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The Effects Of Structural Adjustment On The Lives Of Small-Scale Farmers A Micro Study Of The Cape Coast District, Central Region, Ghana

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THE EFFECTS OF STRUCTURAL ADJUSTMENT ON THE LIVES OF SMALL-SCALE FARMERS

A MICRO STUDY OF THE CAPE COAST DISTRICT, CENTRAL REGION, GHANA

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ABSTRACT

This paper seeks to determine the effects of structural adjustment policies on a group of small-scale farmers in the Cape Coast District of the Central Region of Ghana. The paper seeks answers to three questions: Has the small farmer's ability to produce improved since adjustment began? And has the small farmer's quality of life improved since adjustment began? And how have policies affected cocoa farmers differently from non-cocoa farmers? The paper concludes that many factors hamper farmers' ability to produce, and some are related to adjustment, while some are not. Quality of life proved difficult to determine, but it seems that the quality of life for cocoa farmers is considerably higher than that of non-cocoa farmers due to adjustment pricing policies.

INTRODUCTION

Structural Adjustment Program (SAPs) aim to stabilise economics and promote growth by opening borders for the free flowing exchange of goods and capital between countries. In theory, devaluing the cedi, privatizing the import and distribution of agricultural inputs, downsizing the public sector, introducing fees for health and education, and eliminating subsidies should enable Ghana to produce according to her comparative advantage. This should provide the outside world with greater access to Ghana's resources, and Ghanaians with access to the benefits of the global economy.

The literature give a macro view of what has happened to Ghana's economy as a whole under the SAPs, as well as what has happened to specific sectors. While many have given structural adjustment the credit for Ghana's progress, they also recognize that the weather and foreign aid have played a crucial role, and some argue that these two factors, without adjustment, could have accomplished similar levels of growth. Others question whether to growth numbers even signify progress, as per capita incomes have fallen since adjustment began.[1] Furthermore, external debt service equals an unsustainable 71 percent of the total national revenue, a situation that has promoted the new government to join the HIPC initiative, despite the opposition of many citizens.[2] Government expenditure on health and education has declined drastically, leaving citizens to make up the difference.[3] The social costs were perceived as drastic enough to prompt the establishment of the Programme of Action to Mitigate the Social Costs of Adjustment (PAMSCAD).

The literature also examines the effects of SAPs on food production, which is undertaken mostly by small farmers. Despite some predictions to the contrary, food production increased as a whole, between 1983 and 1995, with some periods of decline or stagnation (See Appendix VII). It is unclear what has caused the increase in food production. The increase in prices due to devaluation may have caused an increase in production, but the attention given to cocoa should have caused a decrease in the profitability of food crops. Furthermore, the removal of subsidies for fertilizer may have made it inaccessible. Weather also plays a, if not the crucial role in Ghana's agricultural production and therefore the economy as a whole.

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[1] Simon Commander, ed. *Structural Adjustment and Agriculture: Theory and Practice in Africa and Latin America* (London: Overseas Development Institute, 1989), p.111.

[2] HIPC is the Heavily Indebted Poor Countries initiative, sponsored by the World Bank to provide World Countries with debt relief if they meet certain conditionalities. "HIPC in nation's interest" by E. Kojo Kwarteng. Daily Graphic, March 13, 2001, p.1

[3] Ibid. 1

But what does this all mean? At the end of the day, after increasing or decreasing their contribution to the GDP, how has the quality of life of the members of a small-scale farming family changed?

The question is important because it affects food security in Ghana. Since small-scale farmers produce most of the food consumed in Ghana. It is important that they are able to produce. And since at least 50 percent of the population is engaged in agriculture,[4] the quality of life of a Ghanaian farmer is, to an extent, the quality of life of an average Ghanaian.

To provide an answer to this question I talked to small-scale farmers. Structural adjustment policies specifically addressed cocoa production, and generally ignored food crops, but obviously the food crop sector was also affected by policies. How, then, did this neglect of attention to food crops affect the production of cocoa as opposed to food crops? How has the ability of the farmer to provide for his basic needs, as well as essential farming inputs, changed? These were the questions that I had as I went into the field, and though the questions changed somewhat through the course of my study, I was able to find some of the answers I had been looking for.

[4] *The State of the Ghana Economy in 1993.* (Accra: University of Ghana Legon, 1994), p.77.

METHODOLOGY

STEP ONE: SECONDARY SOURCES

My advisor provided me with written sources, including books, papers, research proposals and masters theses on the topic of structural adjustment and agricultural. The literature review is a result of these readings, as well as previous research I have done on the topic of structural adjustment in Ghana. After my initial reading, I decided to talk to food crop farmers and cocoa farmers and compare how they had fared economically over the past two decades.

I am not an economics teacher, I found it hard when writing the literature review to determine which concepts I needed to explain to a non-economist reader, and which would be common sense. I decided that within the text I would explain the concepts as best I could, and also include a section with definitions of terms and explanations of concepts. That section is Appendix VI. The terms that are included in that section are in bold print where they first appear in the text, and they are in alphabetical order in the Appendix VI.

STEP TWO: PRIMARY SOURCES

After a large amount of initial reading, my meetings with farmers showed me that in many ways I did not know what I was talking about, and the course of my study changed as a result.

When it came to finding primary sources, my advisor introduced me to a student in the agriculture Department at UCC, expecting that he would introduce me to farmers and translate. The student actually introduced me to an agricultural extension worker, Kofi Golokumah, who took me to interview farmers in the Efutu area, 15-20 kilometers outside of Cape Coast. He introduced me to farmers he worked with and translated. Since Golokumah only had a limited amount of time to work with me, my advisor also introduced me to another extension worker, Dwamena Godfred. Godfred took me to another town near Cape Coast, the town of Amisano. With this second contact, I had a larger and more diverse sample.

I also interviewed people who worked in the Ministry of Agriculture (MOA) in Central region, to find out what were some characteristics of agriculture in the region. I also wanted to find out what difficulties they faced in their work, and what were their perceptions of structural adjustment. I interviewed Kofi Golokumah about Efutu and the surrounding towns; I interviewed Godfred about Amisano; I also interviewed Justice Amoah, the District

Director of the Central Region MOA. An outline of the questions I asked them is included below. I tried to interview the extension workers before I interviewed any farmers in the town, so I could go into my interviews with farmers with a better idea of the characteristics of the town and the problems faced by the farmers.

I encountered several problems in the course of interviewing farmers. Most of the farmers spoke some English, which actually became a bit of a problem. They would try to understand my questions and answer in English. This posed a problem when I asked a yes or no question, and the interviewee answered "yes" or "no" when I could not be sure that they had understood what I had said.

Another problem was the matter of the impressions that people wanted to give me. For example, a farmer may not want to tell me that a child of his (all the farmers that I interviewed were male) is not in school. For example, before my May 4th interview with E. K. Agyekum, a former teacher who spoke good English, Golokumah talked with him about my project, half in English and half in Fante. Speaking in English, he told him that I wanted to know how things *really* were, so he should be honest. Golokumah added, "I wasn't pleased with some of the things that were said the other day." Later, in the interview, Mr. Agyekum said that he didn't know whether he would be able to send all his kids to SSS, contrary to all the other Efutu farmers I interviewed, who said that all their children who chose to had gone or would go to SSS.

Later that day, I asked Golokumah if he thought the farmers for the most part were telling the truth. He said that all their kids were indeed in school. Regarding fertilizer, however, he was fairly sure they were not all being honest. A farmer would say he bought two bags of fertilizer, but then say he fertilized all of his crops with it, which is not possible if he has more than one or two acres. Perhaps they wanted Golokumah to think they were taking his advice. Golokumah told me that he did not challenge the farmers, just relayed to me what they had said, because otherwise they would think that he had an agenda, and would start answering to please him. Thus, although I discovered that some of the information was given was inaccurate, I realized that I knew enough about fertilizer at this point to critically examine what I heard from the farmers. Furthermore, I discovered that I had found a good interpreter!

Another problem with the sample is that few of the interviewees were farming before 1983. My advisor had expected that I would have the opposite problem – that we would be hard pressed to find anyone who started farming after 1983, since generally the farming occupation is inherited. Unfortunately, we were mistaken. Though the farmers could give an accurate representation of their economic state after adjustment, this did not facilitate the comparative study I had been planning.

My study was going to be comparative in two ways. I was going to compare quality of life of farmers before and after adjustment; and I was going to compare the effects on food crop farmers versus the effects on cocoa farmers. In my first day of interviews, however, I found that most farmers in fact farm five or six crops, and pretty much all farmers farm cassava, both for their own consumption and to sell. Thus, I changed my research question to study the effects of adjustment on small farmers. I was still able to draw some conclusions relating to my initial research question.

This study can only be taken as a study of a few farmers farming in the Central region of Ghana. The different regions in Ghana have different characteristics, different crops are planted in each region, and so the effects of structural adjustment on agriculture will be different in every region. Cocoa is grown primarily in the Western and Ashanti Regions – and not at all in the north.[1] Rice, which has experienced perhaps the most adverse effects of SA, is (or was) mostly produced in the northern regions. Another difference is that, due to better infrastructure in the south, southern farmers may benefit more than northern farmers from increased availability of inputs.[2]

The questions I asked farmers went through several incarnations, though the general outline I followed is included below. I tried to alter my questions depending on what the farmer answered to the initial questions.

QUESTIONS FOR FARMERS

INTRODUCTION, FINDING OUT ABOUT THE FARM AND PRODUCTION PATTERNS:

How much land do you farm?
How long have you been farming this land?
Have you always farmed the same amount?
If you did not always farm, what did you do before you farmed and why did you choose to go into farming?
What crops do you plant?
Which do you sell and which do you keep for your own consumption?
Why did you choose to plant those crops?
Have you always planted the same crops?
If not, when did you add some, and why?

[1] Ibid 23, p.112.
[2] Ibid 3, p.192.

MORE SPECIFIC INFORMATION ABOUT ACCESS TO INPUTS

Do you use fertilizer or pesticides?

If yes, what do you use, and on which crops?

How much do you use?

Do you think you use enough, or would you use more if you could afford it?

How long have you been using it?

Why did you start using it?

Why didn't you use it before?

Do you find that it improves yield?

Does it improve yield enough to make up for the price?

If you don't use fertilizer, why not?

Have you ever used it?

If so, why did you stop?

Have you ever taken a loan from a bank?

If yes, were you able to pay it back?

Was it a good decision?

Would you do it again?

If you have never taken a loan from a bank, why not?

Have you ever taken any loan in monetary form?

Have you ever saved money in a bank?

Why or why not?

If so, how did you do if (i.e. through the susu system)?

PERCEPTIONS OF CHANGES IN INCOME AND QUALITY OF LIFE

Have there ever been times when you were unable to buy or grow as much food as you needed?

