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When a Good Business Model is Not Enough: Land Transactions of Commercial Agriculture Projects and Gendered Livelihood Prospects in Rural Ghana

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Recent large-scale commercial agriculture projects in developing countries have raised concerns about how they affect local people who rely on natural resources for their livelihoods. A significant weakness in the emerging literature on such projects is the lack of a gender perspective on their implications for agrarian livelihoods. Dzodzi Tsikata and John Awetori Yaro explore the gendered aspects of large-scale land deals on livelihood prospects in the Northern Region of Ghana, drawing on qualitative research they undertook from 2010–12 on two commercial agriculture projects at Dipale and Kpachaa. The Northern Region, which suffers from endemic poverty, poor social development, and entrenched gender inequalities provided the conditions to examine how large-scale land acquisitions are likely to be experienced by highly impoverished communities. In these two cases, the authors examined an influential argument in the literature that the business model of a land deal, which includes how local communities are involved in production and profit sharing, can determine whether it results in gains for all concerned.

This "business model" argument is based on the premise that out-grower or contract farming schemes are superior to plantation agriculture in the modesty of the size of their land acquisitions, their incorporation of local farmers into production as independent operators, and the possibilities they offer for technology transfer. Typically, an out-grower scheme consists of a medium-size nucleus farm that contracts with and manages local farmers to produce a designated crop on their own land, using inputs and technical support provided by the nucleus farm operation. The crop is guaranteed a market by the nucleus farm and the costs of inputs and technical support are subtracted from farmers' earnings on their harvest. A plantation, on the other hand, is a large-scale, mechanized commercial farm producing a mono-crop and employing locals as permanent or casual laborers for different aspects of its operations.

Failing at poverty reduction. The Integrated Tamale Fruit Company (ITFC), a Ghanaian LLC owned by a consortium dominated by Dutch capital, began a mango production project in 1999 with the acquisition of 1,363 acres (552 hectares) of land near the village of Dipale for the nucleus farm of its out-grower scheme. Though the project is still in operation in some areas, its out-grower scheme at Dipale collapsed and therefore failed to fulfill its promise of poverty reduction in the community, which had given up farmland for the nucleus farm. The majority of ITFC employees there were poorly paid casual workers. In any case, project employment benefits were enjoyed by only a minority of mostly male farmers at Dipale. When matched against the loss of resources from the commons and farmlands, the project did not have a positive balance sheet. By leasing the Dipale commons - the most convenient source of fuel wood, shea nuts, dawadawa (African locust beans), and other resources – for mango production, the ITFC project also increased the reproductive burdens of women, who had to walk farther to gather these resources or grow food for their families.

Devastating independent farming. In 2007, Biofuel Africa Limited, a Norwegian company, leased land holdings of 33,600 acres (13,600 hectares) in several villages near Kpachaa and began to establish a plantation. The project folded in 2009 following the global financial crisis and loss of interest in biofuels – and, in particular, in the promise of jatropha as a biofuel source that could be grown on marginal lands. By then the company had planted 400 hectares of jatropha, which it has left derelict. The project's employment opportunities were also short-lived. Worse, the size of the acquisition devastated the independent farming activities of small- and medium-scale farmers, while project land-clearing activities resulted in a massive loss of tree resources that women had relied on heavily. Although the project is now defunct and no farming takes place, the land has not been properly returned to its pre-project users and is still under the control of the company (operating under a new name and management) and its former employees. That the company has not formally relinquished its claims on the land means the interests it acquired cannot revert to those who used the land prior to the acquisition and leaves open the possibility that the company will sell its interests to a third party.

Although the two land deals adopted different business models – contract farming and plantation – their gender impacts were remarkably similar. Women benefited more than men from the ancillary and corporate social responsibility activities of both projects, which usually supported their reproductive roles (activities included a clinic, wells, schools, and the use of company vehicles to convey sick people to health facilities, and provision of inputs such as fertilizers, a grinding mill, and tractor services). Yet these services were often cut when projects experienced crises. And, more men than women enjoyed the direct project benefits, such as permanent employment and participation in out-grower schemes.

A failure to address inequalities. Tsikata and Yaro conclude that the gender-differentiated implications of commercial land transactions result from both the preexisting inequalities in land tenure and agrarian production systems and the failure of projects to take these inequalities into account or to mitigate them. A gender-aware approach would have involved paying compensation to women farming on fallow lands belonging to their husbands, protecting common property resources, strengthening women's participation in out-grower schemes, and ensuring gender equity in access to permanent and casual wage work, and in wages and conditions of service.

Read the article in full at:
http://www.tandfonline.com/doi/full/10.1080/13545701.2013.866261