6) communities in the Tamale Municipality, the Savelugu Nanton District and the Tolon Kumbungu District. These communities were chosen because of the prevalence of economic activities in sheanuts among the indigenous people. Overall, 103 respondents were interviewed: 64 from the community level, 12 officials of the DAs, 9 assembly members and 18 sheanut brokers. Specifically, 42 indigenous sheanut producers, (women), 22 rural farmers (men), 18 intermediaries, 9 assembly members and 12 DA officials were interviewed. A simple random sampling technique was used to select the indigenous sheanut producers. Thus, the basic unit of enquiring at the community level was the household unit. In each household, one woman engaged in sheanut production was interviewed. The sample involved a random selection of 18 intermediaries in both the Tamale and Savelugu markets. Sheanut cooperative groups in these markets were con-

sulted to help select these people. The other set of questionnaire involved interview with the District Chief Executive (DCE), the District Coordinating Director (DCD), the Presiding Member (PM) and the District Planning Officer (DPO) as well as three assemblypersons from each of the three DAs. The assemblypersons included those of the six selected communities and three others serving on the Executive Committees of the DAs (one from each Executive Committee).

### **2.3 DATA ANALYSIS**

The data analysis involved the use of two main approaches. The first approach involved the use of a mechanical and an interpretative analysis of the qualitative data. Data were physically organized into meaningful segments based on the subjects covered during the in-depth interviews and focus group discussions. The major issues of concern were subjected to interpretative and comparative analysis. The second approach entailed determining frequencies and other simple descriptive statistics such as means for selected variables. The data were first summarized, categorized and arranged for normal distribution patterns. The analysis was done by using frequency distribution tables. A t-test to ascertain significant differences in the means of comparable variables derived from the different sample groups was conducted. This approach enable us to establish the correlation between the attitude of a category of sheanut business dealers towards expansion or start-up trade and the capacity needs likely to stimulate it.

## **3 0 RESULTS**

### **3.1 SOCIO-DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS**

The mean age of the respondents is 39 years. The sample constituted a working age population who had high-level opinions about economic productivity. As shown in Table 1 about 31 percent of



the 31-40 age groups are actively engaged in sheanut production. Whereas all producers in the sample (41%) were rural women, all intermediaries (17%) except two, were male brokers in the urban markets. This seems to lend support to Fold and Reenberg's (1999) finding in Burkina Faso that women are more engaged in petty trading of sheanuts around local markets whereas male merchants and intermediaries control the wholesale and export sector. Thus, the women are only related to the world market through sales to intermediaries and entrepreneurs linked up with customers. The data also indicate that sheanut processing is predominantly the business of most rural women. This is reflected in the Tolon-Kumbungu District in particular where 52% of the respondents are women sheanut processors.

Sixty-six percent of the sample population had no formal education. On the average, those who had no formal education were mostly the sheanut producers, farmers and the intermediaries. However, about three intermediaries had either completed a secondary school or dropped out at elementary school. Respondents who possessed a degree or higher degree seem to come mostly from the administrative class in the district administration. The figures in Table 1 further show that the proportion of married respondents was relatively high across districts.

**Table 1: Socio-Demographic characteristics of respondents N= 102  
(In percentage)**

Characteristic	Tamale Metropolis N=35	Savelugu Nanton N=38	Tolon- Kumbungu N=29	Total N=102
Age				
20 Years and below	2.8	5.3	7.0	4.9
21 –30 years	5.7	15.8	27.6	15.7
31 – 40 years	34.3	34.2	31.0	33.3
41 - 50 years	28.6	36.8	17.2	28.4
51 – 60 years	28.6	5.3	17.2	16.7
61 years and above	-	2.6	-	1.0
<b>Mean Age</b>	<b>43</b>	<b>48</b>	<b>37</b>	<b>39</b>
Sex				
Male	57.2	60.5	48.3	55.9
Female	42.8	39.5	51.7	44.1
Education				
Degree/Higher Degree	11.4	5.3	7.0	7.8
Diploma	-	-	3.4	1.0
Professional Officer	5.7	7.9	10.3	7.8
Secondary/SSS	11.4	5.3	-	5.9
Middle School/JSS	-	2.6	7.0	3.0
Drop out	5.7	7.9	13.7	8.8
No Education	65.8	71.0	58.6	65.7
Marital Status				
Single	22.9	13.2	7.0	14.7
Married	54.3	68.4	62.0	61.8
Divorced	5.7	-	-	2.0
Widowed	17.1	18.4	31.0	21.5
Occupation				
Sheanut production	34.3	39.5	51.7	41.3
Farming	17.1	21.0	27.6	21.5
Private Business	28.6	23.7	-	18.6
<b>Public Service</b>	<b>20.0</b>	<b>15.8</b>	<b>20.7</b>	