When?

What you think was the cause of the hardship?

How many children do you have?

What are their ages?

Are any of them in school?

What years?

Did the older ones go to SSS?

Will the younger ones go to SSS?

Why or why not?

Have there been times when it has been harder than others to pay for school fees or for health care?

When?

What was the cause of the hardship?

Do you think that your financial situation has changed since you started farming?

In what times was it better and in what times was it worse?

What do you think caused the changes?

In general, do you think your financial situation is better now than it was 20 years ago?

Why do you think that is (or isn't)?

What is the biggest problem that you face as a small farmer?

QUESTIONS FOR EXTENSION WORKERS

ABOUT THE TOWN

What is the population of the town?

What are the primary occupations of its residents?

What crops are farmed there?

What changes have you noticed since you first started working in the town?

What problems do the farmers face?

ABOUT THE INTERVIEWEE, HIS ROLE AND PERCEPTIONS

How long have you worked for the MOA?

How long have you worked in this particular area?

What do you do there specifically?

How has your role changed since you first got there?

What difficulties do you face in your work?

Do you perceive that SAPs have had any effect on your work?

Have they affected the farmers in any way?

THE POLITICAL ECONOMY OF AGRICULTURE: A BRIEF HISTORY OF AGRICULTURAL POLICIES IN GHANA, FROM PRE-COLONIAL TIMES UNTIL 1983

In 1896, the European powers officially recognized the Gold Coast as a British colony. Britain aimed to restructure the Gold Coast's political and economic system in a manner that would, according to contemporary European ideology, benefit both colonized and colonizer. By expanding the market economy in West Africa, instituting forced labor and imposing taxes on her African subjects, Britain could pay for her colonial administration, produce cheap goods for consumption in Europe, maximize profits for both government and private business, and instill in a backward people the Victorian belief in "the moral obligation to work".[1] Development of infrastructure was paid for mostly by African taxes, but mostly oriented to benefit the British by facilitating the extraction of resources and developing the southern port areas where the British lived and conducted their business. Though this infrastructure aimed primarily at the extraction of cocoa, little development went directly into agriculture.[2] The taxes imposed on Africans were high enough to ensure that production of cocoa went on without government help.

Thus, "By 1950 the then Gold Coast had a 50-year-old agricultural policy which emphasized export crops, neglected food production but encouraged food imports and neglected the needs of the countryside while financing rural development by extracting rural based wealth."[3] During colonial times the lack of attention to food production was not a problem because the then Gold Coast had no large urban population to feed. World War II, however, accelerated the rate of urbanization and wage employment, which meant that fewer people were feeding themselves and there was more of a need for a food market.[4] Yet, all of Ghana's governments have, by design or by default, continued colonial agricultural policies.

In 1957, Ghana's future looked bright. Not only was she the first sub-Saharan African country to achieve independence from colonial rule, she was a middle-income country. Agriculture was the major source of income, composing half of GDP. Cocoa comprised 60-70 percent of export earnings. Between 1955 and 1960, GDP grew at a rate of 4.1 percent annually and agricultural output increased by 5.7 percent annually, while cocoa output increased by 9 percent annually. The high growth in cocoa output led to an increase in the money available in the country (**foreign exchange**), which increased investment.[5]

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In an effort to rid Ghana of her dependence on cocoa, the Nkrumah government emphasized industrialization. This industrialization was to be accomplished by the state. Less energy was focused on export production, and export earnings declined. Instead of importing certain items, the Ghanaian government wanted to manufacture them in Ghana. Since the locally production was new and inefficient compared to foreign production, the government had to establish protective **trade barriers** to ensure domestic products could succeed.[6]

Agricultural policy focused on large-scale, industrialized state farms and workers/ brigades. Writes Sagoe, "Agriculture was considered resourceful only if it could be mechanized and small-scale farmers eliminated."[7] In fact, the MOA was absolved of responsibility for small-scale farmers.[8] Even when large-scale agriculture proved to be a failure, emphasis remained on state-run and cooperative agriculture, ignoring the needs of most farmers.[9] According to Hansen and Ninsin, these policies were consistent with to which the CPP and Kwame Nkrumah subscribed regarding agriculture: that "progress" equaled a transition from tradition to modernity, and the problem with agriculture in Ghana was that the peasant farmer could not keep up.[10]

In the sixties, Ghana's economy began to slide. In 1959, cocoa price began to decline. By 1961 the price was 50 percent of **nominal** 1958 prices.[11] Industrial output still increased 6.7 percent per annum, but since cocoa output started shrinking, overall growth started shrinking. Gross Domestic Investment fell 3.2 percent per annum.[12] Export earnings were declining, yet the government needed a lot of foreign exchange to finance the large-scale development projects – so the government borrowed, and foreign debts soared.[13] The development projects were further hampered by import controls which kept crucial inputs out of the country. And, during 1961-5, "the bulk of development expenditure went to the socialized sector even though its contribution to aggregate production was less than 1 percent."[14]

Economic and political crises led to a coup, and the Second Republic was born. During the rules of the national Liberation Council (1967-8) and the Progress Party (68-72), the government paid a considerable amount of lip service to the agricultural sector. In 1967-

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8, the producer price of cocoa was increased by 30 percent. State farms were abolished and the government tried to diversify exports and develop agriculture. The Chieftaincy was consulted to try and boost agricultural production. The objective of Busia's administration, according to Sagoe, was equitable distribution of resources between urban and rural and richer and poorer populations. This included increasing income and increasing agricultural production. A 50 percent subsidy on fertilizer and improved seeds was introduced.[15]

The government was scarcely able to achieve any if these objectives. The government had little money and a lot of debt. The percentage of public expenditure on agriculture actually decreased, from 10.8 percent in 1965 to 6.8 percent in 1972-3.[16] Policies still favored urban over rural inhabitants – for example, the lifting of import restrictions made goods available only to those in the urban southern port areas. In an attempt to alleviate unemployment, all foreigners were expelled from the country, which deprived the agricultural sector of laborers. Meanwhile, the cocoa price continued to fall.[17]

In 1972, the economic crises led to yet another change in government. Acheampong and the National Redemptive Council launched Operation Feed Yourself (OFY), a "crash programme aimed at increasing food production and thereby making) the nation self reliant."[18] Previously, on large-scale farmers the only food crops given any attention were rice and maize, but OFY professed to address cassava, plantain, tomato and yams. OFY included the Upper Regional Agricultural Development Project, funded by the World Bank and the governments of Ghana and the UK. Its aim was to increase food production and increase rural quality of life.[18] In reality, however rice and maize were the only crops given attention. Their production did increase; 1974 was the first year in two decades that the country did not import any rice. This improvement, however, came at the expense of other food crops.[20] Furthermore, the programme was poorly planned, and lacked input from the peasant farmer who it professed to help.

Between 1978 and 1981, the government was handed to a series of civilian and military rulers, none of whom were in power long enough to develop a comprehensive programme addressing the agricultural sector.[21]

It is worth summarizing the decline in Ghana's economy over the decades preceding it. Between the early sixties and the early eighties, Ghana's share of world cocoa production

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declined from 36 to 12 percent.[22] By 1982 cocoa growers were receiving 17 percent of the real price they had been received by growers in Togo and the Ivory Coast; as a result 8-12 percent of Ghanaian cocoa was marketed outside Ghana in the 70s, which meant that the government did not collect 10 percent of tax revenues from their biggest export good.[23] Between 73 and 83 GDP fell by 1.3 percent annually, the industrial sector fell by 7 percent annually, and cocoa declined by 7.1 percent annually. Food production fell by 2.7 percent annually, exports fell by 6.4 percent and imports fell by 8 percent. "Food self-sufficiency ratios estimated at 83 percent for the 1964-66 period declined to 71 percent in 1980 and only 60 percent by 1982; implying that since food imports were also on the decline during the period, the average household in Ghana consumed at least 30 percent less food in 1982 than in 1970."[24] Most economists blame poor policy for the economic decline, though they admit that the falling cocoa prices and oil crises of the 70s also play a role.[25]

In 1983, a severe drought and bush fires led to drastic food shortages in the country, and Nigeria expelled one million Ghanaians who had been employed and living in Nigeria. With no jobs or food for the repatriates and none for those who had been there all along, the Ghanaian government had no choice but to turn to the World Bank for help.

ECONOMICS 101: WHAT IS STRUCTURAL ADJUSTMENT?

In the early 1980s, due to government mismanagement and external shocks, the economies of many Third World countries collapsed, and their governments turned to the World Bank for help. Countries like Ghana needed to rethink their economic Programs, and they needed foreign aid. Richer countries would not aid developing countries unless they restructured their economic systems in a manner that would open them up to the world market and, in theory, facilitate an economic comeback. In addition, many countries owed large amounts of money to First World countries and the international Monetary Fund (IMF) and the World Bank (WB). When their economies collapsed, they could not service their debts, and they were forced to put themselves at the mercy of the lenders**.** *"Structural adjustment" refers to the economic policies that the poor countries, mostly in Latin America and Africa, implemented in coalition with the World Bank after the economic crashes of the early 80s.*

The reforms implemented under structural adjustment Programs (SAPs) and (still being implemented under Programs like HIPC) were mostly "neo-liberal." *The Programs*

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restructure economies so that government participation is reduced, and prices are determined by market forces. The ultimate goal is to stabilize a crumbling economy and enable the country to produce more. Usually, the emphasis is on producing for export, since exports will bring in much needed foreign exchange. It is not only the SAPs that restructure economies to fit this framework; since 1983 Ghana's economic philosophy, as implemented through World Bank Programs and others, could generally be described as neo-liberal.[26]

There are several components to the general concept of reducing government participation in the economy. One is privatization. In the theory underpinning this, governments are inefficient at running businesses and providing services. Since government does not have to compete with anyone else for customers, government does not have to ensure that it minimizes cost or even provides good service. The private sector, however, is concerned with maximizing profit, and so will be concerned with pleasing customers and minimizing cost. In addition to improved service resulting from privatization, the government will profit from the sale of government owned assets to the private sector. Finally, taxpayers benefit because tax revenue can be freed for other uses.

Reducing government's participation in the economy also includes reducing trade barriers. Trade barriers include environmental regulations; for example the US bans tuna that cannot be certified "dolphin free". Trade barriers also include tariffs imposed on imports to protect locally produced goods, and quotas to restrict the amount of imports on a good. In Ghana, for example, the rice industry enjoyed substantial protection in the form of import quotas. If trade barriers are removed, then in theory citizens of a country can now acquire cheaper and better versions of the good (like rice), and producers of the good can produce something else, which they can produce more efficiently adjust and produce something else. Subsidies are also trade barriers, because if the government helps domestic rice producers then, the argument go, the competition isn't fair to foreign producers.[27]

Reducing government's participation in the economy also means that, where government is continuing to intervene, its functions must be streamlined and made more efficient. This usually includes management training, restructuring of government agencies, and substantial retrenchment, or laying off of government workers. (Often, before adjustment the government was employing extra workers at low salaries to mask the economic decline.)

