

## Cross perspective: is Ghana a model or counter-model for West Africa?

Ghana is of particular importance in West Africa because of its population, economic weight and agricultural sector, which is an engine of economic growth and driven by export crops. Often set up as a democratic and liberal model, is it an exception in West Africa? Why?

**Grain de Sel (GDS):** When it comes to rural and agricultural development, what makes Ghana an exception among other West African countries (WAF)?

**Michael Owusu (MO):** Ghana has a very strong local governance policies system especially in the area of agriculture that aims to developing the rural economy. Since majority of the people in the rural areas are engaged in agriculture, there are policies and programmes to support the rural population.

**Manson Nwafor (MN):** Ghana is really an exception regarding the socio-economical results it got! It organized itself to achieve the Sustainable Development Goals on food and nutrition security on time. They did a lot of

social interventions to complement the agricultural policies and they were able to put in place infrastructure to improve market access for producers.

**King David (KG):** Yes and in that sense, the government's flagship programme Planting for Food and Jobs (PFJ) is what makes Ghana exceptional. It created employment especially for the youth in the rural areas and it boosted food security and nutrition. Other programmes like Planting for Export and Rural Development (PERD) targeting tree crops and Rearing for Food and Jobs (RFJ) really helped too. Plus farmer-based organisations and international apex bodies are actually monitoring those flagship programmes.

**GDS:** According to you, is there a legacy of the British rule on Ghana's development?

**MO:** The governance system and other well structured bodies are some of the legacies of the colonial system on the country...

**Anaëlle Tanqueray Cado (ATC):** The legacy of British rule can be seen in some of the specificities of Ghana's land-management system. The structuring of agricultural supply chains in Ghana also differs markedly compared with neighbouring countries: less developed structuring of smallholders, importance of agro-industrial entities in the organisation of supply chains, fewer interprofessional associations.

**MN:** For me, there is no legacy: we cannot explain our development by what happened sixty years ago. On the contrary, we have to reverse what happened!

**KD:** Rather we could speak about the legacy this government will leave: it invests in youth and has implemented free senior high schools, for example. About 1.3 million people are now in the senior high schools! The government is also willing to tackle the national health issue with a free insurance system.

**GDS:** What is Ghana's position in the sub-regional economy?

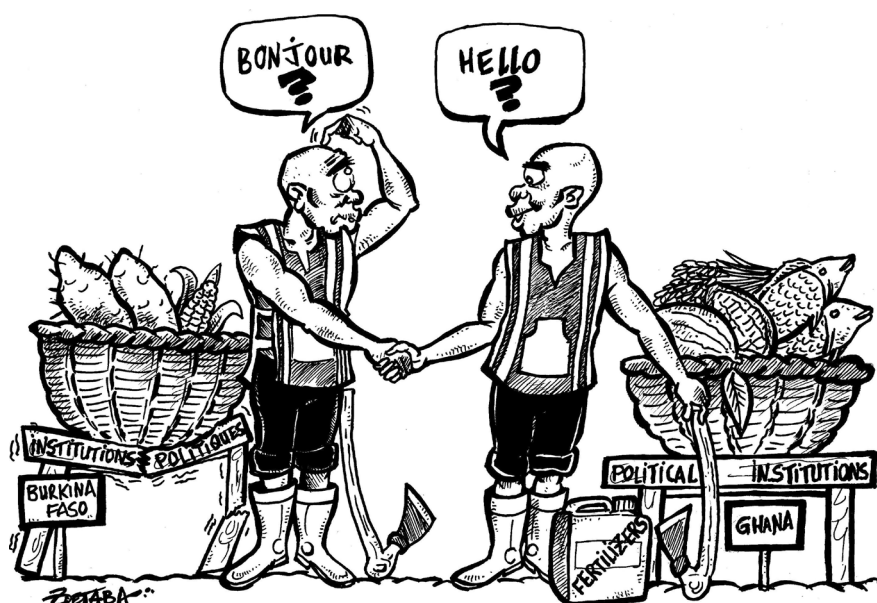
**KD:** Nigeria is the giant of Africa, Ghana being the second economy in ECOWAS.