Source: Calculated from field data.



### **3.2 PROBLEMS AFFECTING THE SHEANUT INDUSTRY**

The results show that local entrepreneurs are constrained to the extent that whether producers or exporters, efforts towards expansion or start-ups have not yielded positive results in sheanut business. Respondents identified bureaucratic processes, availability of credit, marketing, transportation, political environment, access to information and access to raw material inputs as the main constraints of expansion in sheanut trade. However, the relative severity of these constraints varied among individual respondents. Respondents were asked to rank each constraint on a scale of 1 to 5 according to the degree of severity. For the purpose of this analysis, the scores are, however, normalized along a scale of zero (least severe) to one (more severe) and the scores for each constraint averaged across the sampled respondents of each of the three districts treated in the survey. This provided estimates of the severity of the constraints in relation to sheanut business growth for a given district. The data in Table 2 provide information on the respondent's perception of the severity of each constraint on expansion and start-up in sheanut business.

Table 2: Respondents perceptions on constraints identified on expansion in Sheanut business (Average normalized scores)

Constraints	Tamale Metropolis N=35	Savelugu-Naton N=38	Tolon-Kumbungu N=29
Access to credit	0.73	0.76	0.79
Transportation	0.67	0.71	0.74
Marketing	0.56	0.68	0.72
Access to information	0.33	0.63	0.66
Political environment	0.64	0.46	0.43
Bureaucratic Processes	0.59	0.37	0.34
Raw material inputs	0.41	0.34	0.31

Source: Calculated from Survey Data.

Figures in Table 2 show that lack of credit is the most severe constraint on expansion or start-up in sheanut trade accounting for a score of 0.73 in Tamale Metropolis, 0.76 in Savelugu-Nanton District and 0.79 in the Tolon-Kumbungu District. Respondents complained about the difficulties involved in borrowing from financial institutions that demand collaterals. Yet, informal credit sources according to them did not provide adequate finance for a start-up and the prospective entrepreneur is always left with a problem of finding the remaining. Thus, as a young growing enterprise you are again faced with post start-up financial constraints. In this regard most indigenous sheanut producers in particular relied on their own meagre savings to do trade.

Another constraint is transportation. The scores are 0.67, 0.71 and 0.74 respectively for Tamale Metropolis, Savelugu-Nanton District and Tolon-Kumbungu District. Poor roads, inadequate transportation services for goods and passengers and high transportation costs were cited by more than 70% of the respondents from the sample in the Savelugu-Nanton and Tolon-Kumbungu districts. This concern also reflected in an in-depth interview with a women's group leader in Yemo in the Savelugu-Nanton District when she said:

*"The most important obstacle to our trade is road transportation. Every week we have to gather our products for a tractor to come and pick us on market days to the Savelugu market. It is the only tractor, which comes here on market days, once every week. As for the cost you can imagine how high it will be. Those who can carry their goods set off early in the morning and walk so that they can catch market".*

The results suggest that the poor transportation system does affect the link between trade patterns and growth performance. In the rural communities in particular, inadequate transportation has impeded the flow of goods and made it ineffective for indigenous sheanut producers to participate in trade on regular basis. Hence the difference in the severity of transportation as a constraint on expan-



sion as expressed between respondents in the Tamale Metropolis area and the two rural districts should be expected (Table 2). This finding is consistent with reports about the deplorable situation of trunk road network in the whole country. Largely the poor conditions of both trunk road and feeder road networks have affected investment because of high costs involved. It is therefore not surprising that a sensitivity analysis of Ghana's infrastructure development indicates that to foster a level of economic growth beyond present performance requires stepping-up the restoration of trunk road capacity in the country (World Bank, 1993).