In Ghana, arguably the most important aspect of reducing government intervention has been the devaluation of the cedi. Paper money is only worth the gold in the government

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bank that it represents. Inflation is caused when less gold in the government bank is backing up the same amount of currency. If the Ghanaian government has US$100 worth of gold in the bank and 100 cedis in circulation, then one cedi is worth the same as one dollar. If the government spends US$75 of the gold but there are still 100 cedis in circulation, then four cedis are worth one dollar. If the government prints another 100 cedis to cover up the lack of money, then eight cedis are worth one dollar. Severe inflation is politically unpopular, and it discourages further foreign investment, because no one wants to hold any rapidly devaluing cedis. The fact that foreign investment drops makes a bad situation worse because there's even less money coming into the country. This may prompt the government to freeze the value of the cedi (the exchange rate) at US$1, to keep investment coming. For example, the cedi was kept at 2.75 = US$1 despite inflation of 400 percent.28 (SS5-6) At this point, no one wants to buy Ghanaian goods because the prices Ghana is demanding do not accurately reflect the value of the product; no one wants to sell anything to Ghana because Ghana does not offer enough money. Ghana will offer 10 cedis and say it's worth US$10, but the seller knows it's actually worth U$S1.25. Imports drop – and since the country often cannot itself produce the inputs needed for development, development drops. Foreign investment is down, and so are government resources. Thus, in many cases including Ghana, SAPs involve a devaluation until the official exchange rate is equal to the actual rate.

Privatization, removal of trade barriers, streamlining of government services and devaluation should encourage foreign investment, which discouraged when the government interferes with market forces. Since the country's goods will now be able to be sold on the world market, local production should increase to meet demand. Since local producers will have access to international resources for their inputs, it should be easier for them to do their work. Meanwhile, those who are producing inefficiently have to either clean up their acts, or get out of the business.

It is worth mentioning again that generally adjustment policies aim to encourage production for export, since exports bring in much needed foreign exvhange.[29]

Structural adjustment has come under fire from a range of critics. Economists agree that there are costs with adjustment, but they disagree over whether government should address those costs or leave their citizen's fates to the fluctuations the market. Some criticize the lack of a focus on equitable growth, and the lack of a focus on poverty, which should be at the forefront of the World Bank's concern. Others criticize the bias in the sectors that the World Bank encourages – in Ghana, for example, adjustment has particularly helped sectors like mining that are dominated by men.[30] Others point out where Ghana does not fit the neo-

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classical economic mold, and where adjustment according to the rules of developed countries is therefore like fitting a square peg in a round hole. For example, in Ghana the informal sector is crucial – formal sector work makes up less than four percent of the income of Ghana's poor.[31] Yet, adjustment policies do not address the sector.

Others criticize the focus on the production of raw materials like cocoa. Critics say the dependence on cocoa has been Ghana's downfall, rather than poor economic policies, and adjustment encourages that dependence. Furthermore, when multiple countries that plant the same crops are all increasing production of their good (i.e. cocoa or coffee), supply increases enough that the world price drops. Real economic success, say critics, comes from production that adds value to products, and if the World Bank wants to help Ghana, it should encourage that type of production increase.[32] I will not be able to analyze all of these criticisms in this paper, but I will address the problems that critics have seen with the way adjustment has played out in Ghana.

In Ghana, the WB's structural adjustment Programs were implemented alongside the Ghanaian government's Economic Recovery Programme (ERP). In this paper I will use the terms structural adjustment, adjustment, SA, SAPs, ERP, or SAP/ERP interchangeably.

Economics of Ghana: what is structural adjustment in the Ghanaian context?

Programs in Ghana aimed to stabilize the economy, increase production, especially in export goods, and establish conditions for sustained economic growth. Most of the focus has been on cocoa, since it composed such a large percentage of Ghana's GDP, and had suffered massive setbacks during the 60s and 70s. According to Commander, "The main focus of government policy under the (SAP) has been to revive cocoa production through higher farmgate prices."[33] Adjustment in Ghana occurred in three stages between 1983 and 1991.[34]

The first and most severe SA policy was a massive devaluation of the cedi. By April 1983, the cedi has been artificially kept constant at 2.75 = US$1 despite inflation of 400 percent. By October 1985, the cedi was devalued to be worth 60 = US$1. It was devalued again in January 1986 to 90 = US$1. Devaluation meant prices for cocoa rose from 12,000 cedis/mt in 1982/3 to 165,000 cedis/mt in 1989.[35] By 1992 580 cedis equaled US$1.00.36 devaluation aimed to increase production, especially of cocoa, by making Ghanaian products attractive to foreign buyers. But the impact of devaluation on production depends on if the higher prices are passed on to producers, so the Cocoa Board had to increase the producer

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price, which meant streamlining and privatizing some of their services. These two measures would encourage production and discourage smuggling, so the Ghanaian government could receive the benefits (taxes) of cocoa that traveled through official channels. This would increase government revenue.[37]

Increases in government revenue were also achieved through retrenchment. By 1989 almost 35,00 civil service employees, 40,000 employees of state-owned businesses, 29,000 Cocoa Board employees and 13, 000 employees in manufacturing and electricity were retrenched.[38] Wages for those still employed tripled between 1983 and 1988.[39] Subsidies on agricultural inputs, which had been 80 percent before adjustment, were phased out over the course of adjustment.[40] Subsidies on health care and education were also removed, and fees for those services were introduced. Government-run services, including fertilizer distribution and cocoa marketing, were privatized. Barriers to trade were reduced; for example, quantitative limits on rice imports were eliminated, so Ghanaian rice producers had to compete with other rice producers.

Two other SA policies were raising interest rates and rehabilitating infrastructure. Raising interest rates should encourage savings and thus curb inflation, since there will be less currency in circulation. Rehabilitating infrastructure should improve the ability of producers to transport their goods to market, and thus increase production.

Overall Performance Of The Economy Under Structural Adjustment

Ghana has been held up by the World Bank as a structural adjustment success. The title of a study published by the World Bank about adjustment in Ghana conveys as much: Ghana: Frontrunner in Adustment.[41] The author, Chad Leechor, uses macroeconomic indicators to prove that Ghana has indeed lived up to its reputation. Real growth since adjustment has averaged a respectable 5 percent per annum, and per capita growth has averaged 2 percent.[42] Tshibaka reports similar conclusions, shown in Appendix I. The table shows that in the decade before adjustment, most of the basic economic indicators were negative, indicating an economy declining in almost every respect. Since 1980, however, all indicators have been positive except for growth in per capita GNP.

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Economist's criticisms of the World Bank conclusions are threefold. First, they argue that adjustment is not the only cause of growth. After the disasters of 1983, Ghana has experienced favorable weather, which may be the single biggest determinant of how the agricultural sector, and thus Ghana's economy, performs. Also, since adjustment the world prices of oil and rice, two crucial imports, have fallen, which benefited Ghanaian consumers. Furthermore, foreign aid has been at least a necessary factor, and perhaps even sufficient in itself for Ghana's growth. Even Leechor writes "Without foreign aid, the adverse terms of trade (for cocoa) would have seriously threatened the progress of the adjustment programme."[43] For example, due to the decline in cocoa revenues, "Ghanaian officials estimated that the donors would have to put up $70-80 million more in 1989, and $105 million in 1990."[44] If Ghanaian has only achieved this growth by going ever deeper into debt, than the country will not be able to sustain growth without further foreign aid. This is an unsustainable situation, and does represent a real improvement in Ghana's ability to support itself economically.

The second critique is that GDP is not an accurate indicator of the quality of life of a majority of Ghanaians. The growth may be primarily in certain sectors, so some people may be profiting while others suffer. Furthermore, growth in GDP, while it may be a necessary condition for poverty reduction, does not by itself indicate a reduction in poverty, which, critics argue, should be the World Bank's main concern. The World Bank does Ghana a disservice by ignoring other ingredients just as necessary for poverty alleviation. (Alleviating poverty occupies only one page in Leechor's 40-page essay.) Commander's comments seem to signify that poverty has in fact increased:

> Although the economy has grown at around 5 percent per annum for the past three years (1984-1987), per capita incomes – particularly for urban inhabitants and non-cocoa growers – have continued to fall. Unemployment has continued to rise, accelerated by the substantial layoffs that have occurred in the public sector. To add to these problems, real allocations to both health and education fell substantially during the first phase of the ERP. [45]

On the other hand, Leechor in the World Bank's study states unequivocally that SA "has had a positive impact on the poor."[46] He gives three reasons that prove this. First, agricultural policy has increased farm income. Second, rehabilitation of infrastructure has served the needs of the poor. Leechor's third reason why SA has alleviated poverty is that it has improved the quality of social services. He does not, however, say whether the fees

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introduced have affected the access that the poor have to those services. In Part II, I will review the literature on these three claims, and attempt to determine if the farmers I interview can confirm Leechor's statements.

The third critique is that even if Ghana's economy is improving in the short run, adjustment has cemented a dependence on cocoa and foreign aid that will adversely affect the economy in the long run:

> It seems most likely that this exceptional emphasis on a particular export cash crop will, with renewed vigor, precipitate the issues and aggravate the tensions or land pressure, land acquisition costs, socio-economic differentiation, and smallholder marginalization which were associated with the original development of cocoa as an economic force in rural Ghana.[47]

> Ghana's external trade profile remains worryingly dominated by cocoa. Despite a projected annual growth of 8 per cent in export volume for the period 1987-90, falling cocoa prices and a necessary increase in imports will result in deterioration in the current account (World Bank 1987b). Consequently, worsening external terms of trade, relative lack of export diversity and limited scope for further import compression have made the Ghanaian economy highly dependent on concessional aid flows. But this imposes its own cost in terms of a rapidly growing debt overhang.[48] (Commander 125-6)

I cannot address all of these large-scale critiques, but my micro study will attempt to drawn conclusions about how SA policies have affected cocoa crops, or cash crops in general, as opposed to food crops.

PART TWO: STRUCTURAL ADJUSTMENT AND AGRICULTURE

INTRODUCTION

"The perceived importance of agriculture in economic development has gained much recognition particularly in the last two decades. Its performance is now a central issue in the debate on economic strategies for development. The importance of agriculture to trade; the need to raise productivity and savings; its role in income generation and employment, as well as food security and rural development; make the agricultural sector's response to

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policies a major determinant of the success of failure of the SAP for many countries including Ghana."[49]

The achievement of food self-sufficiency was an accepted goal of the ERP; yet no SA programs aimed to address the sector's needs. The early policies were aimed solely at cocoa, and food crops received no serious attention until around 1990-91, when SA was officially over.[50] Thus, the SA period continued the pattern established by preceding regimes, of paying lip service to food production but generally ignoring the sector. It is important to note that though it is a critical portion of exports, cocoa is only 13 percent of agricultural GDP, while cassava alone is 22 percent. Though cocoa is an important export crop, if the government wants to help small-scale farmers it must pay attention to food crops as well. Of course, though their needs were not addressed, food crop producers were affected by the policies.

