

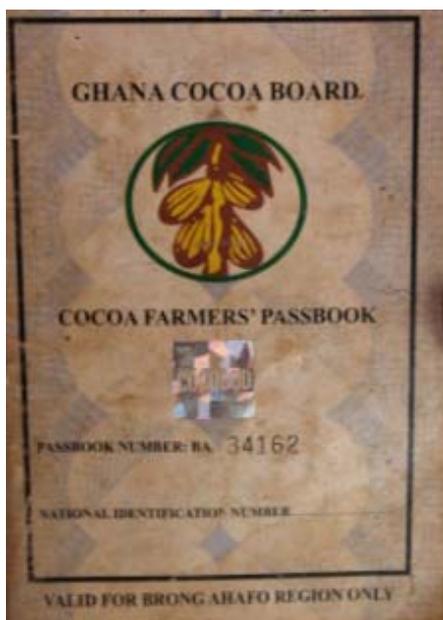
Sustainability challenges for industry, politicians and consumers – experience from an Exposure and Dialogue programme with cocoa farmers – in cooperation with CARE International in Ghana (4-11 February 2017)

Francis¹ has seen many changes in his sixty-six years. Originally trained as a weaver, he worked for a Ghanaian textile company, which, like so many other African manufacturing plants, could not withstand the pressures of the world market, Asian globalisers and the World Bank structural adjustment programmes. When his company went bankrupt, he retrained as a primary school teacher. That was in 1986. Four years of *teacher's training college*, and his second career started. That too ended, some years ago.



When he retired, he took over the farm his wife Gladys had been running. Our host now explains to us his career number three: cultivating of cacao trees on five acres of land (about 2 hectares) with adjoining oil palm plantation (1.2 ha) and a small area planted with coconut trees (c. 1,000m²).

Since he can no longer manage the work on the plantation alone, not least because of his age, he is helped by two agricultural labourers, who perform many duties on their own responsibility. Francis' family owns the land, the two agricultural labourers bear the main burden of the work and his wife Gladys is the official member of the *Cocoa Corporate Society* in the village. When she was younger she also attended a few agricultural training courses on "*good agricultural practices*". Only now do I ask myself whether Francis did the training too or how far the two agricultural labourers apply these techniques of sustainable cocoa plantation management correctly.



When all the EDP participants have formulated their very different impressions and we have had a chance to have a full discussion of a variety of key experiences from the visits to the cocoa farmers, above all with representatives of Ghanaian institutions and the industry in Accra, the question of land use takes on central importance. The explanations of the very complex land law situation of Ghana which we were given by the Ghanaian experts help us to understand traditionally enshrined practices better: Francis' family shares the income from the state-regulated sale of cocoa beans three ways with the two labourers. That is, the landowner and the two agricultural

¹Names of the hosts changed.



labourers receive 33% of the proceeds each. In comparison to the standard models with a 50/50 division, this is a fair arrangement, but it has no effect on the landless precariat.

Some things organised by Francis and his wife depart from the normal picture of Ghanaian cocoa farmers, above all because the two run a successful village shop and a poultry farm. But there is one thing they illustrate for their Exposure guests with a virtually scientific impact: the ominous demographic development of the population groups engaged in cocoa farming in West Africa. The average age of the active Ghanaian cocoa farmers is 55. When I ask our host what the future will be, if he can no longer work because of his health, he just looks at me and smiles. The six children, most of whom have now grown up, three girls and three boys, live in Kumasi. The adult children have formal jobs there, some in office services, and the younger ones are still in training. None of the six children will take over Francis and Gladys' farm. I realise this when I ask specifically and notice almost too late that Francis turns away and can no longer look me in the eye. I have touched a sore point and will not mention the subject again before we take our leave of the family.



Kumasi, which when the weather is dry and in a good four-wheel-drive vehicle is about four-and-a-half hours' drive from the village, is another world. Kumasi is the part of modern Ghana with never-ending noise and unmanageable traffic, the destination of choice for all those who can no longer endure living in the villages in the country region we visited. Of course, these are above all the young people who have the possibility of doing something different than (cocoa) farming, which despite many interventions is becoming less and less attractive. Gladys tells us that the journey to Kumasi in one of the usual shared taxis on the catastrophically bad "*cocoa feeder roads*" usually takes a whole day, above all because of the section through *Subin Forest*. In the rainy season it often even takes two days, as everyone who has ever driven on these roads will understand...