Marketing constraint was identified as a strong obstacle to expansion or start-up growth in sheanuts. This is illustrated by the fact that a substantial part of the sheanut trade is limited to local markets where differential prices are offered. This has become highly relevant for entrepreneurs to question how this will affect business beyond the local level. In the Tamale Metropolis, marketing was scored 0.56 as an obstacle to expansion, whereas in the Savelugu-Nanton and Tolon-Kumbungu districts it was considered most severe and scored 0.68 and 0.72 respectively (Table 2).

Information, political and bureaucratic constraints are other significant obstacles to sheanut business expansion. An information flow for instance reduces investment uncertainties for entrepreneurs and improves the functioning of markets. Sheanut producers access to information on sheanut export activities are difficult to obtain in all three districts. This means that any prospective entrepreneur cannot make an informed judgement about investment or business opportunities. On the other hand, government is not able to respond to changing situations or identify growth constraints. Access to information was not easy and for that matter it was seen as a strong obstacle on expansion. In the Savelugu-Nanton and Tolon-Kumbungu districts in particular it was scored 0.63 and 0.66 respectively. Apart from the economic activities in the local markets, respondents stated that they did not know much about export events and by implication this was affecting business development.

Unlike respondents in the Savelugu-Nanton and Tolon-Kumbungu districts, respondents in the Tamale Metropolis indicated that the political environment and bureaucratic processes are barriers to expansion or start-up growth in the sheanut industry. Scores for the two constraints were least severe for the two districts but was considered most severe in the Tamale Metropolis. The overwhelming majority of the respondents (about 83%) indicated that absence of appropriate regulations hindered participation in competitive trade in sheanuts. Merely removing restrictions on entry into export trade was not sufficient for expansion and start-up activities. The understanding of sheanut producers is that the political environment has not given a definite market definition to sheanut business. Gaining access to external market for instance involved following cumbersome regulatory procedures as implemented by the CO-COABOARD, which respondents believed has high probability of failure for a new sheanut venture.

Having access to adequate supply of raw material inputs is also seen as a key success factor on business expansion. In sheanut business, access to sheanut trees, a basic natural resource, primarily determines the supply of kennels. Although the trees are unevenly distributed, the survey revealed that they are abundant in the three districts with Tamale Metropolis having a lesser population of trees due to the effects of urbanization and industrial activities. Respondents indicated that the main raw materials (sheanuts) are not difficult to come by except during bad seasons when access to the fruit is not easy. However, 18 respondents (17.6%) of the sample noted that the general trend of the availability of sheanuts vary within the year from place to place. The survey also observed that trends in the availability of sheanuts followed the period of the year in which supply increases substantially during harvest peaks (around October) and gradually after November. While all respondents reported that access to raw material inputs especially sheanuts was easier to obtain (an average score of 0.35), about 49% of the sample in the Tamale Metropolis considered it a severe constraint during bad seasons when fruits are scarce.



Table3: Capacity-building programmes organised in the various Districts (Mean scores with Standard Deviation in parentheses)

Programme	Tamale Metropolis N = 7	Savelugu Nanton N = 7	Tolon Kumbungu N = 6
Leadership & Good governance	1.4 (0.58)	1.4 (0.8)	13 (0.56)
Welfare & Environment	1.6 (0.54)	1.6 (0.37)	1.3 (0.56)
Logistics Support	1.4 (0.58)	1.7 (0.71)	1.8 (0.75)
Skills Development Planning	1.7 (0.71)	1.8 (0.92)	2.0 (0.84)
Information Transfer	1.9 (0.54)	2.3 (1.14)	2.3 (0.95)
Budgeting Financial Management	2.1 (0.77)	2.4 (0.58)	2.7 (0.10)
Enterprise Support	2.7 (0.56)	2.6 (0.37)	2.5 (0.50)

Source: Calculated from Survey Data

Note: Means of each District Assembly are calculated from ratings on a 3-point scale ranging from 1-3.