The four main policies that could be expected to affect the agricultural sector are: pricing policy, meaning policies to increase the price of cocoa (i.e. devaluation and increasing the producer price); policies relating to the supply, subsidizing and distribution of inputs like fertilizer, overall expenditure on agriculture, i.e. money allocated to the Ministry of Agriculture; and credit policy.

I went into the field on May 1 (Efutu), May 4 (Efutu Kokoado), May (Amisano), May 6 (Ebu Krom) and May 8 (Dehia) to interview farmers about the effects of these policies on their lives. Dwamena Godfred, and extension worker and student at UCC, took me to Amisano May 6 and translated for me. Kofi Golokumah, an extension worker in the Efutu area, translated for me all the other days. I also interviewed my translators, and conducted an extensive interview with Justice Amoah, the District Director of the Cape Coast District branch of the Ministry of Agriculture. Appendix IV charts which farmers I interviewed in which towns. Since I listed above which towns I went to on which days, I will not footnote when I have stated the farmer's name in the text.

After a synopsis of some characteristics of small-scale farmers, I will examine policies that could be expected to affect agriculture and show how, in my micro study, they actually affected farmers and the MOA. Since SA officially ended a decade ago, what I saw is not only the effects of those policies, but the effects of all policies since then, which have also been neo-liberal and have often been implemented at the WB's suggestion.

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[50] Ibid. 2 p.41.

THE TOWNS, THE FARMERS

THE TOWNS

The towns I visited, in order from largest to smallest (by my estimation), were Amisano, Efutu, Ebu Krom, Dehia and Efutu Kokoado. Efutu may actually be bigger than Amisano, especially if surrounding villages like Efutu Kokoado are counted, but the central area where I met two farmers was smaller than that of Amisano. All towns were within a half an hour's trip from UCC. Amisano and Efutu are situated on main roads, where taxis passed and drove directly into Cape Coast town. Efutu, Ebu Krom, Efutu Kokoada and Dehia were all beyond Abura.

In addition to the main paved road that touched its outskirts, a packed dirt road breaks Amisano in two. Other than those tow roads, most of the houses are situated haphazardly on packed dirt. The extension worker who translated for me there also lived in the town, and estimated the population at 2,500, including children. The houses I saw in the main section of Efutu were close to roads, but my view of the town was limited.

Ebu Krom was situated behind the psychiatric hospital. We had to go through the hospital grounds to get to the village, and the town's primary school and JSS were located on the hospital grounds. There is no SSS nearby. The town had no electricity, though the villagers were preparing to get it, and several wooden logs had been felled and prepared to serve as posts for lines. Like Amisano, there were no roads per se, the houses were situated on packed dirt. Most of the houses in this village of less than a thousand inhabitants were made of mud cement and bamboo, and bamboo roofs were just beginning to be replaced with tin when I visited.

Dehia was the farthest away, beyond Efutu, and about two miles from the main road, down a well-maintained packed dirt road. Unlike the other towns, the majority of the houses in Dehia were made of a mixture of mud cement and gray cement, and many houses had tin roofs. This was also the only town where I saw a tractor.

Efutu Kokoado was accessible only via a narrow road with deep ruts and potholes; impassable to any motor vehicles except a motorbike or an off-road vehicle. The center was composed of eight or ten houses of mud cement and bamboo. I interviewed one farmer, Twum Barima, in the town center, and another, E.K. Agyekum, at his house, which outside of the center and accessible only on foot.

Only Efutu and Amisano were large enough to support any real artisan populations; both of these towns had seamstresses and other artisan trades. Ebu Krom and Dehia were

large enough to support a few traders selling fruit and other items; while that may have existed in Efutu Kokoado, I saw no evidence of it.

CHARACTERISTICS OF THE SMALL-SCALE FARMERS

Appendix IV shows the farmers, the towns where they live, how long they have been farming, the number of acres they farm and what crops they cultivate. Only 2 out of the 14 interviewees were women, an obvious source of bias. I expect that this arose from the fact that men are generally the heads of households, and so when requesting the interview the extension worker asked the men. I will try to use gender-neutral terms when possible, but I may also use "he" as a pronoun to refer to farmers in general, since most of those I interviewed were male.

The definition of a small-scale farmer is one who cultivates no more than 2 hectars, or 5 acres.[51] Only one farmer, Twum Barima, fit this definition technically. Most of the farmers I interviewed actually farmed a little more than that, from 6-15 acres. Three held around 30 acres. All farmers except Barima farmed only one acre of cassava and maize, and sold his excess.

One of those holding 30 acres was a chief and another was the Golokumah's "contact farmer," in other words, prosperous and respected in the community. They were three of the only interviewees who were able to afford fertilizer without assistance from Adventist Relief Agency (ADRA), an NGO. They were also three of the four who cultivated cocoa.

They were, however, subject to the some of the same constraints and difficulties as the less prosperous interviewees. Nana Kofi Acquah, for example, was the chief and seemingly the most prosperous member of his town, Ebu Krom. I explained that there were only two or three houses in Ebu Krom center that were not made of mud cement and bamboo; naturally one of these houses belonged to the chief, the son of the town's founder. Nana Acquah lived in a large, painted cement house situated on the top of the small hill on which the community was built. Yet, like other smaller farmers, he was also vulnerable to external shocks that endangered his ability to support himself and his family. Two years ago, he was forced to take a loan from a bank. At the same time as his children had moved out of the house, he realized he was too old to perform all of the labor on his farm; yet he couldn't afford to hire labor.

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[51] Justice Amoah, District Director, Cape Coast District Ministry of Agriculture. Interview by author, May 8, 2001.

More characteristics of small-scale farmers will become apparent as the paper continues.

CHARACTERISTICS OF SMALL-SCALE FARMING

When I first started interviewing farmers, I planned on interviewing farmers who farmed only food crops, and farmers who farmed only cocoa, so that I could compare the two crops. I quickly found, however, that all farmers begin by planting maize and cassava for their own consumption, and eventually add at least 3 or 4 more crops, including some cash crops. They sell any maize and cassava left over after they feed their families.

Another important fact about small-scale farmers is that they usually own more land than they actually currently cultivate. E.K. Agyekum, for example, owns 22.5 acres but currently cultivates only ten, due to a lack of labor. I had been planning on asking farmers if they farmed more land now than when they started, and how they acquired that land, in an effort to discover if methods of land tenure had changed after structural adjustment. I learned, however, that when a farmer wants to farm more land, he usually just clears more of the land already in his possession. This method accommodates shifting cultivation. Many farmers farm one plot of land until its fertility is reduced, and then move to another plot. Twum Barima is an example of this.

THE CHARACTERISTICS OF THE CROPS ON SMALL-SCALE FARMS

The crops planted by farmers are generally classified as cash crops (cassia, oranges, cocoa, cashews, oil palm, sugar cane and coconut) and food crops (cassava, maize, garden eggs, okro, pepper and tomatoes). Though some cash crops are also foods, they are produced primarily to sell, rather than for the consumption of the farmer. Those cash crops that grow on trees are also called tree crops.

A crucial difference between tree crops like cassia, oranges and cocoa and food crops like cassava, maize and vegetables is that thee latter require planting every year, while the former are planted only once and then harvested for many years to come. This is an important distinction because it is one reason that food production is not easy to increase, it requires a lot more labor than tree crop production, so most farmers produce what they need to eat and not much extra. Many farmers said that they planted tree crops to provide security in their old age, when they could hire labor for harvesting and pay little attention to their crops other than that (e.g. Nana Acquah). And E. K. Agyekum said that cassava is the most

profitable crop, and if he had enough labor he would plant only cassava. This makes fertilizer a critical component in increasing production of food crops. Since they are not likely to increase acreage due to the amount of work involved, fertilizer availability is the primary way to increase yield.

OVERALL EFFECTS

Overall, the performance of the agricultural sector during adjustment was precarious at best, an unsurprising fact considering the total lack of attention given the sector by SAPs. Leechor admits that any progress in the agricultural sector is precarious due to fluctuating and often unfavorable terms of trade.[52] The graph shown in Appendix II depicts the performance of the agricultural sector during the structural adjustment years. The sector has fluctuated between growth and decline, always lagging behind the services and industry sectors, which were given more attention by SAPs.

The micro effects were more difficult to determine in the time frame available. Few of the farmers I interviewed had been farming before 1993. Those who had said that, in general, life was easier before 1983. Opanyin Kwesi Afful said that before Rawlings came to power, the whole village would help a farmer weed or clear his land. Now, farmers have to buy labor and sometimes the laborers don't even show up. Nana Kofi Acquah said that before 1983 the rainfall pattern was better, and before 1983 the middle women always paid for produce they bought from farmers, where now sometimes they do not. Acquah Mensah also said that work was easier before 1983, because of the rainfall pattern. In other words, I was not able to determine from these interviews changes in overall quality of life due to structural adjustment.

When I asked farmers in which years it had been hardest to provide for their needs, almost every farmer said that this past year has been one of the worst because of the rainfall pattern (Agyekum, Barima, Ayub, Francis Otoo, Mensah). Other than this year, however, many said their situation was gradually improving (Brukumah, Francis Otoo, Anthony Otoo). The only other times mentioned as bad times were bad either because of rain, or because of a crisis like Ayub's wife's sickness.

It is difficult to interpret these findings into any broad statement of the success or failure of structural adjustment. As I said in the characteristics section, most farmers start with cassava and maize and then add cash crops. It stands to reason, then that if a farmer started farming in the eighties, his financial situation would have improved slowly as he expanded. Without a more extensive study, I can't determine how SA affected their situations. Furthermore, the last year is naturally the easiest to remember, so though farmers

may have stated that this has been the worst year since 1983, it is difficult to say if that is simply because the suffering of the past year is the most fresh in their memories. Rain is also the most immediate cause of success or failure, and easy to blame.

PRICING POLICY

Pricing policy has perhaps been the most crucial component of SAPs, yet it proved quite difficult to study. Most farmers do not keep records, and cannot necessarily remember if the prices of fertilizer rose by more than their incomes during a specified decade. I can, however, give a detailed summary of the literature on pricing policy.

