

REACHING THE POOR THROUGH AGRICULTURAL DEVELOPMENT:

A synthesis of findings¹

Final Draft

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LIST OF ACRONYMS

AAGDS	Accelerated Agricultural Growth and Development Strategy
AfDB	African Development Bank
AgSSIP	Agricultural Services Sub-sector Investment Programme
ASIP	Agricultural Services Investment Project
ASRP	Agricultural Services Rehabilitation Programme
CBO's	Community Based Organisations
CSIR	Council for Scientific and Industrial Research
DAES	Directorate for Agricultural Extension Services
DFID	Department for International Development
DOF	Department of Fisheries
ERP	Economic Recovery Programme
FBOs	Farmer Based Organisations
FCDP	Food Crops Development Project
GIDA	Ghana Irrigation Development Authority
GLSS	Ghana Living Standards Survey
IFAD	International Fund for Agricultural Development
LACOSREP	Land Conservation and Smallholder Rehabilitation Project
MDA	Ministries Departments and Agencies
MEST	Ministry of Environment Science and Technology
MOFA	Ministry of Food and Agriculture
MOF	Ministry of Finance
MTADP	Medium Term Agricultural Development Programme
MTEF	Medium Term Expenditure Framework
NAEP	National Agricultural Extension Project

NARP	National Agricultural Research Project
NLSP	National Livestock Services Project
NPRP	National Poverty Reduction Programme
NRTCIP	National Root and Tuber Crop Improvement Project
OFY	Operation Feed Yourself
OFYI	Operation Feed Your Industries
PPMED	Policy Planning Monitoring and evaluation Directorate
RTIP	Roots and Tubers Improvement Project
SAP	Structural Adjustment Programme
SCIMP	Smallholder Credit, Input-supply and Marketing Project
SIF	Social Investment Fund
SRDP	Smallholder Rehabilitation and Development Project
SRL	Sustainable Rural Livelihoods
SSIDP	Small Scale Irrigation Development Project
VIP	Village Infrastructure Project
WFP	World Food Programme
WIAD	Women in Agricultural Development

Executive Summary

The following synthesis is based on the *Paths to Prosperity Study*, discussion papers and working documents which focussed on assisting the Ministry of Food and Agriculture (MOFA) to assess its policies from a pro poor standpoint². The study's main aim was to explore ways in which MOFA's Accelerated Agriculture Growth and Development Strategy (AAGDS), could become more responsive to meeting the needs of the rural poor. The findings contained in this synthesis are based on a literature audit and desk review focussed on agriculture development, rural livelihoods and poverty in Ghana.

The synthesis provides an overview of the situation of Ghana's poor and their inability to make agriculture a sustainable rural livelihood. Some of the key findings reveal that:

- Rural poverty is on the increase in Ghana, particularly in the northern regions of the country (GSS 1999; Wayo Seini, 1998).
- Over 60% of people under the poverty line are categorised as food crop farmers.
- Ghana's poor live mainly in rural areas and are engaged in subsistence food crop production as a main source of livelihood.
- The vast majority of the poor are female rural farmers
- The majority of food crop farmers farm less than 2 hectares of land and limit their activities to subsistence food crop farming with little capital, technological innovations nor diversity from livestock and other livelihood activities (Haroun, and Oduro, 2000; NDPC, 2001).

Small holder subsistence farmers are the backbone of agricultural development in Ghana but they are often found malnourished and unable to make a decent livelihood out of farming (Wayo Seini, 1998). They avoid health services, are forced to pull their children out of school and often die young (Korboe, 1998). Studies in Ghana indicate that poor households particularly in the North contribute to over 70% of the poverty incidence in Ghana. Lean seasons and food insecurity also characterise rural farming households along the coastal savannah and the central regions of the country.

Previous Government programmes and policies are analysed in the synthesis and reveal the devastating impact of macro economic policies, extreme trade liberalisation and an ambitious focus on private sector development. These policies have had a tremendous influence on agriculture policies and MOFAs inability to provide an enabling environment for the poor through agriculture development. Macro- economic instability and rapid liberalisation of the economy have had a significant impact on the poor farmers' ability to make agriculture a sustainable rural livelihood. Assumptions relating to private sector up take and market mechanisms have not been realised over the last two decades of economic restructuring in Ghana (Dannson, 2001). The assumption that increasing agricultural "growth" through a focus on export production and private sector development has not been realised nor has the 'trickle down or 'multiplier effect' reached the poor. Instead, **Ghana's rural**

² A full listing of the Paths to Prosperity Working Documents and Discussion Papers are listed in the Bibliography.

farmers are worse off than they were in the 1970s, have less purchasing power, have changed their patterns of farming using fewer inputs and can barely sustain activities necessary for the most basic subsistence farming activities (Wayo Seini, 1998).

This synthesis outlines the main constraints which farmers face in making agriculture a viable livelihood in order to improve their basic quality of life, living conditions and income. Ghana's rural poor are experiencing a crisis in farming--unable to afford the basic farm inputs including fertilisers, and pesticides, unable to transport their produce to market, unable to store their farm produce and unable to negotiate for a decent price at the market (Ghartey Associates, 2000). They are dependent on market traders who pre-finance their farm produce and are forced to sell at very low farm gate prices. Ghana's rural poor are farmers unable to negotiate and stand up for themselves. They are both the victims of poor agricultural policy and part of the problem why agricultural development has not achieved the growth targets needed to stabilise the economy.

Ghana's rural poor farmer has been marginalised from agricultural development policy over the last 20 years due mainly to the focus on economic growth and the assumption that the 'trickle down or multiplier effect' would eventually reach the poor. A focus on empowerment, equity and creating opportunities for the poor is long overdue and much needed. Heavy emphasis on private sector development has impeded the agricultural development process in Ghana particularly for the vast majority of agriculturists. Studies suggest that the private sector makes up less than 10% of the agricultural population. Studies also suggest that Ghana's informal sector is rapidly expanding and has been over the last two decades of economic restructuring and liberalisation (Haroun and Oduro, 2000; Kessel, 1998). These indicators suggest that focus exclusively on private sector may not be the most realistic strategy for bringing about growth and agricultural development in Ghana.

These cold, hard indicators have also forced a reassessment within the Ministry of Food and Agriculture and the donor community to take a harder look at the needs of the poor. Making MOFA a more pro poor agency with policies sensitive to the needs of the poor requires a very radical reorientation. To begin, a larger debate is needed to create an environment within Government involving a broader set of national stakeholders **including the poor themselves**. Government and civil society must consider the macro economic constraints, the small size of the formal private sector, and the realities of rural poverty in order to come up with realistic poverty reduction and development strategies particularly in agriculture. This is partially underway with the current emphasis on poverty reduction but more consultation is needed with rural farmers themselves on structural economic impediments, which have caused widespread havoc within the agriculture sector. To begin the ***Paths to Prosperity Study*** suggests that the following key steps be undertaken:

- Joint reassessment be undertaken between the Ministry of Finance, National Development Planning Commission (NDPC) and the Ministry of Food and Agriculture related to key economic constraints on agricultural production, and the creation of an enabling environment **for the rural small holder agriculturist**. This would include decisions on the reintroduction of agriculture production

subsidies for poor farmers.³ Providing long term-subsidised credit to agro-based agencies willing to implement out-grower schemes focussed on poor rural farmers should also be considered.

- Need for MOFA to carry out periodic functional analysis of its operations in meeting the needs of the poor rural farmers particularly its agriculture extension agency, finance, and monitoring and evaluation systems in light of the pro poor framework developed in this study.
- Need for MOFA to assess the effectiveness of its extension efforts in reaching the poor. Strategic and practical alliances should be forged with other agencies such as NGO's, FBOs and faith-based groups in reaching the poor, particularly women in the northern regions with updated agricultural extension information and support.
- Need to set up action research micro projects focusing on poor farmers in order to explore and activate alternative approaches to extension, especially in areas of marketing, post harvest loss and storage for the poor at district level.

There are signs in Ghana of a looming problem within the agriculture sector---manifested by the increasing migration patterns and the exit of youth out of agriculture. Lack of interest by the youth and sustained intergenerational poverty are serious problems that characterise rural communities in Ghana (Bortei-Doku, 2000). The present government policy is to depend on the private sector to be the 'engine of growth'. However, the analysis reveals that over one third of the people living in Ghana are poor--the majority of whom are small-scale farmers. The question then arises as to whether; the private sector which is small, weak and constrained by macro economic impediments can cater for the needs of these marginalised groups in society.

Increasing evidence suggests that developing countries must be able to solve the problems of their farmers before they can expect to take off for industrial development. Government (MOFA/MOF) and civil society agencies must pave a middle road in helping the agriculture sector provide an enabling environment, empower and build the capacity of the rural poor in order for them to engage in viable agro-based activities and "drive" Ghana to middle income status.

³ Research suggests the need for a re-examination of basic subsidisation of farm implements such as tools and inputs (locally produced) (Wayo Seini, 1998);

Section 1.0: Introduction

1.1 Rationale for the study

The *Paths to Prosperity Study* began in November 2000 at the request of the Ministry of Food and Agriculture and with the assistance of DFID's Rural Livelihood Programme. A core team of senior professionals from the Ministry of Food and Agriculture (MOFA) along with experts from the university, private and civil society sectors were brought together to initiate the study. The study's main aim was to explore ways in which the agriculture sector and more specifically MOFA's Accelerated Agriculture Growth and Development Strategy (AAGDS), could become more responsive to meeting the needs of the rural poor. The purpose of the *Paths to Prosperity Study* was to "develop a framework within MOFA for meeting the diverse service needs of all categories of farmers".

1.2 Methodology and Limitations

The methodology for the first and second phases of the study was based on a literature audit and desk review from sources within Ghana. A core team of researchers were each responsible for one sub theme and developed discussion papers based on these themes.⁴ The six key themes included:

- The impact of macro economic policies on the poor in Ghana
- The constraints of poor rural farmers
- The strategies for breaking out of poverty
- The successes and failures of MOFA's previous policies and programmes in addressing the needs of the rural poor
- The analysis of the MTADP and AAGDS in light of pro poor indicators
- Poverty profile and analysis of Ghana

This synthesis is an attempt to compile the lessons learned and ways forward developed by the Core Team and Review Committee members over the last ten months. The analysis is not exhaustive but provides insight into some key lessons for MOFA to consider as they work towards a more poverty sensitive approach to programming over the coming five years.

Some of the limitations to the *Paths to Prosperity Study* were the lack of face to face contact, interviews and fieldwork necessary to validate findings from the literature review. The original study envisaged micro studies and informal interviews with key policy makers but this was not possible due to constraints beyond the control of the core team. Lack of interviews and micro level studies reduced the ability of the core team to verify and further substantiate trends identified in the literature. Lack of participatory interaction with the poor themselves also reduced the level of impact, and the dissemination of key information providing an action orientation to the research. This also limited the impact that study had at the ministry level.

⁴ Discussion papers are available in the document " Paths to Prosperity: Discussion Papers-Working Document 4" through the MOFA PPMD.

1.3 Organisation of the Synthesis

This synthesis reviews existing information relevant to MOFA's policies concerning the incidence and depth of rural poverty. Section two presents a poverty profile in Ghana and provides analysis of the poors' characteristics and key constraints. Section three provides an analysis of MOFA's programmes and policies related to the poor and the challenges these strategies have had in addressing the needs of the poor. The section also provides an analysis of AAGDS with respect to the findings on rural poverty. Section four provides information on the key strategies for supporting poverty reduction efforts and enabling framework for service provision in the agriculture sector.

Section 2.0: Who are the Poor in Ghana?

This section provides an overview of Ghana's Poverty Profile, the constraints and characteristics of the poor and their coping strategies. It also reviews findings related to the relationship between food security and poverty in order to explore another dimension of the constraints impeding their escape from the poverty cycle.

2.1 Poverty Monitoring in Ghana

Several studies have been carried out to monitor the incidence, depth and trends of poverty in Ghana. The Government of Ghana with assistance from the World Bank has designed a system to monitor poverty on a national scale. Three main instruments are used to monitor poverty namely; the *Ghana Living Standards Survey (GLSS)*, the *Ghana Demographic and Health Survey (GDHS)* and the *Core Welfare Indicators Questionnaire survey (CWIQ)*. Several other more qualitative instruments have complemented these studies such as the participatory poverty assessments conducted in the first round of the *Ghana Living Standards Survey*. More recently the World Bank commissioned a collection of qualitative data called "Consultations with the Poor" (Kunfaa, 1999).

The *Ghana Living Standard Survey* has been used to investigate different dimensions of household living standards on a regular basis over the last 10 years. There have been four rounds of the GLSS1 (1987/88), GLSS 2 (1988/89), GLSS3 (1991/92) and GLSS4 (1998/99). The latest standard of living measurements take the total consumption expenditure per adult within the household expressed in constant prices (GSS 1999). The first three rounds of the GLSS defined the poverty line as the ratio of mean household expenditure not consumption per capita (GSS, 1995).⁵ The GLSS4 was carried out using 3000 household surveys in over 150 enumerative areas and covered key issues such as expenditure and consumption data, education etc. The survey is administered on an enumerative area basis in 10 regions of the country across four agro-ecological zones. This approach does not take into account the district administrative lines. The primary sample unit for the GLSS 4 was the 1984 population census. This synthesis is based mainly on findings from the GLSS 4.

Some of the limitations revealed in poverty studies in Ghana suggest an increasing need to look beyond the regional incidence of poverty and consider the poverty trends at the district level (Haroun, and Oduro, 2000). Critique of the GLSS 1 to 4 also suggests that the sample size is too small to extrapolate to a higher level (i.e. district level) and must remain at the enumerative level⁶. Using the GLSS data to form conclusions on a regional basis has also been judged as unreliable by some researchers within the University of Ghana and GSS itself.

⁵ Main difference was that the GLSS4 used calories required in setting the poverty line. Much more nutritionally based.

⁶ The GLSS data contain information on the expenditure patterns and income sources of more than 3000 households and individual characteristics such as age, sex, education, employment and labour earnings of most of the household members.