The most important or more frequently treated programme =1 and the least important or less frequently treated programme =3.

### 3.4 APPROACHES TO CAPACITY BUILDING

Following the above problems and constraints to sheanut and sheabutter production, respondents identified key areas as their capacity building needs. The most important capacity need is prospective market followed by access to credit. The rest are technical support and transportation. In evaluating the capacity building strategies of the district assemblies and to find out areas of attention, respondents were asked to give an assessment showing the impact training programmes have had on economic growth especially sheanut production. Respondents were asked to rate each programme on a 3-point

scale ranging from 1-3 with the most frequently organised training programme rated 1 and the least organised programme rated 3.

An examination of the means calculated from the ratings of respondents revealed that in designing capacity interventions, the provision made for training in leadership and good governance is higher. In all cases, survey data indicated that it was necessary to first sensitize participants on their rights and obligations to enable them work effectively. Thus, the role of training in building leadership capacities cannot be disputed and this is reflected in the mean score assigned to this variable (where the mean of the means is 1.4). All the three assemblies indicated that training in leadership and good governance were the programmes most frequently organized (see Table 3). Probably, this can be explained from the fact that district assemblies are responsible for the promotion of good governance at the local level and should therefore ensure that citizens gain a deeper understanding of the structures and functions of the assemblies.

Among the key themes, district assemblies also treat frequently in their capacity training programmes concern welfare and environmental issues. Using the means of the weighted ratings for the three assemblies, the Tolon-Kumbungu and Savelugu-Nanton District Assemblies in particular demonstrated a higher degree of attention paid to training programmes in the case of environmental management (with a mean score of 1.6 each). On the contrary, the Tamale Metropolis Assembly gave a modest attention to welfare and environmental management in its training programmes (mean score of 1.9). However, it must be pointed out that the Tolon-Kumbungu District was a pilot area for the Capacity-21 Programme (an environmental protection initiative formulated by the UN in Rio de Janeiro) which might have accounted for the several training programmes the Assembly had undertaken in environmental management. An equally significant attention was given to logistics support in all the assemblies (mean of 1.6) with the Tamale Metropolitan Assembly giving more prominence to it (mean of 1.4). This sup-



port, however, has taken the form of filling offices with computers and its accessories. On the average, the results indicate that some significant attention is being paid to skills development and development planning (mean of 1.8) and information transfer (mean of 2.2) in the training programmes of the assemblies. Strengthening has however, been directed specifically at officials of the district administration without much attention being paid to the wider district on which the Assembly relies for its effectiveness. What this means is that, resources become concentrated in one sector whilst other support departments fail to deliver.

Despite the overwhelming shortfalls in budgeting and financial management at the district level, our data showed that less attention was paid by the assemblies in organizing training programmes in this area. The mean of means calculated from the ratings assigned to this variable is 2.4 indicating that it was less frequently treated in their training programmes. Aryee (1992, 1995) places this finding in context when he notes that there is a scarcity of trained personnel in budgeting and financial management in all the districts. The apparent lack of trained personnel to make and manage budgets, coupled with erratic resource inflows may be a consequence of poor priority settings. This in turn might send wrong market signals for investment in sheanuts. The results also indicate that attention given to private enterprise support is very low and an increase in productivity will depend critically on the assemblies' assistance to enhance entrepreneurial activities. It seems programmes undertaken by the three assemblies surveyed have generally ignored initiatives taken by the local sheanut dealers. This is evidenced by a score of 2.4 (mean of means) which shows that enterprise support does not receive significant attention in the programmes of District Assemblies.

In fact, District Assemblies are responsible for ensuring the sound development of trade at the local level, but for now, our data indicate that their main task in terms of economic development concerns poverty reduction. Whereas these programmes are desirable it

is still a nightmare for private sector businesses to break through. Because its success will very much depend on a number of factors including efficient ways of resource mobilization and allocation in the assemblies.