SA policies focused on increasing prices for export crops. This could, however, have an adverse affect on production of non-export crops. If the price of export crops rises relative to food crops, it becomes less profitable to produce food crops, and farmers may choose to shift their resources to export crops. Export production would go up, food production would go down, and prices of food would rise. Cocoa and other export producers would benefit, but other farmers would find their livelihoods unprofitable, and non-farmers would find their food prices rising.

As expected, terms of trade for food declined by 50 percent during the first phase of the ERP (1983-7), while terms of trade for cocoa increased by 80 percent.53 Food terms of trade had been improving relative to non-food for five years before 1983, but by 1987 they were 70 percent of their 1978 value. This can be traced directly to the ERP since it caused an increase in the price of non-food goods like cocoa, beverages and clothing.[54] Appendix III shows the changes in prices for food crops for 1970-1995. by 1995, cassava was demanding 34.1 percent of 1987 prices. Rice and yam were the only food crops whose producer prices went up, and only by a minute amount.[55] According to Sarris and Shams, this lead to a slow decline in smallholders' incomes.[56]

Despite this, production of food seems to have increased initially. Commander conducted a micro study where he found that production of both cash and food crops had increased. This may be because food and cash crops are complements in production; for example, plantain is planted to shade cocoa trees. It may also be because the terms of trade for cocoa were so low before that raising them did not have much a production affect.[57]

Interestingly, cocoa has not done very well either, due to a decline in the world price. Cocoa prices fell by 50 percent between 2986 and 1994. In 1988 they were already 72.3

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[52] Ibid. 31, p.173.
[54] Ibid. 23, p.112.
[55] Ibid. 3, p.179.
[56] Ibid. 2, pp. 48-9.

percent of 1979-81 prices. Little surprise then that in that year total agricultural exports were actually down, and cocoa exports were even below the unusually low 1983 level.[58] Weissman writes that cocoa production is increasing by 6 percent a year, while consumption is only increasing by 2 percent a year.[59] I already cited that foreign aid had to increase as a result of these adverse terms of trade. The reader can refer back to Commander's quote about Ghana's worrying dependence on one undependable crop.

EXPENDITURE ON AGRICULTURE AND THE FUNCTIONS OF THE MOA

Overall expenditure affects agriculture because it affects the access that farmers have to Ministry services. The Ministry is responsible for educating farmers about technologies and improved farming methods and inputs. If government spending on agriculture decreases, then farmers' access to their services is reduced, and so is farmers' success.[60]

According to Sarris and Shams, "Since 1983 expenditure on agriculture has suffered immensely." In 1983 agriculture was 10.4 percent of total expenditure, by 1985 it had shrunk by more than half, to 4.2 percent, and by 1987 it was 3.5 percent. These numbers indicate that agriculture has become less of a priority since SAP/ERP. The breakdown of agricultural expenditure is also revealing. Travel and transport, and maintenance and repairs, two crucial components of agricultural services, especially in rural areas, received only 8.8 percent and 1.6 percent of total expenditure. By contrast, in 1987 two large development projects absorbed 33.5 percent.[61] This indicates that when agriculture was funded, the funding was not going to service the majority of small-scale farmers.

Justice Amoah, District Director for the Ministry of Agriculture (MOA) (Cape Coast District in Central Region), supported these statements about lack of funds. "Funds have been grossly inadequate," Amoah said, repeating, "Funds have been grossly inadequate. Grossly inadequate." When I asked if there had been any change between the pre and post adjustment periods, he did not say, but said that they have always been grossly inadequate. First, the budget is read in January but funds do not become available until March or April, leaving the Ministry broke during the interim months. When the budget does come, Amoah is allocated six million cedis a quarter for administration. Two million goes directly to utilities without passing through Amoah's hands. Another two million goes towards maintenance of the motorbikes crucial to the extension officers' work. That leaves two

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[57] Ibid. 23, p.112, Ibid. 2, p.46.
[58] Ibid. 3, p.9.
[59] Ibid. 44, p.1624.
[60] Interviews with Kofi Golokumah (1 May) and Justice Amoa.
[61] Ibid. 3, pp.179-80.

million cedis, less than US$300, to accomplish everything else – a single tire costs 800,000 cedis.

Recently, the World Bank prompted the MOA to decentralize. Previously, all the agricultural services, like veterinary, extension, crop services and plant protection, had their own separate departments. Each had employees who went into the field and talked to farmers, so a farmer might work with four different MOA employees. Now, the Ministry is divided into districts, and a District Director oversees all Ministry services. But, Amoah reports, "funds have not been made available for the integration to actually work." Extension officers who used to work in veterinary services, for example, have not been trained in crop services, so it is difficult for them to help farmers in all areas.[62]

FERTILIZER SUBSIDIES AND PRIVATISATION

Fertilizer had been subsidized at a rate of 80 percent, and over 7 years those subsidies were completely removed.[63] Though output prices were in theory increasing, they might not increase enough to make up for the increase in fertilizer perice.[64] Sarris reports that between 1981-7 input costs rose by more than the rural price index, which means that they were rising faster than inflation, and probably faster than output price.

Commander was skeptical that output prices would even increase due to devaluation. Since most domestic food transactions in Ghana take place in the informal sector, they may not be affected by the official exchange rate. Thus, while the pre-SA Ghanaian government said that cassava cost one cedi, on the street it would be sold at its real value of 90 ceids. Since fertilizer was sold by the government, it would be sold at the official rate. Thus, with devaluation, fertilizer and other inputs would suddenly become much more expensive, while output prices would stay the same.[65] It is important to note, however, that the effects of these policies depend on whether farmers were using inputs in the first place, and many did not.

The government removed subsidies and privatized input distribution at the same time; however, the private sector proved reluctant to get involved in this expensive and risky area.[66]

The District Director of the Cape Coast MOA expressed his view that privatization has been a failure. Before MOA services were decentralized, the crop services division was in charge of nurseries situated in villages, which supplied farmers with inputs. The

[62] Ibid. p. 53.
[63] Ibid. 2, p.36.
[64] Ibid. 2, p.27.
[65] Ibid. 23, Chapter 3.

veterinary services division was in charge of veterinary services in villages, and the plant protection unit was in charge of plant protection in villages. If a farmer had a problem in one of these areas, the extension officer could direct the farmer to one of these government workers. "These days because of decentralization all of these things have been stopped," he said. They were given to the private sector, but the private sector hasn't gotten involved. The only nursery I saw was in Amisano and run by Adventist Relief Agency (ADRA), a non-profit NGO, and the Peace Corps.

He also believes that fertilizer privatization has hurt farmers, for several reasons. First, the removal of subsidies means they cannot afford them. "These commodities are expensive … and most of these dealers have to look for capital to even purchase them. Now the probability is that because they are looking for huge profits the farmers cannot purchase them." 'This supports Sarris' statements that the fertilizer distribution industry is expensive to enter.[67] According to Amoah, farmers were using fertilizer before SA but stopped "when it left government hands." Another reason privatization has hurt farmers is that fertilizer used to be sold in stores run by extension workers who could advise the farmers about what to buy and how to use it. "Now he looks around town and sees it like a commodity in any store and then he picks it. It has become a problem."

My interviews supported all of Amoah's statements except two. First, several farmers told me they bought their fertilizer from the MOA (Agyekum, Nana Acquah), which signaled to me that privatization was incomplete. Amoah, of anyone, should know if fertilizers have been privatized, so I trust his statements to that effect. Second, none of the farmers I interviewed had used fertilizer before structural adjustment began, and many in fact had just started in the past few years. Amoah said, however, that his statements about the post-privatization decline in fertilizer use were particularly true about the north, which is where Amoah was working in the years before adjustment. (Footnote and give Amoah's work history). All of the farmers I interviewed farmed only in the south.

I did find, however, that only five of the fourteen farmers I interviewed could afford to buy any fertilizer at all. (This is shown in Appendix V.) The others, if they used fertilizer, depended on in kind loans from ADEA, which they repaid over the course of the year. Three of the five who bought fertilizer were the three prosperous farmers who farmed about 30 acres, including cocoa. A fourth was E.K. Agyekum, who farmed only 10 acres but was the only other cocoa farmer in the group. This seems to show that cocoa farmers have indeed prospered more than non-cocoa farmers. It also shows that privatization of fertilizer has not helped many farmers – in all likelihood, the more prosperous farmers would be buying

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[66] Ibid. 3, pp.185-6.
[67] Ibid. 3, p. 184-5.

fertilizer whether or not it was privatized, and subsidy removal seems to have deterred the other nine farmers.

Another point about fertilizer usage is that farmers learned of the benefits from MOA extension officers (e.g. Kofi Brukumah, Issah Ayub). This signifies a perhaps obvious fact, that a decline in the effectiveness of the MOA would hurt farmers.

CREDIT POLICY

Raising of interest rates is an important part of structural adjustment policy. Raising interest rates is supposed to encourage savings, which will reduce inflation because there will be less cash in circulation. In theory, the increase in savings will mobilize resources for investment because there is more money in banks available for loans. But if rates are too high to induce borrowing, the amount of money available becomes irrelevant.[68] Furthermore, many Ghanaians distrust banks, and prefer to use informal forms of resource mobilization like susu savings; in fact, some estimate that more than 50 percent of financial transactions in Ghana take place in the informal sector.[69] This might explain why most of the literature did not focus on its effects on farmers; farmers rarely access loans from banks, and seldom hold savings accounts. MOA staff, however, stressed lack of credit as a critical problem facing farmers, and it would seem that banks should adjust to make themselves available to farmers.

"Our work has always been very difficult due to one fact," said extension officer Kofi Golokumah. That fact is the lack of credit available to farmers, not necessarily in the form of money, but in the form of goods. Before 1992 Sasakawa Global 2000, an NGO, was offering credit facilities to farmers, i.e. loans in the form of fertilizer, seeds and tools. After 1997 the Adventist Relief Agency (ADRA) picked up the slack, but their loans are aimed specifically at agro-forestry, or tree crops take time before they turn a profit, ADRA will also help farmers with maize to feed themselves in the meantime. Since most farmers have some tree crops, they are able to take advantage of ADRA's loans. Nine out of fourteen of my interviewees are currently taking advantage of ADRA's services; one, Twum Barima was not able to because he did not plant tree crops. It is significant that Barima, who could not take advantage of the loan, is the only farmer in my sample who is technically classified as small-scale.

When I asked Amoah what problems farmers face, he said, "They say capital, credit. But only a grew pay credit when it is given to them." My findings did not prove this statement to be true; all the farmers I asked, whether they had taken loans from banks or from

[68] Ibid. 3, p.186.
[69] Naana Opoku-Agyemang, "Susu Saving," Lecture on 22 March 2001.

NGOs, had been able to repay their loans. Of course, they could have misrepresented their situations.