**MO:** Ghana is not the leader in the sub-region but it is a very important country when it comes to politics, economy and providing leadership rules on the continent. This stands out with the decision of making Accra the headquarters of the African Continental Free Trade Area (AfCFTA).

**MN:** Nigeria is probably 3 to 4 times the size of Ghana's agricultural sector. But in terms of growth and per capita income, Ghana's has ranked first since year 2000 and has had the second lowest poverty rate in West Africa since then. And at the end of the day, the most important thing is food and nutrition security, and Ghana is leading in that direction.

**GDS:** In 2019, the country has been the first recipient of FDI, ahead of Nigeria. How do you explain this dynamic?

**MN:** This is due to the business environment and to the stability of the country. Investors are looking for more predictability.



**MO:** Yes, investors want to be assured that they can get their money back. And the government has put in place some pro-investment policies such as tax holidays. In the agricultural sector, a firm like OCP, leader in the fertilizers industry wish to build manufacture plants: what the Moroccans see in Ghana is a stable country prepared for investments.

**GDS: How are agricultural policies structured?**

**Are they consistent, in your opinion?**

**KD:** Under the different flagship programmes, the government acts on different aspects of the sector: inputs access thanks to the input subsidy programme, extension services through the recruitment of over 2500 extension officers, market access and marketing, etc.

**MO:** Indeed... In the agricultural sector, the central government's goal is to alleviate poverty of smallholder farmers who represent most of the people engaged in agriculture. Moreover, the country has a strong local government system. This balance between the central and local level is working quite well. On the sub-regional level, our agricultural policies are aligned with the ECOWAS policies and the African Union to facilitate regional trade among the countries.

**MN:** I agree. If you look at it from 2009, when the Comprehensive Africa Agriculture Development Programme (CAADP) took off in West Africa, you can see that Ghana makes clear efforts to align with it despite some little deviation from time to time with the changes in government.

**GDS: What does the agricultural sector represent for the government?**

**NW:** The budget going to agriculture on relative terms has been going down since 2014. One reason for this may be that the agricultural sector is one of the first sector to suffer from budget constraints because results are less visible for politicians than a road construction for example. It should be noted that the expenditure trends may be seen as different when the expenditure monitored includes those of public corporations such as the Ghana Cocoa board. However, the Africa wide (African Union) standard definition of agriculture expenditure for all African countries excludes those of expenditures of public corporations.

**MO:** Actually for the last 2 years, Ghana has been able to achieve the Malabo declaration by investing 10,2 % of its resources in agriculture. The current government decided to invest more in agriculture: the budget allocated to the PFJ, the PFE and the RFJ amounts to 750,000,000 GHC! This government recognized the importance of the agricultural

sector for the economy. It contributes to an average 20% of the GDP and employs over 40% of the economically active population of Ghana. To have an impact within a short time in the country, you must invest in agriculture! And the government has two issues to tackle: creating jobs for the youth and reducing imports.

**KD:** The government should also ensure that as much or even more attention is paid to agriculture rather than to the oil sector.

**ATC:** Agriculture is seen as a high-potential sector for creating jobs, boosting the economy and reducing rural poverty. Agricultural yields are still low, and the government is looking to intensify agriculture in Ghana. The land-development potential, particularly in terms of managing agricultural water, has scarcely been exploited so far even though the Ghanaian government and other entities consider it to be essential.

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**KD:** I would like to add that development partners like the International Fund for Agricultural Development, the European Commission and international NGOs are contributing to improve the capacity of the farmers too.

**GDS: Ghana's (agricultural) economy is mainly export-led: what are the pros and cons of such a model, especially for family farms?**

**KD:** The PFJ programme's final goal is food security for the country whereas the PFE programme aims at boosting international trade. Its focus is on cocoa and palm oil but also on other tree and fruit crops like coconut, cashew, mango, papaya...

**MN:** The biggest chunk (45%) of Ghana's GDP is services, which are hardly exported. Cocoa accounts for about 14 % of the GDP of agriculture. So 86 % of the agricultural production and income come from other crops... Regarding family farms, what really helped them is the complementary policies between agriculture and other social sectors.