2.2 Ghana's Poverty Trends

All regions of Ghana experience some sort of poverty but there are noticeable variations. Poverty is greatest in the rural savannah and rural forest areas of the country which account for over 60% of total poverty (GSS, 1995a). The poorest area is the rural savannah, but given the weight of numbers, the rural forest area contributes the most to total poverty. A similar picture emerges from the socio-economic groupings; all categories of people experience some level of poverty, but the food crop small holder experiences the highest incidence of poverty. The least affected are formal-sector wage employees (especially those in the private sector). Poverty is clearly a major problem for farmers, the non-farm self-employed and those employed in the informal sector. Poverty among food-crop farmers represents more than half of total poverty in the country. This is fully explored in section 1.1.7.

The following section expands on the analysis of the incidence and depth of poverty providing a clear picture of the degree to which poverty is both characterised as a rural phenomenon and mainly involves farmers. Increasing evidence from GLSS and more qualitative studies suggest that poverty in Ghana is both caused by poor agricultural practices and further deepened by the inability of subsistence agro-based activities to release the poor from the poverty cycle. This synthesis reveals how the **poor farmer is both a victim of poverty due to poor agricultural development policy and a cause of sustained rural poverty due to their poor farming practices and low productivity.**

2.2.1 The Incidence of Poverty

The GLSS 4 established two nutritionally based poverty lines-- a lower poverty line of 700,000 cedis per adult per year and an upper line of 900,000 cedis per year. The lower poverty line establishes a minimum amount of income needed to meet the basic nutritional requirements of household members⁷. The upper poverty line of 900,000 cedis per adult established a minimum amount of income needed to meet basic nutritional requirements but also incorporates both essential food and non-food consumption. Individual consumption above this line is considered to meet the basic nutritional requirements of households and their basic non-food needs at constant prices (GSS, 1999, p6).

The overall incidence of poverty has declined between 1991 and 1999. The incidence in Ghana declined from 50.8% (GLSS 3) in 1991/92 to approximately 42.6% (GLSS 4) in 1998/99. The overall incidence of extreme poverty in Ghana declined from 35.7% to 29.4%.

More than half of the population in the rural Savannah region is classified as extremely poor. The incidence of extreme poverty increased in the rural Savannah from 58% to 59% between 1991/92 and 1998/99 respectively. The incidence of extreme poverty also increased slightly or remained the same in the urban coastal,

⁷ Individuals whose total expenditure falls below this line are considered to be in extreme poverty since they will not be able to meet their minimum nutritional requirements even if they allocate their entire income to food.

urban forest and urban Savannah localities within this period⁸. The highest declines in the upper poverty line were recorded in Accra and the rural forest zone falling from 45% to 24%. Figure 3, shows the incidence of poverty across the regions of Ghana.

Little data was found to explain these trends. We do know that export crop farmers who can be found in the rural forest zones may account for part of the decline in poverty. The increases in the upper regions/rural Savannah may also be attributed to the harsh climatic changes, deforestation, droughts and food insecurity experienced over the last five years particularly in the Upper East region. High levels of poverty in the northern and upper regions of the country have also been attributed to the high dependency on food crop farming--- an occupational category experiencing the highest levels of poverty. The large majority of poor live in the Northern sector of the country and are engaged in subsistence food crop farming (Haroun, and Oduro, 2000; Seini 1998). Studies reveal that farmers have experienced a reduced income earning power over the last ten years (Wayo Seini, 1998). A topic, which will be further, explored in the next section.

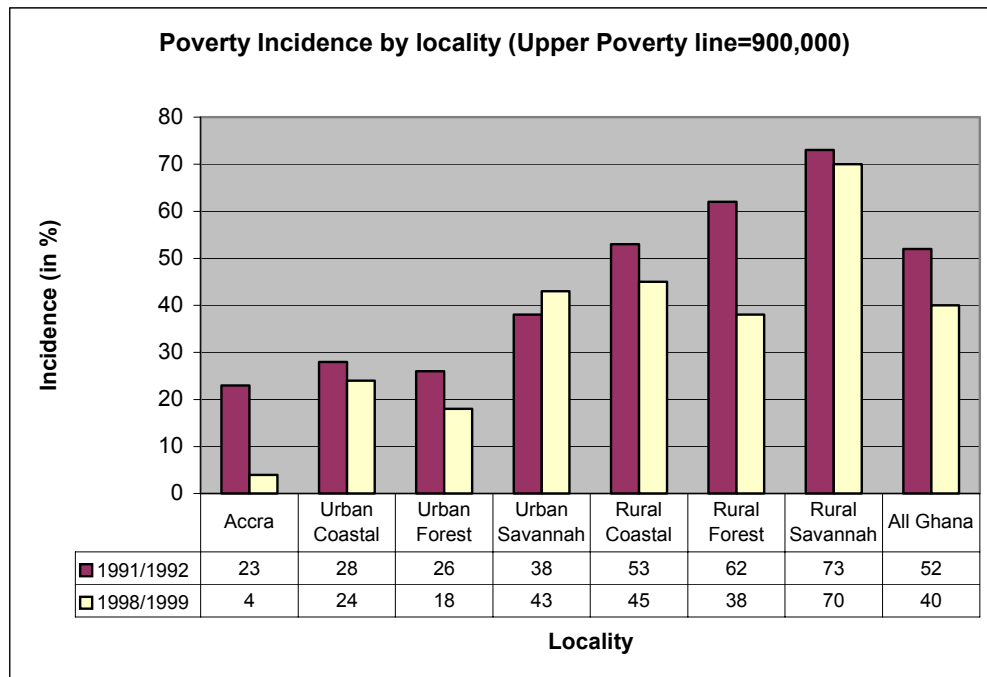


Figure 1: (GSS, 2000)

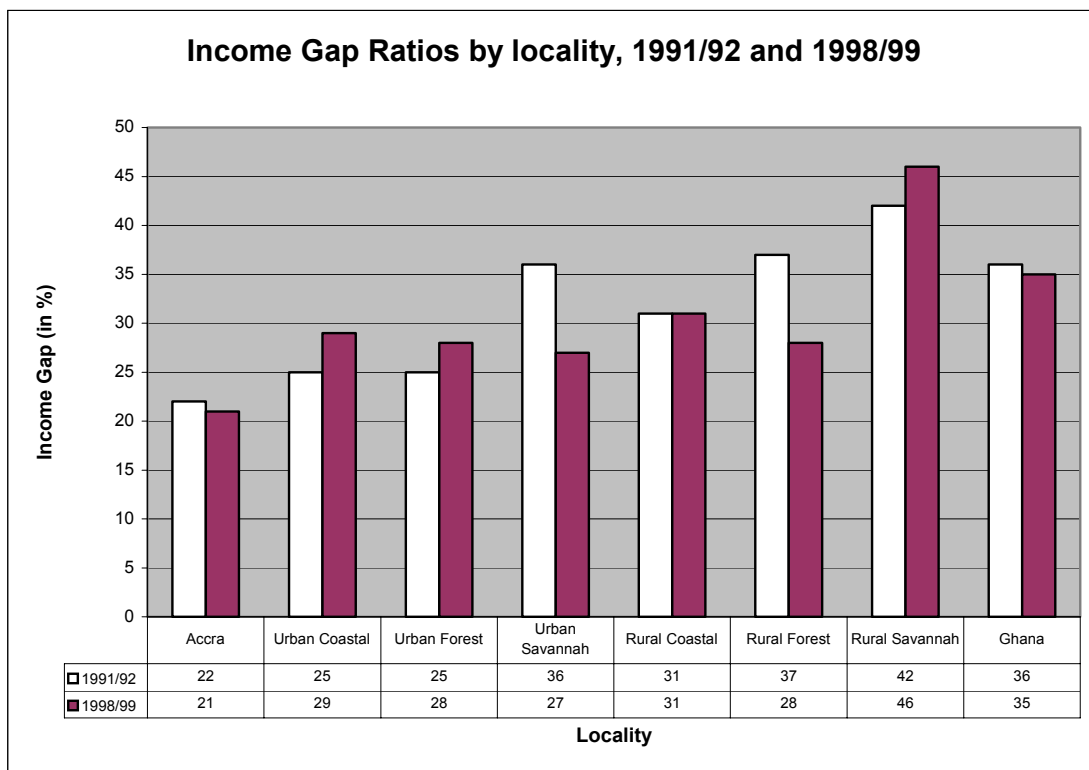
⁸ Figures were different from the GSS 1999, consultative report preliminary analysis and the GSS, 2000 poverty trends.

2.2.2 Depth of Poverty

Although poverty may be found nation-wide the most affected are people living in the natural resource poor savannah. These people also experience the greatest depth of poverty (see figure 1).⁹ The depth of poverty is measured using the income gap ratio, which gives the proportion by which the average consumption level of poor households falls below the poverty line. The depth of poverty has only slightly declined on a national basis between 1991/92 (36%) and 1998/99 (35%).

The depth of poverty increased marginally in some areas of the country (GSS, 1999). The depth of poverty increased in the rural savannah moving from 42% to 46%, in the urban coastal from 25% to 29% and the urban forest from 25% to 28% (see fig. 1). The depth of poverty has remained the same (31%) in the rural coastal areas (GSS, 2000a) and declined in Accra, the rural forest and urban savannah. These are the same areas where the incidence of extreme poverty has either increased or stayed the same.

FIGURE 2: Source (GSS 2000a)



⁹ The depth of poverty can also be explained as the extent to which those people who are already under the poverty line fall further below the poverty line. It gives an indication of the intensity of poverty.

2.3 The Distribution of Poverty across Ghana

2.3.1 Regional Disparity

The reduced incidence of poverty in Ghana is not evenly distributed. Some regions experienced an increase in the incidence of poverty while others experienced declines. Figure 2 summarises the regional distribution of the incidence of poverty in Ghana. The decline in the incidence of poverty was concentrated mainly in the Western, Greater Accra, Volta and Brong Ahafo regions. The overall incidence of poverty declined from 52% in 1991/92 to 40% in 1997/98; there were increases in the Central, Northern and Upper East regions of the country. The largest declines were experienced in the Western, Greater Accra, Volta and Brong Ahafo regions. Figure 2 presents these trends.

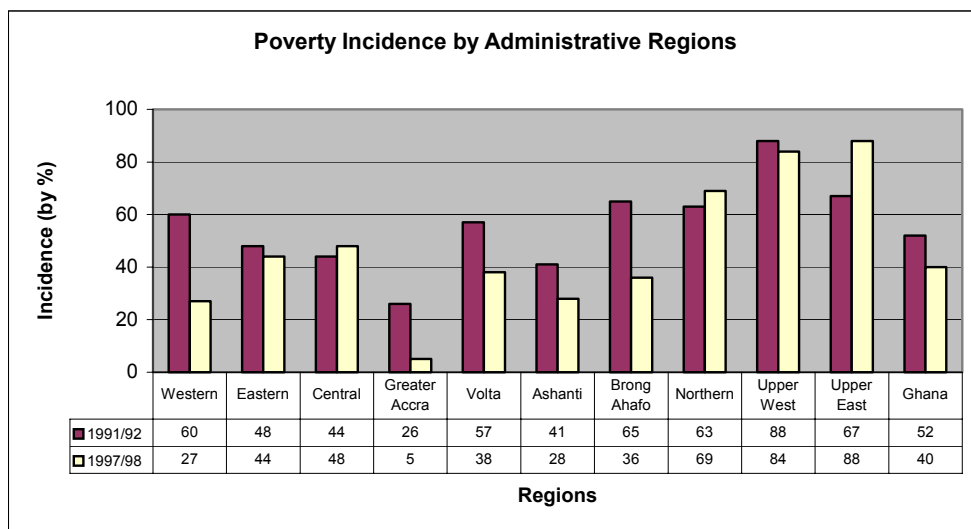


FIGURE 3: Source (GSS, 2000)

Overall, poverty in Ghana is lowest in the Greater Accra region and is highest in the three northern regions. More than **70% of people in the three northern regions** are under the poverty line. The GLSS 4 reveals that these people are dependent on food crop farming and engage in subsistence agriculture. They have very little diversification in their agriculture and have only nominal livestock and other alternatives to their livelihoods (GSS, 1999; ISSER, 1993).

The incidence of poverty increased in the Central region by 4%, in the Upper East by 21% and in the Northern region by 6%. There was no significant change in the incidence of poverty in the Upper West and the eastern regions of the country.

2.3.2 Rural / Urban Disparity

In both the GLSS 3 and GLSS 4 the incidence of poverty is substantially higher in rural areas than in urban areas. The GLSS-3 reports that about 72% of the poor in Ghana live in the rural areas.¹⁰ Poverty in Ghana's therefore a predominantly rural phenomenon. The concentration of poverty is mainly in the northern Savannah zone. Dependence on subsistence farming and environmental stress are some of the reasons given for the increasing incidence of poverty in rural households (Korboe et al., 1998).

2.3.3 Population shares to the incidence of poverty

The rural savannah made the highest contribution to poverty incidence in Ghana at 37% in 1999, with only 21% share of the population. The rural forest zone with a 30% share of the population contributed 30% to national poverty incidence (GSS, 1999). The rural savannah and rural forest zones combined contributed 67% of the incidence of poverty in Ghana and contain about 51% of the population. Figure 4, captures the population shares and contribution to the incidence of poverty across various regions of the country.

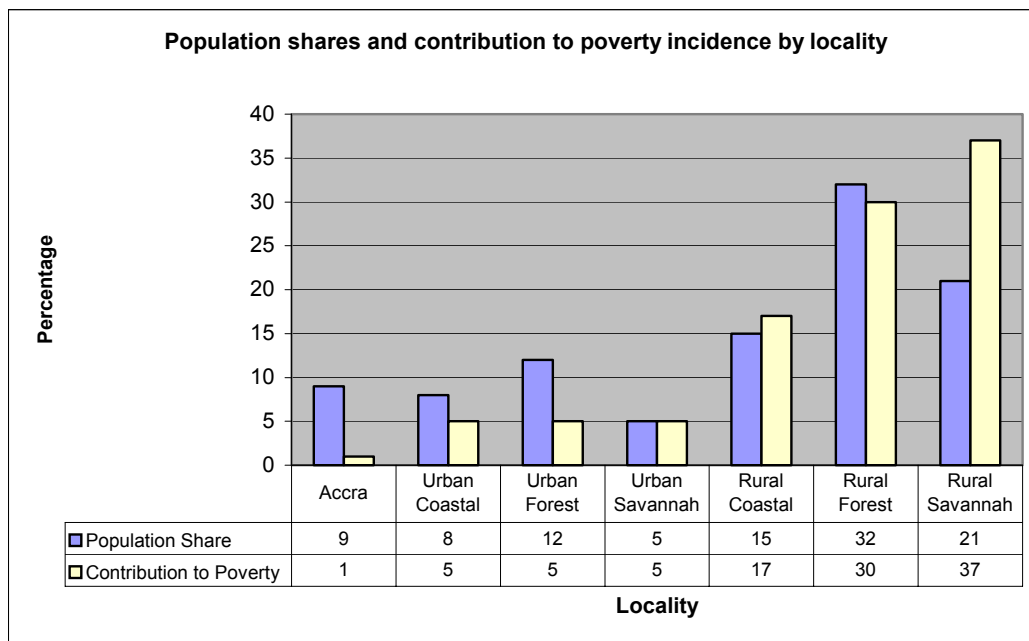


FIGURE 4: (GSS, 2000)

¹⁰ According to GLSS 1 more than 80% of Ghana's poor live in rural areas (Botchie, 2000).