As shown in Appendix V, two farmers had taken loans from banks. (Opanyin Kwesi Afful took a 100 cedi loan during the First Republic, but I am not including that.) Nana Acquah found himself unable to perform the required labor on his farm, yet he had no capital to hire labor. He took a loan, and feels that the result was positive and he would do it again. Issah Ayub is the other farmer who has taken a loan. His is an interesting case, because he is the only non-cocoa farmer who is able to buy fertilizer on his own. He took the loan in 1997, which was about the same time he began, buying fertilizer, in all likelihood the tow are connected. Ayub also would take a loan again if he needed. Ayub's case is an example of why it is important to address the fact that farmers feel alienated by banks – without the loan, he may have been no better off than his neighbors; with the loan, he has improved his ability to produce and his quality of life, perhaps for the long term.

Farmers cited many reasons for not taking loans from banks; generally they never got close enough for the high interest rates to deter them. Three people said they didn't have collateral. Ekow Fynn said that by the time you receive the money you apply for it's too late. Francis and Anthony Otoo said that since they didn't save money, they didn't do any business with the bank, and so it never occurred to them to apply for a loan; James Appiah also said he never got the idea.

In the early nineties, the Medium Term Agricultural Development Program (MTADP) was put in place as a part of Vision 2020. The aim was 5 percent growth in the agricultural sector by 2020, which the sector achieved for the first time in 1998 (ISSER 18). A crucial part of MTADP was organizing farmers into cooperatives to introduce them to banks. Unlike most previous agricultural policies in Ghana, MTADP aimed to increase production of crops like yam, plantain, cocoyam and cassava.[70] According to Amoah, MTADP worked "not much to the desire we expected." The problem, he said, was one of marketing. So many farmers were producing these crops that prices fell. "The farmer cannot sell," Amoah said, "he cannot pay his loan." I examine marketing problems in a latter section, since that seems to be critical problem facing farmers.

INFRASTRUCTURE: GETTING THE GOODS TO MARKET

Leechor claims that infrastructure rehabilitation has served the needs of the poor, and gives this as his second reason that SA has alleviated poverty in Ghana. He admits, however, the this rehabilitation has been insufficient in the agricultural sector, and it has focused on

[70] Ibid, 53.

aiding export crops.71[71] Sarris and Shams also report that infrastructure has been neglected. As I wrote in the section on expenditure, travel and transport received only 8.8 percent of the already low expenditure on agriculture in the first years of SAP, and maintenance and repairs was allocated 1.6 percent of the budget. Amoah's statements about his own budget also indicate that infrastructure is not a priority.

When I began interviewing farmers, I planned on asking them how they got their goods to market, and whether the roads had improved or declined over the past twenty years. With such a line of questioning, I hoped to make a judgment of improvements in infrastructure. I quickly found, however, that middlemen and middle women come to farms to buy from farmers. Therefore, to do a proper study of infrastructure, I would have to interview these buyers. This would have been beyond the scope of this study. I was able, however, to come to several other conclusions regarding infrastructure, as well as the marketing process.

First, nearly every farmer mentioned rainfall as the main impediment to success. (Agyekum, Barima, Francis Otoo, Anthony Otoo, Martin Otoo, Monica Ata Panyin, Akua Mensah, Nana Kofi Acquah.) "Everything depends on the rain," said Anthony Otoo. Akua Mensah was thwarted in her one attempt to use fertilizer when the rains did not come and her crops did not grow; she also said that the years before 83 were better because of rainfall, as did Nana Acquah. Monica Ata Panyin has been farming for four years, and says that she has not expanded because there has not been rain, and so farming has not been profitable. And when asked what the hardest years have been since 1983, nearly every farmer said that this past year has been the worst, because the rains did not come last year. Agyekum said that this year is the one year he has had problems feeding his family, and that is because of last year's poor rainfall. And Dwamena Godfred the extension worker, who lived in Amisano, said that rainfall was the biggest prolem facing the farmers in the town. Since this problem has to do with weather, it's eve more difficult to solve. Mass irrigation schemes are not economically plausible; even if the infrastructure were in place, the water would not always be available, as is the case, for example, on the UCC campus. These dilemmas prompt one to see how Kwame Nkrumah though that large-scale industrialized agriculture was the wave of the future. But Nkrumah's policies were obviously problematic as well.

Another problem that I initially thought was a problem of infrastructure seems to be more of a problem of marketing. Farmers sell their produce (excluding cocoa, which is sold at a fixed price through the Cocoa Marketing Board), to middle-women who come to the farm to buy.72 They are forced to take the prices offered by the middle-women, even if it means selling at a loss, because they have no other option. This is a problem of

[71] Ibid. 31, p.171.

infrastructure in that the more rural a farmer is, the fewer middle-women come to buy his goods. The marketing problem is examined in the following section.

MARKETING

Golokumah, who used to work in Nana Acquah's town of Ebu Krom, and currently works in the Efutu area where Agyekum lives, also said that marketing was the primary problem facing farmers. In fact, after obtaining a degree in agriculture, he went back to school to study marketing because he saw that as the biggest impediment to farmers' success. When buyers come to buy, they give a price and farmers have to take it. "Farmers crop and they don't even break even. Because they don't keep records they don't know they are running at a loss." (May 1) Even if they did know, they would have no choice but to sell because they have no other source of income. (May 4) He said he has seen many farmers use fertilizer and increase their yield, but the increase in yield doesn't increase their standard of living, so after a few years, they stop using it altogether. (May 8) Amoah agreed; he said that while the middle-women have organized themselves to have more buying power, the farmers will not do the same. If farmers came together and refused to sell their goods, they could affect the price, but it is hard for extension officers to convince them to do so.

Golokumah himself farms maize, which is more expensive to produce here than in Ashanti and Western regions, because of depleted soil fertility in this region. Unfortunately, Central region maize has to compete with the cheaper maize in the market. Since Golokumah keeps records of his costs, he knows at what price he needs to sell his maize. Since his work as an extension officer provides him with an additional source of income, he can withhold his maize if the price is not good enough, until the price goes higher. He also lives near a main road, so he has access to more buyers. The marketing process gets more difficult the more difficult it is to access a farmer and his or her produce; fewer buyers come to buy, so farmers have even fewer prices to choose from. (May 4)

Ironically, SA in theory opens markers up to competition. As a result of liberalization farmers like Agyekum should be able to choose from a variety of buyers who have to compete for his product by giving them the highest price they can. But SA assumes a degree of choice that does not always exist. SA assumes that the private sector will involve itself, but, as with fertilizer supply, that is not always the case. This is especially a problem for maize because of the cheaper maize available from other regions.

Many farmers agreed that the marketing process was not satisfactory. E.K Agyekum said that the reason for his poverty was that when middle women came to buy his goods, they would not pay up front, but take the goods and promise to pay later. Sometimes they come

back two or three months later; sometimes they do not come back at all. But Agyekum is forced to trust them and give them his produce, because he has no other choice, no other way to sell his goods. Nana Kofi Acquah also said that sometimes buyers do not pay; in fact he cited this as one of the primary reasons it is hard to get ahead. Nana Acquah said that this did not happen before 1983; before 1983 middle-women always paid. In fact, he gave this as a primary reason why things have been harder since 1983. It is difficult to gauge the accuracy of that statement, however, especially without a larger sample. Since Nana Acquah knew I wanted to find the differences between the years before and after 83, he may have wanted to give me differences regardless of whether he recalled any.

The fact that farmers do not keep records compounds the problem. Even E.K. Agyekum, the former teacher, said that Golokumah had been pestering him to keep records, but he never did. Farmers have to work for a market economy they do not understand, one that often contradicts their cultural practices. "They just don't follow the theory of demand and supply," Amoah said. "They don't read the market economy. So everybody is producing maize and then there's plenty maize." At harvest time, he said, farmers sell food for 2,000 cedis, and during the lean season it costs them 7,000 cedis to buy it.

It is difficult to see how this situation could be changed. The more rural a farmer is, the more difficult it is for him or her to turn a profit; however, I doubt anyone would suggest paving a road through Efufu Kokoado. That is why the problem is one of marketing more than infrastructure. In addition, it is difficult to convince farmers to keep records when it is not a cultural practice. Price setting is one policy that would help farmers in this case, but price setting is seen as inefficient and is certainly antithetical to World Bank philosophy. Another way to address the situation would be to look at marketing of cocoa. Cocoa is marketed through the Cocoa Marketing Board, and farmers receive a fixed price paid into their bank account. It is also difficult to imagine the World Bank approving such a project. And for food crops, such a system would disrupt the current system of trading and bartering, and perhaps have no hope of succeeding. Another option would be for the farmers to be able to transport their goods elsewhere, a sort of middle-women to buy from farmers, but one where middle-women to buy from farmers, but one where middle-women must give competitive prices or lose the sale. This would probably have to be run by the already over-taxed MOA, however, as it is difficult to see the private sector getting involved. In addition, one certainly cannot say that the middle-women are exploiting the farmers; they would certainly justifiably protest any increase in prices.

The World Bank would say that if maize is not being produced efficiently, it shouldn't be produced at all. Central region farmers would save by planting something that they can plant efficiently and buying maize from Ashanti and Western region farmers. This

is not a viable option for several reasons. First, maize is intercropped with cassava, so even if it is not an efficient use of labor, it is an efficient use of land. If farmers were to stop farming maize, they would not necessarily have land available to plant a more efficient crop. Second, due to the fact that many farmers farm at a loss, it could be a death sentence to tell them to buy food instead of planting it; their financial situation are too insecure. When asked why they became farmers, a few said that it offered security. Agyekum, for example, cited the fact that he did not have to buy food, spices, or even medicine since he used herbs, as the main reason he because a farmer. "I thought that farming was very lucrative," Agyekum said, and he said the occupation has met his expectations for it. Giving up the planting of a major staple crop would mean giving up security and independence. When I asked Twum Barima why he became a farmer, Golokumah translated, "He has his own independence. Nobody controls him." Finally, if farmers gave up planting maize they would likely choose to plant a cash crop instead, which would endanger food security for both their families and the country as a whole, which everyone (except maybe the World Bank) is trying to avoid. (The reader will note that while Sagoe stated that food self-sufficiency was an accepted goal of the ERP, the ERP is the programme of the Ghanaian government, not the World Bank.) in short, the only policy that I can picture the World Bank supporting, is impossible in this context.

Another option is to help farmers increase their yield. In the case of maize, for example, an increase in yield per acre would help Central region farmers compete with Ashanti and Western region farmers. This is obviously easier said than done. Increasing yield is the ultimate goal of MOA extension officers, and they are already giving 110 percent to the task. Since fertility of the land, according to Golokumah, is the main reason why farmers cannot produce maize profitably, fertilizer would be a main ingredient if increased profitability were the goal. In fact, maize is often the only crop that farmers fertilize. The main impediment to expanded fertilizer use is finances; I examine this in the section on fertilizer.

