

Mechanised Agriculture in Ghana: Two historical processes or one? Private sector and state linkages in agricultural development

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scope

Examine the relationship between state and private sector in the classifications/periodisation of market liberal and state-led agrarian policy, focusing on agricultural mechanisation.

“State-led” -a broad configuration that includes relations between private and public/state sectors which merge into and out of each other

Research on Mechanisation (IFPRI)

Two Phases

State-led mechanisation 1960s and 1970s, state induced mechanisation - a failure

Private sector mechanisation under liberal markets – a success

Are these two phases or one?

Mechanisation involves two distinct processes

- 1) Stumping and clearing the land (a major undertaking)
- 2) Ploughing

According to farmers using ploughs in Northern Ghana the stumping of their land was carried out long ago by their grandparents (i.e. in the era of “state-led agriculture”)

Ghana Ecological Zones









Root coppice



Recent Developments in agricultural mechanisation

- Large demand for ploughing services among smallholders in Northern Region and some area of transition zone
- Well developed markets for second-hand tractors following structural adjustment
- Provision of tractors by Indian and Brazil on concessionary terms
- Government policy on establishing private-sector Agricultural Mechanisation Service Centres (AMSEC) to serve smallholder farmers. AMSECs provided by state loans on concessionary terms for tractors acquired by state.

Diao, X., Cossar, F. Houssou, N. Kolavelli, S. (2014) Mechanization in Ghana: Emerging demand, and the search for alternative supply models” *Food Policy* 48: 161-181.

- Low population in Northern Region and transition zone
- Favourable policy environment (market liberalisation) encouraging expansion into new land
- Open markets encouraging private import of tractors
- Greater scarcity of labour over land results in willingness to invest in labour saving technology

- Expansion of both areas cultivated by larger farmers and small farmers. Farmers with over 5 ha of land grow from 12% of total in 1996 to 17% in 2005/6.
- Uptake of tractors by middle-scale farmers and hiring out of tractors to small-scale farmers (win win)
- Process begins in 1990s
- Although the analysis includes a process of social differentiation into middle-scale and smallholders this originates in a theory about population rather than an existing social structure impacting upon the present. Developments before liberalism have no impact upon the present (a systems model bereft of history).

Colonialism

- Colonialism created a cocoa export producing zone in the south and transformed the north into a labour reserve for the south.
- In the postwar period this resulted in serious deficits in food production and in policies to transform the north into a zone of modernised agricultural food production after independence.
- Since there was no process of previous accumulation in agriculture (unlike in the south) the state became the main agent to achieve this.

Agricultural interventions of CPP government

- 1) State farms (1965 102 State Farms operating over 700 tractors)
- 2) Workers Brigades
- 3) Cooperative Societies (United Ghana Farmers Cooperative Council)

UGFCC

- Outside the cocoa sector the UGFCC organised 992 cooperative societies with a total membership of more than 26,000.
- Involved in extension work and the Extension Department and Economics Division of the Agricultural Ministry, which were dissolved and incorporated into the state farms and UGFCC. The UGFCC became the main provider of inputs and services to farmers.
- Its main focus in the north was to promote mechanised agriculture. The UGFCC organised tractor stations to provide ploughing services to farmers. Major focus of UGFCC on providing mechanised services to farmers and providing farmers with cleared land. Between 1961-67 over 2,600 tractors imported into Ghana.
- The UGFCC charged farmers £15 per acre for the clearing and stumping of land and £2/10s per acre for ploughing already stumped land.
- By 1964 only 23,771 acres of land had been cleared although the UGFCC had more than 400,000 acres at its disposal for farmers.
- The process of land clearance resulted in many breakages and only about half its equipment was operational at any one time. However many of the ploughed lands used today were cleared in this period.
- Konings – officials diverted many of the resources to develop their own farms and in the next phase of development emerged as early commercial farmers.

Promotion of agricultural estate capitalism

Following 1966 coup agriculture was reorganised along “Progressive Farmer” models. State resources were sold off to aspiring commercial farmers. State provided support for the emergence of capitalist farmers in northern Ghana with subsidised inputs, tractors and loans

Composition of commercial farmers

Konings survey of 210 farmers In Fumbisi valley
(1979)

Civil servants	18%
Business people and traders	23%
Accumulating farmers	23%
Chiefs	4%

Characteristics of commercial farmers in 1979

Land farmed	Percentage of farmers
Less than 100 acres	19
101-201 acres	35
201-500 acres	33.5
Over 500 acres	12.5

Number of tractors	Percentage of farmers
No Tractor	17
1 tractor	35
2 tractor	33.5
3 tractors	3
4 tractors	4
Provide tractor services to other farmers	66

Fall of Commercial farmers and rise of economic liberalism

- By late 1970s commercial rice farmers collapsed as a result of drought, internal economic crisis, the world economic crisis, and inability of state to continue to provide resources.
- Collapse created a banking crisis for state, which was forced to seek IMF support and implement Structural Adjustment.
- Adjustment closed down state intervention in agriculture

Impact of liberalisation

Although the large farmers collapsed most of their resources were private resources.

Following neoliberal restructuring they continued to exist and have recently re-emerged in policy, labelled as the middle-level farmers. While this is presented as a new development it shares all the same class characteristics (civil servant, business people, tractor owners, chiefs).

The privatisation of state resources relocated many state enterprises to the private sector, such as procurement of fertilisers. State tractor services became private tractor services (they did not vanish).

Therefore the processes of agrarian accumulation and mechanisation are the product of a much longer process than that of market liberal reform.