

Labour Union Petitions Government

Prof George Gyan Baffuor has assured Ghanaians that though government has received unsolicited bid from three banks on the sale of Agriculture Development Bank (ADB), government is yet to take any decision on it.

He said whatever decision is taken would be in the good interest of the people of Ghana.

Prof. Gyan-Baffuor gave the assurance when he received a petition from the Greater Accra and Tema Districts Councils of Labour on the sale of ADB.

He said Bank of Ghana has recently has its regulatory role strengthened and thus to avoid a conflict of interest it intended to release its 48% share in ADB. Though the Bank of Ghana must release its share in ADB, the prerogative as to the best means lies with government and this would be done in the good interest of Ghana, he explained.

The workers numbering about five hundred and clad in the "T" shirts of ADB and waving placards were escorted by policemen. The petition was received on behalf of the Minister of Finance and Economic Planning by the Deputy Minister and the Chief Director of the Ministry, Nana Juaben-Boaten Siriboe.

Presenting the petition, Mr. Wilson Agana chairman of the Tema District Council of Labour appealed to government to reconsider its decision to sell the shares since ADB was strategic to agriculture in the country.

Adding that the sale of the bank would have dire consequences on agriculture in the country.

Below is the full text of the petition they presented.

On 7th August, 2007 the Tema and Accra District Councils of Labour met and examined the intended sale of the shares of the Bank of Ghana in the ADB and subsequently made a representation to government asking government to state its position on the said matter, but this was not acknowledged. A reminder dated 27th August, 2007 was also ignored. The two District Councils of Labour therefore embarked on this demonstration to reaffirm the position of the Ghana Trades Union

Congress, which is to oppose the sale of the said shares on the following grounds that:

1. We are aware that government has given the go ahead to some private foreign banks to hold meetings with officials of the Bank of Ghana, the Directors and management of ADB as well as other interested parties in pursuit of the intended acquisition of Bank of Ghana's 48% shares in ADB.

2. Currently the ADB is wholly state owned. The Bank of Ghana may be operationally independent but it remains a state institution whose assets also belong to the state. Government as the leading organ of state has only expressed the interest to maintain a significant share in the Bank without indicating whether it will hold majority shares on behalf of the people of Ghana.

3. The Tema and Accra District Councils of Labour are equally concerned because of the strategic position of ADB in the economy of Ghana and the potentially negative implications of the acquisition of such an important and strategic national asset by foreign banks with obvious profit motivations.

4. The ADB is not just a bank but a development bank established with the sole objective of providing credit facilities to farmers. Since then ADB has carried out its mandate satisfactorily in spite of the risks involved in financial intermediation in the agricultural sector. It should be noted however, that ADB can prosecute this national agenda more effectively if the needed infrastructure is put in place by the government.

We therefore, call on the government to provide the needed infrastructure urgently needed to mitigate the risks in the sector to enable not just the ADS but other banks play the needed role in the development of the agricultural sector.

5. Taking into account the importance of agriculture and agricultural credit in Ghana, the risks *involved* in financial intermediation in the agricultural sector, and the importance of ADB in the economic and social development in

Ghana, we wonder why government should *even* contemplate the sale of its stake in ADB in the first place, let alone consider selling it to foreign bank whose overriding profit *motives* are clear.

6. We reaffirm the position of the Ghana Trades Union Congress that the fortunes of agricultural credit should not be entrusted into the hands of a foreign private bank which is essentially *motivated* by its desire for profit. We are firmly convinced that a nationally owned and controlled ADS is important for the appropriate financial intermediation in the agricultural sector.

7. We are also ready to welcome new local and foreign investments in agriculture and other sectors but not through the sale of viable state-owned enterprises such as ADB. By this resolution the Accra and Tema District Councils of Labour are serving notice of our opposition to this deal and any such deal which will lead to the sale of Government's majority stakes in such a strategic national asset to a foreign bank which seeks to grow and monopolise banking in Africa through acquisition instead of growing through competition with existing banks in the continent.

As stated above, we declare our unflinching support to the leadership of the Ghana Trades Union Congress and our farmers and reaffirm our stand to participate in any activity that would be organized to resist the sale of ADB.

The petition was signed by Mr. Wilson Agana, Chairman, Tema District Council of Labour, Mr. Peter Lumor, Chairman, Accra District Council of Labour, Mr. Godfried G. Odum, Acting Secretary, TDCL and Mr. Lucas Dogbey, Acting Secretary, ADCL.