On the evening before we leave, some representatives of the village ask us for a discussion. If the government does not soon provide a permanent improvement of the traffic problems, ways will be found to transport the cocoa harvest to the Côte d'Ivoire instead of towards Kumasi and Accra... If this is unlikely to happen this season, this is because the price of raw cocoa on the Ivory Coast is lower again, and less because of these villagers' undisguised anger ("so un-Ghanaian"). We emphasise how impressed we are that the skeleton of a new health centre has been financed from the income from the bonuses paid for their FLO-certified cocoa. In addition to building a kindergarten also financed from cocoa income, this is a classic example of advice and consultancy by *CARE International* in Ghana. With the help of the participation structure initiated by CARE, decision processes have been markedly improved and a stronger development orientation has been achieved for all relevant groups and instances in the village. But those who find the time to spend a few days here on site will make important discoveries in such evening conversations:

the representatives tell us they have already written a letter to the district administration asking for the promised funds for the completion of the health centre to be provided. No work has been done on the building shell for nine months. The standstill dates back to before the election of the new government at the beginning of December 2016. The district authorities



are waiting for new orders. At the time of our stay at the beginning of February, not all new ministers were yet in office. Later I read in newspapers and on the internet of the considerable animosity between the followers of the old government and those of the new, in particular in the administration. The public service employees watch what is happening in Accra – and scarcely anyone

shows his face in the cocoa-growing areas. With my own eyes and ears I experienced the following in the EDP preparation on site: even relatively well-paid *Cocoa Health Extension Officers*, government agricultural advisers, spend only a few minutes on the demonstration plantations, where with vehement gestures and imperious diction they give orders as to where and how old or diseased cocoa trees are to be removed and replaced by new or healthy trees.

For this reason too, the EDP is a genuine novelty for the people – the presence here for three days of a German or international group of visitors who concern themselves with the farming world of the people, work together with them, share in the simple meals and sleep in Ghanaian village conditions. Some of the visitors now experience for themselves, for example, that improved access to medical care or functioning and well equipped educational facilities could contribute significantly to slowing down the migration of young people from the rural areas.

Such measures could, for example, give an incentive for them to return to their parents' farms after school and training, or to move to other work and services related to agriculture, which the farmers would otherwise have to travel a long distance to find. As everywhere, here too it is often a question of the motivation of the available staff whether improvements are possible.

Photo: © Almut Feller





**Almut Feller:
Extract from
the report**

"The school was built in the 1980s and has never been renovated or maintained. The office of the headmaster, who is not very interested, is filthy and untidy and does not contain a single book or any pencils, maps or other materials. The classrooms are empty, apart from the tables, chairs and blackboards. A few years ago, the roof over one classroom collapsed and some children were killed. The damage was only provisionally repaired. Today, the children still sit and have their lessons under the damaged roof. No one seems to be interested. To some extent this is because there is a lack of money and building materials, but in part it is because a variety of actors have failed to act, for example the government, the district administration, the inhabitants of this village and not least the headmaster, who is presumably speculating on being given a post in a city... Because people have never known any different, they hope that others will give money, so that the old school could be given new rooms and toilets which in a few years' time will probably also be completely dilapidated ... Many are waiting for others to clear up, build or simply do something. Not even a small amount of the community money was used for the urgently needed school and building materials to renovate the building or the roof. What gets broken, stays broken."

Of course, school buildings must be regularly renovated and given better equipment. Even in the rich German *Länder* such as North-Rhine Westphalia, parents and the public have criticisms of the politicians and the administration. But why, in Ghana and in the communities we visited, does this have to be financed by special projects based on cooperation with chocolate companies instead of by funds from the state's substantial foreign exchange revenues?