2.3.4 Disparity among different economic activity groupings

The incidence of poverty was not equitably distributed across the different economic groupings. Food crop farmers experience the highest incidence of poverty followed by export crop farmers and the non-farm self-employed. 60% of food farmers have real consumption expenditure levels that fall below the poverty line. This group contributes approx. 58% to the poverty in Ghana (GSS, 2000). The disparity in the among the main economic activity groupings is captured in fig.5.

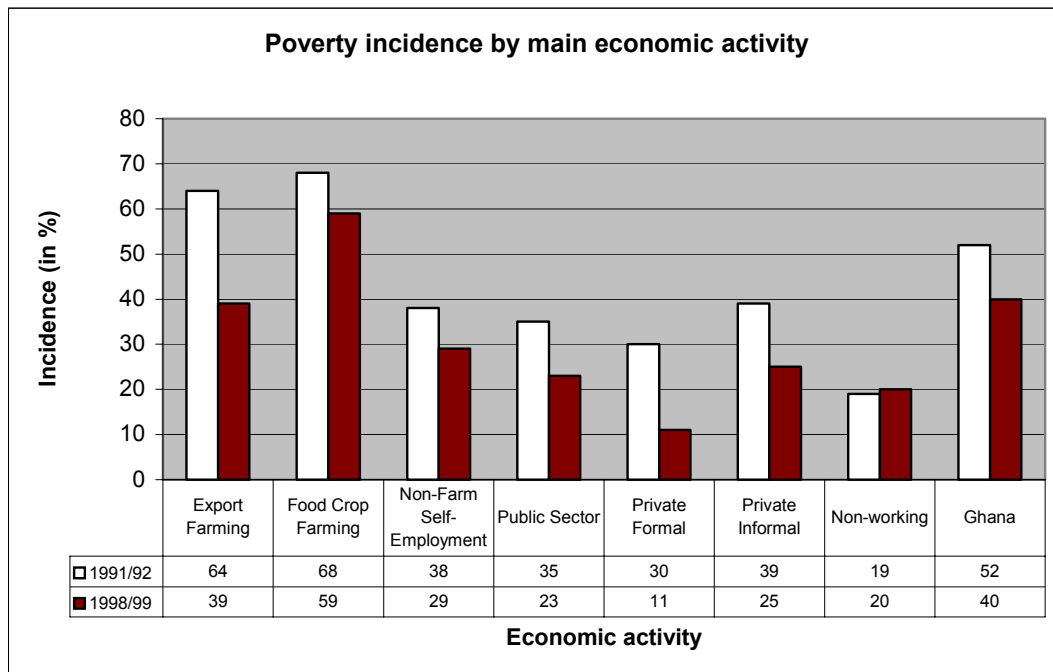


FIGURE 5: Source: (GSS, 2000)

Export farmers and wage employees in the private formal sector experienced the largest reductions in poverty. Poverty also fell amongst wage employees in the public sector and non-agriculture self employed. Food crop farmers experienced the least gains and remain the worst affected by poverty. According to NDPC (2001) small holder farms dominate the sector accounting for about 80% of total agricultural production. The small holder is also dispersed making it difficult and expensive to provide support services- the topic of the next section.

2.3.5 Gender Disparity

Women are more vulnerable to poverty than men. The GLSS 1 and 2 reveal that there is a higher proportion of female-headed households among the category of poor and very poor than among the non-poor (MOFA, 2000)

Recent gender mainstreaming and living standards studies identify women as the most vulnerable group to poverty. Female-headed households make up the largest proportion of the poor and the number of female headed households also appears to

be increasing due to the migration pattern in the country (GSS, 1995). More than 60% of the farm population are rural women and they are the main providers of the family; the vast majority are under the poverty line (World Bank, 2000).

Women are more dependent on food crop farming than men and have less access to land. They are dependent on men to provide labour at various times of the year (MOFA, 2001). Their dependence on food crop farming also explains their higher level of vulnerability. Newman and Canagarajah (2000) found that between 54% and 58% of women in Ghana participate exclusively in agriculture.

Women also manage several roles and responsibilities in the household, spending long hours searching for water, fuel and caring for children along with other production and reproductive activities (Asibey-Bonsu, 2001; MOFA, 2001). Women are particularly burdened due to their low socio-cultural status and important role as prime caregivers and providers for children (Duncan, 1997; MOFA 2001). Women in the northern savannah regions are particularly vulnerable since they spend a large part of their productive time searching for water and fuel.

MOFA (2000) found that there is a tremendous need to ensure that women more fully participate in agricultural development. The ***Paths to Prosperity Study*** also found that gender should be mainstreamed across activities within MOFA since women constitute about 60 percent of the Ghanaian small holder labour force, produce about 70 percent of the agricultural output and take primary responsibility for raising children--the next generation of farmers. Gender inequalities continue to inhibit women's participation in the development process. While about 49.8 % of women have never been to school, only 3% attained secondary or higher education compared to 29.1% and 9 % for males. Adult literacy is also much lower among females (39.5%) than their male counterparts (60.8%). These figures are of particular concern when designing poverty reduction activities within MOFA and increasing their vulnerability to poverty (MOFA, 2001).

2.4 Characteristics and Key Constraints of the Poor

The following section explores the key characteristics and constraints of the poor in Ghana. The section reveals the impact these constraints have on their lives, farming practices and inability to change livelihood patterns and escape from poverty.

The majority of the poor are characterised as subsistence rural farmers who make up the vast majority of Ghana's farm population. Small holder agriculturists constitute approx. 76% of all farmers in Ghana but cultivate only 44% of total cultivated land. Other studies suggest that about 73% of farmers are categorised as small holders having not more than 6 hectares of land. Kessel (1998) also suggests that more than 80% of food crop farms cultivate for subsistence use and only 20% for commercial use.

Amezah (2001) and ISSER, (1993) describes the poor in Ghana as small scale farmers who have less than 2 hectares of land under cultivation, use simple tools and often cannot afford to use improved crop varieties, fertilisers and agro-

chemicals.¹¹ Their low productivity and poor income means that they are unable generate enough wealth to provide for their basic needs and enhance the agricultural activities (Wayo Seini, 1998). "If farmers' incomes do not rise at the pace of inflation they are unable to utilise productivity enhancing inputs" (Wayo Seini, 1998)

Table 1: Constraints and Characteristics of Ghana's Rural Poor

Livelihood instability		
	Small farm holdings/sizes	<ul style="list-style-type: none"> Farm holdings have declined between 1970 and 1984 with 84% of farmers with less than 1.6 hectares of land and occupying 47% of total cultivated land (Sarris and Shams, 1991). Shrinking farm sizes are related to high population growth rates (3%) and redeployment of public service employees.
	Food insecurity	<ul style="list-style-type: none"> The poor are often characterised by food insecurity where they themselves have not been able to use agriculture as a stable livelihood system.
	Inadequate access to basic social services	<ul style="list-style-type: none"> Inability of the state to provide basic services such as health care, education, clean water and sanitation expose the poor to health problems and a reduced life-span (Seely et al, 1999)
	Inability of the poor to endure stress due to crop failure	<p>"Entrenched Vulnerability"¹² The poor:</p> <ul style="list-style-type: none"> have few savings and assets to sustain themselves are vulnerable to uncertainties in the weather and climate learn to ration food, and reduce their protein intake especially when crop failure arises postpone medical treatment and take children out of school
	Inequitable access to land and capital	<ul style="list-style-type: none"> Poor farmers particularly women and migrant farmers' find it difficult to get productive land which is male owned. Women are particularly cut off from equal access to land in the northern sector of Ghana where they own less than 4% of land. Poor farmers also use land that is very fragile due to environmental degradation and soil leaching.
	Exit and usage of farm labour	<ul style="list-style-type: none"> Farm labour/rural youth are migrating to urban areas of Ghana The farm holder and family provide 90% of farm labour. Hired labour is used only during bush clearing, planting and harvesting. Women are particularly dependent on using hired labour for clearing land A large concentration of hired labour is available in the Eastern, Ashanti and Brong Ahafo regions of the country (Shams, and Sarris, 1991).
	Livestock ownership	<ul style="list-style-type: none"> 30% of small holders in Ghana have livestock and 37% own poultry. Herds are not large and livestock is used as a coping mechanism and sold in times of poor crop.
	Cropping patterns	<ul style="list-style-type: none"> The majority of crops are for food production with only 4% of cultivated areas for commercial tree crops.
Vulnerability		
	Income patterns	<ul style="list-style-type: none"> A large proportion of food produce is sold in order to provide a major source of cash income. Other income is raised from remittances and friends. Low prices for farm produce especially at farm gate and limited

¹¹ ISSER (1993) estimates that average small farm sizes are about 1.6 hectares. According to Kessel, (1998) more than 87% of farms are smaller than 5 hectares.

¹² (Korboe, 1998)

Table 1: Constraints and Characteristics of Ghana's Rural Poor		
		bargaining power
	Climatic variability	<ul style="list-style-type: none"> • Variable rains are a risk to producers
	Consumption and expenditure patterns	<ul style="list-style-type: none"> • Rural households spend more than half their cash income on food followed by clothing and footwear. • Farmers sell a large proportion of their produce at harvest time for cash and are forced to buy food during the lean season when prices are higher.
	Capacity of the poor	<ul style="list-style-type: none"> • Literacy levels are very low limiting technology uptake • Poor health and low productivity • Low levels of food security and malnutrition • Younger generation migrate to cities which reduces their productive labour force
	HIV/AIDS and health	<ul style="list-style-type: none"> • Poverty increases the vulnerability of the farmers to HIV/AIDS having devastating impact on farm productivity.
Productivity Constraints		
	Low yields	<u>Disincentives for increasing production</u> <ul style="list-style-type: none"> • High post harvest losses • Inadequate storage facilities • High cost and low rate of processing agriculture produce <u>Macro economic instability</u> <ul style="list-style-type: none"> • High and variable rates of inflation • High costs of agriculture inputs becoming unaffordable (i.e. cutlasses, fertilisers and insecticides)
	Lack of access to credit	Limited access to credit and high interest rates from formal banking. Most farmers depend on non-formal patron client relationship with the market sellers who pre- finance the crop production and pay very low prices to the farmer.
	Land tenure system	<ul style="list-style-type: none"> • Traditional land tenure patterns create disincentives for production since a large proportion of the harvest must be given to the land owner (Abusa and Abono systems of land tenure) • The access to land has been reported as a problem for women in the northern regions of the country. • NDPC (2001) suggests that the problems are not about land tenure but land ownership since the land is designated to members of the community making it difficult to use as a source of collateral. They suggest that unregulated development of land could reduce the access right of the poor to land as a resource.
	Farming as a way of life	<ul style="list-style-type: none"> • 54% of farm holdings were operated for subsistence use, most of which were located in the northern and upper regions of Ghana • Most of the poor see farming as a way of life and not as a business which must be managed profitably.
	Underemployment, and exit from agriculture	<ul style="list-style-type: none"> • Youth are not interested in farming and migrate out of farming communities (Haroun and Oduro, 2000) • Marginal cost of labour rises due to exit of youth from rural areas • Over ageing of the agriculture labour population (Amezah, 2001)
	Limited access and adaptation to new technology	<ul style="list-style-type: none"> • Inability of subsistence farmers to access land and water management technology, productive inputs and marketing (Asibey Bonsu, 2001). • Capacity of the poor to integrate and explore new technologies for farming (low literacy levels, lack of training etc) • Research and Extension systems exclude the poor from accessing technical and managerial know-how (Korboe, 1998; Watkins, 1995) • Limited advancement in appropriate and affordable technology (i.e. appropriate varieties of crops, good farming practice and post harvest management)

Table 1: Constraints and Characteristics of Ghana's Rural Poor		
Marketing difficulties		
	Limited access to market information	Farmers are dependent on traders to reveal information concerning the markets.
	Inability to hedge against low prices	Inability to store food and take advantage of higher market prices during off-season. Agriculture produce is often their only source of income therefore they are forced to sell. They are exposed to low prices and price crashes in the harvest season and significant revenue loss. This is compounded by limited or non-existent infrastructure services and storage facilities (Seely, et al. 1999.
	High transaction and transport costs	Asante, Bruce and Appiah (1997) established that the net margins from marketing intermediaries range from 30% to 52% and transport costs account for more than 50% (in Haroun, and Oduro, 2000)
	Barriers at the market	Failure of the market to distribute goods and services efficiently "market power brokers or market queens" prevent even distribution and free market flow of goods and services (IFAD)
	Poor state of market infrastructure and systems	Measuring systems at the market are volume based and farmers have little control over price of maize and other crops (Amezah, 2001)
Insecure social and power relations		
	Poor are powerless to influence decisions which affect them	<ul style="list-style-type: none"> • The poor are often marginalised from institutions in charge of social development (police force, courts and government services) • Women are most affected by social exclusion • Poor are unable to share in the opportunities, resource and information needed to make a better life. •
	Inability to see their own potentials	<ul style="list-style-type: none"> • They gradually lose self-worth and self-confidence • Community members do not recognise their own potentials and resources for transforming their situations (indigenous knowledge, youth, household assets, common property resources, etc)
Discriminatory Policies¹³		
	Policies that undermine production	Liberalisation of the economy allowing for cheap imported food and expensive fertiliser and agriculture inputs.
	Assumptions and focus on private sector up take	Weak and small private sector has not delivered in providing services divested by the public sector (particularly in relation to farm inputs in areas with large dispersed population such as the northern regions)
	Structural Adjustment and growth oriented economic policies	<p>A 'trickle down approach which assumes that the benefits of economic growth will eventually reach the poor and provide an enabling environment for them to escape from poverty has not occurred (Watkins, 1995)</p> <p>Structural adjustment policies have resulted in faulty agriculture policy and exclude the poor from the formal economic life of society. Evidence in Ghana suggests that the informal sector of the economy has increased over the period of structural adjustment (Kessel, 1998)</p>

(Based on Amezah, 2001; Sarris and Shams, 1991)

¹³ This will be expanded further in section 2.1.