The survey, however, indicated that in the Tolon-Kumbungu District a number of sheabutter income generating groups had been supported financially by the District Assembly. It is not surprising that the most common constraint reported by sheanut producers in the District was related to finance (see Table 3). An indicative explanation of this is the 2.5 rating assigned to enterprise support in the district's programmes.

### **3.4 CAPACITY TRAINING ACTIVITIES AND TARGET GROUPS**

In the case of promoting expansion and start-up growth in sheanuts, our survey results suggest that the scope and emphasis of training programmes has never targeted sheanut producers although figures in Table 4 indicate that the assemblies provide capacity training through short-term courses like seminars and workshops. More than half of the assembly members and officials of the District Administration interviewed (11 out of 20) mentioned that workshops are regularly used in their assembly's training activities.

Majority of the respondents (about 55%) indicated that seminars were rather organized occasionally. Nevertheless, how best to place training activities in relation to the needs of beneficiaries is the major concern of this study because the requirements of rural development programmes among other things the training of community members by the DAs in project participatory planning and implementation and business opportunity identification. The results seem to give the understanding that the courses organized by the District Assemblies benefit the staff of the assemblies and assembly members rather than the local citizens. On the other hand, public fora, in-service training and technical advice were rarely mentioned, sug-



gesting that these training methods were not used regularly by District Assemblies to address local capacity weaknesses. It was only in the Tamale Metropolis and the Savelugu-Nanton District Assembly that a few respondents (about 14%) said that public fora were held regularly. However, a comparison of responses given on public fora, in-service training and technical advice show that on the average these activities are not held regularly. An average of 58% of the responses show that the three District Assemblies did not organise public fora, in-service training and technical advice regularly (Table 4). In-service training, however, has been slightly regular in the Savelugu-Nanton District, 43%, as compared to the Tamale Metropolis and the Tolon-Kumbungu District. This is indicative of the inconsistencies in meeting the capacity needs of local citizens by the use of appropriate and attractive programmes to encourage more entrepreneurs in the private sector.

Only 24% of the respondents (i.e., 24 out of 102) participated in at least one workshop whereas 25% (i.e. 25 out 102) attended seminars organized by their DAs. Although only 24 out of the 102 respondents said they attended workshops, less than half of this figure (about 25%) were farmers and sheanut producers. The main target groups highlighted in most of the workshops and seminars were assembly members and officials of the district administration (See Table 4). In fact, our results suggest that the programmes organized were not very much relevant to the development of local businesses. Thus, the few sheanut producers and farmers who participated in the workshops and seminars said the courses often tackled political and environmental management, which they felt, could not boost their business morale. One interpretation of this finding is that District Assemblies are poorly informed about the business needs of the private sector especially those engaged in local economic activities like sheanut production. There is some evidence from the results that sheanut production although quite important in the local economies of the three districts surveyed, it has been neglected in the capacity training and support provision programmes of the assemblies. Table 4 and 5 below present the training activities and the

targeting of beneficiaries of support services provided by the three District Assemblies. One of the key issues identified with sheanut producers in the three District Assemblies was the need for them to work closely with the assemblies to ensure that their needs are successfully promoted in its programmes.

Table 4: Local strategies and actions to promote capacity building

Activity	Tamale Metropolis N= 7	Savelugu- Nanton N = 7	Tolon- Kumbungu N = 6	Total N = 20
<b>Workshops</b>				
Regular	57.1	42.8	66.7	55.0
Occasional	28.6	28.6	33.3	30.0
Not Regular	14.3	28.6	-	15.0
<b>Seminars</b>				
Regular	14.3	-	50.0	20.0
Occasional	71.4	57.1	33.3	55.0
Not Regular	14.3	42.8	16.7	25.0
<b>Public For a</b>				
Regular	14.3	14.3	-	10.0
Occasional	28.6	14.3	33.3	25.0
Not Regular	57.1	71.4	66.7	65.0
<b>In-Service Training</b>				
Regular	28.6	28.6	33.3	30.0
Occasional	28.6	42.8	16.7	30.0
Not Regular	42.8	28.6	50.0	40.0
<b>Technical Advice</b>				
Regular	-	-	-	-
Occasional	28.6	42.8	16.7	30.0
Not Regular	71.4	57.2	83.3	70.0

Source: Calculated from Survey Data.