It would be an important step towards the reform of the Ghanaian cocoa sector if investments were made in the ethical development of the infrastructure for other economically relevant services, without money being misappropriated in invitations to tender. Shortly before our Exposure stay, illegal practices had resulted in the dismissal of the long-time head of the cocoa marketing authority COCOBOD.

But even that, considered in itself, cannot reduce the complexity of the sustainability challenge to be dealt with. In Ghana, it is not only a question of cocoa, but for example also of other raw materials, which are in demand above all among very wealthy buyers:

"As long as our children earn more for gold mining than for planting cocoa, we will not be able to convince them to take over our cocoa farms. Even the fair trade bonus is not a sufficient incentive. If they can go to school, they go to Kumasi or straight to Accra in order to learn a proper trade. Only the very few have a future in agriculture".
(reported by Evelyn Bahn)

This is how the EDP participant Evelyn Bahn quotes her host, a farmer, at the dialogue workshop in Accra. One person who listens to her very closely here and takes notes is Joseph Boahen Aidoo, the new Chief Executive Officer of the Ghana Cocoa Board. He explains the role of COCOBOD to the cocoa stakeholders and the visitors and takes an

active part in the discussion. At the same time he indicates that his authority, which is responsible for cocoa farming, the most important foreign exchange earner in Ghana, must be reformed and parts of the cocoa sector must be further privatised, as the programme of the new government party NPP of President Nana Akufo-Addo formulates it. With the support of the Cocoa Life Programme, for example, CARE has succeeded in some villages in establishing functioning development committees which exercise self-government tasks and, as described, increase participation. However, much more will need to be invested and above all, there will need to be better coordination before public-private partnerships develop such dynamics that the cocoa farmers can by their own efforts offer their own children and the rural communities a viable future. And even then there will not be a solution to the problem of the partly legal and partly illegal change of land use away from formerly fruitful plantation land, in part driven by Chinese investors who in agreement with the traditional chiefs tear up the earth and make children and young people dig for gold, endangering their own health. Here, very strong forces are at work, deeply engrained both culturally and politically, which cannot be explained by classical macro-economic models.



The same applies to two other topics with which the EDP participants found themselves confronted; the role of women in cocoa farming and the question of the formation of the Farmgate price.

Photo:© Evelyn Bahn



On the subject of the price of cocoa, Friedel Hütz-Adams, in a study by the Südwind Institute, writes that COCOBOD claims that it has "[...] paid the farmers 70% of the world market price in recent years. If in the course of the harvest season the world market price rises above the agreed prices, the farmers share in this additional profit.

*COCOBOD then determines a bonus which is paid out to the farmers in addition per tonne of cocoa delivered.*² In fact the price of raw cocoa has steeply declined in recent times.

² Friedel Hütz-Adams / Südwind-Institut für Ökonomie und Ökumene (ed.), "Ghana: Vom bitteren Kakao zur süßen Schokolade. Der lange Weg von der Hand in den Mund", Siegburg, March 2011, pp. 22f.



In some places the Exposure visitors also had the impression that there was some disagreement among the producers on how to calculate the share of the costs determined by COCOBOD to distribute pesticides, fungicides and new cocoa seedlings to the cocoa producers or to finance its *Cocoa Health Extension Services*. It also appeared that the members of one or another *Cocoa Cooperative Society* whose cocoa was certified under the FLO standard had been given different information both on the crop price applicable in the current season and on how high the FLO bonus was or what possibilities the cooperative had to use these additional takings to finance development projects in the community. But as an EDP visiting group we cannot say whether this was a case of lack of information on the part of individual cooperative members, or a systemic problem that might suggest an element of corruption or embezzlement. It is certain that a number of Ghanaian organisations complain that the COCOBOD consultation process to determine the *Farmgate* price is seen as not very transparent.³

The development chances of women and their role in the (cocoa) production process often go unnoticed. In a society dominated by men, the potential of women is insufficiently appreciated and not appropriately developed. The EDP participant Almut Feller had the following conclusions in this connection:

**Almut Feller,
Extract from
report**

"Often in the background and scarcely visible from outside, women however carry out more duties than many men (want to) see, and this begins before sunrise and while most men are still asleep. Before women begin their work in the fields, they sweep up and clean, fetch water, wash the dishes, prepare the cooking place, make a fire and get everything ready for breakfast and the children, so they are at school on time. The older children often already help out - divided by gender. But our hostess does things differently ... Here, everyone has to help. Even the young men help to sweep in the morning, fetch water and wash the dishes, although that is really women's work. They don't mind, for they know how important it is to support their mother, for their mother makes it possible for them to get a good education at school, and she too does men's work day after day."