Anon (1998) argues that agriculture extension efforts in Ghana are unable to support the poor farmer and increase agricultural production due to:

- a) the inability to link agriculture productivity to market access;
- b) the inability of pro poor institutional arrangements for accessing markets,
- c) the inability to correct market failures in the face of a weak private sector
- d) the inability of farmers to adopt new technologies.

Some of the macro economic constraints impacting on the poor include macro economic instability, the removal of input subsidies and high prices of inputs making farming unaffordable. This is why an exit from farming is considered one practical means for coping with poverty. The capacity of the poor is also limited due to high levels of illiteracy, which translate into low incomes and poor technology uptake (Wayo Seini, 1998).

The Production Theme group working on Ghana's Poverty Reduction Strategy suggests that poor marketing and distribution networks are also major constraints on the expansion of production in the sector. Most farmers are not part of a marketing chain and transport costs are high making the development of such a marketing chain extremely difficult "for all commodities in all localities".

2.5 Food production, food insecurity and poverty among farmers

Any poverty analysis in Ghana would not be complete without a full view of the dimensions of the food production, food insecurity and poverty in Ghana. Increasing evidence suggests that the poor in Ghana are caught in a cycle, which undermines their ability to use farming as a viable livelihood, and means of escape from poverty. Some of the problems which 'entrench' the lives of the poor manifest itself in the high levels of food insecurity and the inability of farmers to meet their basic food requirements.

Key factors, which are suggested in the literature, include:

- Farmers inability to purchase basic tools and farming inputs
- The rising cost of farm implements and declining farm incomes
- Farmers' inability to take care of their basic food requirements which erodes their productivity

Food insecurity is a growing phenomenon in some regions of the country (CRS, 2000). Wayo Seini (1998) study reveals that while there has been some growth in food crop production, the livestock, and fisheries sub sectors remain stagnant. Reasons relate to poor yields and lack of area under-cultivation depending on the food crop. For instance, in the case of maize both higher yields and larger areas under cultivation have given rise to increases in production.

Wayo Seini reveals that between 1970 and 1990 growth in cereal production have been sluggish (1.6%) and starchy staples experienced even negative growth at .2%.

The growth rates in food production imply a significant decline in per capita food production due to the high rate of population growth at 3%. More than half the rice consumed in Ghana comes from imports. Stagnation in fish and meat production has been mainly met by imports. Ghana was only able to meet its cereal requirements by means of its own production only in 1970 and starchy staple demand was only met in 8 years during the study period.¹⁴

The production theme group for the GPRS report reveals that there are wide gaps between actual food production yields and potential yields for the main food crops between 1992 and 1995 (NDPC (2001)). The report reveals that only 6000 out of 2,740,000 farm households nationwide use irrigation services in 1998/99. Fertiliser and insecticide is used by only 20% of the households and about a tenth purchase seeds for planting (NDPC, 2001)

2.5.1 Purchasing Power of the Poor

The analysis of data on food security in Ghana suggests that food crop farmers are particularly vulnerable to food insecurity due to their low earning potential. Ongoing macro economic policy reforms have focussed on tradable commodities excluding food since it is treated as a non-tradable commodity.

High domestic inflation has reduced the income purchasing power of farmers; the income of the agriculture population has not risen sufficiently to compensate for higher food prices over the last ten years. Wayo Seini (1998) explains that "while real food prices have been rising for starchy staples, vegetable oils and cereals, the income from agriculture has been declining." During 1965 to 1980, per capacity value added declined by .8% per year but declined by .4% per annum from 1980 to 1990 (Okai, 1997).

Food crop farmers are particularly vulnerable to food insecurity since farm gate prices are low. Prices for farm produce do not rise fast enough to combat the high input costs arising from the removal of subsidies¹⁵. For instance, from 1988 to 1994, fertiliser prices increased 14 fold while maize prices only increased by 3 fold. The outcome has been a shift towards low input crops such as cassava, which account for its higher acreage under cultivation¹⁶. Wayo Seini concludes that rising food prices coupled with decreasing incomes imply that **economic access to food is declining for the majority of the work force who earn their livelihoods through agriculture.**

2.5.2 Expenditures of the Poor

According to the GLSS4 at least 62.7% of household expenditure is spent on food for the lowest quintile. The highest quintile spends 51.7% on food accounting for more than half of the households' expenditure. Cash expenditure on food in Ghana accounts for 96% of total food consumption, with only 4% representing the value of home produced food (GSS, 2000a). This amount rises depending on the poverty

¹⁴ The self-sufficiency ratio between 1970 and 1995 was .80.

¹⁵ Most agricultural subsidies on farm inputs were removed in 1988 under the ERP.

¹⁶ Cassava is also considered a crop produced as a coping mechanism and survival strategy during times of difficulty.

quintile. Rural households spend over 60% of household expenditure on food (actual and imputed). This is highest in the Upper West with 69% and lowest in Greater Accra. Urban areas spend less on food as a percentage of household expenditure than rural areas. Consumption of home produced food remains more important for households which are less well off (GSS, 2000a).

Wayo Seini (1998) found that the household produces only 24% of the food consumed by the household although this varies according to region. In the northern savannah the household produces at least 48% of the food consumed. Using GLSS 1 data he concluded that at least one third of the households did not purchase or retain from home *production enough food to meet 85% of the energy needs of the household*. He also found that at least one third of all households in Ghana suffer from "food poverty" or inadequate calorie consumption, which is reflected in the poor nutritional status of the household. He concludes, **"Food insecurity intensifies poverty no matter how it (poverty) is defined"** (i.e. proportion of expenditure per household or consumption per adult)". He goes further to state that the number of absolute rural poor has been increasing over the last ten years in Ghana (Wayo Seini, 1998).

2.6 Coping Strategies of the Poor

There is broad agreement within the literature over the basic coping strategies of the poor in Ghana. These strategies are adopted at the household and societal level. A study by ISSER in 1992/93 found that rural farmers prefer to grow traditional crop varieties, which give low yields but are often more resistant to disease. Other strategies reported include:

- Remittances from friends and relations outside the community
- Non-farm or off-farm income generating activities
- Reduction in the amount and quality of food consumed in the household
- Growing traditional crop varieties and types of crops which don't require farm inputs (i.e. fertiliser and pesticides)
- Use of vegetable and tree crops as a source of food
- Adopting co-operative labour systems and share cropping systems
- Migration and exit of farming
- Increased usage of child labour

Asafo-Adjei et al (1999) indicates that coping strategies adopted during the periods of severe food shortage vary slightly among the districts in Northern Ghana. The key coping strategies include the use of wild vegetables and trees as a source of food, pito brewing, sheanut picking and processing and petty trading. In other areas farmers harvest their cassava early, hire out their labour, or sell animals as coping strategies against famine. Many farmers engage in off farm employment. In general, women have more opportunities for off farm employment than the men do (Korboe, 1998).

Korboe (1998) indicated that the poor cope with their poverty by sending their children elsewhere for fostering, and engage in consumption rationing (reducing food portions or excluding meat and fish from the menu). Expenditure may also be

adjusted by postponing health consultation and removing children from school. The poor also borrow money from friends or liquidate capital assets and harvest immature crops to purchase the necessities of life.

Communities evolve coping mechanisms to protect themselves from harsh poverty conditions by adopting co-operative labour arrangements to cut down costs. "Kpatiba and nnoboa" are used among the Dagomba and the Akans respectively. Sharecropping systems also allows migrant and landless farmers to gain access to land through the "abusa and abunu" systems of farming. These are sharecropping systems, which allow the tenant farmers to pay for rent through the giving of produce to the land owning family¹⁷.

Conclusion:

Over 42.6 % of the Ghanaians are classified as under the poverty line (GSS, 2000)¹⁸. The vast majority (72%) of the poor live in rural areas and 60% of the poor are classified as rural women. More than half the people in rural savannah are classified as poor consuming less than 700,000 cedis per adult per year and unable to meet their basic nutritional requirements (GSS, 2000).

The incidence of extreme poverty has increased from 56% to 58% between GLSS 3 (1991/92) and GLSS 4 (1998/99). The vast majority of the poor are food crop farmers accounting for 61% of the poor. They are self-employed subsistence agriculturists farming less than 2 hectares per year.

An alarming indicator of the depth of poverty is the food crop farmers' inability to feed themselves and their families. Extensive evidence in the literature suggests that Ghana's rural poor are becoming poorer since their purchasing power is declining and they are not meeting their basic nutritional requirements. This further creates a context of 'entrenched vulnerability'. One of the keys to poverty reduction within Ghana will be the Governments ability to ensure that all Ghanaians are able to feed themselves and reach their full potential. The intergenerational aspects of poverty are becoming manifest as youth migrate out of rural areas in search of a better life in the cities.

Some of the constraints of the poor food crop farmers include: low farm produce prices, lack of purchasing power for farm inputs, limited options for sale of produce, high transport costs, reliance on seasonal variations and inability to hedge and store food. Several coping mechanisms have been adopted by the poor to cope with poverty.

¹⁷ Abusa is when one third of the produce from the field is given to the landlord and abuna is a case where one half is given to the landlord.

¹⁸ 42% of Ghanaians are under the upper poverty line (consuming less than 900,000 cedis per adult member per year).

Section 3.0: Ministry of Food and Agriculture's Policy and Programmes: their impact on the poor

The next section reviews the experience of MOFA's agricultural growth and development strategies, policies and programmes in light of a poverty sensitive agenda. The purpose of this section is to review the macro policy interventions, pursued by Government and their impact on the poor. The first part reviews the impact of structural adjustment policies on the poor. The second part reviews some of MOFA's programmes, which were initiated under the MTADP before turning to the analysis on the Agriculture Growth and Development Strategy (AAGDS) strategy.

3.1 Agricultural Growth and Development Policies and their impact on the poor

Ghana's macro economic restructuring experience has been a much-debated phenomenon. A large and growing body of evidence suggests that the economic reform and restructuring programmes have had an **extremely negative** impact on the poor, especially those within the agriculture sector, further delaying the process of poverty reduction in Ghana (Aryeetey et al 2000; Haroun and Oduro, 2000 and Wayo Seini, 1998). The most salient indicator is the World Bank's shift in Ghana from a purely "growth agenda" to an increasing focus on poverty reduction and debt relief. Direct poverty reduction efforts to mitigate the impact of poor "growth performance and the myth of trickle down effect on the poor is the subject of the next section. This section explores the agriculture policies taking into account the political and macro economic influences of the time and their impact on the poor.

Dannson (2001) explores the key macro economic policies, which were pursued before, during and following the ERP era. The key phases of the ERP included a phase 1, which focussed on the realignment of cocoa prices to shift domestic terms of trade. Phase 2 (1986-1988) focussed on increasing productivity, and internal price stability in the agriculture sector. Phase 3 (1988 onwards) was the liberalisation period and included the abolishment of minimum prices for maize and rice and the removal of all subsidies.¹⁹

The main instruments of ERP were:

- exchange rate realignment/adjustment
- liberalisation of external trade
- elimination of subsidies and price control
- rationalisation of government budget and civil service structure
- reform and gradual dismantling of parastatals
- privatisation of production and marketing activities
- decentralisation

In 1988 Government began to withdraw from production and marketing activities placing more responsibility on the private sector while the government was tasked in

¹⁹ A fuller analysis is available in Dannsons Discussion Paper "The Impact of Macro Economic Policies on the Agriculture Sector and Poverty Reduction"

creating an enabling environment. Importation of food commodities was liberalised and government focus was on export commodities.

Several assumptions, which did not materialise during the ERP period, were that macro economic policy reform would lead to increased employment, economic growth, and that the private sector would take up responsibility for providing services to the agriculture sector.²⁰ Another major assumption under the ERP was that the "market pricing mechanisms would allocate resources more efficiently". The ERP architects believed that "economic growth" would produce a multiplier effect, which would eventually improve the conditions of the poor.

Unfortunately, these assumptions have not been fully realised since the ERP began over the last 18 years. The market was not fully liberalised and remains to a large extent controlled by traditional traders who act as informal price cartels dictating prices and keeping them low through pre-financing arrangements with farmers. Farmers have little bargaining power, lack market information and are pressured to sell at low prices sometimes below the cost of production²¹. The private sector is small, weak and often unable to distribute services and agricultural inputs due to the poor business environment (i.e. access to credit, poor macro economic environment). Haroun and Oduro (2000) suggest that the export farmer make up less than 10% of the entire farming sector.

Other constraints of the ERP suggest that there were inadequate price incentives, poor basic infrastructure, limited access to farm credit and low supply and response by private sector agencies. These problems continue to characterise the agricultural sector in Ghana. The only shift is that poverty reduction has now become not only a priority due to the failure of macro economic policies but a requirement for continued donor assistance. Table 2.0 reveals the evidence, which suggests the negative impact of macro economic policies on the poor.

Table 2.0: Key instruments of ERP and their impact on the poor

Instruments of the ERP	Impact on the Poor
Liberalisation of external trade	<ul style="list-style-type: none"> • locally produced goods cannot compete with imported goods particularly rice due to high costs of fertilisers and inputs • declines in local production particularly cereals and starch staples • some industries lay off workers thus adding to poverty • prices of agro-chemicals increase making the cost of agricultural production very high (increases in food produce could not offset the cost of production leaving farmers with little return for their investment and the next season). Poor remained poor.
Elimination /removal of subsidies	<ul style="list-style-type: none"> • increases in agriculture input prices make them unaffordable and impact negatively on agricultural production further eroding their ability to lift themselves out of poverty (e.g. fertiliser and pesticides) • Increases in food prices are not passed down to farmers at the farm gate • Farmers can not afford to use inputs causing soil degradation, lower production and changes crop production patterns and selection of crops not requiring inputs (e.g. Cassava)

²⁰ A full analysis of the performance of the sector is available from Lena Otoo's (2001) Discussion Paper

²¹ Note that one of the characteristics of the poor is that they are unable to negotiate with strong middle women; they lack the confidence and often the information.