Perhaps the most viable option is for farmers to organize and refuse to sell unless middle-women raise their prices. Golokumah said that he has tried to organize farmers to affect the prices of their goods. Golokumah said that this strategy has worked in the Volta region, but he has not been able to organize farmers here, despite repeated attempts. If one does sell, another will, so the one farmer has no affect. (May 1, May 8) Amoah also said that middle-women have cooperatives where they set prices, "but our farmers cannot come together with one voice to peg their prices."

SOCIAL SERVICES

Leechor's third reason why SA had decreased poverty in Ghana was that quality of social services has increased, but he does not examine in depth whether access to those services has been affected. Leechor does report that primary school attendance rose by 10 percent between 1985 and 1989.[73] Others, however, state that fees have reduced access to schooling. Others say the same of health care, electricity and water.[74] While Leechor cites data that support his argument that SAP/ERP has had a positive effect on health care,[75] Weissman cites data that says otherwise.[76] Sarris and Shams point out that cuts in social services have disproportionately affected the rural poor. For example, the government withdrew its resources particularly form boarding facilities, phasing out subsidies for room and board. Since most people in cities can commute to a secondary school that should not cause too much inconvenience. But for people who live in rural areas, it could mean children simply can not go to secondary school. There has also been insufficient consideration for non-formal education, which is how many Ghanaians, especially the poor, receive their education.[77]

Only one farmer, E.K. Agyekum, admitted that he might not be able to afford SSS school fees in the future. He had sent his oldest four to SSS or an equally expensive vocational programme, but he said he did not know if he would be able to extend their education but I don't know my future as of now." Most of the other farmers told me that they would send all of their children to SSS if they chose to go. Though I was skeptical that this information was accurate, since farmers might want to give me a perception different from reality, Golokumah said that the farmers were telling the truth. All of Ekow Fynn's children have gone to SSS except for one who chose to become a seamstress. Twum Barima has 6 children all under the age of 15; he plans to send all to SSS. Issah Ayub said the same of his 5 young children, as did Martin Otoo. Only two of Nana Kofi Acquah's 10 children went to SSS, but he said that the others did not go because they did not have the aptitude.

Kofi Brukumah's oldest two children were not able to attend school beyond JSS because at that time his farm was young and they were needed to help. These two children are now 25 and 28, and so would have been attending SSS during the years of structural adjustment. It is quite plausible that structural adjustment had an effect, either through the sudden imposition of school fees, the increase in the price of labor, or other effects. James Appiah's oldest two children, now 29 and 32, did not attend SSS because of money. Like Brukumah's oldest, Appiah's children would have been going to SSS in the SA period. This

[73] Ibid. 31, p.183.
[74] Ibid. 30, p.71.
[75] Ibid. 31, p.184.
[76] Ibid. 44, p.1627

could be interpreted to support or criticize SAPs. Perhaps the short-term effects of the SA policies kept these children out of school. Another possibility, however, is that the benefits of SA hadn't kicked in yet at that point, and it was actually SA that enabled the subsequent children to attend school.

Francis Otoo has one child who has completed SSS and four who he says he will be able to send thanks to the cassia he has planted; Anthony Otoo has placed the same hopes on his citrus plants. Since few farmers save, it stands to reason that all of the cash they are making from the cash crops goes directly into food, farming inputs, health care and education. A few farmers directly stated that all of the money they make goes into food and education (i.e. James Appiah). The need for cash due to World Bank policies (removal of subsidies, imposition of fees) is somewhat reminiscent of the need for cash due to forced taxation in the first half of the 20th century. It seems in some cases that structural adjustment has succeeded in increasing production for export in the same way as forced taxation induced West Africans to plant cash crops in the first half of the 20th century.

Regarding health, most of the farmers, when asked what they do when someone is sick, said that they take them to the hospital. Only a few times did I ask if they were ever unable to do so because of fees (May 5 interviews), and always the answer was no. Once again, E.K. Agyekum was the only exception. He said he uses herbs to treat sicknesses unless they are serious. It could be that many farmers use herbs but are reluctant to tell me because of a stigma associated with paganism.

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[77] Ibid. 3, 188-9.

CONCLUSION

Leechor's three reasons why SA has decreased poverty in Ghana were: farm income has increased; infrastructure has benefited small farmers; and quality of social services has improved (see pg. 19). I was unable to determine the changes in farm income because most of the farmers I interviewed had not been farming before 1983. Furthermore, farmers do not keep records, so it is difficult to measure income. The rapid rate of inflation also makes it difficult to judge the real value of income. Most farmers consider the rain to be their most important input, and, understandably, do not attribute changes in their fortunes to economic policy. To figure out changes in real income, a mathematical study of the relationship between food prices, average output per capita, and the price index would have to be made. I was also unable to measure changes in infrastructure, since those mostly affected middle women. And a qualitative judgment of the quality of social services would probably involve interviewing teachers.

Though I was not able to directly address Leechor's conclusions, I was able to come up with many of my own:

- The introduction of fees for services like health care and education has increased the small farmer's need for cash, and prompted the increased production of cash crops. I am basing this conclusion on the fact that some farmers said that they had planted cash crops in order to send their children to school; others did not say that exactly, but did say that all of their money went into education and food. The fact that most farmers do not save money in a bank also indicates that all of the cash they make goes directly into food, health care and education.
- Cocoa farmers are considerably more prosperous than non-cocoa farmers. Only one non-cocoa farmer was able to buy fertilizer without ADRA, and he was a special case of sorts since he had taken a bank loan around the same time as he started buying fertilizer. Since three of the cocoa farmers farm 30 acres, the larger scale of their farms could explain by itself their better circumstances, however, the fourth cocoa farmer farmed only 10 acres and was still able to buy fertilizer, unlike his small-holding compatriots.
- The private sector has not assumed duties abandoned by the MOA due to adjustment. This is not surprising, considering many of these duties are not profitable. They are, however, very important, and farmers suffer from the lack of them. Where the private sector has not entered, NGOs have picked up some of

the slack. Fertilizer is an important input for farmers, and farmers appreciate its use.

- The lack of credit available to farmers is a problem that needs to be addressed. Ayub is an example of where access to credit has improved his financial situation. Banks need to address how they can improve their services to people who are not accustomed to western-style bureaucracy. Returning this function to the public sector could also be a solution. Since farmers repay the loans given them, public funds would eventually be returned to the Ministry. Furthermore, the benefits of these loans would return to the Ghanaian people in the form of increased agricultural productivity.
- Marketing, however, is another important aspect, which may be unrelated to adjustment. It may be that none of these measures will be successful without a more effective marketing scheme for non-cocoa farmers. A more extensive study would be needed to measure the changes in the marketing process over the past 20 years. Middle women would have to be interviewed. It would be productive to study how they managed to unify to peg their prices, to see if farmers could use the same techniques.
- All of these problems are compounded by the fact that small-scale farmers are not westerners, not capitalists. They do not keep records; they do not follow the world market to determine when they should sell their goods. Even if they did, they are to poor to make decisions based on the information.
- It is important to note that there have been many other changes during the Rawlings regime; many times during my stay in Ghana Ghanaians have lamented that "Ghana didn't used to be this way." The lack of trust in middle women cited by Nana Acquah and Agyekum is probably a result of many changes. The same goes for the changes cited by Opanyin Kwesi Afful, who said that the communal feeling in the town has disappeared since Rawlings came to power.

Farmers' ability to produce and profit is hampered by many factors, including a lack of credit, high fertilizer prices, poor marketing systems and fluctuating rainfall patterns. While high fertilizer prices are the only problem directly caused by adjustment, adjustment has failed to address the other real problems that farmers face. Adjustment has also reinforced the dependence of both Ghana as a whole and the individual farmer on cocoa. Even as recently as 1998, cocoa output was increasing while food yield was declining. Further study is needed to form conclusions about quality of social services, though it seems that most farmers have access to schooling and health care. Further study is also needed to judge how

agricultural policy has affected infrastructure and how this has affected farmers. Overall, farmers had different opinions on whether their quality of life had changed in the past 20 years, though generally they attributed changes in fortunes to rainfall rather than economic policies.

Structural adjustment affects millions of people, yet they are all too often not consulted about what they need from the government. Once the Program are in place, studies of their effects focus on macro-economic indicators, and make broad assumptions about micro-level effects. When there are problems associated with adjustment, economists often dismiss them as "adjustment costs" and assume they will work themselves out. It is assumed that it is the responsibility of the small farmer to adjust to the conditions created by the global economy. Yet it is not the small farmer who invited the global economy to his doorstep. It is not even the Ghanaian government. The slave trade and later colonialism imposed on Ghanaians a nationhood that did not exist, and an economic system in many ways foreign to their own. Now, as Ghana is a square peg forcing itself into a round hole, economists and politicians claim that it is Ghanaians who should change their shape. We see this in the farmers who do not keep records, who do not work according to the laws of supply and demand. When Ghanaians do not follow the rules that have been imposed upon them by outside forces, they are left out of the game. Ghana needs debt relief and needs it now. Richer countries, countries that have benefited from centuries of exploiting African people and soil, refuse; HIPC is Ghana's only option. Hopefully, the HIPC programme really does represent a "new World Bank," one concerned, not just with GDP, but with the real needs of the real people of Ghana.

