THE NATURE OF TRANSNATIONAL LAND DEALS IN GHANA: IMPLICATIONS FOR RURAL LIVELIHOODS AND ECONOMIES

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The introduction presents the debate, the questions and Ghana’s context

A description of the nature of the land deals

The contributions and retrogressions in the major livelihoods criteria and local agrarian economy

Challenges to the process

Some contextual recommendations
The growing demand for land globally and emergence of TNLD

- Rising global demand for food
- Global food security concerns – confidence in global market
- Policies on Biofuel production – a solution to climate change
- Shortage of land and water in investor countries
- New source of returns - Profit seeking by finance industry
What are Transnational land deals (TNLD)?

TNLD refer to the acquisition (lease, concession, outright purchase) by corporations or states of large areas of farmland, in another country and on a long-term basis (often 30-99 years), for the production of basic foods, biofuels, tourism-recreation, and conservation for external markets, clients and interests.
The choice of Africa’s land by foreign investors

- The notion of ‘Vast wastelands’ in Africa
- Low values of land
- Water resources – rivers, lakes, and underground water
- Cheap Labour
- Markets – urban growth and promising economies
- Weak Land tenure systems
- Poor governance and coordination
Acquisitions in Hectares

Benin
Uganda
Mali
Malawi
DR Congo
Gabon
Senegal
Sierra Leone
Nigeria
Zambia
Rep. Of Congo
Madagascar
Ghana
Guinea
Liberia
Tanzania
South Sudan
Mozambique
Ethiopia
Sudan

Source: GRAIN 2011
The major investor countries

- Western countries – biofuel and food (Sweden, Norway, Netherlands, USA, UK, Germany)
- Gulf states – food (Saudi Arabia, Bahrain, Oman, Qatar, Syria)
- Asia: food (China, South Korea, Malaysia)
- North Africa – Libya
- South America - brazil
- South Africa
- Russia and Ukraine
- Also, domestic elite capture of lands
Arguments for and against TNLDs

- Increased investment may bring macro-level benefits
- Create opportunities for raising local living standards
- Brings capital, technology, know-how and market access
- Role in catalyzing economic development in rural areas. (World Bank, FAO, EU, AfDB)
- ‘The new colonialism’ or 'agrarian colonialism'.
  - Local people losing access to the productive resources
  - Loss of food sovereignty, environmental concerns, and destruction of local social values
  - Depeasantisation in the absence of viable urban alternatives (Via Campesina, GRAIN, FAC, UN)
Ensuring Sustainable Rural livelihoods is a global objective!

Achieving productivity, equity and sustainability

Does it build on the strengths of the rural poor?

Do they increase opportunities for the rural poor to escape from poverty?

Is rural vulnerability increased/reduced or is resilience enhanced?

Livelhood outcomes: food security, income, well-being, sustained natural resource use?

What mechanisms catalyze the development of local economies?
Ghana’s context and TNLD

- Agrarian stagnation, the failure of agrarian transformation - livelihood crises
- Neoliberal economic reforms with a focus on export led development
- Urban growth and informalisation of economy

- Import dependency – severe inadequacies in production
- Foreign direct investments as panacea for development
- A long term process of land concentration in acceleration
The major TNCs in Biofuel production

- Scanfuel - the biggest (500,000 acres).
- Kimminic Estates Ltd
- Natural Africa Diesels
- Central Supercare Company
- B1 Ghana Ltd.
- GoldStar Bio-Diesel Company
- Biofuel Africa Ltd
- Northern Sugar Resources Ltd.

* I have not added acreages due to inconsistencies reported

Location of major TNLD in Ghana – District demarcation
Source: Action Aid Ghana 2010
The Case studies

- Prairie Volta Rice Ltd Project (Volta Region)
- Biofuel Africa Ltd., Now Solar Harvest Ltd, Projects (Kpachaa Village, Northern Region)
- Integrated Tamale Fruit Company (Dipale and Gushe in the Northern Region)

Qualitative Methods

- Interviews with project officials, Chiefs and elders and individuals
- Focus group discussions with gendered groups
Findings so far-Prairie Volta Rice Ltd Project, South Tongu District (Volta Region)

- An area of outmigration due to depression caused by damming of the Volta River at Akosombo
- Company owned by American Texans (40%), Ghana Government (30%) and Ghana commercial bank (30%)
- Project land was compulsorily acquired, and now court dispute.
- 1250 hectares acquired; 300 hectares under cultivation;
- 2,000 hectares in process of acquisition at Agorta at Gh¢50 (US $36) per hectare per year
- Plantation irrigation model with processing unit —
- Prairie began in 2008
Prairie: Findings continued

• Much more land cleared but not in use

• 3 kinds of affected communities-
  • Land owning community: Mafi Dove - compensated, relocated farms
  • Resettled pastoralists: poor houses, grazing and water
  • Bakpa Tademe - community with no land left.