Instruments of the ERP	Impact on the Poor
Dismantling of fixed and guaranteed pricing	<ul style="list-style-type: none"> • Weak formal private sector results in weak distribution network especially for agriculture produce • Informal sector: Market queens/ cartels and itinerant traders become more powerful in determining the prices since farmers often receive pre financing, and/or have little access to information about the market. • Farmers have little control of pricing, traders are well organised and farmers have difficulty in negotiating fair prices.
High interest rates	<ul style="list-style-type: none"> • High interest rates make capital for investment very expensive • Industry and private sector can not expand and employ more people • Some industries lay off workers and fold up thus increasing unemployment and poverty levels • Agriculture sector can not access credit thus a disincentive for farmers to adopt new technology and lift themselves out of poverty
Exchange rate realignment/adjustment	<ul style="list-style-type: none"> • Currency depreciation • Food price increases compounded by high domestic inflation • Input prices also increase
Privatisation of production and marketing activities	<ul style="list-style-type: none"> • Less access to inputs since private sector unable to effectively distribute inputs especially in remote areas • Product marketing boards dismantled thus creating vacuum in helping small holders market produce. High costs of transport and lack of market networks further constrain the poor from access to markets.
Deficit financing	<ul style="list-style-type: none"> • Increased access of government to credit (deficit financing), and private sector savings reduces access to credit by private sector thus reducing opportunities for employment for the poor

(Based on Dannson, 2001; Wayo Seini, 1998)

According to several researchers the impact of the ERP on equity and agriculture development for small-scale producers was negative (Nyanteng, and Wayo Seini 2000; Haroun and Oduro, 2000; Wayo Seini, 1998; Ewusi, 1989). The private sector did not respond to the shift in allocating resources through the markets due to the high rates for credit. They therefore failed to provide the necessary services for small-scale agriculturists particularly in the remote rural areas of the country (NDPC, 2001). This trend of private sector failure to take up necessary input services for farmers continues to characterise the agriculture sector today.

The poor suffered severely from the removal of subsidies particularly for agriculture inputs and the inflationary consequences of devaluation. This made it impossible for most farmers to adapt input based technologies, which led to low productivity. The best analysis of the period is by Wayo Seini (1998). He argues that the increases in food prices were not enough to outpace the high prices of imported goods such as fertilisers and pesticides. Therefore farmers' incomes were reduced as prices for farm inputs continued to rise making food crop production increasingly unsustainable.

3.2 Lessons Learned from Previous Government Policies, and Programmes

Policies within the sector must be reviewed from an efficiency, effectiveness and sustainability perspective. The following section attempts to consider these issues in light of the needs of the poor.

3.2.1 Agriculture Policies within a Macro Economic Context

Bruce (2001) outlines the main policies and programmes pursued within Government over the last 100 years. These are summarised in table 3.0

Table 3.0: Key Elements of Agricultural Development Policy from 1900-present

Colonial Period (1900-1950)	<ul style="list-style-type: none"> • High level of export crop production • Focus on raw material exports • Low priority for local produce markets
Self Government (1950-56)	<ul style="list-style-type: none"> • Introduction of large scale mechanised farms • Small scale farmers were ignored • Focus on cocoa production
Socialist period (1960-1966)	<ul style="list-style-type: none"> • Co-operative agriculture was encouraged • State farming was introduced • Small-scale farmers not favoured by policy
Capitalist/ Busia Era (1966-1971)	<ul style="list-style-type: none"> • Socialist policies were reversed • Guaranteed producer prices were put in place helping food crop farmers ensure fair price for produce
Self Sufficiency /Acheampong Era (1972-1981)	<ul style="list-style-type: none"> • Self Sufficiency in Food and Raw materials for domestic use • Focus on small scale farmer • Operation feed yourself (OFY) • Successful in mobilising small scale farmers and improving production
<u>Economic Recovery Period</u> Agriculture Sector Rehabilitation Programme (ASRP) 1983-1990	<ul style="list-style-type: none"> • Privatisation of all government agriculture sector services • Market mechanisms were used but failed to fully allocate resources • Private sector seen as the key agent for responding to the changes and providing services and inputs in the agriculture sector
Medium Term Agriculture Development Programme (MTADP) 1991-2000	<ul style="list-style-type: none"> • Removal of constraints on the poor • Issue of poverty reduction not addressed apart from IFAD programming • Continued reliance on private sector up take for services and inputs.

(Based on Bruce, 2001)

The most promising agricultural strategies were in the early 1970's under the Acheampong Government when government was poised to assist farmers become productive business people using single product boards to regulate prices and ensure a basic level of food self sufficiency²².

²² Although this period was also characterised by sharp decline in economic growth more research is needed to assess the full reasons for this situation. The sharp decline during the period could have been caused from a spill over from previous government policies in early regimes (e.g. socialist policies). More time may have been needed to pursue a strategy of self sufficiency before the impact on the economy was felt and a strong economic base for "growth" was realised (e.g. India and China)

*"Policy makers believed that the ingenuity of the peasant farmer could be further successfully exploited, as in the case of cocoa by the establishment of development boards to offer advice and incentives and to oversee the production of the agricultural raw material vital to the newly established factories. In order to protect the farmers from income losses from productivity gains and over production of these commodities, the government-instituted minimum guaranteed price schemes. **Agricultural policies were also supported by massive rural development schemes, designed to provide basic infrastructure of roads, water and electricity that would encourage people to stay in rural areas....**" (Aryeetey and Harrigan, 2000)*

Operation Feed Yourself mobilised the entire population under a programme of food self-sufficiency and also aimed at providing industry with the required levels of agricultural production. Lessons from this period point to the need for government to have a sustained commitment to agriculture, providing all the necessary tools and encouragement to help farmers. This period confirms the need for government to ensure that the public sector continues to provide support to small-scale agriculturists. Assumptions which suggest that the market can fully self regulate itself and reliance on the private sector which is very small and weak are dangerous assumptions when considering pro poor policy and small scale farmer transformation.

Lessons from this policy review suggest that Government:

- Should mobilise and sustain popular agriculture programmes particularly focussed on food self-sufficiency. Need to improve food production and food self sufficiency (i.e. operation feed yourself)
- Focus on increasing production but ensure that linkages to industry are established well in advance in order to ensure markets for increases by small scale producers
- Should ensure fair prices for agricultural products
- Focus on small scale producers by ensuring access to necessary inputs and tools (i.e. out-grower schemes)
- Ensure that public sector continues to collaborate with other agencies to provide access to basic services and inputs for farmers in deprived rural areas
- Avoid relying solely on the small private sector to take up responsibilities of service and input provisions to farmers particularly in remote rural areas.
- Programmes should be designed with a more holistic approach used in programming activities (i.e. containing a number of capacity building, group formation, information, literacy and empowerment activities as well as access to basic inputs)

3.2.2 Review of Resource Allocation within MOFA

Before turning to the programmes which the government pursued in the 1980s and 1990s the following section reviews the expenditure from a poverty perspective. Evidence suggests that the Government of Ghana has been allocating fewer resources to the agriculture sector over the last 10 years. The 1995-1997 expenditure review for the agriculture sector revealed that the sector accounted for 3.5% of total government expenditure in 1995, which rose to 4.8% in 1997. Expenditure in the agriculture sector fell below that of health and education.

The proportion of expenditures to GDP was 1.3% for agriculture, 3.0% for health and 5.0% for education. Donor agencies financed at least 34% of the total expenditure in 1995 and 48% in 1997. The central MOFA operations accounted for 84% of the total donor spending in the sector with the rest going to the other MDAs in the agriculture (i.e. COCOBOD, CSIR and Forestry). According to the expenditure review donor capital expenditure increased by 70% between 1995 to 1997 while the governments own expenditure fell by 44%. "This pattern of expenditure raises the question of the governments commitment to development in the sector and its ability to sustain development activities (MOFA, 1999a)." Those resources within MOFA have also been largely used by central government for basic salaries of staff and capacity development and servicing the institution.

Regional Distribution

Regional distribution of sector expenditure revealed that the Ashanti (13%), Northern (12%), Eastern (12%) and Volta (11%) regions had the highest government expenditures. Greater Accra (18%) had the highest per unit spending according to land area, rural population and number of holdings with the Upper regions having the lowest. Though the Upper East (10%) and Upper West (8%) did not reveal high levels of government expenditure they do receive large injections of donor funding through IFAD programmes. The study revealed that the Central and to some extent the Western regions benefit the least from government spending and donor assistance.

A breakdown of sector expenditure according to the functional units reveals that 45% went into the cocoa and food crop sub sectors. Extension services in these sub sectors accounted for nearly 25% of the total expenditure. Lack of adequate information made it difficult for the review team to analyse the unit cost of extension service delivery. The study called for a more critical examination of extension service delivery and impact studies.

The study does reveal that almost half of total MOFA expenditure from the government budget is on staff salaries and administration. Spending on personal emoluments has risen over the 2-year period while expenditure on capital and recurrent spending has declined. This trend has resulted in declining effectiveness as staff are forced to rely on a reduced support and logistics for their work.

A functional breakdown of expenditure reveals that extension services account for 28% of MOFA expenditure followed by: administration with 19%, multidisciplinary projects having 18%, and the livestock sub sector accounting for 14 %, infrastructure and engineering with 10%, crop sub sector with 6%, planning has the lowest expenditure of 2%. Regional level expenditures accounted for 83% of the administration expenditures.

The analysis of government expenditure reveals that there are no expenditure requirements set by MOFA to ensure that a proportion of the budget is earmarked to the poorest categories of farmers either on a need or geographic basis (i.e. with the highest proportion of the poor). This will most likely change with the new PRSP and MTEF requirements. The synthesis of data from the Prosperity Team revealed that

with the increasing decentralisation process, MOFA needs to be strengthened in terms of planning, particularly if agriculture is to assist the country in improving economic growth. The high expenditure priorities on extension services confirm MOFA's commitment to the link between the farmer and research; the study does not explain the kind of farmers receiving MOFA's services. There is a need to set some guidelines for MOFA expenditure spending according to more equitable distribution by region, district and income groupings. This might include analysis of the relative wealth of the region, number of rural dwellers, and poverty profile to ensure that rural small holders benefit most from agriculture expenditure. This will require a more comprehensive data collection and monitoring framework.

3.2.3 Agriculture Extension Services

An important aspect to MOFA's work is concerned with extension services and its ability to reach out to the small-scale farmer. More than 70% of its budget is allocated to extension services and its performance depends largely on how effective farmers are able to adopt and change their technology. The large majority of its activities at the grass roots depend on how effective these services are in reaching the poor and transmitting appropriate information to assist the subsistence small-scale farmers.

Apart from the GOG, NGOs such as Sasakawa and TechnoServe support crop extension services for Ghanaian small-scale agriculturalists. As part of the GOG preparation for the AAGDS a review of the extension services was undertaken. This review revealed that under the National Agriculture Extension Project (NAEP) "the farmer group concept was adopted in a training and visit approach to improve the extension agent-farmer ratio. Under this approach the extension agents visit groups of farmers, including a contact farmer, once a fortnight, rather than visiting individual farmers" (MOFA, 1999, p 3). The review found that although extension officers are supposed to access all farmers, usually only farmers who are members of nucleus groups receive this benefit.

The study also found that various crop technologies are introduced to farmers according to different agro-ecological zones such as: improving crop varieties, improved land preparation, planting in lines at optimum densities, farm sanitation, soil fertility, disease and pest management etc. Adoption rates were highest for technologies, which did not use purchased inputs. They also found that high input costs reduced the likelihood of adoption, which worsened due to slow pace of output prices.

The NAEP evaluation (2000) revealed that the coverage of the farming population was limited and constrained by the "non-popularity of the farmer group approach to extension (Agrisystems Ltd, 2000 p 58)". Most farmers prefer to be visited individually on their farms and not in groups. Only 13% of farmers adopted the full technology, which was not considered very high. The study therefore recommended that MOFA explore "farmer led extension services, other communication media and farmer based organisations as extension units in the communities." Other recommendations included that GOG should increase the participation of NGOs and other private sector providers.

The NAEP evaluation also revealed that the involvement of women as extension officers was very marginal and the number of women was very low as was the rate of technology adaptation. Recommendations included a much stronger emphasis on recruiting females to the agriculture extension service. The study also found a high correlation between farmers groups, adoption and productivity rates reinforcing the need to replicate programmes such as SCIMP and LACOSREP, which promote farmer's groupings (see section 4.3 for more details). The study failed to consider the characteristics of farmers groups in any real depth. More work on the monitoring and evaluation methods, which clearly take into account the impact on poor and extremely poor small-scale farmers, is needed. Monitoring and evaluation systems should include a disaggregated approach by considering characteristics of the poor from a regional, gender and occupational approach at minimum.

3.2.4 Monitoring and poverty mapping within MOFA

The MOFA/DFID prosperity study set out to identify the key indicators for mapping poverty on a district basis. The exercise was intended to assist MOFA identify and target key districts where there is a high incidence of poverty in order to orient the delivery of programmes. It also assisted the team understand the types of data which are currently monitored within the ministry and used for planning purposes. There is a need to develop district-disaggregated data for poverty and development purposes, which can assist all ministries, particularly agriculture when targeting programmes and developing interventions across the country.

Statistical data collected by MOFA on an annual basis across the country is limited to the following data sets:

- Consumption and production patterns (metric tonnes)
- Area cropped (hectares)
- Average yield per major crops (metric tonnes per hectare)
- Extension officer visits to nucleus grower groups
- Level of technology adopted by farmers.

Information is also collected for poverty purposes on a project and programme basis. For instance, the VIP project identified some key sources of information for tracking poverty including: distance to markets, availability of markets (timing and days), average wholesale prices for major food stuffs by metric tonnes, total value of production in metric tonnes for major food stuffs, density of road networks and accessibility and transport cost by road. These statistics were collected for the 110 districts and they were ranked according to the most needy areas of the country.