**MO:** We are not benefitting so much from the export of rural commodities except for foreign revenues for the State. The foreign exchange earned from cocoa, timber, oil is used to import sugar, rice, poultry or even chocolate. And our trade balance remains negative which leads to the weakening our currency. The priority must be to add value to the commodities we produce. This is the idea of the "One District One Factory" policy. Most of the factories created will be agro-processing companies. The focus is also on producing more of the commodities we import like rice and poultry. In that sense, the current policy of the Ministry is producing good results since the domestic production has increased substantially in 2019. Adding value to our products and increasing the domestic production will in the long run be beneficial to farms families and the local economy.

**GDS: Despite strong economic growth, the country remains marked by high social inequalities. How do you explain this paradox?**

**Can we talk about a Ghanaian success story?**

**MO:** Our economic growth is driven by oil and oil represents only 1 or 2% of the labor force compared to 40% for the agricultural sector. So even though the country's economy has improved in general, it is not benefitting the larger population.

**MN:** The poverty level in the North is more than double the poverty level in the South. What needs to happen now is internal growth that involves more of the Northern households.

**ATC:** Yes. That's why Agence Française de Développement wants to team up with its partners to support a project for small-scale irrigation infrastructure in the North.

**KD:** I think that tackling the issue of the road network especially for transporting foodstuffs produced in the rural area in Ghana into the city is part of the solution. That is a major problem.

**GDS: Cocoa and fishing are two important sectors. Both of them threaten natural resources (forest and fish stocks) or are dependent on them. What are the solutions?**

**MO:** Ghana's and Ivory Coast's move to influence the cocoa price (p. 25) is one step ahead to add value to our production. But there is also a need to diversify our economy. Adding value to the cocoa sector and diversifying the economy would be a mean to put less pressure on forests. As for the fishing sector, obviously, what we get from the sea will not be enough to meet our needs. So there must be the right policies by the government to encourage aquaculture (p 38-39).

# CONCLUSION

**KD:** I think that the government is not giving so much attention to that sector and funding has become a bit of a problem. But the government is encouraging the private sector to go into aquaculture. Concerning the forest, agroforestry is more and more encouraged especially for the youth. About 65,000 youth all over the country are planting trees all over...

**ATC:** Indeed agroforestry initiatives are taken by the Cocobod and some NGOs. Agroforestry is relevant: it maintains soil fertility on the long run and reduce the need for new fertile land and so deforestation. However most of the Ghanaian cocoa remains produced under full sun. This should change progressively thanks to some governmental initiatives such as the REDD+ program.

**GDS:** *To what extent can Ghana inspire the agricultural development model of WAF countries? And vice versa?*

**MN:** In terms of rural results, I think Ghana remains a good example. It managed to achieve serious reductions in the poverty rate. It has shown that rural social interventions were able to do what the growth process cannot.

**KD:** I hear other countries are coming here to learn about Ghana's strategy and see how they can adapt it to their country. In our case, our Federation which represents about

**RURAL SOCIAL INTERVENTIONS WERE ABLE TO DO WHAT THE GROWTH PROCESS CANNOT**

256 farmer-based organisations relate to the West African network, the ROPPA but also to SACAU which is the Southern Africa Confederation of the farmers and also to the East Africa Farmers Association.

**ATC:** Indeed, Ghana could learn from other agricultural model where farmers based organisations are given the possibility to be fairly represented among the other stakeholders of the value chains. Integration of environmental impacts and management of livestock mobility are also improving in neighbouring countries, and Ghana is looking at what is being done on those issues to learn from them.

**MO:** Yes, we also travel to improve our programmes. For instance, we have been to Nigeria to learn about their subsidy programme and we are supposed to go to Kenya to understand the Kenyan agricultural platform, especially for people in the fertiliser sector. They can discuss their issues and influence the government's decision. And finally, if we are able to enforce the "Ghana beyond aid" doctrine, it could be a great source of inspiration for the continent. ■

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Cocoa is a very important crop in the country. Ghana is the 2nd largest producer in the world.

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