As described here, there certainly are strong women who show their boys what we might call an emancipatory image of women, but this does not belie the fact that this is very much the exception rather than the rule. This is neither a new discovery, nor is the question of gender equality merely a matter of solidarity "of or with women".

Being economically more realistic, enterprises with a vital interest in safeguarding the raw material cocoa pay greater attention to women's empowerment. In the example of the Cocoa Life Programme, this is reflected in specific activities of CARE International in Ghana. Once again, it is the development committees who have a central role here in the involvement of women in the community. But cultural practices and traditional value orientations are deeply embedded and can only be managed in a very rudimentary way in the time-span of a private-public development partnership.

³ Personal communication with Evelyn Bahn, INKOTA-netzwerk, 25 April 2017



According to Elkanah Odembo, the head of CARE in Ghana, *"Development projects have a far too short, mechanistic perspective, above all if one wants to work with the people in rural areas and engage in serious dialogue with their life plans and ambitions."*

However, the conclusion is positive: the initiatives of enterprises of the chocolate industry are a gleam of hope for the host cocoa farmers, even if some measures conflict with the mandates of district administrations and the agricultural training programmes need to be better coordinated, as Ghanaian experts in the sector graphically report. With the support of the *Cocoa Life Programme*, CARE has succeeded in developing functioning structures in many cocoa-producing villages and supporting these to ensure that the interests and needs of women, men, children and young people can be formulated and implemented in concrete measures. Many EDP participants hear from their hosts comments similar to those heard by Charlotte Knull, who is doing scientific research on the sustainability of the cocoa value chain:

"Since we were trained in the Cocoa Life Programme, our harvests have become very much better. Even if the capacities of the savings and credit group are strictly limited: women benefit above all. They save their own money, they take out micro credits, invest and satisfy one or another little dream, while the necessities of daily life and for example also school fees are not overlooked..."
(reported by Charlotte Knull)

Although we saw for ourselves what elements have not yet been successfully implemented – without the cooperation of industry with NGOs such as CARE the future of the cocoa farmers would look far bleaker. At the same time the process must be continued of increasingly farming other agricultural products in addition to cocoa, following good agricultural practices, and thus, diversifying the sources of income.

In this connection – as *Axel Kadja of CARGILL Ghana / Cote d'Ivoire* emphasised in our talks – the introduction and further development of integrated rural financial services will have a substantial role, however important as a first step is the financial self-help by *Savings and Loans Associations* initiated by CARE. The comparatively small sums saved and the short duration of saving, limited to one year, do not result in an increased readiness to invest in agriculture in the long term and with an entrepreneurial sense of risk. However, this would be necessary.

Just like the use of modern transactions supported by mobile communications as individual enterprises have begun to test them in pilot projects with contract farmers.

Inspired by the learning experiences of the Exposure guests, the Ghanaian experts of the Accra dialogue workshop agree: a sector-wide approach to improved communication of all cocoa actors involved is urgently needed. Not the individual funding programmes of large enterprises, but a genuine multi-stakeholder partnership of industry, state and civil society can make a contribution to the sustainability of cocoa value creation in Ghana. Through their Exposure, the fourteen EDP participants from the cocoa industry, development cooperation and NGOs have given an important incentive which will be taken up by CARE and its partners. At the end of a process of learning and encounters which was technically sound and personally moving, this was very clear. Our special thanks to our hosts, the farmers, the

village communities we visited and the highly committed colleagues of *CARE International* in Ghana.

By Jörg Hilgers, I
E-mail: hilgers@edpev.de

Thanks to Evelyn Bahn, Almut Feller and Charlotte Knüll