Although there is some potential within MOFA for poverty mapping and analysis for planning purposes, more work is needed to identify key indicators for tracking poverty trends within the agriculture sector over a longer term. Several options for MOFA to consider in order to develop a more extensive poverty mapping process within the Ministry. Some of these are considered in section 4.4 under recommendations and forward looking strategies.

3.3 The Medium Term Development Programme (MTADP) according to pro poor criteria

As part of the *Paths to Prosperity Study* analysis of MOFA's programmes were reviewed under the MTADP according to crude poverty targeting criteria. Some of the key indicators used to assess the pro poor nature of projects under the MTADP are presented in Table 4.0.²³

Table 4.0: Poverty Targeting Criteria

Regional disparity	<ul style="list-style-type: none"> To what extent does the project focus on the three northern regions where the incidence of poverty is the highest
Occupational disparity	<ul style="list-style-type: none"> To what extent does the project focus on food crop farmers, the rural self-employed and non farm income earners who make up the largest group under the upper and lower poverty lines.
Gender disparity	<ul style="list-style-type: none"> To what extent does the project focus on women, empower women or make special effort to involve women in the project. Women make up the largest proportion of the poor rural households.
Rural urban disparity	<ul style="list-style-type: none"> To what extent does the project focus on rural areas and improve the conditions of these areas since poverty is predominantly a rural phenomenon.
Age	<ul style="list-style-type: none"> To what extent does the project focus on the youth that are most likely to perpetuate the same livelihood patterns as their parents and are most open to change.
Participation of the poor in design stages	<ul style="list-style-type: none"> Poverty programmes often require dialogue and consultation with the poor in order to empower them. Specific targeted interventions for the poor should be considered at the design stage Consideration of the degree to which the project works with NGO's and other agencies working at the grassroots level should be taken into account.

(Based on Casely-Hayford, 2001)

The Prosperity Study core team considered other aspects of targeting interventions according to whether the project objectives were focussed on providing for the basic needs or took a more empowerment and capacity building approach. Bortei-Doku (2000) argues that there are two basic approaches which poverty programmes have taken. A basic needs approach, which identifies the needs of the poor in relation to access to basic services such as water, food and infrastructure. A more promising approach appears to be the projects that attempt to help the poor lift themselves out of poverty by assisting them build their capacity to help themselves through literacy, credit and marketing strategies (see section 4.3).

Recent research using a livelihood framework suggests that the poor in Ghana require a more holistic approach in tackling their problems based on linkages with institutions at the macro, meso and micro level (Carney, 1998). Projects and programmes have tended to concentrate on one aspect of the problem without providing a full analysis of the constraints, which face the poor and prevent their release from poverty. IFAD programming within the MTADP was found to provide a holistic approach for targeting the poor on both an activity basis and a regional

²³ Pro Poor means the degree to which a project is focussed on the poor within society.

basis.²⁴ However, in the past MOFA programmes were not consciously targeted to poverty reduction since the development orientation was towards a 'growth and trickle down' approach.

The Medium Term Agriculture Development Plan (MTADP) for the period 1991-2000 was included five main areas: improving an incentive framework, improving agriculture support services, increasing private sector participation and strengthening the agriculture sector management and establishing a more rational allocation of public sector resources.

Table 5.0: MTADP Review According to Pro-Poor Indicators

MTADP (1991-1997)	Regional Disparity	Occupational	Gender	Design Stage Targeting	Empowerment/ Basic needs	Holistic Intervention
National Agriculture Research Project (NARP)	No	No	No	No	Basic Needs	Yes
National Agriculture Extension Project (NAEP)	Yes after mid term review	No	No	No	Basic Needs	No
Agriculture Services Investment Project (ASIP)	No	Yes	Yes	No	Basic Needs	Yes
Agriculture Diversification Project (AgDiv)	Yes	Yes	No	No	Basic Needs	No
Western Region Agriculture Development Project ²⁵	Yes	Yes	Yes	Yes	Empowerment	Yes
National Livestock Services Project (NLSP)	No	Yes	No	No	Basic Needs	Yes
Fisheries Sub Sector Capacity Building Project	No	Yes	No	No	Basic Needs	Yes
Small Holder Credit, Input, Supply and Marketing Project (SCIMP)	Yes	Yes	Yes	Yes	Empowerment	Yes
Upper East Land Conservation and Smallholder Rehabilitation Project (LACOSREP)	Yes	Yes	Yes	Yes	Empowerment	Yes
Upper West Agriculture Development Project (UWADEP)	Yes	Yes	Yes	Yes	Empowerment	Yes
Small Scale Irrigation Development Project (SSIDP)	Yes	Yes	Yes	No	Empowerment	Yes
Village Infrastructure Project (VIP)	No	Yes	Yes	Yes	Basic Needs	Yes
Roots and Tubers Improvement Project (RTIP)	Yes	Yes	Yes	Yes	Empowerment	Yes
Rural Enterprise Programme	Yes	Yes	Yes	Yes	Empowerment/basic needs	Yes
Food Crops Development Project (FCDP) ²⁶	N/A	N/A	N/A	N/A	N/A	N/A

²⁴ A more detailed analysis can be found in "A Historic Review of MOFAs Policies and Programmes" Paths to Prosperity Working Document 1.

²⁵ Designed but never implemented.

²⁶ Food Crops Development Project (FCDP) has only recently taken off.

Table 5.0 reveals that IFADs programmes under the MTADP appear to be the most pro poor in character. Field analysis is needed to assess projects in more depth and to validate findings from the literature. This analysis was based simply on evaluation reports and assessment, which were done by both insiders and outsiders to the project.

Table 5.0 also outlines the characteristics of pro poor interventions by different MOFA projects. Several government programmes have attempted to target poor farmers; some have used a regional focus such as the Western Region Agriculture Development Programme, Upper East Land Conservation and Small Holder Development Programme or Upper West Agriculture Development Programmes. Other programmes have attempted to improve a particular sub sector such as fisheries, livestock or a particular crop (i.e. agriculture diversification project). The final set of programmes which have been used by MOFA are targeted at particular constraints which poor people often face such as credit, marketing and input (SCIMP, VIP, SSIDP).

IFADs programmes appear to have the most pro poor orientation. All four IFAD projects are targeted at the rural poor and have had a strong emphasis on women. IFADs programmes also use a holistic approach in attempting to uplift the poor using an empowerment process, which includes group formation and mobilisation techniques, accessibility to markets and inputs, credit and technology. Two of IFADS programmes were targeted directly at the poor (Upper West Agriculture Development Project, Upper East Land Conservation and Small Holder Rehabilitation Project). These projects took significant steps to identify pockets of poor people within the region, which were considered below the poverty line and containing high levels of poor food crop farmers. IFAD also took more care in identifying strategies, which involved partnerships with civil society such as NGOs and other grass roots institutions.

The World Bank financed projects tended to have a more basic needs approach supporting the entire sub sector (i.e. Fisheries, Village Infrastructure, Roots and Tubers, Livestock). These programmes although necessary were not specifically targeting the poor. The Western Region Development Project was designed as a holistic development project. It included several different elements addressing both basic needs and empowerment issues. The rural employment concerns and need to increase rural incomes and enhance the production of livestock, fisheries and crops in a holistic manner was the focus of the programme.

This analysis suggests that there is a need to assess the intergenerational aspects of MOFA supported projects in relation to their contribution to preventing poverty from reaching the younger generations of Ghanaian society. More analysis on child and youth poverty is needed to ensure that the patterns of poor agricultural practice are not replicated in the younger generation. Opportunities and means for poverty reduction should therefore lay particular emphasis on youth between 15 -25 before they migrate out of rural areas.

Aggrey-Fynn (1997) provides a succinct review of the lessons learned from the design and implementation of the MTADP and its projects. Some of the findings reveal that success in farming include:

- "Profitable farming appears to be enhanced where the farming system model is the nucleus- farmer- out-grower arrangement²⁷, especially if the nucleus farm unit has a processing plant."
- Credit schemes also perform better if they use the inventory credit approach. This method of marketing allows the farmer to receive (at harvest time) current market value for stock deposited with the inventory manager which he/she can collect back and dispose off at higher prices at a later date.
- Nucleus farm/out-grower schemes are enhanced if there is an inventory credit scheme attached particularly where there is no processing plant attached
- An additional conditions for success in outgrower schemes include the blocking of the outgrower farms to facilitate the provision of services to small farmers
- A further condition of success is to make the schemes export oriented (i.e. non-traditional exports such as pineapples and vegetables have performed well).

Issues around effectiveness, efficiency and relevance of MOFA projects in relation to the needs of the poor are important variables for analysing MOFA projects but will require fieldwork to reveal trends and validate findings in literature review.

3.4 The Accelerated Agriculture Growth and Development Strategy (AAGDS): its pro-poor orientation

The following section reviews MOFA's latest strategic policy agenda from a pro poor perspective. The Accelerated Agriculture Growth and Development Strategy (AAGDS) was seen as a key instrument for tackling poverty reduction and improve conditions for the rural poor by the Ghana Government. It was formulated for the period between 1997 to 2007. It aims to ensure an acceleration of the "growth rate in agriculture to an average of 6% per annum over the period. The success of which is dependent on the expansion of the export sector" (MOFA, 2000). The strategy consists of two main elements: reliance on the private sector to lead investment and economic growth and the devolution of responsibility from central government to district assemblies (World Bank, 2000). The basis of the strategy is to achieve the targets and improve the capacities of the private sector (Haroun, and Oduro, 2000) based on the following five main elements:

- Promotion of selected commodities through improved market access
- Development and improved access to technology for sustainable natural resource management
- Improved access to agricultural financial services
- Improved infrastructure
- Enhanced human resource and institutional capacity

The strategy aims to support agricultural growth through advancing the capacities to negotiate with a broad range of actors including NGOs, and FBOs in order to improve access to markets and production. The strategy also involves emphasis

²⁷ In this arrangement a centrally located large-scale commercial farm (with or without a processing unit) -the nucleus farm, is linked symbiotically to the surrounding peasant holdings which receive inputs and services from the former. The nucleus farm, on the other hand, receives raw material supplies from the peasant farms.

on commercial production, plantation agriculture and out-grower programmes. Table 2 outlines the five main components of the AAGDS and their impact on the poor. A more detailed analysis can be obtained from (Otoo, 2001)²⁸

Table 6.0: AAGDS and its potential impact on the poor

AAGDS Component	Impact on the poor / assumptions
Promotion of Agriculture Marketing	<ul style="list-style-type: none"> • Little emphasis on ensuring food crop production for domestic food production and food security • Little emphasis on marketing constraints of Ghanaian poor farmers (e.g. Market queens, transport costs and weak linkages)
Accessing Technology	<ul style="list-style-type: none"> • Activities require close institutional collaboration with MOFA and various research institutions • The strategy requires a strong decentralised approach within MOFA • Little emphasis is placed on developing appropriate technologies for the poor but assumes that the research institutions will be sensitive to the needs of the rural subsistence farmer • Heavy emphasis placed on institutional strengthening with less emphasis on the need to promote linkages and alliances with NGOs who are working directly with the poor rural farmers and the vital role they play in operationalising research.
Accessing Financial Services	<ul style="list-style-type: none"> • MOFA has little control over the modalities for implementing credit within the micro finance sector and ensuring that the poor farmers are targeted. • Alternative credit provision approaches for the poor should be investigated such as in-kind credit, inventory credit schemes and loans in kind.
Rural Infrastructure	<ul style="list-style-type: none"> • The main focus of this sector is on export production. Two out of seven strategies target the poor directly. Heavy reliance is placed on extension services for the achievement of the goals particularly in the promotion of storage adaptation. More emphasis should be placed on NGO linkages.
HRD and Institutional Capacity Building	<ul style="list-style-type: none"> • There is evidence that this component has been more sensitive to the needs of the poor. There is a strong emphasis on ensuring a gender balance in agriculture training, extension and educational in order to ensure more women move into agriculture. There is also a strategy for targeting women through group formation and in-service training. Rural institutions are also considered as key agency for implementing the strategy.

(Based on Otoo, 2001)

3.4.1 Overall Gaps and Assumptions of AAGDS

The main concern with the AAGDS strategy is the continued emphasis on the private sector and the assumption that the sector will provide all the services necessary for the rural food crop farmers. The overall orientation of the strategy suggests that the private sector and export producers will drive the economy. AAGDS expects to support private sector development, which makes up less than 10% of the agriculture sector clientele (Haroun and Odoro, 2000). Haroun and Odoro (2000) argue "... that only a small proportion of farmers produce for export which shows that even though the potential exists the capabilities to take advantage of the

²⁸ Otoo (2001) Discussion paper " How the AAGDS Can be Made More Responsive to the Needs of the Poor"

potential may be hindered". The Commercial agriculture sector in Ghana is estimated at between 10-20% of the total agriculture population (Kessel, 1998).

AAGDS places too much emphasis on the small private sector and not enough on the large rural subsistence agriculture sector and how this sector might transform informal economic activities of small producers into more formalised operations. It reaffirms the macro economic orientation and is premised on the assumption that a trickle down effect of agriculture 'growth' is achieved at 6%. A policy assumption that is behind the failure of agriculture policy and its inability to improve and sustain the rural livelihoods of food crop farmers. Dannson (2001) argues that the focus of agriculture policy on private sector has been to the detriment of the poor over the last 20 years of structural adjustment and ERP.

The Main Target Group

The AAGDS does not recognise that subsistence farmers are the main clients of MOFA. The AAGDS strategy will need further field investigation as to whether this is feasible and achievable within the current orientation of MOFA extension services. The AAGDS does not go into details on targeting the poor (i.e. regional prioritisation, economic groupings, urban/rural spread or gender targeting). It does not place priority on rural agriculture although it does mention rural infrastructure. It does not contain crosscutting poverty issues when analysing the five main components of AAGDS such as the impact of HIV/AIDS and the out-migration of youth from the agriculture sector. The AAGDS does not place special emphasis on domestic food production and special incentives for producers. More specific information is needed on credit, marketing and storage inputs for the poor under AAGDS.