Table 5: Percentage distribution of groups involved in training activities

	F'mers N = 22	P'dcers N = 42	M'men N = 18	A'men N = 9	Official N = 11	Total	
Activity						%	N
<b>Workshop</b>							
Yes	13.6	7.1	11.1	77.8	81.8	23.5	24
No	86.4	92.9	88.9	22.2	18.2	76.5	78
<b>Seminar</b>							
Yes	9.1	9.5	11.1	88.9	81.8	24.5	25
No	90.9	90.5	88.9	11.1	18.2	75.5	77

## 4.0 CONCLUSIONS

The average age of the sample population is 39 years. This constituted a working age population with high potentials for economic



activities. The findings indicate that the population had a high level of awareness about sheanut production and its potentials, and that women are the primary producers and sellers of sheanut products. Male merchants (i.e. the intermediaries), however, handle business beyond the village or local market level. Sheanut business is predominantly a rural economy and majority of those engaged in it at that level lack formal classroom education.

The study established that lack of access to finance (credit) is the most severe constraint in the sheanut business environment. Most indigenous producers in the region could not expand or take up start-ups because they had no access to capital. The study found that indigenous sheanut producers are not able to accumulate funds from their self-financed operations to guarantee further investments and growth. It is only some intermediaries and mostly the export dealers who operated with larger quantities.

The findings reveal that in most cases these local producers have problems transporting their products to market destinations. In the rural areas in particular, traders often carried goods and walked long distances to selling destinations on market days. The study concludes that this marketing system does not offer local producers opportunities to do wholesale or export trade.

Bureaucratic processes also deter sheanut producers from taking initiatives to expand or export. Although restrictions on entry into export trade had been removed, it was still not easy for the rural producers to go over bureaucratic barriers to participate in export trade. Besides, the lack of access to reliable information on sheanut exports at the District Assembly level has had effects on the reactions to export business in general. The findings show that local producers in the region had access to sheanut as a raw material except during bad seasons when supply was inconsistent.

Finally, the results did not reflect any conscious efforts by any of the three assemblies to support enterprise capacity needs. The as-

semblies had not initiated any collaboration with the business community especially, the sheanut producer groups in the rural areas. Meanwhile, all the three assemblies are aware of the export potentials of sheanuts. Training programmes in all the districts reflected inconsistencies in meeting the capacity needs of local citizens.

## **RECOMMENDATIONS**

Sheanut Research Institutes should be established in the northern Savanna Zone with research farms to serve as demonstration farms to farmers. Technical officers may be trained to deliver extension services to farmers. Sheanut Producer Cooperative Groups should be created to ensure efficiency in the distribution of resources. DAs should also link local cooperative groups to financing opportunities, agro-business firms and market outlets.

Sheanut enterprise locations should be created in the northern Savanna Zone and supported with services, infrastructure, advisory services and other facilities. DAs must collaborate with the NBSSI to provide farmers and producers with technical and business skills and assist them in accessing credit services.

Capital requirements, prospective markets, information, and networks seem to be the major problem facing local producers from expanding their business activities. It is hoped that DAs, could support these local producers with appropriate production techniques to increase production for the export market. They may also support them with marketing experience, financial management and business skills as well as linking them to vibrant foreign markets.

Capacity building should not be limited to training, education and technology transfer. Attention should be given to the environment in which people apply their skills. All sectors of the local economy should be part of the District Assembly's capacity building strategy including local citizens and the private sector. DAs could use local



radio stations to generate popular discussions and to disseminate information on sheanut cultivation and export market.

Lastly, capacity building should be targeted at three levels: Capacity building interventions at the individual level which should focus on developing individual knowledge and skills; at the group level which concerns promoting social capital and networks to foster communication and collective action and, finally, at the institutional level which involves strengthening institutions to function effectively and efficiently (Hopkins, 1994 and Eade, 1997).

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