• The major response is re-migration

• Rice mill sited at Aveyime and not in affected communities – loss of employment
Findings: Biofuel Africa/Solar Harvest: Kpachaa village

- Area of intensive farming and in-migration
- Land holding system is chieftaincy based; acquisition in 2007 from chiefs at 2 ghc (US $1.5) per hectare per year for 50 years
- Affected 7 villages: Kpachaa, Jashe, Tugu, Kpalkore, Joro, Chegu and Tijo
- 10,600 hectares acquired- majority Kpachaa village lands (NGOs report 150,000ha)
- 400 hectares- jatropha; 220 hectares maize.
- Another 500 hectares cleared for maize next season
- Business model: Plantation based- capital intensive
Biofuel Africa/Solar Harvest: Findings continued

- Corporate social responsibility measures implemented
- Success employment model until the global financial crisis in 2009
- Poor jatropha yields and a disaster in maize—no profits
- Disruption of local farming systems
- Destruction of commons — loss of women’s livelihoods
- Responses have included out-migration;
- Anti-project demonstrations with NGOs
The ITFC in Dipale and Gushe (Northern Region)

- ITFC established in 1999 headquarters at Gushie, but nucleus farm at Dipale
- Owned by Komma BV (30%), Wienco (50%), Local partners (20%)
- Attractions: The White Volta River and vast grasslands, but fire-prone environment
- Nucleus farm of 1363 acres in Dipale – 500 cultivated with mangos – 99 year leasehold
- A pack house packs and processes fruits from all over Ghana for export
The ITFC outgrower model

- 1200 Outgrowers with one acre each in several districts
- Communities form cooperative outgrower groups – provide land and register with a bag of maize each
- ITFC approves site following soil test, provides inputs and technical support
- Irrigated farms cost US $5000, while Non-irrigated farms cost US $3800 within the first 5 years, followed by a US $400 yearly cost
- A bee keeping component is added for interested farmers
Failure of the outgrower model in Dipale

- Bushfires and production failures
- Faulty assumptions
- Poor commitment
- Land tenure mix up - outgrower tenants
- Power relations compromise cooperative model
Livelihoods and the local agrarian economy
The disappearing ‘commons’

- Apart from the dispossessions of farm lands
- All study sites lost common access/property to companies or they resettled on these themselves
  - Fallowing of farmlands impossible
  - Non-farm livelihood activities lost
  - Energy – firewood needs unmet and rising cost
  - Economic trees bulldozed
  - Women most affected
  - Migration and the creation of ‘open areas’
Technology and know how transfer

- Depends on crop – Ghana's extension services quite good
- Farmers hybrid knowledge in food crops is superior
- Environmental familiarity
- For new crops – yes, TNCs relevant
- So why don't TNCs and government simply collaborate with farmers and buy outputs?
ECOLOGICAL DIMENSIONS

Large scale monocultures - maize

Ecological diversity – peasant farm
Employment

- Initial high expectations of villagers - euphoria unmet
  - Capital intensive production methods
  - Specialised skills – hiring from outside communities
  - Lay-offs over time and seasonality of employment
  - Commitment – higher from non-community members
- In Bakpa Tademe only 2 people are employed by Prairie
- Aveyime rice mill employs 150 (processing, administration)
- ITFC provides significant employment (255) – But outgrowers have ‘wasted’ years without returns
In rural areas food security is the result of multiplex livelihoods:

- farm; nonfarm; bush products; remittances; farm wages; social capital; wild foods; others

- Diversity is the key
- Land is the basis
- Unused land is critical for FS for the vulnerable and is a major coping endowment
- Mixed results??

Food security
Social coherence - conflicts

- Exacerbated land conflicts between Bakpa Tademe and Tefle
- Conflicts between village chiefs, divisional chiefs and paramount chiefs in Northern region
- Conflicts between villages - accusations of hijacking company benefits – preparations for war between Dipale and Gushe
- Land as a social cement between different actors
- Rising disrespect for leadership of villages by affected citizens
Expanding rural economy?

- Limited Dynamic and diverse livelihoods
- Limited capital
- Increase in cost of farming
- Increased vulnerability for many and increasing differentiation
- Infrastructure for modernists only
- Corporate social responsibility measures implemented
- Processing has higher benefits

Abandoned compound in Kpachaa
- A third of the village left
- Migrant commercial maize farmers sacked
What is wrong with TNLD?

- Nothing wrong with the ideals of investments, but the nature and mechanisms are flawed:
  - Large contiguous land dispossesses people and destroys the environment compared to scattered acquisitions
  - Defining outgrower farm locations is blind to existing structures
  - Poor understanding or dismissal of local practices as primitive
  - Poor participation of local people leads to dissatisfaction
  - Investments in land in Africa cannot just be an economic decision, but must reflect the socio-political, environmental and spiritual dimensions of customary land tenure practices
Some early conclusions

- Outcomes have been remarkably similar for both food crops or non-food crops.
- Unfulfilled or partially fulfilled expectations and promises.
- Livelihood benefits have been meagre.
- For the companies, returns have also been disappointing.
- Land deals are changing traditional dynamics and arrangements of power and resource systems.
- Livelihoods are multi-sourced and dependent on social, political and environmental relationships.
- These raise questions of agribusiness’s role in agrarian transformation.
What should be done?

- A broad based national debate and formulation of a specific policy for foreign agricultural investments
- A ‘reform’ of customary land tenure in line with contemporary antecedents – curbing the power of chiefs
- Recognition and demarcation of customary common access lands for protection
- Communities as main actors in decision making
- Enhance local capacities to satisfy global demand
- TNCs need new innovative business models based on a participatory paradigm of development
REMEMBER:

THE WORLD IS HETEROGENEOUS AND OUR ACTIONS MUST BE DIFFERENT GUIDED BY COMMON PRINCIPLES OF HUMANITY

THANK YOU VERY MUCH