Appendix I:

Graph of basic economic indicators 1970-1992
From Tshibaka: 1998, p.223

Table 6.1: Basic Economic Indicators for Ghana
Before and After Reforms (1970-1992)

	Before Reform (1970-1980)	After Reform (1980-1992)
Growth of GDP (%)	0.1	3.4
Growth of Agric. GDP (%)	.0.3	1.2
Growth of Industry (%)	.1.0	4.0
Growth of Manufacturing (%)	.0.5	4.1
Growth of Services (%)	.1.1	6.7
Growth of per capita GNP (%)		.01
Growth in Private Consumption (%)	.1.2	4.7
Growth in Exports Industry (%)	.6.3	8.0
Growth in Imports (%)	.2.2	1.8
Growth of Gross Domestic Investment (%)	.2.5	8.8
Average Annual Inflation (%)	35.2	38.7

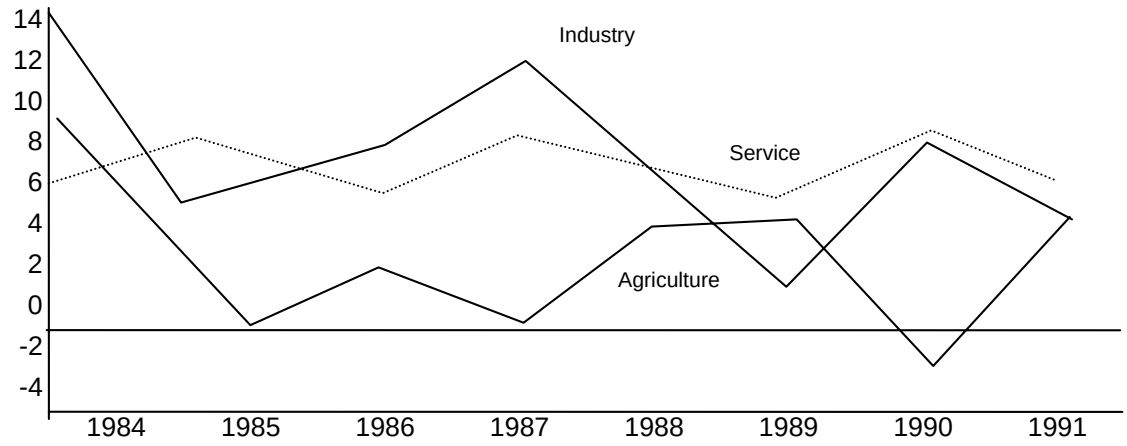
Source: World Development Report 1994. The World Bank, Washington DC, USA

Appendix II:

Performance of the agricultural, services and industry sectors during the adjustment years from Husain: 1994, p. 170

Figure 4, 10 GDP growth by sector, 1984-91

Annual percentage change in value added



Source: *Goans Statistical Service.*

Appendix III:

Table showing changes in prices for foot crops 1970-1995
From Sagoe: 1998, p.48-49

Table 4.6

Real Producer Price Index of Some Selected Food Crops – 1970-1995
(1987 Constant prices)

Year	Maize	Cassava	Plantain	Yam	Rice	GM
Pre SAP						
1970	132.7	176.0	128.1	81.4	94.7	122.6
1971	123.7	225.0	173.1	78.2	109.6	141.8
1972	163.8	244.0	144.2	76.4	100.9	145.9
1973	113.0	206.4	177.5	74.0	101.1	140.4
1974	132.9	202.8	150.9	98.0	101.9	136.7
1975	126.1	238.0	148.8	99.2	120.4	146.5
1976	185.6	326.6	198.3	95.8	169.1	194.5
1977	180.0	385.0	270.7	89.5	141.5	213.3
1978	105.6	206.2	243.6	84.6	81.4	144.3
1979	97.1	156.1	167.6	68.0	70.8	111.9
1980	156.0	222.9	164.1	80.9	113.4	147.5
1981	134.7	252.4	117.2	66.3	81.3	130.4
1982	113.6	232.6	158.5	61.1	82.8	129.7
1983	216.4	186.6	317.7	106.7	120.7	195.6
Post SAP						
1984	82.3	136.7	175.7	81.1	86.6	112.5
1985	82.9	138.4	140.5	77.4	78.4	105.5
1986	83.2	114.1	112.5	67.9	80.4	91.6
1987	100.0	100.0	100.0	100.0	100.0	100.0
1988	87.0	90.8	175.9	82.3	97.1	106.6
1989	51.8	36.2	150.2	112.8	149.6	104.1
1990	91.6	40.9	66.3	92.2	112.5	80.7
1991	62.4	34.8	54.1	90.8	118.0	76.0
1992	67.8	70.8	65.1	93.0	110.3	81.4
1993	69.9	63.8	134.1	86.8	140.5	97.2
1994	49.4	52.6	109.3	70.4	125.4	81.4
1995	24.3	34.1	26.3	45.6	81.3	42.4
Av. Pre-SAP	445.8	232.9	185.7	82.7	106.4	150.1
Av. Post SAP	70.3	78.4	109.2	90.33	106.7	89.8
% Change	.51.8	.65.9	.40.2	9.2	0.28	.40.2

Source: Computed by the author from FAO Computer Data Base
GM: Geometric Mean

Appendix IV:

Chart of farmers, towns, years farming, crops planted, total acreage, in order interviewed

Name (gender)	Town	Years farming	Crops farmed ***	Total acreage cultivated*
Ekow Fynn (m)	Efutu	25-30 yrs	Oil palm, orange, plantain, cocoyam, cocoa, cassia**	30
Kofi Brukumah (m)	Efutu	18 yrs	Orange, plantain, sugar cane	10.5
E K. Agyekum (m)	Efutu Kokoado	18 yrs	Cocoa, oil palm, oranges, cassia, vegetables, **** plantain, sweet potato, fishpond, snails	10
Twum Barima (m)	Efutu Kokoado	15 yrs	Maize and cassava only	1
Issah Ayub (m)		15 yrs	Coconut, oranges, cassia	12
Francis Otoo	Amisano	14 yrs	Vegetables, tomatoes, rice, cassia, sugar cane	12
Anthony Otoo	Amisano	24 yrs	Plantain, tomatoes, vegetables, cassia, oranges, sugar cane	14
James Appiah	Amisano	8 yrs	Cassia, vegetables, tomatoes	7.5
Martin Otoo	Amisano	15 yrs	Cassia, vegetables, sugar cane	10.5
Monica Ata Panyin (f)	Amisano	4 yrs	Cassia, vegetables, oranges	Doesn't know
Akua Mensah (f)	Amisano	20	Oranges, plantain, cassia, sugar cane	6
Nana Kofi Acquah (m)	Ebu Krom	Over 50	Cocoa, cassia, cashews, sugar cane, pepper, sweet potatoes	28
Opanyin Kwesi Afful (m)	Dehia	Over 50	Yam, oranges, cocoa, sugar cane, cashew	33

*Most farmers have more land they actually cultivate, and they either practice crop rotation or plan on developing the rest of the land.

**Cassia is also known as woodlot, it is used to make charcoal.

***In addition to those listed, all farmers plant cassava and maize.

****Vegetables include pepper, garden eggs, okro, etc.

Appendix V:

Chart of fertilizer and credit access: whether farmers use fertilizer, how they acquire it, whether they have accessed loans, why not if they have never done it, whether they have saved in a bank and if not, why not.

Name (gender)	Fertilizer use	Credit use and form/reason Saving/reason
Ekow Fynn (m)	Global 2000, ADRA Buys but only a little b/c price	Global 2000, ADRA only / By the time you get the money it's too late
Kofi Brukumah (m)	Only through ADRA, can't afford	Didn't ask
E K. Agyekum (m)	2 bags from ADRA, 2 bags on his own from MOA	ADRA only / no collateral. Has borrowed from friends Savings account because cocoa farmers must
Twum Barima (m)	No, land is still fertile	Has borrowed from friends. No collateral for bank loan, no agro forestry for ADRA loan
Issah Ayub (m)	Buys 2 bags	Bank loan to extend farm. Used to save, had to close account
Francis Otoo	ADRA, no money to buy, some land still fertile	ADRA only, because he doesn't save any money, so doesn't do any business with the bank. Doesn't save because all money goes to education and food.
Anthony Otoo	ADRA, only	ADRA only, see above
James Appiah	ADRA, only	ADRA only, never got idea Saves at Rural bank Komenda
Martin Otoo	ADRA, only	ADRA only, no collateral No savings because no money
Monica Ata Panyin (f)	ADRA, only	ADRA only, farming no profitable so no need to expand
Akua Mensah (f)	Used once, but no rain so no benefits	No
Nana Kofi Acquah (m)	Buys 3 bags from MOA	Once when couldn't work but had no capital to buy labor Has saved money for ten years
Opanyin Kwesi Afful (m)	5 bags, from Global 2K and ADRA, buys also from stores in town	During First Republic

Appendix VI:

Definitions

External shocks: External shocks are conditions that affect the economic drastically though the government has no control over them. Changes in the world price for cocoa are an example, as the changes in interest rates, or changes in the prices of crucial imports like oil or food products. On an individual level, an external shock would be something over which the farmer has no control, like a wife's sickness.

Foreign exchange: The amount of money available in the economy.

HIPC: The Heavily Indebted Poor Countries initiative is sponsored by the World Bank in response to criticism of structural adjustment programs. The program offers extensive debt relief if the country submits to certain conditionalities. The conditionalities are of neo-liberal nature, like structural adjustment. With this new program, the World Bank is hailing itself as an organization committed to the people of the countries to which it is lending.

Necessary and sufficient: A condition is necessary if it is one of several required conditions contributing to a desired result. For example, economists see growth as a necessary ingredient in poverty reduction. A condition is sufficient if it alone can accomplish the goal. In the case of Ghana, it seems that growth has not been sufficient for poverty reduction.

Nominal versus real: Nominal prices are the prices in terms of the currency, real prices are the value of a good. While the nominal prices of a loaf of bread may have increased from 3 cedis to 1000 cedis since 1983, the real price may not have increased at all.

Output prices: The price that a farmer receives for the product he produces.

Price Index: This measures the difference between real and nominal prices. If a nominal price has doubled, and the price index has also doubled, then the real price remains the same.

Produce index: The percentage of the price received by the Cocoa Marketing Board that is passed on to the producer.

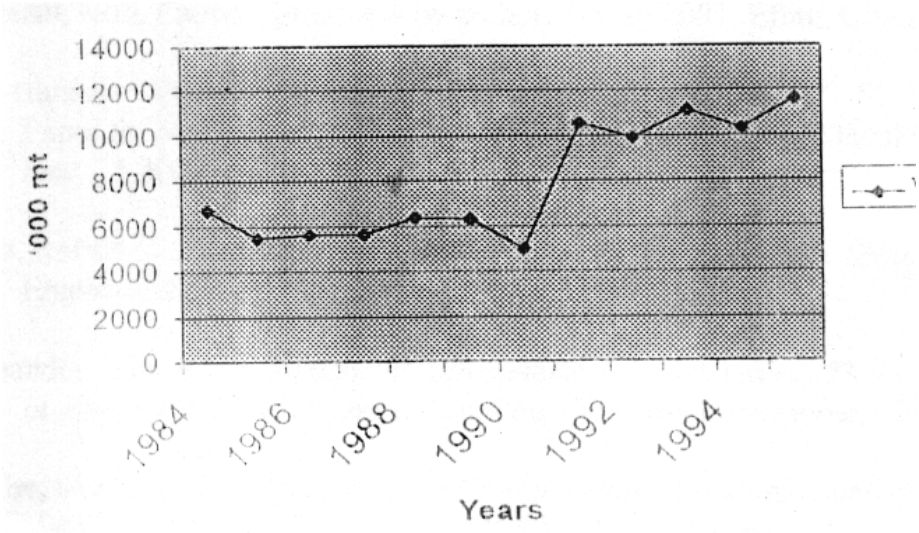
Trade barriers: Trade barriers are defined on pg. …..

Appendix VII

Chart of production of foodcrops, 1983-1995
From Sagoe: 1998 p. 45, 47

Fig. 4.2

Volume of Food Crops Produced – Post SAP Period (1985-95)



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