Several assumptions, which failed to be realised during the MTADP, are rearticulated in the AAGDS. For instance, **"the strategy expects that the private sector will take a progressively increasing share of reaching out to farmers in identifying technologies, providing inputs, and marketing"**. The historical review and MTADP provides evidence that the private sector is weak and often unable to provide the basic services required in the rural areas to provide services for the poor (Wayo, 1998).

AAGDS assumes that "If this strategy is to succeed, a larger proportion of farmers will have to adopt new technologies, expand and diversify production and increase their commercial orientation" (AAGDS, February 2001). The research from the macroeconomic studies of the prosperity team suggests that poor farmers are unlikely to adopt new technologies. This will make it difficult for the poor vulnerable farmers groups to fully benefit from the AAGDS. There is also little emphasis on targeting strategies toward the poor - food crops farmers, particularly women in rural areas.

More research is needed to determine the scope and capacities of the private sector in relation to the poor. The objectives also mainly focus on institutional capacity building especially Component 2 of AAGDS. Heavy emphasis is placed on institutional strengthening within MOFA (extension services and research) with little consideration for linkages with the NGO and civil society sector.

Reaching the Poor

Another key assumption is the ability of Government to build co-operative groupings and associations to improve agriculture. This has proven extremely difficult within Ghana. Extension services are the key directorate for implementation of the AAGDS programmes, particularly in relation to the poor. More women will be needed in this directorate (only 11% of women are the front line workers). Other agencies working with women (i.e. Ghacoe women's groups, religious agencies, NGOs and Ministry of Women's Affairs) will also have to be involved to assist MOFA reach out to the poor.

Overall, reliance on extension activities to foster group formation for empowerment requires further field investigation, analysis of strengths and current human resources of MOFA/DOC. The AAGDS is focused on building the capacity of the public sector but not clear on the relationship between the public and private sector relations. Access to markets should be discussed further to include market control by cartels of market queens. This must be achieved to facilitate wealth generation of the poor. More work is needed in reviewing AAGDS and its impact from a district perspective particularly in resource poor and areas with high incidence of poverty. Consultation in the districts could allow proposals and concrete strategy, which better integrate the needs of poor farmers particularly from a gender basis.

FASDEP, championed by the current minister, draws attention to what can be done to increase production and link production to the market. However the issue arises as to how the private sector can be engaged with the public sector to ensure better services to farmers in a bid to empower the poor.

3.5 Ghana's Poverty Reduction Strategy (GPRS): Production and Gainful Employment

The Government of Ghana through the National Development Planning Commission (NDPC) has prepared a Poverty Reduction strategy, which aims to assist all Ministries to better focus their programmes towards the poor. The findings from the 'production theme group' suggest that the key areas identified for intervention within the Agriculture sector includes: **increasing production, improving marketing and post harvest strategies**. These key areas are summarised in table 7.0.

Table 7.0: GPRS Production Strategy: Issues and Strategic Focus

	Key issues identified by the research team	Strategic focus for programme
	<ul style="list-style-type: none">➤ Unstable macro economic environment➤ Low production levels and productivity➤ The use of traditional farming practices	<ul style="list-style-type: none">➤ Increase agriculture yields on an environmentally sustainable basis
	<ul style="list-style-type: none">➤ Poorly developed marketing infrastructure	<ul style="list-style-type: none">➤ Improve access to output markets
	<ul style="list-style-type: none">➤ High post harvest losses leading to low incomes and food insecurity	<ul style="list-style-type: none">➤ Increase agro-processing

The *Poverty Reduction Strategy Paper* (GPRS) does identify the key areas, constraints for future intervention and the categories of people who are worst affected by these constraints. In future it would be very useful if ministries and agencies were encouraged to prepare their own Poverty Reduction Strategies in collaboration with NDPC. The GPRS is a framework for MOFA and other sector ministries to use when they develop their upcoming MTEF budgets. Failure to fully assess the constraints and barriers and identify the most effective policies for Ghana's rural poor can result in continued delay economic growth and development.

Strategies to reduce poverty should place stronger emphasis on the underlying causes of low productivity (i.e. lack of capacity to purchase basic tools, food insecurity and under-nutrition). The problem of empowerment, lack of opportunities and security for the poor are not fully addressed in the document GPRS. Much more emphasis must be placed on changing attitudes and perceptions among the poor in order that they can release themselves from poverty.

Conclusion:

The above review of policy making and programming within MOFA reveals that there are few policies in place which focus on the needs of the poor rural farmers. The AAGDS continues to assume and rely on the private sector as a key instrument for its implementation and focus. A broader strategy and reorientation of MOFA, which focuses on the many constraints of the rural poor (mainly food crop farmers), is urgently needed. Some of the poverty reduction strategies suggested for the agriculture sector include rural diversification, integration and off farm activities (Haroun and Oduro, 2000). Targeting areas of the country, which are adding to the high levels of poverty in Ghana should be of major concern and strategic focus. Particular emphasis and priority should be placed on strategies, which target women, youth and the northern regions of the country.

Little information is available from MOFA, which considered the profile of poverty particularly on a district basis. Information collected by MOFA on agricultural production does not focus nor provide data on food security and poverty trends.

GOG expenditure to MOFA is also declining and has been relatively low in comparison to other sectors of the economy. The relatively small budgetary allocations constrain the extension and research services provided. A large amount of MOFA's budget is allocated to centralised operations supported by donor agencies. A more decentralised and targeted approach to spending focussed on districts with particularly high poverty incidence is needed. Some of the key elements of resource allocation might include more emphasis on the comparative wealth of the regions/districts, incidence of poverty, expenditure per rural dwelling and ecological location, number of rural dwellers, human capacity resource development of agriculture extension workers in both the private and public sectors.

The AAGDS appears to be repeating the same strategies of the MTADP and is in danger of again marginalising the rural poor. A reorientation of the strategy is urgently needed in order to provide at least assurance of food security for the rural poor and to assist them use agriculture as a sustainable rural livelihood. The focus

of the strategy on export crops without first securing food supply is a risky approach for Ghana's rural poor. There is danger that the strategy may fail due to the reliance on a small and weak formal private sector leaving the poor unable to fully participate and marginalised from agricultural development initiatives. Much more direct intervention by MOFA/GOG is necessary for stabilising the rural economy, correcting inequities (e.g. unfair price cartels) and empowering the rural agriculturist who remains to a large degree outside the formalised economy.

4.0 Strategies for Poverty Reduction and Next Steps for MOFA

This final section considers some of the forward-looking strategies for MOFA to consider as it embarks on a more pro poor orientation to agriculture development in Ghana. The section reviews the key interventions, which are considered essential for MOFA to reorient itself towards a more pro poor agenda particularly during the design phase of programmes. The section begins with consideration of the key elements of poverty reduction programmes²⁹. It then explores how MOFA can shift towards a more pro poor policy regime using a framework for poverty analysis. The section ends with a look at the key steps for MOFA in making its policies and programmes more pro-poor.

4.1 Poverty Reduction Strategies in Ghana

Currently, we are faced with a growing challenge within the policy environment with competing and sometimes-conflicting policy messages. Is economic growth possible with a focus on pro-poor policies? Much is needed at the macro economic level to ensure that the poor are buffered from price fluctuations and macro economic restructuring initiatives. Balancing macro economic goals with micro level realities is difficult. Inflexible macro economic policies, which focus on “growth”, removal of subsidies while ignoring the serious constraints of private sector up take, have led to the marginalisation of the poor and are undermining poverty efforts in Ghana; The poor are unable to compete whilst benefits from increased production are eroded by price fluctuation and the large number of constraints in the system (i.e. unfair pricing, transport costs, middle women cartels). Bortei-Doku Aryeetey (2000) argues that the strategies, which provide the basic needs of the poor, are not enough. Poverty reduction strategies should also aim at building the capacity of the poor to transcend poverty.

MOFA must concentrate its efforts on reaching those who form their largest clientele and provide the potential solution to Ghana's economic hardship. This study reveals that agriculture policy has been unequivocally focussed on the private sector ---- Ghana's "engine of growth". This research reveals that the formal private sector is small, weak and unable to respond to the needs of the poor. Much more emphasis must be placed on building the capacity of the poor through alternative mechanisms such as NGOs, co-operatives and farmer based groups/ organisations.

The assumption and belief that the market can and will be able to allocate resources efficiently and effectively has not materialised over the last two decades in Ghana. We have seen a growing informal sector and have evidence, which suggests that the market mechanisms assumed to be liberalised do not respond as expected. For example, the influences and approaches, which are exerted by middlemen and women, cartels and itinerant traders, are not fully liberalised and it would be ridiculous to assume that there are equal actors in the market place. There is a

²⁹ For a fuller discussion of the strategies for poverty reduction see Peter Asibey-Bonsu's Discussion paper "Constraints, Barriers and Strategies to Reduce Poverty among Vulnerable Groups in Small holder farming and fishing communities."

growing need for Government to play a role re-examining systems, which have been dismantled in the previous two-decades so that fair trade within the market place is ensured.

4.2 Key Issues in the Design of Poverty Interventions

According to IFAD (1996) no one institution or single strategy can effectively address all the causes and dimensions of poverty. Lustig (2000) and Nayaran et al (2000) suggest that poverty can be reduced through three interrelated strategies:

- The provision of opportunities for the poor
- The empowerment of the poor
- Ensuring political and social security

Although these are great ideas on paper they prove to be much more challenging in their implementation, particularly when considering the complex nature of food crop farmers' constraints and characteristics presented in section 2.4. Table 8 provides an overview of the key poverty strategies, which can be adopted within the agriculture sector.

Table 8: Overview of Key Poverty Reduction Strategies within Agriculture

Strategy for poverty reduction	Details
Providing opportunities for the poor to produce and create wealth include:	<ul style="list-style-type: none"> ➤ Horizontal and vertical diversification of agriculture production ➤ Provision of subsidised tools and credit (Wayo Seini, 1998) ➤ Access to productive resources including finance, technology and information ➤ Access to markets and fair prices ➤ Educate and improve the skills of the poor ➤ Provide choices to encourage the poor to “exit” from agriculture ➤ Start schemes that would enable the poor to obtain their own resources and become self-reliant (FBOs, Inventory credit schemes etc) ➤ Conserve natural resources. ➤ Ensure the poor have enough funds for their storage of produce (i.e. inventory credit as a way of hedging against glut)
Empowering the poor	<ul style="list-style-type: none"> ➤ Help the poor build self-esteem and help them participate in the development agenda ➤ Build their capacity to create wealth. ➤ Train the poor (youth, women and physically challenged) ➤ Build social networks (FBOs, CBOs) and groups to enable the poor to have information, and strengthen their ability to bargain and negotiate ➤ Economic empowerment: increase productivity and production. ➤ Participatory research and extension to include the context of the poor.
Ensuring security for the poor	<ul style="list-style-type: none"> ➤ Facilitating access of the poor to basic social services (e.g. Health and Education) ➤ Improving the financial capacity of the poor ➤ Strengthening the capacity of local NGOs and other rural service providers ➤ Control population growth in relation to productive capacity of the people ➤ Zero tolerance to wars and civil unrest ➤ Dismantle and review obstructive laws and policies (especially related to land, and women).

(Based on Amezah, 2001)

Haroun and Oduro (2000) suggest that practical steps for sustainable rural livelihoods in Ghana would include a much greater focus on improving productivity and income diversification of rural farmers. They suggest that improving productivity include:

- Increased resources to the agriculture sector to improve research and extension services.
- Improve rural infrastructure particularly due to vulnerability caused by climatic changes and dependency on natural rainwater harvest
- Curb the out-migration of youth and increasing costs of farm labour
- Improve the distribution of farm inputs
- Realisation that income diversification should be focussed on the agriculture sector
- Improve farmers incomes

Secondly, they suggest that income diversification should include horizontal, and vertical diversification and non-farm activities. Horizontal diversification within the agriculture sector would include "agriculture policies which induce farmers to abandon traditional subsistence considerations and include new and more rewarding enterprise combinations (Haroun, and Oduro, 2000)." Some of these combinations include tree crop cultivation, fish farming and livestock rearing as added activities to the food crop farming.

Vertical diversification includes adoption of activities which enhance the end use of the crop produce. For instance 70% of crop production goes into human consumption in contrast to other areas of the world where a greater proportion goes to animal feed. Vertical integration would require the development of cottage industries, which add value to food produced as well as market sophistication. Farmers in Ghana should explore value-added alternatives to imported items.

Non Farm activities are an important means for reduction rural poverty particularly to avoid the vulnerability of price fluctuation and seasonal variability. These are often essential to sustaining the family through the lean season particularly in female headed households (Haroun and Oduro, 2000). Non farm activities are also a key component to many poverty reduction approaches (see table 9.0 below).

4.3 Poverty Reduction Programmes in Ghana

Several poverty reduction programmes have been attempted in Ghana including the early attempts such as the Programme of Action to Mitigate the Social Costs of Adjustment (PAMSCAD) programme. NDPC (2001) suggests that the problem of lack of effective targeting was the reason for PAMSCADs failure. Over the last ten years MOFA/GOG has embarked on credit schemes for small-scale farmers (SCIMP) and improved agriculture related infrastructure (VIP).

The Social Development Fund and National Poverty Reduction Programmes are two vehicles for poverty reduction in Ghana. For a full analysis of these programmes see Asibey-Bonsu (2001). Table 9.0 below summarises some of the lessons

emerging from two programmes both implemented through different approaches and reveal some of the elements necessary for targeting and assisting rural food crop farmers in Ghana.

Table 9.0: Two cases of poverty reduction programmes in Ghana

Programme/project	Lessons for agriculture sector
National Poverty Reduction Programme (Dangbe West District) ³⁰	<ul style="list-style-type: none"> • Aims at building the capacity of individuals and groups within communities to apply newly acquired skills and knowledge in agro-based activities • Coverage in country: covers five districts in the most deprived areas covering five agro-ecological zones. The Dangbe West District involves 5000 direct beneficiaries and 2000 indirect in ten pilot communities • The programme uses participatory techniques in mobilising members of the community at all stages in the programme planning and implementation. • Several activities for training beneficiaries in employable skills including the training and initiation of bee-keeping, potters and bead makers associations • Training beneficiaries in income generation activities, which supplement their ongoing farming activities. • Introduction of technologies such as brick modelling, integrated pest management (IPM) • Formation and strengthening of CBOs and FBOs has been key to the programmes success.
The Upper East Region Land Conservation and Small holder Rehabilitation project (LACOSREP) 1992-1998	<ul style="list-style-type: none"> • The objectives of the programme are to increase food production and household incomes of poor rural families, establish mechanisms for environmental protection and improvement, strengthen formal and informal beneficiary organisations and improve the economic status of women through the provision of credit and income generating activities. • The interim evaluation suggested that the project was meeting most of the projected targets and had disbursed 98% of the loans by Feb 1998. • Technologies were transferred to farmers on soil and water conservation, control of major pests and diseases, and on early maturing varieties of staple food crops. The project also released credit to seed growers and rehabilitated a large number of dams in the region. • The evaluation reported that the water resource development component contributed significantly to food security, increased employment opportunities and improved household income by 45%. Farm employment was increased and opportunities for the rural poor were created. • Food production increased by 90% a result of increasing cultivation and yields under irrigation. This increase was a significant achievement due to the high levels of chronic food insecurity in the region. • There was some set backs such as: inadequate and untimely release of GOG counterpart funds which financed 60% of the projects operating costs. The severe floods in 1994 also destroyed some of the household farms.

These programmes both demonstrate the holistic approaches necessary to empower the poor and assist them transcend the poverty cycle. Both programmes require further study but enable us to understand the number of interventions needed to help the poor.

³⁰ Based on research conducted by Awadey, 2000.

4.4 Key Recommendations and Practical Steps for MOFA

The following section outlines some of the key steps for MOFA to consider as they embark on a more pro poor policy orientation. Many of these recommendations are supported by work by Wayo Seini, 1998 and the Ghana Poverty Reduction Strategy Core Team on Production. Practical Steps for MOFA would include:

Policy and Programming

- Reassessment of the AAGDS and the AgSSIP in light of the GPRS data and Prosperity study data on poverty reduction.
- Much stronger national campaign and orientation toward increasing national food production to ensure basic food security for all Ghanaians particularly the poor rural farmer.
- Re-examine the reinstatement of the food distribution and purchasing networks to help food crop producers get fair prices for their produce, particularly in the three northern regions of the country
- Special emphasis in all programmes for research and capacity building of MOFA on the needs of the small-scale food crop producers particularly in relation to extension services.
- Ensure that gender is mainstreamed across all the following proposals and that there be special emphasis on improving the capacity and access of women to basic services in rural areas.
- Stronger programmes to facilitate industry and farmer linkages through the outgrower schemes. Access to long term credit for agro-based industry in Ghana should be linked to ensuring that the poor participate
- GOG/MOFA to continue providing strong input, extension and co-operative services for agriculturalists particularly in the rural areas
- Adoption of poverty framework and more pro poor targeting measures in the monitoring, extension services and financial expenditure arrangements

Target interventions:

- Creating an enabling environment for the food crop producer would include: facilitation of market information, better transport facilities and reduced input costs for fertiliser and pesticides and the provision of basic tools.
- Provide incentives for small and weak private sector for take up services in the remote areas over the long term particularly in relation to out-grower schemes which focus on the poor.
- Strengthen and development of farmer co-operatives for accessing and distribution of food production.
- Provide incentive schemes for small-scale farmers to boost production levels. The removal of subsidies must be re-examined. Government should consider subsidies for providing basic farm implements and tools (i.e. cutlasses, fertiliser and pesticides particularly those which are organic based and locally produced)

- Education programmes, practical training and incentive schemes should be focussed on women and youth. Government should also target incentive schemes to the three northern regions of the country.
- Poverty mapping exercise should be implemented in target districts with a high incidence of poverty across all the agro-ecological zones.

Financing and Resource Allocation

- Ensure that agriculture expenditure is allocated on regional basis with emphasis on the northern regions
- Target poorest areas using a formula taking into account: relative wealth of the region, number of rural dwellers, and poverty profile.

Extension Services

- Ensure that a new approach to extension services advocated in the NAEP evaluation is considered increasing mobilisation of farmers groups and the collaboration with CBO's and NGOs in the country.
- Ensure a stronger emphasis on women's groups and the promotion of women Agriculture Extension Agents (AEAs).
- Broaden extension messages to include value-added information on the security of life (HIV and environmental management).

Monitoring and Evaluation

- Harmonise some of the needs for pro poor policy reform with the monitoring and evaluation systems developed under the NAEP. Particular emphasis should be placed on obtaining gender disaggregated and district disaggregated data as a beginning step.
- Consider the gradual adoption of the framework proposed in section 4.4 for assessing pro poor policy within the ministry using a functional analysis of various departments as a starting point.
- Conduct a mapping exercise, which establishes district level data in relation to agriculture production and poverty indicators. MOFA should analyse and use the census data to produce basic poverty maps based on six key indicators including: income data, employment status, employment by sector, access to basic social services (water, education and health), distance to education and health facilities and literacy levels per district. This would assist in the targeting of programmes.

Research needs

The paths to prosperity team also identified the following key issues as essential for future research.

- More sociological research is needed in MOFA to better understand the needs and priorities of the farmers under the poverty line (special focus on northern regions, food crop farmers, youth³¹ and women)
- Research into the rational for poor farmer's decision-making processes marketing and production decisions; also assess their capacity to harness and tap resources.
- More research is needed to assess the size and capacity of the agriculture related private sector, the civil society and FBO sector.³²
- More research to assess the effectiveness of extension services and cost effective alternatives for reaching the poor.
- Success stories and poverty reduction programmes such as inventory credit schemes, farmers co-operatives, out-grower schemes. The study should also include a cross section of GOG, NGO and donor supported programmes (i.e. IFAD).
- Lesson learned from district based interventions related to credit access, delivery, storage facilities, post harvest and strengthening of farmers groups
- More research is needed to consider the workings of the informal economy particularly related to the control of market queens and the inability of farmers' to hedge against prices and the failure of post harvest/storage adoption.
- Joint research with the Ministry of Finance to explore the impact of macro economic policies on the poor particularly in relation to liberalisation, private sector focus and the need for some Government interventions in assisting the poor (i.e. subsidies etc).³³

Research should be carried out with particular focus on the northern regions using a community based and inter- disciplinary approach carried out at a district level. Research should also have elements of action research to ensure up take by district level actors.

4.4 Proposed Poverty Framework within MOFA

MOFA should consider assessing its current operations using the following framework as a first step. Consultations should be held within MOFA senior staff to divide up this internal analysis and begin reorienting both strategies and operational activities toward the poor farmers.

Analysis of poverty sensitive policy or programming requires that the effectiveness, efficiency and relevance of the policy towards the poor be considered. The proposed framework considers the needs of the poor and the potential outcomes of policy and programming options. The proposed framework also uses the main tenets of strategies for empowering security and increasing the opportunities of the poor. It then looks at the programmes from an effectiveness, efficiency and sustainability perspective.

³¹ Particularly youth between the ages of 15 to 25.

³² Some work was started in the preparation for the Village infrastructure project (VIP) this should be reassessed by MOFA

³³ This research should include exploring different developing countries in Asia, Latin America and North America for comparison.

Table 10: Framework for analysis of poverty

Needs-Based Framework (draft)

Theme	Poverty Issue	Poverty-Sensitive Query
Opportunity	Capital assets ³⁴	physical: access to equipment, infrastructure, energy (for production and for agro-processing), safe storage, markets, roads/ transport
		finance: access to finance (for production and consumption); cost of credit (incl. transaction cost); timing of credit delivery (vis-à-vis farming season); timing of credit recovery (vis-à-vis harvest season); savings mechanisms; hedging opportunities (e.g., inventory credit); input costs; output prices
		natural: access to land, water for production; soil fertility; attention to ecosystems; attention to pests/ diseases
		human: access to production skills, information (know-how, marketing, inputs), life skills, good health/ nutrition; ³⁵ attention to inter-generational impacts
	Institutional linkages	co-ordination and harmonisation (within MoFA; between MoFA and other agric sector intermediaries -- public [both central and district levels], private, NGO, donor) complementarities with literacy, water, nutrition and other relevant services
Security	Income/ food security	production for sale (production beyond household self-sufficiency needs); attention to seasonality
		poor-friendly markets; market information
		poor-friendly service institutions; quality of technical support
	Physical/ personal security	conflict prevention/ resolution; constraining traditions access to basic social services, family planning, safety nets
Empowerment	Voice/ participation	involvement of smallholder farmers/ fisherfolk in <i>visioning</i> , planning, implementation and monitoring
		gender mainstreaming
		clarity of objectives
		proactive monitoring
	Governance/ institutions (in broad sense)	functional associations/ networks of poor; micro-political environment (incl. power relations in marketplace, transparency, downward accountability)

³⁴ Only the four "traditional" asset categories are included under this theme. For convenience, it is proposed to review social/political assets under the third theme -- "Empowerment".

³⁵ ... all of which the poor require to optimise productivity of their labour.

Outcome-Based Framework (draft)

Impact Criterion	Poverty-Sensitive Query
Effectiveness	productivity (on/off-farm) resilience to shocks and seasonal stresses constraints (strategic/design, institutional/ internal [incl. attitudes and technical factors], contextual/ external [incl. macroeconomic and global influences]) constraints to technology adoption (on/off-farm)
Efficiency	cost-effectiveness equity in resource allocation: ... narrow vs. broad targeting vs. combination of both
Relevance	responsiveness to needs and priorities of smallholder farmers/ fisherfolk short-term vs. long-term vs. both appropriateness re cost, culture-sensitivity, sensitivity to capabilities
Sustainability	have activities been (or can they be) continued beyond closure?: financial, technical, environmental, broad-based support, replicability concerns attention to seasonality attention to gender attention to wider concerns of processing and agri-business sensitivity to livelihood systems of others sectoral vs. holistic/ integrated remedial vs. transformative vs. both inter-generational implications/ child poverty concerns competence and (social) proximity of intermediary agencies
Targeting	Location (rural vs. urban, agro-ecological zone, administrative area, intra-district disparities) gender livelihood system literacy age narrow vs. broad ~ vs. policy environment

This framework should be used to assess the different functional aspects of MOFA and not be restricted to its policies and programmes. The framework should be used to ensure that MOFA's becomes more poverty sensitive taking into consideration the needs of the poor food crop farmers. A functional analysis of poverty within MOFA's operations at the very minimum should include the following elements:

- The programmes and policies of MOFA
- The financial and expenditure profile
- The institutional arrangements and channels of communication with the poor
- The monitoring and information systems for tracking information concerning the poor (MIS)
- Extension services

Conclusions:

There are several approaches MOFA can take in better orienting its policies and programmes towards the poor. This section has attempted to present some of the strategies which are recommended in the literature and highlight a few cases within Ghana. Ghana has reached a point where several strategies have been used to combat poverty. There is need to compile the lessons learned from these strategies and begin to scale up some of the principles and elements on a larger scale. Evidence from IFAD programmes within MOFA suggest that there is already experience and some level of success in targeting the poor within the agriculture sector. Apart from programmes which can be implemented for the poor, a more functional analysis is needed to re-examine the current policy mechanisms, financial expenditure and monitoring and evaluation systems within MOFA using criteria related to needs and outcomes of the poor. A framework for this analysis is presented in Table 10.

5.0 Conclusions

Focussing on poverty reduction means a focus on agriculture development and food security. The majority of Ghana's poor are rural farmers who in many cases lack the knowledge, inputs and capacity to feed themselves and their families. Making MOFA consider more pro-poor strategies over the next few years will require a full reorientation of MOFA's programmes toward its' largest clientele-- the poor rural farmer. Providing a healthy environment for the rural poor will require the establishment of macro economic adjustments, safety nets and measures particularly focussed on the rural poor in the three northern regions of the country where food insecurity is particularly dominant. A macro economic shift away from a solely liberalised approach to a "middle way" which revisits some of the networks and channels, which have been dismantled, is badly needed.

Improving the capacity of the private sector to take up services in the agriculture sector is a long-term strategy, which requires gradual adjustments and preparations for any country. The shift to a fully liberalised economy was not attempted in this manner and has left Ghana's food crop producers vulnerable to poverty and marginalised from the formal economy.

Immediate steps must be taken to target and empower the large and growing numbers of poor in Ghana's rural areas. This will mean that MOFA will have to forge strategic alliances with churches, NGOs, FBOs and other agencies at the district and community levels. MOFA will also have to engage closer with other ministries and agencies, which have, experience and can reach out to the poor (i.e. National Development Planning Commission, Department of Community Development and Mobilisation and Ministry of Women's Affairs).

In the short term this means:

- Providing incentive schemes for small-scale farmers to boost production levels and the removal of subsidies must be re-examined. At the very minimum Government should consider subsidies for providing basic farm implements and tools (i.e. cutlasses, fertiliser and pesticides particularly those which are organically based and locally produced)
- To provide long term loans at substantially reduced interest rates for agro-based industry that invest in out-grower schemes aimed at women, youth and the poor.
- Education programmes, practical training and incentive schemes should be focussed on women and youth groups who are organised as co-operatives. Government should also target incentives schemes to the northern regions.

Working with the poor rural farmer will continue to be a challenge for MOFA unless they improve their understanding of the needs, magnitude of the problems and constraints the poor face in making agriculture a viable livelihood. This will be an essential step towards sustainable agriculture growth and development in Ghana particularly in light of the limitations within MOFA itself (i.e. number of extension

officers and current policy orientation). New approaches, which provide increasing support to NGOs', FBOs, other co-operative associations will be essential if the rural poor farmer are to be involved in agriculture development strategies which target and involve them.

The most effective and sustainable measures will be those which require a poverty sensitive approach at the macro economic level. This will involve a reorientation of the current agriculture development policy away from reliance solely on the private sector and the recognition that "engine of growth" will depend on measures put in place for creating an enabling environment for both the private sector and the rural food crop farmers. Key to helping the poor escape from poverty will be the ability of government/MOFA to design policies and strategies, which ensure basic levels of food security for the rural poor food crop farmer.

In order to achieve these aims Government will have to open a national dialogue on macro economic policy and agricultural development in light of the current poverty reduction schemes. They will also have to ensure that food-marketing networks are re-established and that the post harvest/storage technology is introduced at a subsidised cost for rural farmers. These measures will increase production and ensure that if the poor rural food crop farmer remain in agriculture and increase production they will be able to improve their quality of life.

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